



İKİNCİ BÖLÜM: 89J 90C DA 9BHD 5B 5B8 İKİNCİ BÖLÜM 7 5B K CA 9B 6C CGH F? 9MG; FCK İKİ

Promoting women's employment is a major issue that will come to the fore in international economic platforms in the near future. With the tightened global liquidity and reduced chances for growth driven by cheap foreign funds, developing countries in particular will have to quest for new sources of economic growth. Female labor force participation rates (FLPR) vary between 60 and 80 percent in the majority of developed countries, while the rates are below 50 percent in developed countries. The FLPR of Turkey is around 31.5 percent, whereas the OECD average is 62 percent. Mexico has the second lowest FLPR among OECD, with 47.8 percent.²

Female labor force is important because it is one of the major sources of supply-driven economic growth given that the pool of male labor force is tapped almost completely and that developing countries have limited innovative infrastructure and capacity. In a previous study, we stressed that the \$25,000 GDP per capita target is not consistent with the targeted FLPR of 38 percent.³ Under the assumptions that in the short-term i) Turkish lira will not appreciate considerably, ii) foreign demand will not be remarkably more buoyant, and iii) Turkey, as an "inventor-deprived" country, will remain so and not be able to make a breakthrough in creating new products and markets, Turkey needs to significantly increase the female participation rates to OECD levels in order to achieve the \$25,000 GDP per capita goal.

¹ <http://www.tepav.org.tr/en/ekibimiz/s/1277/Gunes+A.+Asik>

² http://stats.oecd.org/Index.aspx?DatasetCode=LFS_SEXAGE_I_R

³ Güneş Aşık, February 2013, "Can Women Boost Turkey's Growth?", TEPAV.

http://www.tepav.org.tr/upload/files/1363191845-7.Can_Women_Boost_Turkey's_Growth.pdf

Apart from the positive influence on social status, increases in women's participation in the labor force would probably have a negative impact on unemployment due to the increase in the labor force, and impose a downwards pressure on wages. Although this might seem to be in favor of Turkey's "international competitiveness", one sided policies that aim to promote women's involvement in the working life alone is not sufficient for a healthy labor market. We believe that the government should design long-term policy measures and strategies along with the projects and promotion programs that are already being carried out by the Ministry for Family and Social Policies and other public institutions.

What does the Tenth Development Plan envisage for women's employment? To begin with, we think it is positive that the Tenth Plan devotes a separate section on the promotion of women's participation into the labor force. The Plan targets to increase FLPR from 29.5 percent in 2012 to 34.9 in 2018. This is consistent with the \$16,000 GDP per capita target for 2018. Nevertheless, neither 34.9 percent by 2018, nor 38 percent by 2023 are satisfactory or ambitious enough FLPR targets. The Tenth Plan involves a long "wish list" concerning the advancement of gender equality, development of regulations that promote women's participation in decision-making mechanisms, and extending flexible employment and daycare services (pages 44-45 and 186-187). Yet, the technical details and content of the –to do list- are not presented.

In addition, as far as we are concerned, the key assumptions for the 38 percent FLPR target and the strategies to achieve those are not publicly available. Two major factors that promote women's participation into the labor force seem to be the education/skill sets and child care services.⁴ In the case of Turkey, where women have lower average education level compared to men (as well as compared to women in countries of the same income group as Turkey) and where women are more likely to be employed in informal sectors, real wages do not compensate for the cost of outsourcing child care. Although extending daycare allowances is known to be a top item on the agenda of the Ministry for Family and Social Policies, neither the 2023 program of the government nor the Tenth Development Plan draw a clear framework concerning the current state and childcare services policies (such as the preference for in-cash benefits or reducing service costs). For the success of policies, it is important to improve transparency and extend the platforms for negotiation.

On the other hand, it is likely that in the decade ahead, the FLPR can easily reach 38 percent just due to demographic factors without necessitating any policy measure, as the improvements in the socio-economic status of women and the share of university graduates and women with more skills have been already increasing. The literature on women's participation in the labor force suggests that inter-generational cultural influences are likely to affect participation behavior. Recent studies reveal that daughters of working mothers have higher probability to work and that sons brought up by working mothers are more likely to be married to women who work.⁵ The changes in

⁴ For instance, a study based on Australian data reveals that a 50 percent reduction in the cost of child care services can increase women's participation into the labor force by 6.5 to 10 percent.

http://economix.blogs.nytimes.com/2013/06/27/the-case-for-women/?_r=3

⁵ http://www.nber.org/chapters/c12902.pdf?new_window=1 and http://www.nber.org/papers/w10589.pdf?new_window=1

inter-generational cultural perceptions as well as the abolition of the ban on headscarves in public spaces are positive and vital developments that have the potential to make positive contributions to this process. In the light of this, we assess that the 38 percent FLPR target for 2023 can be easily achieved with the increase in overall education, schooling levels and the process of sociological transformation. Hence the target is neither ambitious nor satisfactory, and there is a need for further measures to bring LFPR closer to OECD averages by 2023, instead of aiming just 38%.

As the abundance of foreign capital-driven growth seems to be waning, Turkey has to design more active policies to facilitate women's employment and participation into the labor force. Turkey cannot become one of the top ten economies of the world unless it boosts women's employment. Women are the new sources of growth in the period ahead, for not only Turkey but also many developing countries.