

Impact of Trade Liberalization on the Gender Gap in Turkey

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There has been an increasing number of literature on globalization and its effects on labour markets. With increasing global economic competition employment conditions have changed. Evidence shows that greater trade openness is associated with increase in women's share of paid employment. In this paper, we concentrate on the aspects of trade on gender discrimination and particularly Turkey's situation on this context.

In the period of 1970-2005 there was substantial overall improvement in women's quality of life, as reflected in social indicators. Women lived longer, had fewer children and more schooling. From the statistics, we can say that there is a moderate rise in women's participation in the labour force. Usually, schooling, participation in politics and work and earnings can be used to measure women's achievement in comparison with men's.

Focusing on Turkish economy, we know that in 24th January 1980 Turkey announced to follow a far reaching program of stabilization with structural change. The main objective of the program was to shift from an inward to an outward oriented development strategy. With an increase in trade, women transferred from the non productive housework economy to the productive economy. So, it is possible to say that trade create jobs for women but what about the gender gap? There is a quite number of literature for believing that the effect of globalisation may act to widen the gender pay gap. As long as women remain less qualified than men, they are likely to remain lower paying jobs, even if better-paying jobs become available through trade expansion.

Introduction

The concept of globalization cannot be explained without looking at women's participation rates to the work force. There has been an increasing number of literature on globalization and its effects on labor markets. With increasing global economic competition, employment conditions have changed. Economic competition is became prominent with trade which is mostly seen as a deriving force of earning profits. Trade surely creates opportunities for both men and women but women mostly work at low skilled and low paying jobs. With the liberalization of trade, unskilled workers earn less in terms of relative wages while workers who were highly skilled gain.

In this paper, we concentrate on the aspects of trade on gender discrimination and particularly Turkey's situation in this context. Conventional wisdom says that foreign direct investments and trade openness brings jobs and exchange of knowledge, therefore prosperity and technologic progress. Prosperity may mean a better income for the family, and a better income may cause women to stay at home for child bearing and housework. However, this is not the case for most of the developed countries. Analyzing country reports, it is clearly seen that with an increase in growth rates there is a substantial increase in women's participation to the work force (UNCTAD, 2004). So, the raise in wages had created an incentive for women to participate in paid work.

Furthermore, a study by Gladwin and Thompson (1995) showed that there is a significant increase in women's quality of life with raising incomes in developing regions. Economic freedom mostly brings a broader access to education, health services and political parties. All these result in a better quality in the living standards of women. We can relate this concept with Amartya Sen's (1999) freedom perspective. As he suggests, economic unfreedom can breed social unfreedom, just as social or political unfreedom can also foster economic unfreedom.

There have been a vast number of debates going on about gender issues which mostly started after World War II. After the War the number and percentage of women who work for pay have been increased. In contrast, men's labor force participation rates have been declining. In 1950, 86.4 percent of men aged 16 and over were in the labor force; by 2004, this ratio has dropped to 66.3 (U.S Department of Labor Statistics, 2004). Statistics can be used as an evidence to show how women's position in the labor market has improved in the last quarter of the century. Over the last three decades women have fewer children and much likely to return to work while their children are still young.

Moreover, some differences between women and men are deeply rooted in culture and may last for decades. In particular, a major part of the difference is explained by personal choices to marry and have children. Existing literature have shown that the earnings of single men and single women with equivalent qualifications are similar. When we compare single men and married men, it is seen that married men earn more than single men but the reverse is not true since employers think that married women may give priority to their children at the expense of work.

This shows the asymmetrical effects of the institution of marriage on male and female incomes (Block, 1992).

Turkish Economy

The 24th January 1980 Decisions were a turning point in Turkish economy. Within these Decisions Turkey attained a more outward-oriented and market based economic system through exchange rate policy and export subsidies. Before the Decisions were implemented the government has had a leading role in the economy with intensive government inventions. During the 1970s, agriculture maintained its dominance but it is also a time of exports to changed in favor to manufacturing. The period beginning with the Decisions have caused a fundamental change of the composition of GDP in favor of industry. During the period of 1983-1987 export revenues increased at annual rate of 10.8 percent, and gross domestic product rose at annual rate of 6.5 percent (Boratav & Yeldan, 2001).

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In 1989, the capital account was fully liberalized by the issuance of Decree No.32. With this Decree all residents are permitted to buy foreign exchange and foreign stock exchanges. The Decree is important for allowing non residents to establish a company, participate in a new or existing company, to make investment by opening a branch and to engage in all activities aiming at production of all kind of goods and services.

Table 1. Labor force participation and growth rates for population and unemployment (%)

		1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
	Total	66,0	66,4	66,7	67,1	67,5	67,8	68,2	68,6	69,0	69,4	70,4	70,6	70,7	70,9	71,1
	Male	63,8	64,2	64,5	64,9	65,2	65,6	65,9	66,3	66,7	67,1	68,1	68,2	68,4	68,6	68,8
	Female	68,3	68,7	69,1	69,4	69,8	70,2	70,6	70,9	71,3	71,8	72,8	73,0	73,2	73,4	73,6
Population Growth(‰)		19,9	19,5	19,2	18,9	18,5	18,4	18,3	18,0	17,6	16,9	14,1	13,8	13,5	13,2	12,9
	Total	8,0	8,2	8,5	9,0	8,6	7,6	6,6	6,8	6,9	7,7	6,5	8,4	10,3	10,5	10,3
	Male	7,8	8,7	8,8	8,8	8,8	7,8	6,9	6,5	6,9	7,7	6,6	8,7	10,7	10,7	10,5
	Female	8,5	7,1	7,7	9,3	8,1	7,3	6,0	7,8	6,8	7,6	6,3	7,5	9,4	10,1	9,7
	Total	56,6	57,0	56,0	52,2	54,6	54,1	53,7	52,6	52,8	52,7	49,9	49,8	49,6	48,3	48,7
	Male	79,7	80,3	79,7	78,1	78,5	77,8	77,3	76,8	76,7	75,8	73,7	72,9	71,6	70,4	72,3
	Female	34,2	34,1	32,7	26,8	31,3	30,9	30,6	28,8	29,3	30,0	26,6	27,1	27,9	26,6	25,4
Female Employment Rate to Non-Agricultural Sectors (%)		15,8	15,5	16,6	16,6	17,0	16,9	16,8	17,7	18,3	18,2	19,2	19,0	20,6	20,6	19,9

Source: OECD Historical Statistics.

Between the years 1990-2004 there has been a similar increase in the life expectancy rates for both genders. While life expectancy is extending there has been a decrease in population growth. Although participation levels in many countries have increased, among the OECD countries, Turkey has the lowest participation rates between the ages 15-64. One explanation might be the low wages that lead women prefer to stay out of labor force for child bearing and housework. On the other hand, The World Bank has another explanation for this situation, as a consequence of staying longer at school, Turkey has declining percentages in participation rates to the work force. Another reason why Turkey's participation rates are lower can be explained by low public and private investment rates. Investment levels are so low that it becomes difficult for both genders to find job opportunities. This has a very big influence on females because of the traditional male breadwinner model. It's appropriate to indicate that male breadwinner model is declining but the model has not disappeared (Warren, 2004). But the crisis of 1999 has caused unemployment rates for both genders to soar.

The light manufacturing sector, of which the garment and textile industries are part, has been of vital importance in the development of Third World economies. Women mostly work in these sectors. Trade does not provide employment opportunities only in the goods sector but also in the services sector as it can clearly be seen from the Turkish data.

Some sectors are more likely to absorb the female workforce. As shown in Table 2, the female labor force participation in wholesale and retail trade, restaurants, hotels have raised rapidly between the period of 1990 and 2000. Between these years a similar aspect can be seen in the social and personal services. Participation rates has been continually increasing but in the last decade there has been fluctuations resulting from the past crises. The latest crisis has sent down the growth rates to -7.4 in the beginning of 2001.

Women typically provide their labor mostly to the low technology-based, labor intensive section of the garment industry in the developing countries. In 1970, manufacturing sector had an absolute advantage which can be seen from Table 2. Although Turkey's liberalization process has started in 1980's, manufacturing industry has lost its dominant role in the following years is another interesting point. There is no big gap is seen between the female and male participation rates as a

percentage in the manufacturing sector. Turkey can be seen as a semi-developed country. It has surely started a process of transformation towards services but agriculture still holds its magnitude. Women provide a large proportion of the labor force that goes into agriculture in the developing countries and in Turkey. Nearly 75 percent of all the female economic activity takes part in this sector. In the last three decades there has not been a big difference occurred on the employment status for females. Women are still seen as unpaid family workers. In the period of 1970 -2000 women can not be seen as very important entrepreneurs. Some increases occurred but female entrepreneurs formed only 0.89 percent of the female employment in 2000.

Table 2. Economic Activity

Census year	Agriculture, hunting, forestry			Wholesale & retail trade restaurants, hotels			Finance, insurance, real estate & business services		Social & personal services
	Total	& fishing	industry	Construction	communication	storage &	business services	services	
Female									
1970	5 812 545	5 199 918	289 916	8 783	27 136	16 060	30 816	180 778	
1975	6 204 322	5 484 490	257 439	4 977	46 716	18 168	53 211	272 233	
1980	6 813 509	5 948 959	303 510	4 700	50 318	26 004	76 078	358 503	
1985	7 492 733	6 484 257	332 248	6 697	81 798	31 387	98 698	441 248	
1990	8 408 414	6 900 466	560 346	10 718	138 030	38 659	153 879	578 633	
2000	9 429 736	7 133 056	624 180	19 419	344 938	63 124	263 900	964 301	

Source: Household Labor Force Survey (SIS)

Normally, young females living in rural areas have much less of an opportunity to receive a full primary education and this effect the incomes of females. Equal access to education is an important step towards greater gender and income equality. Many studies have found a strong correlation between gender equality and economic growth (Dollar and Gatti, 1999). Causality is from economic growth to gender equality. As income grows, families are more willing to allocate resources to the education of girls. There is a clear difference on the female incomes according to level of education. Illiterate and low skilled women have a clear disadvantage in the labor market and this affects their incomes. Nearly 82 percentages of these two groups don't have a regular income. With an increase in the education levels there has been a substantial increase in regular incomes.

Over the 1990 to 2001 the illiteracy rate increased from 92.7 percent to 96.7 percent. The increase in the enrollment of education is caused by Government's inventions to improve education. In 1997, the Government increased the duration of compulsory education from five to eight years. Ministry of National Education estimated the enrollment rates for primary education for the next five years and they are expecting a 100 percent enrollment.

Examining the female income statistics, there are obvious distinctions when analyzed regionally. Marmara and Aegean regions have an advantage on the economic activity for the female incomes. The lowest incomes earned by the females are in the Eastern Anatolia and Southern Anatolia regions. This situation is not very diverse in the male employment. Turkey wants to be a member of the European Union and in order to reach this end, she is trying to maximize the national growth rates. Thus, some metropolitan cities are privileged in this sense, especially Istanbul. After the 1980s, there has been a devastating immigration to the metropolitan cities in search of non-farm employment. In line with these immigrations inequalities among the geographical regions had

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increased. As a result, women are taking more responsibility for the family properties in the rural areas.

Table 3
Employed population by employment status, 1970-2000
Population 12 years of age & over

Census year	Total	Employee	Employer	Unpaid	
				Self employed	family worker
Female					
1970	5 812 545	595 103	11 786	385 419	4 820 237
1975	6 204 322	876 513	8 122	294 018	5 021 626
1980	6 813 509	945 851	7 218	323 471	5 535 511
1985	7 492 733	1 072 481	10 750	351 067	6 058 365
1990	8 408 414	1 489 263	19 355	612 768	6 286 865
2000	9 429 736	2 289 330	84 753	564 147	6 491 303
Male					
1970	9 306 342	3 577 596	93 701	3 650 953	1 984 092
1975	11 179 506	4 510 014	137 123	3 870 665	2 648 546
1980	11 708 813	5 216 151	169 241	3 953 786	2 323 995
1985	13 064 053	5 905 700	182 198	4 311 114	2 663 495
1990	14 973 479	7 501 464	293 820	4 591 394	2 584 412
2000	16 567 405	9 024 700	592 563	4 664 344	2 283 709

Source: Household Labor Force Survey (SIS)

Table 4. Percentage of household members by income source and main characteristics

	Female				
	Total	Have personal income			Do not Have income
		Only activity Income	Activity & non activity Income	Only non Activity income	
Total					
Illiterate	100	5,3	4	10,2	80,5
Literate without diploma & primary school	100	7	2,4	5	85,6
General junior high school & high school	100	6,6	9,6	7,4	76,4
Vocational junior high school	100	12,2	22,9	15,4	49,6
University & higher	100	9,4	63,1	8,4	19,2
Employment status					
Working	100	18	14,4	1,3	66,3
Not working	100	-	-	10,1	89,9
Place of settlement					
Urban	100	6,8	6,8	8,9	77,5
Rural	100	6,5	3,6	4,5	85,5
Region					
Marmara	100	9,1	6,4	8,3	76,1
Aegean	100	9,9	6,9	8,5	74,6
Mediterranean	100	7,7	5,5	7,1	79,7
Central Anatolia	100	4,5	5,8	7,8	82
Blacksea	100	4,4	4,9	5,7	84,9
Eastern Anatolia	100	1,2	1,8	3,6	93,5
Southeastern Anatolia	100	5,2	2,1	2,6	90,1

Source: Household Labor Force Survey (SIS)

Now, women in the rural areas have more responsibilities over the family farms but accessing to the productive resources like credits, inputs and market opportunities still creates barriers for them. Their productivity is constrained and they have difficulties in adopting new technologies. The increase in their responsibilities may not be shared in controlling the revenues of the crops. In a globalized world farmers have to compete with large scale food companies for having a share in the domestic markets. With constraints facing the females, it is very difficult for

them to compete in the domestic markets, so they have changed their production patterns to meet their family's basic food needs.

Usually increases in the contributions of females to economic life bring more contributions to the legal system. Turkey has made considerable progress in achieving legal gender equality but political life is still organized by traditional norms. Traditional male breadwinning comes upon once again in the decision making. Since 1930s women has right to vote but they mostly have to vote for men candidates because of their low participation rates in the political arena.

<i>Election year</i>	<i>Total</i>	<i>Female</i>	<i>Male</i>	<i>Female %</i>
1935	395	18	377	4,6
1939	400	15	385	3,8
1943	435	16	419	3,7
1946	455	9	446	2
1950	487	3	484	0,6
1954	535	4	531	0,7
1957	610	7	603	1,1
1961	450	3	447	0,7
1965	450	8	442	1,8
1969	450	5	445	1,1
1973	450	6	444	1,3
1977	450	4	446	0,9
1983	400	12	388	3
1987	450	6	444	1,3
1991	450	8	442	1,8
1995	550	13	437	2,4
1999	550	22	528	4
2002	550	24	526	4,4

Source: Household Labor Force Survey (SIS)

The governance system in Turkey has been centralised but there has been some progresses with the help of international institutions to break this chain. Since 1997 UNDP has been assisting a programme called Local Agenda 21. The main objective of the programme is to strengthen local governance by ensuring that civil society participates in decision making. Programme promotes the role of women in strengthening democratic local governance in Turkey through a participatory process built around transparency and accountability.

The statistics shown in the Table 5 indicates that some progress has to be done to break this male dominated atmosphere. This concept is also crucial for the European Union. Non-discrimination and gender equality are among the fundamental values on which the European Union is based. They are also a part of the Copenhagen political criteria, which have to be met by all candidate countries as well as Turkey.

Conclusion

Globalization has many effects on the labor markets and especially on female labor force. With increasing global economic competition, employment conditions have changed. Evidence shows that greater trade openness is associated with increase in women's share of paid employment. In this sense, Turkey's transformation process is analyzed and found that with an increase in trade and more access to the economic markets, quality of life has increased especially for women in the country.

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