

NON-AGRICULTURAL EMPLOYMENT STAGNATES

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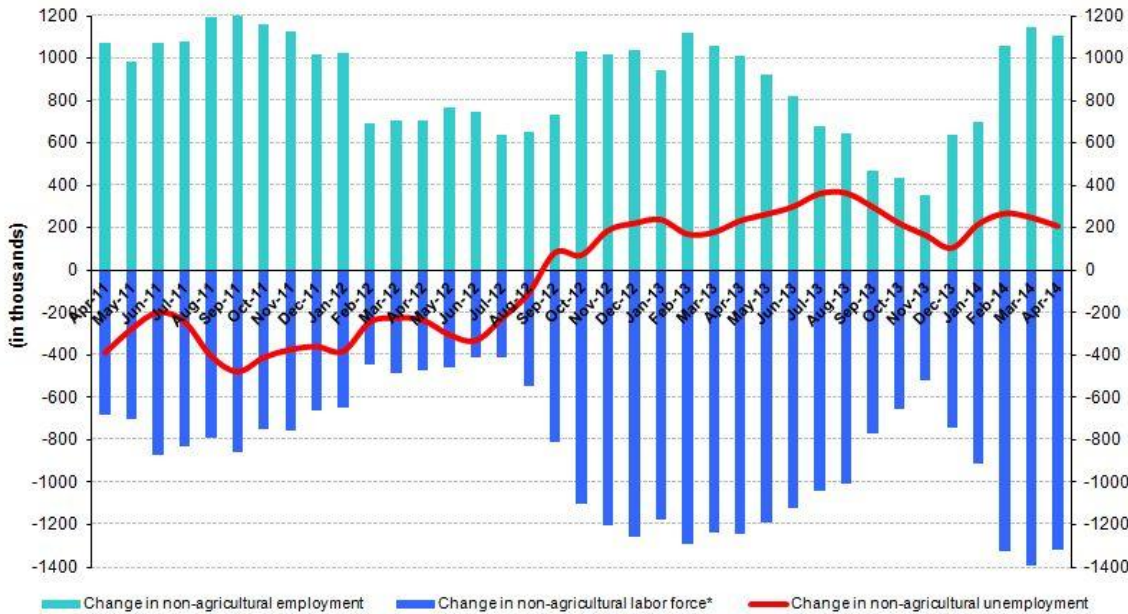
Abstract

Seasonally adjusted labor market data shows that non-agricultural unemployment rate increased by 0.1 percentage point and reached 11.1 percent in the period of April 2014 compared to the period of March 2014. According to predictions based on the seasonally adjusted application per vacancy statistics calculated using Kariyer.net, non-agricultural unemployment will increase in the period of May 2014.

Stagnation in both non-agricultural labor force and employment

According to the data released by TurkSTAT, non-agricultural labor force increased by 1 million 315 thousand (6 percent) and non-agricultural employment increased by 1 million 108 thousand (5.7 percent) in the period of April 2014 (Figure 1). Consequently, the number of persons unemployed in non-agricultural sectors increased by 207 thousand. However, we believe that the revisions in labor market series are the culprit behind these increases. Annual increases in non-agricultural labor force and employment have been stagnating for the last 3 periods (Figure 1).

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**

An increase of 0.1 percentage point in non-agricultural unemployment

According to seasonally adjusted data, non-agricultural labor force increased by 62 thousand in the period of April 2014 compared to the period of February 2014, and reached 22 million 992 thousand (Figure 2, Table 1). Non-agricultural employment increased by 32 thousand and reached 20 million 440 thousand. Hence, the number of persons unemployed in non-agricultural sectors increased by 30 thousand. Non-agricultural unemployment rate

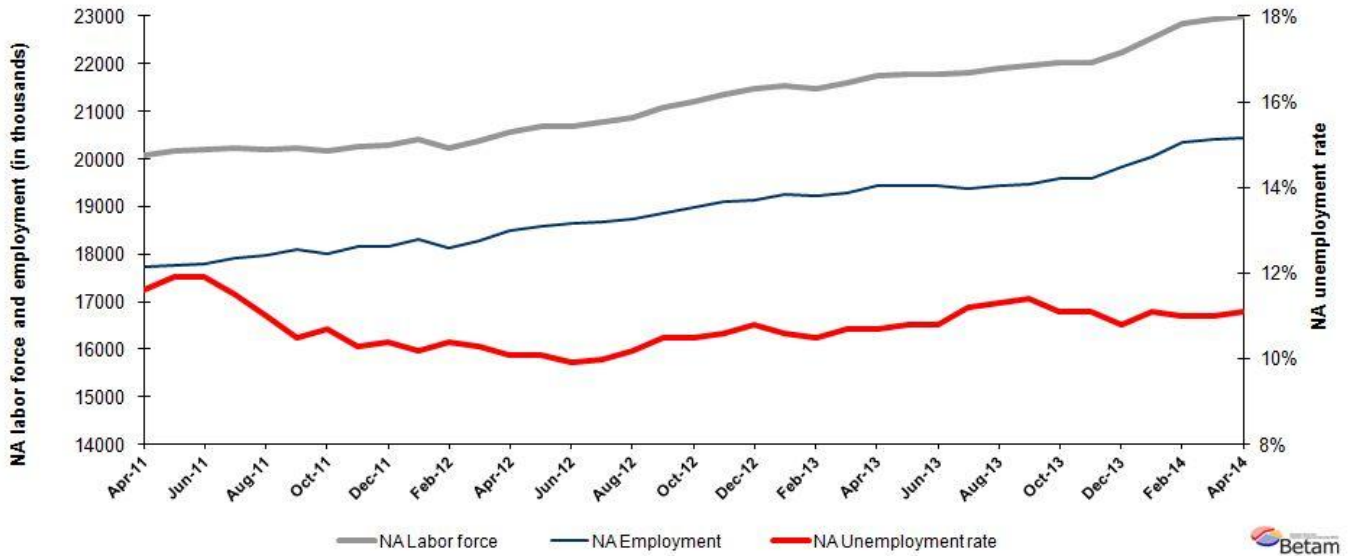
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increased by 0.1 percentage point and reached 11.1 percent in the period of April 2014 compared to the period of March 2014.

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

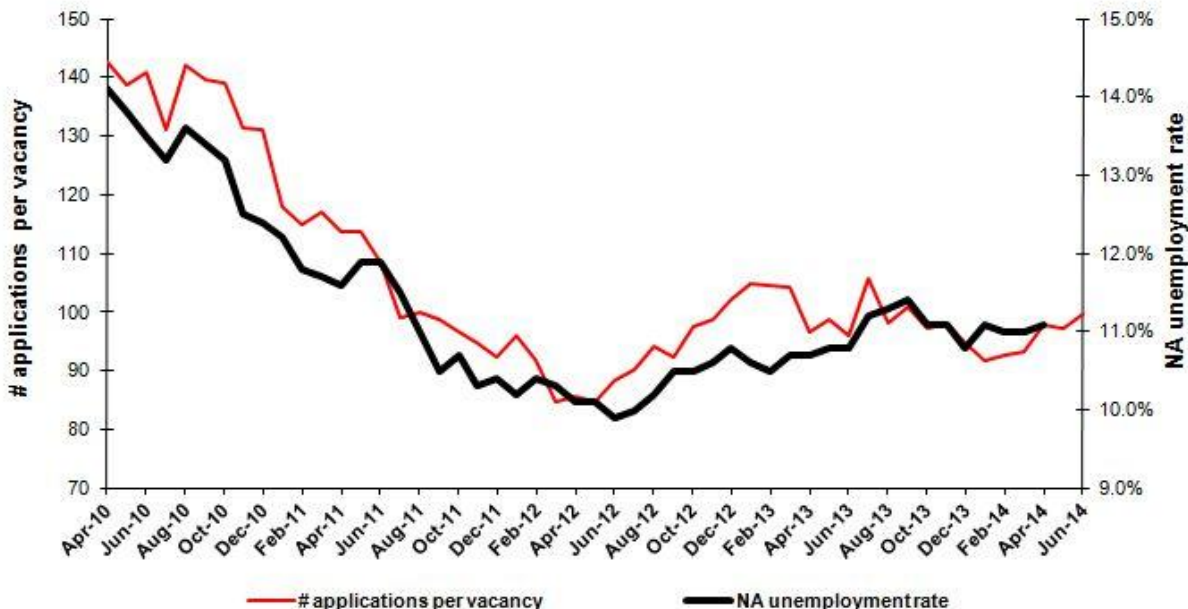


Source: TurkStat, **Betam**

According to Kariyer.net data, non-agricultural unemployment will increase

Predictions based on the seasonally adjusted application per vacancy statistics calculated using Kariyer.net¹ and prediction model proposed by Betam researcher Barış Soybilgen indicate that non-agricultural unemployment will increase in the period of May 2014. The prediction model could be found in the Betam Research Brief 168.

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



Source: Kariyer.net, TurkStat, **Betam**

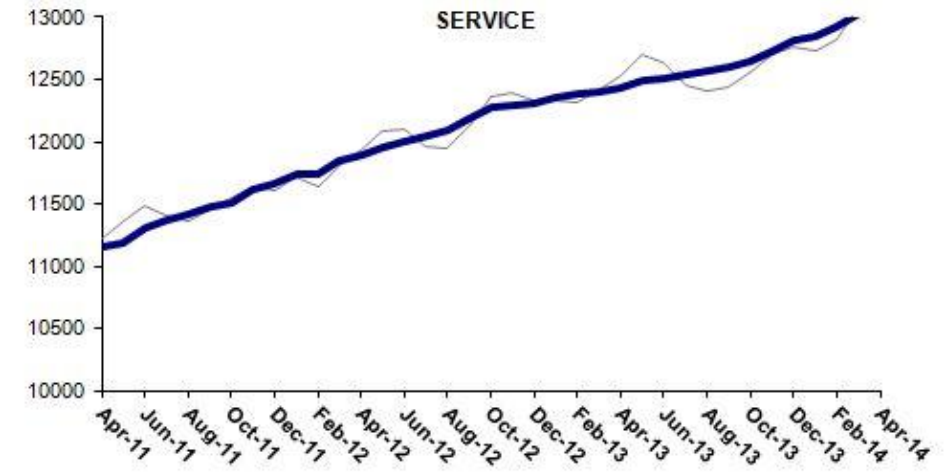
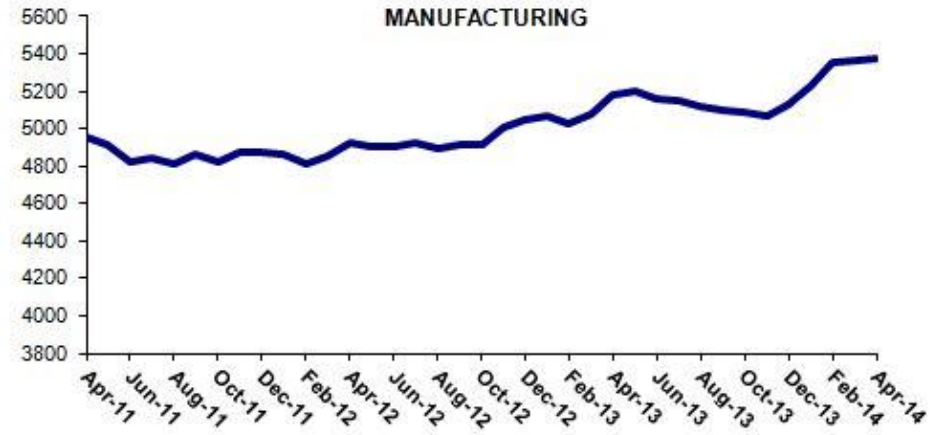
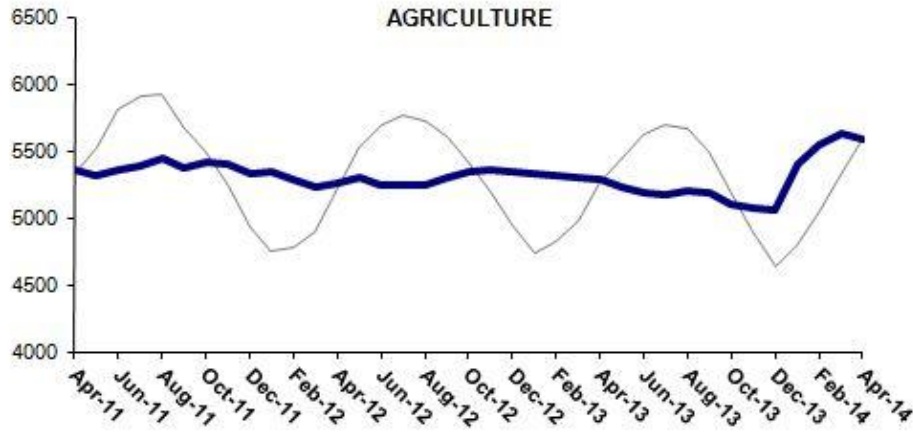
¹ Betam has been calculating application per vacancy using series released by Kariyer.net for a while. Seasonal and calendar adjustment procedure is applied to application per vacancy series. A decrease in applications per vacancy may be caused by an increase in vacancies or by a decrease in the number 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. Monthly labor market series released by TurkStat is the average of three months. Therefore, application per vacancy statistics calculated using Kariyer.net series is the average of three months as well.

Service sector continues to create employment

Seasonally adjusted sectoral labor market series show that employment in construction sector decreased by 80 thousand in the period of April 2014 (Table 2, Figure 4).² Employment in manufacturing has been stagnating for the last two periods. On the other hand, employment in service sector increased by 100 thousand in the periods of March and April 2014.

² Employment in each sector is seasonally adjusted 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.

Figure 4 Employment by sectors (in thousands)³



Source: TurkStat, Betam

³ Grey lines indicate seasonally adjusted series, where dark blue lines represent raw data.

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

	Labor force	Employment	Unemployment	Unemployment rate	Monthly changes		
					Labor force	Employment	Unemployment
March-11	19907	17578	2329	11.7%			
April-11	20075	17746	2329	11.6%	168	168	0
May-11	20167	17767	2400	11.9%	92	21	71
June-11	20208	17803	2405	11.9%	41	36	5
July-11	20241	17913	2328	11.5%	33	110	-77
August-11	20206	17983	2223	11.0%	-35	70	-105
September-11	20232	18108	2124	10.5%	27	125	-98
October-11	20171	18013	2158	10.7%	-61	-95	34
November-11	20250	18164	2086	10.3%	78	151	-73
December-11	20281	18172	2109	10.4%	32	8	24
January-12	20403	18322	2081	10.2%	122	150	-28
February-12	20225	18122	2103	10.4%	-178	-200	22
March-12	20385	18285	2100	10.3%	159	163	-4
April-12	20556	18480	2076	10.1%	172	195	-23
May-12	20671	18583	2088	10.1%	115	103	12
June-12	20684	18636	2048	9.9%	13	53	-40
July-12	20767	18690	2077	10.0%	83	54	29
August-12	20875	18746	2129	10.2%	109	56	53
September-12	21080	18867	2213	10.5%	205	121	84
October-12	21202	18976	2226	10.5%	122	109	13
November-12	21361	19097	2264	10.6%	159	121	38
December-12	21463	19145	2318	10.8%	102	48	54
January-13	21531	19249	2282	10.6%	68	104	-36
February-13	21486	19230	2256	10.5%	-45	-19	-26
March-13	21599	19288	2311	10.7%	113	58	55
April-13	21753	19425	2328	10.7%	153	137	16
May-13	21794	19440	2354	10.8%	41	15	26
June-13	21789	19436	2353	10.8%	-4	-4	0
July-13	21827	19382	2445	11.2%	37	-54	91
August-13	21901	19426	2475	11.3%	74	44	30
September-13	21970	19465	2505	11.4%	69	39	30
October-13	22029	19584	2445	11.1%	60	119	-59
November-13	22039	19593	2446	11.1%	10	9	1
December-13	22251	19848	2403	10.8%	212	255	-43
January-14	22557	20053	2504	11.1%	306	205	101
February-14	22853	20339	2514	11.0%	296	286	10
March-14	22930	20408	2522	11.0%	78	69	9
April-14	22992	20440	2552	11.1%	62	32	30

Source: TurkStat, **Betam**

Table 2 Seasonally adjusted employment by sector (in thousands)

	Agriculture	Manufacturing	Construction	Service	Monthly changes			
					Agriculture	Manufacturing	Construction	Service
March-11	5462	4914	1623	11040				
April-11	5359	4958	1637	11150	-103	44	14	110
May-11	5313	4915	1661	11191	-46	-43	24	41
June-11	5362	4826	1675	11301	49	-89	14	110
July-11	5380	4846	1701	11367	18	20	26	66
August-11	5441	4816	1759	11408	61	-30	58	41
September-11	5374	4866	1762	11481	-67	50	3	73
October-11	5409	4823	1680	11510	35	-43	-82	29
November-11	5403	4870	1672	11622	-6	47	-8	112
December-11	5329	4873	1640	11659	-74	3	-32	37
January-12	5336	4864	1713	11745	7	-9	73	86
February-12	5283	4808	1567	11746	-53	-56	-146	1
March-12	5232	4850	1582	11853	-51	42	15	107
April-12	5260	4930	1660	11890	28	80	78	37
May-12	5307	4908	1725	11951	47	-22	65	61
June-12	5250	4900	1735	12001	-57	-8	10	50
July-12	5248	4926	1723	12041	-2	26	-12	40
August-12	5240	4892	1756	12098	-8	-34	33	57
September-12	5306	4911	1776	12179	66	19	20	81
October-12	5349	4917	1784	12274	43	6	8	95
November-12	5360	5003	1804	12289	11	86	20	15
December-12	5346	5051	1785	12309	-14	48	-19	20
January-13	5335	5073	1827	12350	-11	22	42	41
February-13	5308	5023	1818	12389	-27	-50	-9	39
March-13	5296	5083	1799	12406	-12	60	-19	17
April-13	5288	5176	1822	12427	-8	93	23	21
May-13	5230	5200	1746	12493	-58	24	-76	66
June-13	5181	5163	1761	12512	-49	-37	15	19
July-13	5176	5146	1702	12533	-5	-17	-59	21
August-13	5193	5117	1737	12573	17	-29	35	40
September-13	5189	5096	1769	12600	-4	-21	32	27
October-13	5106	5090	1851	12644	-83	-6	82	44
November-13	5068	5064	1804	12725	-38	-26	-47	81
December-13	5058	5131	1908	12808	-10	67	104	83
January-14	5406	5232	1974	12846	348	101	66	38
February-14	5544	5359	2051	12928	138	127	77	82
March-14	5622	5365	2011	13032	78	6	-40	104
April-14	5592	5373	1931	13137	-30	8	-80	105

Source: TurkStat, **Betam**