WOMEN IN BUSINESS

EXECUTIVE SUMMARY

The present report consists of two parts.

In the first part authored by Prof Oğuz Karadeniz and Assoc. Prof Hakkı Hakan Yılmaz, women’s position in labour market is addressed under three main headings as labour force participation, employment, and unemployment. This evaluation is made firstly at global level through comparisons between developed and developing countries, and secondly with respect to rural/urban distinction in Turkey under each heading. This part investigates changes in female labour force in Turkey. Two different methods were used in these analyses. The first method compares different time periods on the basis of different criteria for the same age groups. As an alternative, the cohort analysis method was also used in which not age groups but years of birth are taken as basis so as to be able to measure the effect of shorter-term factors (i.e. measures for childcare geared to promoting employment, for example increase in the number of childcare centres, skill building courses for women, etc.).

The second part by Prof Kadriye Bakırçı focuses on problematic areas in relevant legislation and makes suggestions as to what needs to be done to promote women’s employment in the light of international conventions ratified by Turkey as well as European Union legislation.

PART ONE

Women’s Participation to Labour force and Employment

Also under the impact of the global crisis of 2007, labour force participation dropped by 1.1% relative to 2016 and turned out as 51.1% in 2012. In Turkey, the rate increased by 5.9 percentage points since 2006 and became 29.5% in 2012. The rate of employment for women is 47.9% as global average for 2012. It is 26.3% for Turkey and there has been an increase of 5.3 percentage points since 2006. There has been a decrease by 1.1 percentage points in global employment of women since 2006. In the period 2006-2012, the highest increase in women’s employment compared to EU Member States took place in Turkey with 5.2 percentage points second to Malta only. This development in Turkey must be attached importance given the global decline in women’s labour force participation and employment. However, it must also be noted that Turkey stands well below global averages in both labour force participation and employment of women.

Examining the sector-based distribution of women’s employment by regions in the world, we find that the share of agriculture in developed and EU countries is very small whereas that of the services sector is the highest relative to other regions of the world. South Asia is the region where the share of agriculture in women’s employment is the highest, and it is also the region where the share of women in the services sector is the lowest. The share of agriculture in women’s employment is, on average, 68.4% in South Asia, 35% as the world average, 2.7% in developed economies and EU, and 39.3% in Turkey.
Unpaid family labour deprived of social rights is quite common both in Turkey and in the world, and women’s access to paid jobs is limited in many regions (ILO, 2012). While South and East Asia and African countries represent the highest incidence of unpaid family labour, those remain under the world average include EU countries, countries in central and southern Europe, Latin America and Middle East. The rate of unpaid family labour in Turkey is above the world average (23.6%) with 33.6%.

Unemployment in the World

The worldwide economic crisis has further increased gender inequality in labour markets that already existed (ILO, 2012). In the period 2002-2007, before the global crisis, the difference between male and female rates of employment averaged as 0.5 percentage points (as of 2007 the rates of male and female unemployment were, respectively, 5.8% and 5.3%). It increased to 0.7 percentage points in 2011 (as of 2011 the rates of male and female unemployment were, respectively, 6.4% and 5.7%). The 2013 and 2017 projections of the ILO for this difference suggest no decrease. According to the ILO report Global Employment Trends for Women published in 2012, there were three important factors coming to the fore in widening of this margin: The practice of temporary contract based employment more common among women than men; difference in educational background of women; and male-biased preference for some jobs in labour markets.

Overall Situation in Turkey

Labour force participation: Examining labour force participation rates by age groups we see the most remarkable change for women in the age group 40-44. It is followed by the age group 45-49. Changes taking place in these age groups can be attributed, on the one side, to increase in the number of women caring for disabled persons at home while receiving social assistance from the state amounting to net minimum wage, and to increase as a result of modification in retirement age in 1999.

The ILO explains increases in labour force participation and employment of women in relatively older ages by lengthened stay in working life as a result of higher levels of education. The same report states there is fall in labour force participation and employment of younger women as a result of longer years in education. A similar trend can be observed in Turkey as well. As women’s participation to labour force and employment increases at advanced ages, there is 1.5 percentage points of fall relative to 2006 in the younger age group defined as 15-19. This situation may be attributed to higher rates of enrolment to secondary and higher education by women. Coming to men, the most pronounced development in rates of participation to labour force relative to 2006 is observed in age groups 45-49 and 50-54. The effect of higher retirement age should not be missed in explaining this.

Increases in labour force participation are observed mainly in urban environments. There is increase in labour force participation of primary and basic education graduate women. Women’s labour force participation increased by 6.6 percentage points in urban settings from 2006 to 2012, and by 3.8 percentage points in rural areas in the same period. Relative to the year 2016, there is increase in women’s employment in education and health and other sectors
covering social services. The sector of agriculture still has the highest share in women’s employment (39.29%).

Evaluation of Labour Force Participation and Trends in Employment through Cohort Analysis

The cohort method enabling the measurement of shorter-term factors (Glenn, 2005) makes it possible to compare labour force outcomes for the same age group (cohort) in two different periods. This analysis is based not on age intervals but years of birth.

By years of birth in the cohort analysis, there was remarkable increase in three women groups from 2007 to 2012. These groups are, by their years of birth, 1978-1982, 1973-1977 and 1968-1972 age groups. In these groups, the highest increase is observed for primary school graduates. Taking these three groups together, we see that 495,000 female primary school graduates in total who were out of labour force in 2007 joined it in 2012. 63.6 % of these women from mentioned age groups participated to labour force in urban areas.

Outcomes of analysis on labour force participation repeat themselves in employment data as well: There is significant increase in the employment of women in groups 1978-1982, 1973-1977 and 1968-1972 over the year 2007. Since 2006, 765,000 women from these groups joined the ranks of the employed. It is observed that these new entrants are mainly primary school graduates running parallel to their labour force participation. Indeed, 460,000 of these 765,000 women are primary school graduates (60%).

Examining these newly participating groups at urban level we see higher education graduates coming to the fore together with primary school graduates (while the newly created employment of these 3 groups amounts to 482,000, 243,000 of this total are primary school and 178,000 are higher education graduates).

Examining the distribution of newly joining 765,000 women (focus group) to agriculture and non-agricultural sectors we find 64% employed in non-agricultural sectors. This increase in employment in non-agricultural sectors is important. Nevertheless, it must be borne in mind that this increase also includes women attending to elderly persons at home and those receiving social assistance from the state (about 423,000 women as of November 2013).

The employment status of groups of women recently participating to employment appears mainly (55%) as “waged or salaried.” 34% of this newly joining group are unpaid family workers and it has its important share in increase.

Of 3 age groups (focus group) comprising women who have recently been employed 29% work in unqualified jobs, 22% in agriculture, 16 in services and as sales agent, and 11 in professional occupations. 94% of these women have a single job and are not engaged in any additional work.

53% of the focus group specified is registered with social security agency. As to their marital status, they are mostly married.
There may be several reasons for increase in women’s employment in the period 2007-2012. One is provision of social assistance amounting to net minimum wage to women who give care to disabled persons in households under the threshold of poverty. Increase in the employment of women in the age group 40-44 may be at least partly attributed to this.

Nevertheless there were also some reforms in the period 2007-2012 to promote women’s employment in labour market.

We think there are some changes in structural factors that influence women’s participation to labour market in Turkey since 2007 when the first TÜRKONFED report was published. In spite of positive developments mentioned in the preceding section women still work in low paid jobs. There are obstacles to their access to social protection. Further, child and elderly care services are insufficient and relatively expensive. There are no ground-breaking or significant transformations in social factors that impede women’s employment including low levels of education-training, roles prescribed for women in the context of household work, and negative social attitudes to women’s employment in paid jobs.

High costs of child and elderly care and low wages offered may dissuade women from participating to labour force. In other words, the shortfall of prospective returns from employment given the cost of child and elderly care services and absence of practices to conciliate work and family life drive women away from labour markets. Any decision to participate may also be abandoned because of long working hours and family obligations.

Many programmes for promoting women’s employment were implemented from 2007 when the TÜRKONFED report on women’s employment was published to the end of 2013. The prominent ones among these programmes include increase in occupational training and entrepreneurship courses for women, support extended to female entrepreneurs, public benefit programmes, conveniences for social security contributions designated to encourage the employment of women, and maternity loans.

On the basis of İŞKUR activity reports, it can be said that some 1.5 million people benefitted from these programmes in the period 2009-2013. About 42% of people participating to these programmes are women. The share of women in labour force training courses is 59%, 24% among participants to public benefit programmes, and 47 % in entrepreneurship programmes. Meanwhile the İŞKUR improved institutional capacity and recruited now job and occupation counsellors. The number of unemployed persons registered with İŞKUR increased about 4 times in the period 2008-2012 and exceeded 1 million. The number of women beneficiaries of social security contribution incentives reached 115,000 as of August 2012.

There were legislative arrangements improving women’s access to social security including maternity loans on a 4-year term for two children born following the first registry of women with the social security system. Women giving birth before their registry and own-account working women cannot benefit from these arrangements.

Again in the field of social security, there are also programmes of discounted social security contributions for home-based own account workers and daily paid workers in agriculture. Part-
time workers are entitled the right to loan-based or other forms of payment for their missing days. It must be added, however, that low level of income of part-time working women does not allow for this payment either directly or on loan basis.

The following suggestions are considered as relevant interventions to promote women’s labour force participation and employment:

1. To raise the level of net wage of women, income tax and worker’s share in social security contribution of women newly joining the labour force may be reduced. Similar incentives may also be applied to nursing women and those who enter business life. Another way of extending income tax support is differentiated application of income tax up to a period of three years if the child of the working woman attends crèche. This policy also means support to care services and a significant financial resource for the institutionalization of care services in both private and public sectors. In the light of these comments, the arrangement of minimum living allowance discount must be reconsidered and rearranged so as to support women’s employment in identifying differences between working people.

2. There must be arrangements to ensure work-family balance for those having their family obligations. Any employer who has to replace his birth-giving worker with a new one may be supported in terms of wage payment and social security contribution in case he recruits this new worker through the İŞKUR.

3. Part-time work by those having family obligations must be supported if they prefer to work this way; however, part-time work must be considered together with other forms of support and not allowed to turn into a mode of work that brings along pauperization.

4. In case working part-time, wages and underpaid long-term social security contributions of women with their family obligations must be covered by the unemployment insurance fund for a specific period of time (i.e. for three years). Male workers must be entitled to paternity leave and equal sharing of family childcare responsibilities must be ensured.

5. Childcare services must be extended and supported. Besides existing legal obligations, given the differentiated needs in demand for services, local governments, civil society organizations and employers’ organizations must develop models for early childhood services in order to ensure the utilization of resources efficiently and in line with priorities. These can be models focusing on continuous care and education services as well as others that encompass specific periods and themes like playrooms, child homes, public service volunteers and education centres. Social and economic support to be provided to these initiatives must be considered particularly in the context of local initiatives.

6. There must be family assistance insurance to partly finance childcare services and a care insurance fund for the disabled and elderly.

7. In its 2013 report on the disabled in need of care, the Ministry of Family and Social Policies states there are 930,395 persons in need of care as of 2013 and estimates that this figure will rise to 1,131,107 in 2020. The introduction of care insurance scheme can be expected to boost employment in two ways. Firstly, this may help the employment of women who actually want to work but cannot do so because of elderly and disabled care at home. Secondly the introduction of care insurance scheme will institutionalize care services which mean the emergence of new employment opportunities.
8. Bureaucratic procedures related to social security contribution incentives must be simplified and problems deriving from implementation must be solved.

9. Shortening of working hours is, in general, one of the leading instruments to boost employment. As of 2011, Turkey is one of the countries with longest working hours in OECD. Despite a shortening by 2 hours in the period 2006-2011 weekly working hours is 46 hours for women and 52 hours for men. In the Netherlands, with one of the highest rates of women in employment, weekly working hours is 24 hours for women and 34 hours for men. Only by ensuring strict compliance with the Labour Code and keeping weekly working hours as specified (45 hours a week) an additional employment effect can be obtained. At the same time, however, there is need to reduce the cost of additional employment to employers.

10. Women’s access to social security must be improved. In cases where women participate to the labour force for the first time following maternity and where they have worked for at least 10 years, there must be full state compensation of the period when women were absent from work due to child birth for the first child, and half compensation for the second child. This arrangement will increase women’s employment and thus lead to increase in contribution returns and improve the actuarial balance of the social security system. Further, maternity loans must be made available to independently working women within the social security system as well. Social security contributions of women engaged in domestic work must be reduced by half along with bureaucratic obligations of employers using domestic workers. Access to unemployment, health, and old age insurance benefits must be eased for women who work part-time. Missing days in health insurance contributions of part-time working women must be covered by the state. Part-time workers must be entitled to minimum old-age pension as full-time workers.

11. Bringing up the education level of women is a medium and longer-term policy. Still, reducing school dropouts by girls and ensuring their attendance to vocational high schools and colleges will contribute to skills and competencies of women in labour markets. Crèche and boarding services must be provided to women with children who attend İŞKUR’s vocational training courses.

12. Introducing a quota of 60% for women in Public Benefit Work, On-the-job Training, Occupational Training and Entrepreneurship programmes presently implemented by the İŞKUR will be effective in increasing women’s employment. The incentive amounting to 20,000 TL that the KOSGEB extends to SMEs (small and medium size enterprises) in case they employ university graduates must be increased for women.

**PART TWO**

The right to work is a fundamental human right. Hence, international conventions that Turkey is a State Party to, the EU legislation that Turkey committed to adopt as domestic legislation, and our Constitution safeguard the exercise of the right and freedom to work on equal basis by all.

In spite of this legal setting, the rate of women without the right and freedom to work, that is unemployed women is much above men. ([www.tuik.gov.tr](http://www.tuik.gov.tr)). According to July 2013 data from
the Household Labour Force statistics of the Turkish Institute of Statistics (www.tuik.gov.tr) only 31.6% of women at working ages are in paid jobs. This is still too low despite indicating a significant increase from 20% in 2007. As in 2007, Turkey is still at the bottom of the list in women’s employment relative to the OECD (http://www.oecd-ilibrary.org/employment/employment-rate-of_women_20752342-table5) and EU countries (http://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do). The average for EU countries shows that 65.9% of women at working ages are included in labour force.

Meanwhile 57.8% of employed women work in informal jobs without any social protection, and unpaid family workers make up 57.9% of this group. (www.tuik.gov.tr).

TÜİK data demonstrates strikingly the gender-based horizontal division of labour or gender-based horizontal differentiation. The lead sector in the employment of women is services also referred to as the “sector fit for women” (45.9% of total female employment). The share of industry is 14.3% (www.tuik.gov.tr).

Studies also reveal vertical differentiation in labour force (i.e. World Bank).

According to data from TÜİK’s Household Labour Force Survey (August 2013), 59 out of 100 women not included in labour force state the reason as “engagement in household work” (www.tuik.gov.tr).

Besides being an international obligation for turkey, the promotion of women’s employment also constitutes one of the priority issues in Turkey’s EU accession process.

Besides problems related to economic, social, cultural and educational factors, gaps in legislation and legislative arrangements also have their share in the present low level in the employment of women. Firstly some legislative arrangements relating to working women are too old. Secondly, even the recent ones including the Labour Code no. 4857 (LC) are lamed with gaps for having been developed without taking due account of women’s real needs and any comprehensive study on working women. Furthermore, there are also problems stemming from not duly implementing the existing legislation.

The 2007 Women in Working Life Report had criticized constitutional provisions relating to women’s employment, the LC, associated Regulations, and arrangements in other legislative acts supplementing the LC for not sufficiently encouraging and facilitating women’s labour force participation, having significant gaps, and thus running counter to international conventions ratified by Turkey as well as the EU legislation.

Since the publication of the 2007 report, no improvement has taken place in some problem areas mentioned in the report. While there have been some improvements, though insufficient, in some laws and areas, some of them remained mainly on paper or led to some new problems. There are also some areas in which regression in women’s rights can be observed, and it is presently in agenda to recede from some earlier steps taken forward.
In sum the Turkish legislation still lacks provisions and arrangements encouraging and facilitating women’s participation to employment. Hence, there is need for going over the legislation as a whole.

Legislative initiatives geared to promote women’s employment are addressed in this section under the following headings: Improving women’s occupational skills and competencies; preventing any gender-based discrimination in labour force; ensuring equality and ban on discrimination; conciliation of work and family life; encouraging employers to recruit female workers formally; improvements in social security legislation; monitoring and supervising equality in employment; representation of women in mechanisms relating to employment; representation of those facing discrimination; strengthening inter-agency coordination in issues related to women’s employment; importance of keeping statistical data; dialogue with non-governmental organizations; encouraging women’s participation to politics; and presence of women in processes leading to legislative changes.