



The New Standards of Measuring Employment and Possible Effects on the Turkish Labour Market Indicators

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Household Labour Force Survey is our main source to observe labour market situation in Turkey. Survey (LFS) has been applied regularly since 1988 in line with the ILO definitions and since January 2014, LFS started to be implemented in every week of the year continuously. With 2014 some changes also occurred in the questionnaire and LFS covered the new questions reflecting the new ICLS status. These questions are about main activity of work (agriculture or other than agriculture), primary goal of agricultural activity and the value of the products which produce their own consumption.

Employment and unemployment rates are not only important and most used labour market indicators but also regarded as important indicators of labour market performance. According to the 19th International Conference of Labour Statisticians (ICLS), five exclusive forms of work are identified. One of them is own-use production for household final use. This form of work is no longer included in the scope of employment. Individuals in the household only producing goods intended mainly for their “own final use” will not be counted in the employment. However, if the goods are intended “mainly for sale” irrespective of whether the goods are sold or not, these are considered as employed. In the current situation, individuals are included in employment if the value of their producing products satisfies a significant amount of their annual food expenditures (at least 51%). But according to the new ICLS definitions, this type of activity will not be covered in employment, if the main purpose of the production is not for the market.

This is a major change for countries where most or many workers are engaged in subsistence agriculture with little or no engagement with the market economy like Turkey. According to 2014 annual results, number of employed persons aged 15 years old and over realized as 25 million 933 thousand persons. Of those who were employed in 2014; 21.1%, almost 5.5 million, was in agriculture. In agriculture sector, 206 thousand employed persons produced goods mainly for their own final use. According to the new standards persons engaged in this kind of activity will be counted as own-use producers and their labour force status will be either unemployed or outside the labour force depending on their job search and availability. In current situation job search and availability questions aren't asked to these persons but considering the additional job search questions almost all of these 206 thousand employed persons will be counted as inactive. As a result of this implementation, employment rate was decreased 45.1% from 45.5%.

New measures of labour underutilization including time-related underemployment, unemployment and the potential labour force also introduced in the 19th ICLS. First of these four indicators is current unemployment rate which was realized as 9.9% in 2014. Combined rate of time-related underemployment and unemployment was 12% and combined rate of unemployment and potential labour force was 17.1% according to 2014 results in Turkey. Composite measure of labour underutilization was also realized as 19%.

This presentation will provide an overview of the main changes introduced in the new international standards on statistics of work, employment and labour underutilization. Also, the potential impact of new resolutions, especially persons engaged in the production of goods for own-consumption, will assess by using 2014 results.

Keywords: Labour Force Survey; ICLS; Employment; Own-use production