

# WOMEN'S ECONOMIC EMPOWERMENT FOR SUSTAINABLE DEVELOPMENT

*Women's economic, political, and social empowerment is a prerequisite for sustainable economic and social development. Women's participation in the labor force still requires significant attention in Turkey, with the current labor force rate at 33.6 percent. The Women Entrepreneurs Association of Turkey has advocated for women's access to the economy since 2002, however; current statistics on Turkish women's participation in the workforce is starkly lower compared to many OECD countries. There is no doubt that Turkey will benefit from the inclusion of women in the workforce in terms of economic and social development. In this article, women's economic challenges and opportunities in Turkey will be explored and solutions will be recommended.*

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**W**omen’s economic, political, and social empowerment is a prerequisite for sustainable economic and social development. Achieving women’s empowerment requires sound public policies, a holistic approach, and long-term commitment. Additionally, gender-specific perspectives must be integrated at the initial stage in designing policies and national programs. Although women’s participation in economic, political, and social life has improved in Turkey, it is still not sufficient enough to comprehensively provide women empowerment. This article will examine the economic condition of women in Turkey, as well as address the implementation opportunities and challenges vis-à-vis women’s participation in the economy.

### *Women in the Turkish Economy*

Women’s participation in the labor force still requires significant attention in Turkey as illustrated by a participation rate of 33.6 percent in the labor force.<sup>1</sup> There is no doubt that women constitute a huge untapped resource in the Turkish economy. The equality between women and men is set as one of the major priority areas for policy development throughout the world. In fact, the targets of Turkey 2023, G20’s 25 by 2025, and EU 2020 all overlap in several fields regarding gender equality.

According to the Women Statistics 2018 data of the Turkish Statistical Institute in Turkey, the female employment rate<sup>2</sup> is 28.9 percent.<sup>3</sup> Despite the low proportion of the female population actively looking for employment, the female unemployment rate is higher than that of the male unemployment rate. Out of 30 million women, only 8.6 million women of working age are employed and an additional 1.5 million are in search of employment. These figures indicate that almost 20 million women at working age are neither employed nor in school; out of the 20 million, more than half of the women are excluded from the labor force due to their role as homemakers and caretakers in their families. Additionally, about one-third of women who are considered to be employed are unpaid family workers in the agricultural sector. As for women entrepreneurs, the employment rate is 8.8 percent. The average employment rate for females in the European Union is 60 percent and the average employment rate for males is around 70 percent.<sup>4</sup>

In 2018, the female share on executive boards in Turkish companies was only around 15.2 percent. The proportion of women in the executive boards of the first 100 companies listed on the Istanbul Stock Exchange increased to 16.6 percent in

<sup>1</sup> TÜİK, “İşgücü İstatistikleri,” [http://www.tuik.gov.tr/PreTablo.do?alt\\_id=1007](http://www.tuik.gov.tr/PreTablo.do?alt_id=1007)

<sup>2</sup> The difference between labor force participation and employment rate is 4.7 percent, meaning 4.7 percent of the working age women are unemployed and looking for a job.

<sup>3</sup> TÜİK, “İşgücü İstatistikleri.”

<sup>4</sup> OECD, “Employment Rate,” 2019, <https://data.oecd.org/emp/employment-rate.htm>

2018.<sup>5</sup> If membership based on the kinship ties is ignored, this ratio decreases to 3.8 percent. Women's presence in senior management posts is 17.3 percent. In Turkey, only 11 percent of senior management roles in the public sector are held by women.<sup>6</sup>

Governments around the world are paying more attention to gender equality but progress is too slow and uneven. Much remains to be done to increase women's rights, opportunities, and participation in public life and senior jobs according to the Organization for Economic Co-operation and Development (OECD). The Social Institutions and Gender Index (SIGI) 2019 Global Report states that despite innovative gender equality reforms in many countries, social and cultural norms embedded in societies continue the cycle of discrimination against women and girls. The report estimates the loss of income worldwide attributed to gender-based discrimination at six trillion USD or 7.5 percent of the global GDP.<sup>7</sup>

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The OECD Gender Data Portal indicates quantitative proof of the inequalities in education, employment, entrepreneurship, governance, health and development, and shows how far we are from achieving gender equality and where we should focus our actions. The World Economic Forum's Global Gender Gap Report in 2018 benchmarks 149 countries on their progress towards gender parity across four thematic dimensions: economic participation and opportunity, educational attainment, health and survival, and political empowerment. The 2018 report underlines that in light of current trends, the overall global gender gap will take 108 years to close. The most challenging gaps are the economic and political empowerment dimensions, which will take 202 and 107 years of work, respectively.<sup>8</sup>

Given the fact that Turkey has the lowest female labor force participation rate among OECD countries, increasing female participation in the workforce is one of the most effective levers for GDP growth in Turkey. According to a McKinsey

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<sup>5</sup> Sabancı University Corporate Governance Forum Turkey, “6th Annual Report Women on Board in Turkey,” 2018, [https://30percentclub.org/assets/uploads/UK/Third\\_Party\\_Reports/2018WOBTurkeyReport.pdf](https://30percentclub.org/assets/uploads/UK/Third_Party_Reports/2018WOBTurkeyReport.pdf)

<sup>6</sup> Tania Mason, “Women Leaders Index Gender Equality Case Study: Turkey,” *Global Government Forum*, 5 September 2017, <https://www.globalgovernmentforum.com/women-leaders-index-gender-equality-turkey-case-study/>

<sup>7</sup> OECD, “SIGI 2019 Global Report: Transforming Challenges into Opportunities,” 2019, (OECD Publishing: Paris) [https://read.oecd-ilibrary.org/development/sigi-2019-global-report\\_bc56d212-en#page1](https://read.oecd-ilibrary.org/development/sigi-2019-global-report_bc56d212-en#page1)

<sup>8</sup> World Economic Forum, “The Global Gender Gap Report 2018,” [http://www3.weforum.org/docs/WEF\\_GGGR\\_2018.pdf](http://www3.weforum.org/docs/WEF_GGGR_2018.pdf)

report, if Turkey was to increase its female labor force participation rate from 33 percent to the OECD average of 63 percent, it would boost the country's GDP by 20 percent in 2025.<sup>9</sup> The same report shows that ensuring gender parity will result in 28 trillion USD of additional annual GDP in 2025 globally. This amount is equivalent to the combined US and China economies. Policy framework reports in Turkey argued that even if the participation of women in the labor force increased from 23 to 29 percent, poverty would decrease by 15 percent if these were all full-time positions, and eight percent with part-time positions.<sup>10</sup>

If Turkey is to achieve its goal of becoming among the top 10 economies of the world by 2023, it needs to mobilize the entirety of its human potential. The country needs a comprehensive approach which includes measures to ensure better working conditions, equal pay for equal work, lifelong learning, flexible work schedules, and a fair balance between family life and work. Efforts to ensure better working conditions should encompass measures to combat all forms of discrimination in the workplace, including gender discrimination in recruitment, promotion, and benefits.

### *What are the Challenges?*

The main barriers surrounding women's participation in the workforce in Turkey are lack of social care services, lack of female role models in decision-making processes, unregistered employment, unequal pay, exclusion from social security, and the male-dominated structures of unions which exclude women.

Guaranteeing equality between women and men in employment could be realized by providing women with equal access to full employment, equal payment and social protection, promoting a healthy work environment that is safe and free from harassment, and guaranteeing safe transportation to and from the workplace. Another key aspect of realizing employment equality is implementing conditions that foster a healthy balance between family and professional life such as paid maternity and paternity leave, increased maternity protection at the workplace, equal distribution of family and home tasks between women and men, and access to childcare and dependency services.

<sup>9</sup> McKinsey Global Institute, "The Power of Parity: How Advancing Women's Equality Can Add \$12 Trillion to Global Growth," September 2015, [https://www.mckinsey.com/~/media/McKinsey/Featured%20Insights/Employment%20and%20Growth/How%20advancing%20womens%20equality%20can%20add%2012%20trillion%20to%20global%20growth/MGI%20Power%20of%20parity\\_Full%20report\\_September%202015.ashx](https://www.mckinsey.com/~/media/McKinsey/Featured%20Insights/Employment%20and%20Growth/How%20advancing%20womens%20equality%20can%20add%2012%20trillion%20to%20global%20growth/MGI%20Power%20of%20parity_Full%20report_September%202015.ashx)

<sup>10</sup> World Bank and T.R. Prime Ministry State Planning Organization, "Female Labor Force Participation in Turkey: Trends, Determinants and Policy Framework," 23 November 2009, [http://siteresources.worldbank.org/TURKEYEX-TN/Resources/361711-1268839345767/Female\\_LFP-en.pdf](http://siteresources.worldbank.org/TURKEYEX-TN/Resources/361711-1268839345767/Female_LFP-en.pdf)

The discrepancies between women and men's employment in the private sector could diminish by improving the incongruity between the skills taught at school and those required in the labor market, guaranteeing equal access to quality education, fostering women's education and training in STEM fields within universities and similar centers, introducing lifelong learning programs for women, and encouraging private enterprises to launch training programs for women graduates. Additionally, encouraging the private and public sector to invest in training and support programs that build the skill set of working women, favor women-owned businesses and initiatives, and support the recruitment, retention, and progress of women and girls in STEM fields through transparent criteria can help close the gap between women and men's employment.

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### ***Equal Opportunities in the Private Sector***

Women face more challenges in their work life and professional careers. Setting down human resources policies on gender equality and closely following their implementation in the company can decrease the gender gap. This is a win-win situation for companies. In the US between the years 2005 and 2014, companies with and without women members in executive boards were investigated and it was seen that the performance of the companies with women board members was 36 percent higher.<sup>11</sup> According to the fortune 500 companies, companies with equal participation of women at managerial positions were observed to be more profitable.

Under the technical assistance of the World Bank, KAGİDER has developed the Gender Equality Model for Turkey (FEM), concentrating on Equal Opportunities in the Workplace. The launch of the project was realized on 25 July 2011 with the participation of World Bank President Robert Zoellick, and 11 private sector company CEOs. The objective of the project is to help the private sector focus on key elements integral in promoting gender equality in the workplace, marketplace, and community. An overall goal of the project is promoting gender equity in employment wages while enhancing the productivity of women in the Turkish labor force and promoting equal opportunity practices in the business world.

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<sup>11</sup> Chris Newlands and Sophia Grene, “36% Better Return on Equity for Boards With More Women,” *Financial Times*, 6 December 2015, <https://www.ft.com/content/7325af98-9a9d-11e5-a5c1-ca5db4add713>

The Gender Equity Certification Program is voluntary; companies and organizations that wish to improve their commitment to gender equity apply to be a part of this program. A certificate is awarded to organizations whose policies and practices meet the criteria defined below. The model is designed to be audited by independent agencies which issue recommendations related to the status of the evaluated organization. The recommendation for receiving the certificate will proceed when organizations comply with the model's requirements, in terms of its development and implementation.

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The main criteria for the certification are:

- CEO declaration and commitment to equal opportunities
- Equal opportunities in job recruitment and selection
- Equality in access to training sessions and self-improvement activities
- Equality in promotions and career development opportunities
- Career support procedures for employees with children
- Procedures for harassment and claim management in the workplace
- Communications language and corporate advertisements

### ***Women's Participation in the Workforce is a Global Necessity***

#### *W20 Recommendations for G20 Leaders:*

In 2014, G20 Leaders committed to closing the economic participation gap by 25 percent until 2025. A year later, during Turkey's G20 Presidency, the W20 engagement group was established under the auspices of the G20 to promote gender inclusivity and gender equality. This marked a significant contribution towards a strong, sustainable, and gender-sensitive global growth trend. Currently, the engagement group is focusing on policy and action recommendations on overcoming contemporary challenges regarding gender inclusivity within the global economy.

KAGİDER was selected to Chair the W20 and undertook the secretariat of the engagement group throughout the Turkish Presidency. After Turkey's Presidency, China, Germany, Argentina, and Japan respectively took over the W20 Presidency

and the final W20 communiqué including the policy recommendations was handed over to Shinzo Abe, the Prime Minister of Japan.

W20 urges G20 leaders to act upon the following recommendations:<sup>12</sup>

1. Request their labor and employment ministers to present a mid-term report on the 2014 Brisbane commitment to reduce the gender gap in labor force participation by 25 percent by 2025 during the 2020 G20.
2. Remove systemic legal and social barriers in the labor market and provide solutions for achieving gender equality.
  - Enact and implement legal measures to achieve gender equality in all aspects of employment practices. In particular, take further action to close gender income gaps such as wages, pensions and other earnings in line with the SDGs.
  - Invest public funds in quality, accessible and affordable care infrastructure for children and elderly, and put in place mandatory paid parental leave to promote shared responsibility.
  - Incentivize employers in the public and private sectors to implement evidence-based policies and publicize progress on gender equality, leading to more women in decent and quality work and in leadership positions.
3. Close the digital gender gap and ensure that women can exercise their digital rights.
  - Take urgent measures to promote equal participation of women in the design and development of digital technologies with due consideration to ethics, and prevent amplification of gender discriminations by biased data-sets, models, and algorithms in Artificial Intelligence (AI).
  - Boost equal participation of girls and women of all ages in Science, Technology, Engineering, Arts, and Mathematics (STEAM).
  - Provide women in urban and rural areas with affordable, reliable, and safe internet and mobile services.
4. Ensure financial inclusion, promote women's entrepreneurship, and accelerate access to investment and markets.
  - Ensure women's equal rights to economic resources and access to ownership and control over land and other forms of property, financial services, and natural resources.
  - Develop a policy framework and action plan to strengthen the business, financial and digital capacity of women's enterprises, including e-commerce.

<sup>12</sup> W20 Japan 2019 Communiqué , [https://w20japan.org/en/pdf/w20\\_communique\\_en.pdf](https://w20japan.org/en/pdf/w20_communique_en.pdf)

- Create conditions for public procurement contracts awarded to women-owned and women-led businesses to increase their share by a minimum of 10 percent, taking into consideration national circumstances.
  - Incentivize investors to proactively incorporate gender factors into investment analysis and decision making.
5. Promote life-long learning, and education on gender equality in schools and workplaces, to eliminate gender stereotypes and unconscious bias.
  6. End all forms of violence against women and girls in the public and private spheres, including social media.
    - Establish effective legal frameworks, ensure access to justice, and strengthen law enforcement to end all forms of violence against women and girls in all spheres.
    - Support the adoption of the ILO's proposed convention and a recommendation concerning the elimination of violence and harassment in the world of work, as well as ratify international conventions related to violence against women.
  7. Establish effective and transparent governance and accountability mechanisms for achieving gender equality.
    - Develop mechanisms to monitor the implementation of G20 commitments on gender equality, together with international organizations, relevant national partners and in collaboration with the W20, and report progress on a regular basis.
    - Jointly review progress, within G20, for achieving gender parity in leadership and all levels of decision making in the public and private sectors by 2030.
    - Strengthen the mandate and capacity of national gender machinery to ensure that gender impact assessments are conducted on legislation, standards, and policies.

### ***Concluding Remarks***

Women's economic empowerment is key to the realization of women's rights and achieving a truly gender-equal world. Economically empowered women have access to decent work, control over economic resources and over their own time, participate meaningfully in economic decision-making at all levels, and can access quality public services. The evidence increasingly shows that empowering women empowers humanity. Economies grow faster, and families are healthier and better-educated.

In order to empower women, we have to devise strong policies supported by legislation, government initiatives, and reliable monitoring mechanisms. This requires commitment and implementation at all levels. Strong public, private, and NGO partnerships are the main means of change as each parties' different outlook and capability will complement one another other. Promoting gender equality in the world of work has its distinct and difficult set of challenges. However, we do not want to wait 202 years to reach gender equality.