

A SOCIO-ECONOMIC PERSPECTIVE ON WOMEN ENTREPRENEURS: EVIDENCE FROM TURKEY

Within the context of globalization where women's labour force participation and employment rates have grown all over the world where as Turkey differs from most countries with no increase in the growth women's labor force participation. This situation is associated with a low demand for female labour as well as with socio-cultural factors limiting the supply of female labour. Women entrepreneurs in Turkey have problems in various common problems like social and cultural surroundings, difficulties in finance, insufficient education and too much burden as family responsibilities at home. It is observed that the most women entrepreneurs focused on service sector because of their education, managerial experience and risk tolerance. This paper is a review article that highlights some the key differences between male and female entrepreneurs and also examines gender discrimination in the Turkish labour market. A critical evaluation of the literature revealed that female entrepreneurs often have similar reasons for starting their own businesses. Special attention is given here to theoretical and empirical literature of the gender discrimination in Turkey where traditional and cultural beliefs are still widespread and impact on labour force participation rates and entrepreneurialship.

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"Everything we see in the world is the creative work of women. There is a straighter and more secure path for us to follow than the one we have been. This is to have Turkish women as partners in everything, to share our lives with them, and to value them as friends, helpers & colleagues in our scientific, spiritual, social & economic life".

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1. Introduction

The 20th century has been a period of rapid change for many women, but life for women in some parts of the world still remains harsh. Even where females have experienced great advances like those in many developed countries, there are still some similarities between their economic role today and the role of women in the

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1900s. During the 19th and 20th century, attempts were made to define and extend human rights, but most of these struggles ignored or denied the rights of more than half the human race – women.

Women are playing a vital role in the global market as entrepreneurs, gaining experience in the financial risk of the initiation, operation and management of a given business. Women play a large and growing role in the US, Canada and UK. In poorer countries it appears that fewer women participate in entrepreneurial activities. This gap demonstrates the difference between the number of men and the women participating in entrepreneurial activities in the developing world as compared to the developed world. The areas of employment that women in developing countries are most interested in much are public relations, transport, delivery, producing and marketing consumer goods, commercial banking, financial services, insurance, counseling and other service-related industries. In this process, women business owners are innovators, job creators, and providers of economic security. As owners of small and medium-sized enterprises (SMEs) women can also provide multinational companies with ideas, inventions, technology, raw materials, supplies, components, and business services. Ultimately, female business owners will be recognized for who they are, what they do, and how significantly they impact the global economy (Kasnakoğlu and Dikbayır, 2002). Like a proverb known in Turkey, change is afoot in the global economy and it is amusing a woman's face.

The discrimination women have to face in the labor market has long been a subject of study for economists. With the increase in labor force participation of women in developed countries, economists have begun to address the causes of different forms of discrimination such as wage differences, occupational segregation and employment opportunities of women. In many developing countries, the participation of women in the labor market is lower than it is in the developed countries and generally gender related statistical data is lacking. Therefore, discrimination begins with the low participation of women in labor force (Dayıoğlu, 2000). Of course there are many other reasons that cause the discrimination like barriers prior to employment, to education and etc.

In Turkey, it has taken a long time for women to take an active role in both business life and creating jobs for themselves. Because of this late development, the number of female entrepreneurs is very low. Women have a range of reasons for building their own businesses so late. For example they are faced with specific obstacles related to their stereotypical gendered role in society, such as family responsibilities such as care of their children and doing the houseworks. Also they have other problems they face in the sector as an entrepreneur like Political instability, limited access to new technologies and qualified managers and instability in market conditions and the financial sector. These factors slow down their participation in the sector. To be an entrepreneur is a way for women to escape from economic and social dependence, and, whereas economic necessities affect women's decisions, the drive to run their own businesses and not work for others can also be important.

The purpose of this paper is to discuss the important issues surrounding the women entrepreneurship. Special emphasis is given to the relationships between the female

unemployment rate, per capita income, service sector and the FLFPR on the proportion of women in the total labor force in the period from 1980 to 2005 in Turkey. It is argued here that three arguments can be made for the difference between men and women: 1. women invest their roles within the household while men invest their time in paid workforce which explains the cultural and social barriers that women entrepreneurs face. 2. Women and men bring different social and human capital to the sector. Because they have completely different business relationships, managerial experiences, education, risk tolerances, length of banking and commercial relationship with more emotional approaches compared to men. 3. Firms owned by women are relatively smaller than those owned by men. They are concentrated more on retail and service sector rather than industrial. Therefore; size, financial position and sector are fully dependent on gender ownership. The content of this paper is: the next section is briefly summarizes the determinants of entrepreneurs. The third section discusses the differences between men and women entrepreneurs using determinates of entrepreneurialship. Special attention will be devoted to the structure of entrepreneurialship in relation to Turkey. The fourth section examines women entrepreneurs and their roles in Turkey using examples to illustrate the situation, and the difficulties they are facing. Section five describes the data used in this study and how these datas are combined to make the estimation. Estimation results are given in sixth section, while the final section provides concluding remarks.

2. Sectoral Changes in Entrepreneurship

Women have the same rights as men to equal access to the services provided by their government, including, but not limited to, services in such areas as education, law, finance and banking, transportation, social support services and public sector employment. There was a precipice between men and women's employment and the difference has started to decrease since 1990. In Turkey, while overall employment growth was not rapid, manufacturing has created significant job opportunities for women since 1990. The proportion of women who are classified as "employers" is very small and has remained so, whereas the proportion of males has grown steadily. This reflects that it is inappropriate for a woman to run a workplace by herself from men's perspectives, given the competitive nature of the manufacturing industry and the conditions of the workplace. But although progress in the entrepreneurial sector has been made over recent decades, women in Turkey experience difficulties in starting up and continuing their business. They have faced many problems such as the community's views of women's place in society, that is being a housewife, having children, and the most important one, being a woman. However, women who are in the enterpreneurial sector have a positive impact on the family's financial situation (Özar and the others, 2000).

As in most other developing or middle income countries, the female labor force in the industrial sector is young, mainly between fifteen and twenty-four years old. If the twelve to fourteen year old group is included, women under twenty-five comprise half the female manufacturing labor force. While less than ten percent of the female labor force is employed in the industrial sector, there is a high degree of

job segregation - eighty percent of women work in textiles and food industries and of these, eighty percent are in the lower ranks of production, and on average they earn up to thirty percent less than men (UNDP, 2001).

Compared to industry, the services sector has been one of relatively rapid employment growth for women. The majority of women are in community, social and personal services. As in industry, there is serious under-estimation done by State Statistics of Turkey of the number of women working in this sector.

Notwithstanding the high proportion of women professionals, women are still segregated in the lower ranks of each profession. For instance, in academia, women account for over thirty percent of all faculty, but only twenty percent of full professors. In government, women account for just over twenty five percent of professional staff, but only a small percentage of them are directors and chiefs in the line ministries. Similarly in the health sector, there is a great concentration of women in the paramedical ranks (Ufuk and Ozgen, 2001).

For women who work in the industrial and service sectors, the lack of appropriate training is perhaps the greatest constraint to their advancement. While the gender gap in educational attainment has been narrowing continuously over the past thirty years, gender segregation in the labor force has not yet begun to narrow. Men receive significantly more job training than women although more women in skilled positions received their training in schools like how to be a manager, how to control themselves, how to use their abilities due to their positions. Enrollments of girls in vocational training schools are significantly lower than for boys - as low as 3 to 1. (World Bank, 2000)

Ceasing gender segregation has been the legal norm in Turkey, and yet the position of the majority of women has remained essentially unchanged by their legal emancipation. In the 1980s it was accepted within government that gender-neutral policies have not been sufficient, but little seems to have been done to address the marked gender differences in status, occupations and sector distribution in Turkey which have changed very little over time. Since 1955, two-thirds of women workers have remained concentrated in the unpaid family worker category, usually in agriculture. The proportion of women in the professions rose steadily from 1965 to 1990, the proportion of women among service workers almost doubled, and the percentage of women among clerical and sales workers also increased dramatically. The proportion of women in managerial and administrative occupations, however, remained at about six percent between 1970 and 1990. (World Bank, 2000)

Differences with respect to gender and location partly explain the declining overall trend. These differences, in turn, reflect a range of sociological, cultural, and institutional factors (Tunali 2003; Tansel 2001). According to Tunali (2003) in rural areas, where agriculture dominates and home and work environments overlap to a greater extent, all family members are more likely to participate in productive activities. By contrast, urban households tend to be more specialized; men earn an income while women are homemakers. Greater access to education in urban areas lowers labour force participation in younger age ranges. Lower female participation

rates in the urban setting reflect social custom whereby married women are expected to devote themselves to child rearing. Therefore young, unmarried women with greater financial need and less onerous family responsibilities are three times more likely than married women to be in the labor force.

Over the final decades of the 20th century, both demand and supply factors become very important in contributing to increase women's participation in employment sector, as women's labor market experiences became more similar to men's. The increase in the availability of better jobs for women was interpreted by Galor and Weil (1996) as a form of female-biased technological change. In particular, they argue that there is a link between skill-biased technological change and changes in women's fertility and labor choices.

The economic and social contributions of entrepreneurs, new companies, and family businesses have been shown to make immensely disproportionate contributions to job creation, innovation, and economic renewal, compared with the contributions that the 500 or so largest companies make (Upton, Teal, & Felan, 2001; and Chrisman, J.J., Chua, J.H., & Sharma, P., 2003).

Stoner et al. (1990) examined in his study the extent of work-family role conflict experienced by female small business owners, and found that time pressure, family size, support, job satisfaction, and marital and life satisfaction are important variables affecting work-family role conflict.

From Mincer's research (1985) declines in average family size and in the duration of marriage in USA provide an increased scope and motivation for female labor force participation. However, although women are increasingly entering the work force, they are still more likely to be the primary parent, emotional nurturer and housekeeper because of working more relaxible and can work easily.

Johnson and Storey (1993) compared men and women entrepreneurs. They found that women entrepreneurs are older than men, less competent in their occupations because of lack of knowledge and experience, less successful in obtaining capital from banks and they have a higher ratio of business partnerships. In 1996, the researchers in USA tried to contact entrepreneurs by telephone in a follow-up survey. They found that there were not any significant differences between women and there were not any significant differences between women and men entrepreneurs in performance over time.

Ahl (2006) asserts that the rationale for conducting most studies about women's entrepreneurship is to bolster economic growth. The value of womenowned firms is then compared to that of male-owned firms using standard financial and economic benchmarks (e.g., growth, job creation and innovation). This traditional checklist of metrics ignores important issues such as equality and gender/power relations.

Research by Çelebi et al. (1993) on independent, female business owners found 56% were in Trade, 23% in services, 14% in production and trade and 8% in production. Of these women's families, 62% did not object to them operating their business and

74% of women's families encourage the women to expand their business. When they examined the relationships with their business environments, they found that 56% women entrepreneurs obtained their own raw materials by themselves and 50% went on business trips alone.

Solomon, Duffy and Tarabishy (2002) conducted one of the most comprehensive empirical analyses on entrepreneurship education. In their review of entrepreneurship pedagogy, they stated, "A core objective of entrepreneurship education is that it differentiates from typical business education. Business entry is fundamentally a different activity than managing a business.

Chandra's (1991) research on the socio-economic profiles of women in New Delhi showed that 60% of women did not have trading experience, 50% of women were sole-owners of businesses, 45% of them were manufacturers, 30% of them were tailoring and cloth selling businesses and 50% of them obtained a high income from their job. All women in this research stated that they found themselves "very successful entrepreneurs".

Davidson (2000) studied the influences of social and human capital on both the discovery as well as the exploitation of entrepreneurial opportunities: their findings revealed that previous start-up experience was positively associated with both of these facets, while a managerial background was not a useful predictor of either behaviour. Moreover, entrepreneurial discovery was strongly linked to level of education as well as having parents and/or close friends or neighbours who are in business.

According to Zinger, Riverin and Robichaud (2005) part of the influence of gender is attributable to individual characteristics: in comparison to men, women tend to have lower incomes, prefer to work part-time, have perceptions of poor opportunities and report low self-efficacy. The other influence is tied to the business decisions that the person makes and the business context that is created by these decisions

Finally, some studies infer that discrimination by banks can be a factor. An interesting study by Fay and Williams (1993) tested for discrimination by sending out identical loan applications, whose sole difference was the gender of the hypothetical applicant. They found that the applications were significantly more likely to be declined or restricted if the name was that of a woman than a man. In their study using data from the Business Environment and Enterprise Performance Survey (BEEPS) from Europe, Muravyev et al. (2007) found that female managed firms have a 5.4 percent lower probability of securing a bank loan than male managed firms. They also evaluated the existence of financial constraints by looking at interest rates and found that female managed firms on average pay 0.6 percent higher interest rates than their male counterparts. Both these factors suggest discrimination against female entrepreneurs and the authors suggested that this discrimination is found to be higher in the least financially developed countries in the region.

3. Differences between Men and Women Entrepreneurs

Increasingly, female entrepreneurs are considered important for economic development. Not only do they contribute to employment creation and economic growth through their increasing numbers, but they also make a contribution to the diversity of entrepreneurship in the economic process (Verheul and Thurik 2001). Female and male entrepreneurs differ with respect to their personal and business profile: they start and run businesses in different sectors, develop different products, pursue different goals and structure their businesses in a different fashion (Brush 1992, Fischer et al. 1993, Chaganti and Parasuraman 1996, Carter et al. 1997, 2002).

Results of several studies led researchers to conclude that the primary similarity between male and female entrepreneurs could be found in their motivation for starting their own businesses. These similarities included a desire for financial security, a need for autonomy, and a response to the identification of profitable business opportunities (Anonymous, 1995; Birley, 1989).

Chaganti and Parasuraman (1996) found no differences between male and female entrepreneurs regarding achievement motivation, autonomy, persistence, aggression, independence, non-conformity, goal-orientation, leadership, or locus of control (cited in Birley, 1989). However, Chaganti (1996) did find that women demonstrated a lower self-confidence than men. Looking at a different set of personality traits, Carrington (2006) found that female entrepreneurs tended to be visionaries and catalysts, whereas male entrepreneurs tended to be more traditionalists (cited in Birley, 1989). She concluded that this difference might help to explain the problems women encounter with the "organizational rigidity" of the corporate world and she suggested that women may start their own businesses in an effort to cope with the conflict between their personalities and corporate business processes.

The literature indicates that female entrepreneurs tend to perceive success differently than male entrepreneurs. Male entrepreneurs tend to evaluate success based on revenues and sales forecasts, an emphasis that may, according to conclusions drawn by Garcia, explain why male-owned firms earn 70% more in annual revenues (1999). Female entrepreneurs tend to place more of an emphasis on the balance of important life factors in measuring success, according to a study by Vermond (2000). Male and female entrepreneurs tend to have very different management styles, a finding that is logical in light of their differences in personality, experiential background, and perception of success. Men tend to have a more directive management style, while women use a more collaborative approach to leadership. In general, women employers understand the conflicting demands on their employees' time and energy, and the employees' need to balance work with family and personal interests (Verheul, Risseuw and Barlelse, 2002).

However a review of the literature by Allen (1996) showed that women who start businesses in more non traditional female fields tend to think more like their male counterparts and they tend to have higher profits. These women tend to open

businesses in industries that include: transportation, construction and development, communications, manufacturing, aerospace, wholesale distribution, finance, high technology, and entertainment. These women are 26% more likely to develop global markets than women in traditionally female fields, and 64% more likely to export products into foreign markets. This category of female entrepreneurs is also more likely to build larger more corporate organizations that make 38% more gross sales than other female entrepreneurs. Also, these women are more likely to seek bank financing, and were 17% more likely to increase the amount of investment they had in their companies.

In Canada, 47 percent of all small and medium enterprises (SMEs) in 2001 had at least one female owner. Furthermore, women comprised 34 percent of self-employed individuals in Canada, a proportion that has been rising over the last two decades (Industry Canada, 2005).

If the labor market can be segregated, then entrepreneurship will also be segregated. Women and men will only engage in entrepreneurial activities where they have some previous experience and knowledge. This has to be considered when trying to explain differences between women's and men's entrepreneurship. Therefore the question which has to be answered is the difference between men's and women's probability to engage in entrepreneurial activities related to the access to information and knowledge, availability of capital, and in some cases institutional factors and opportunities are segregated because of differences in industry and educational affiliation.

Generally in every society, women's access to enter any organizations and effectual leadership in any position of their career is limited. Any women who are in non-profit organization is giving her declaration of freedom and break through all the barriers related to economy, politics, cultural and social. Women indeed want and need women's business Association that will help them in their problems and if possible, participate in them and/or work for them.

Association can play a very supportive role by providing access to:

- Leadership
- Technology
- International trade training
- Market identification
- Industry information, trends
- Contacts for sources of credit
- Mentoring, counseling and advice

- Skill development in operations, management and marketing
- Advocacy and legislative pressure

To make a foster growth in women entrepreneurs, societies must not isolate women business owners in the sector. Instead of this, they should support, encourage, train, teach or explain every important issues to them. So Business Associations have an important role here like Russian start-up training operation named Starya Russia, Women Entrepreneurs Association of Nepal that provides loans for women entrepreneurs. By the way, innovation centers, enterprise centers, training centers, business development assistance, and guidance through government regulatory agencies can also be offered (Jalbert, 1999).

Women's entrepreneurship deals with both the position of women in society and the role of entrepreneurship in the same society. So women are therefore dealing both with the factors that affect the gender system and the factors that affect entrepreneurship in the society. While entrepreneurship and the gender system have been widely researched, they also have to be researched separately. Indeed, very little attention has been directed towards women's entrepreneurship.

As noted above women have different demands on them than men and they also have different priorities and motivation when starting firms or opening business. Women still have the major responsibility for family and children, which means that they have fewer possibilities to be flexible with their day-to-day time management. Therefore compared to men, they are more prone to start home-based businesses and they are more prone to start part-time businesses. Creating a balance between work and family is still very complex for women who are working in the labor force. The work and family balance for women in family businesses, however, is even more complicated to women who are not part of a family business household. The work roles of these women are further complicated in that women who are not the owners often work without pay or a job description (Danes & Olson, 2003).

At this point we will discuss the types of determinants of entrepreneurship categorizing them into the following four groups: female unemployment rate, per capita income, service sector, female labor force participation rate. Obviously, there is a large range of variables influencing (female) entrepreneurship. But the data which is available for the regression analysis is limited for determinants of (female) entrepreneurship.

3.1. Per Capita Income

The effect of per capita income on entrepreneurship is complex as the development of a country's income level can be an indicator for several economic situations. Further, economic development tends to have a relationships with real wages, the opportunity costs of self-employment and wage rates. Raising real wages raises the opportunity cost of self-employment by making wage employment more attractive. Several studies show the negative effect of economic development on self-

employment (Kuznets 1966, Schultz 1990, Bregger 1996). However, these studies refer mainly to the 1980s and earlier when per capita income levels were relatively low. The negative effect may reflect the exploitation of economies of scale in the post-World War II period when the technological environment was relatively stable. Recently, studies report a positive relationship between per capita income and entrepreneurship since the 1970s (Storey 1999, Carree et al. 2002). From a certain level of economic development, an increase in wealth tends to be accompanied by technological development and an increase in the size of the service sector, developments that positively influence entrepreneurship. So, both female and male entrepreneurial activity is expected to show a positive relationship with per capita income.

According to SIS statistics, 78 percent of people working primarily at home are women in Turkey. This percentage increases to 85 for urban areas and decreases to 64 for rural areas (SIS, 2000: 89). The ratio of women doing work at home has increased 48 percent from 1990 to 2000 (SIS, 1990: 146; SIS, 2001: 93). This significant increase can be interpreted as the result of earning additional income by increasing the household income overall. On the other hand, being married and responsible for childcare and household work at home are also barriers for women to enter the labor force. So they try to find other options that will make them earn income, such as working at home. They earn money from knitting pullovers, carpet and rug weaving, handloom weaving, lace making, and crocheting, tailoring, souvenirs and food production. This will bring very little money because the productivity is low. Also, they can work at domestic cleaning, child caring, hairdressing and/or home office work in order to overcome any financial difficulties. Of course the wage they are earning is little compared to men's; but it does contribute to the family budget.

3.2. Service Sector

The service sector tends to positively influence entrepreneurship. The service sector is characterized by low initial capital requirements, leading to low barriers to entry. Most services in Turkey are characterized by a relatively small size. The growth of service industries has also been a major factor in increasing female labor force participation (Oppenheimer 1970, Ward and Pampel 1985). As women have more opportunity to have a place in the service sector, a higher proportion of services may be more likely to influence female rather than male entrepreneurship.

Even after all considerations are taken into account, there are still so many women employed in agricultural sector. In 1985, 79 percent of women compared to 30.3 percent of men were working in this field. For the same year, only 8.1 percent of women were employed in industry and 12.9 percent in the service sector. This is because a majority of urban women are housewives; while nearly all rural women work outside the home in agriculture.

The distribution of male employment at the national level is: 30.3 percent work in agriculture; 25.1 percent in industry and 44.6 percent in the service sector. Although

agriculture continues to be the largest sector in terms of employment for women, it began to decline. Service sector employment has grown rapidly and by 2005 become the largest employing sector for men and the second largest employing sector for women, after agriculture. The decline of agriculture and the growth of the service sector are common place for developing societies such as Turkey. The highest percentage of women's labor force distribution in cities in the service sector, followed by industry and then agriculture. The percentage distribution for men has a similar trend; with the service sector having the highest ratio compared to other sectors. In the last ten years, women's participation in the industrial sector has decreased due to the growth in the service sector. The reason for the rapid growth of the service sector in Turkey is that women can find many jobs that are suitable for them.

3.3. Female Labor Force Participation Rate

A higher proportion of women in the labor force is not reflected in the area of self-employed as women are less likely than men to become self-employed. Delmar and Davidsson (2000) found that gender is a strong predictor of nascent entrepreneurship at the micro-level, with men being more likely to have the intention to start a business than women. Uhlaner et al. (2002) found that countries with a higher proportion of females in the labor force are characterized by a lower level of women in self-employment. While a higher proportion of women in the labour force may be expected on female entrepreneurial activity. Hence, even though women tend to be wage-employed rather than self employed, higher proportions of female labour are expected to be associated with higher female entrepreneurial activity rates, simply because the supply of female workers is larger. So it is expected that female labor force participation influences entrepreneurship.

Since 1980s there has been a definite decline in female labor force participation in Turkey. In this period the decline in women's participation in labor force has been greater than men's. Female labor force participation was 35.5 percent in 1980 and declined to 24.9 percent in 2005. Therefore women's participation in the labor market needs to be investigated. That is to say, more and more women are withdrawing from their position in the socio-economic life of Turkey. The decline in male labor force participation has gone from 84.6 percent to 74.5 percent in the same period. Although the decline in the female labor force in the last 20 years is important, its causes are more important. Structural economic changes, urban migration and agricultural laws have been considered the main reasons for this reasons. However, despite the slowing rate of migration and a female population that increasingly lives in cities which make it easier to access jobs, female labor force participation rates continue to decline.

On the other hand, there have been a number of theoretical and empirical studies that show that gender inequality in education and employment mean a decreasing labor force and reduced economic growth in the country. The main arguments from the literature, which are discussed in detail in Klasen (1999, 2002), are that gender

inequality in education reduces the average amount of human capital in a society and thus harms economic performance.

Human capital theory regards participation in education as an investment in human capital because of the expected returns later in life (Becker, 1964). So it can be said that the greater the amount of educational attainment, the more skilled, knowledgeable and productive people in the society will be. Therefore, the level of education has a strong impact on social outcomes like mortality, fertility, education of children, income distribution and life expectancy at birth. Promoting female education is known to reduce fertility levels, reduce child mortality levels, and promote the education of the next generation. Each factor in turn has a positive impact on economic growth and GDP of that country. Thus gender gaps in education reduce women's opportunities to attain high education levels in society. Further gender gaps in education might also automatically lead to gender gaps in employment both the formal and informal sector where employers will prefer educated workers and because of that they will not consider job applications from uneducated women. This means that gender gaps in education and employment are closely related.

Table 1

Illiteracy and literacy rate (%) between years 1935-2000						
Census year	Illiteracy Rate			Literacy Rate		
	Total	Female	Male	Total	Female	Male
1935	80.8	90.2	70.7	19.2	9.8	29.3
1940	75.5	87.1	63.8	24.5	12.9	36.2
1945	69.8	83.2	56.3	30.2	16.8	43.7
1950	67.5	80.6	54.5	32.5	19.4	45.5
1955	59.0	74.4	44.1	41.0	25.6	55.9
1960	60.5	75.2	46.4	39.5	24.8	53.6
1965	51.2	67.2	35.9	48.8	32.8	64.1
1970	43.8	58.2	29.7	56.2	41.8	70.3
1975	36.3	49.5	23.8	63.7	50.5	76.2
1980	32.5	45.3	20.0	67.5	54.7	80.0
1985	22.6	31.8	13.5	77.4	68.2	86.5
1990	19.5	28.0	11.2	80.5	72.0	88.8
2000	12.7	19.4	6.1	87.3	80.6	93.9
2006	2.3	1.8	2.4	97.8	98.2	97.6

Source: Republic of Turkey, State Institute of Statistics-Population and Development Indicators and State Planning Organization, 2002.

In Turkey, the explanations mentioned above are directly related to what women are facing in the market. The uneducated women have been externalized from the labor force unless they are self-employed. It is also hard for them to find a job that suits their life style, their expectations and beliefs. The working conditions are so hard that they have to quit the job as they are working so many hours including weekends, doing work at home and so on. So they have to make a decision whether to work as an employer or to work as a family worker at home. Because of the

pressures of community rules, beliefs, traditions and impressions, they generally give up work involuntarily. But it is important to note that female education has a great impact on the well-being of both families and the society. Being educated increases children's education profile which results in better educated people. The first step in education is literacy which gives a fundamental skill to empower women to take control of their own lives. With an increasing literacy rate, they will have more access for getting a better position in the labor market. This will then enhance women's position in the society.

In Turkey, the level of schooling is still very low for women although progress in enrollment has been made over the past decades by UNESCO. The literacy rates are showing an increasing trend from 1935 till today. That means that progress will prevail in time. Nowadays, there are projects aimed at people who are not sending their girls to school. The Kardelen project and The Girls Lets Go To School projects are a couple of examples that are very popular. People are donating money to these projects or sending feedback via their mobile phones which will be later counted as money for these projects. The basic aim of these projects is to increase the literacy rate of women in Turkey.

Literacy rates for men and women differed between 1935 and 1980. But later, because of the progress that has been made so far, the percentage of women shows an inevitable and unexpected raise in spite of all the difficulties they face. And this shows that, if conditions continue like this, in the future there will be no uneducated women.

3.4. Female Unemployment Rate

The relationship between unemployment and self-employment has been shrouded with ambiguity (Audretsch et al. 2005: 2). There are different types of effects of unemployment on entrepreneurs. First of all, there is a positive effect of unemployment by decreasing the opportunity cost of self-employment. If there is a very little chance for unemployed people to find a job, they can turn to self-employment. People who start a new business because of having no other opportunity of employment are more lucky than people who are seeking job in the sector. Because it is a chance for them to make an experience as an entrepreneur, to show their ability and knowledge, to provide employment and also be a model for people who want to become entrepreneurs.

In an economy dealing with crises, high rates of unemployment may be associated with a lower level of entrepreneurship. High rates of unemployment may be an indication of a decrease in the number of business opportunities because of the crisis employers are facing in the market and organizations then hire employees who demonstrate perform better economic performance in a depressed economy. It can be said that the unemployment level can negatively affect female, rather than male, employment as women are often involved in service-type and part-time jobs. Lin et al. (2000) found that the self-employment rate of women, compared to the male self-employment rate, is more negatively responsive to unemployment.

In Turkey gender roles, specifically the gender division of labor in the household, affect women's and men's labor market choices in different ways. The breadwinner role forces men to earn an income, regardless of the conditions and the qualities of the job that they perform. Men who cannot accomplish the breadwinner role expected of them feel guilty and useless. This stress is even greater in times when there is a shortage of jobs in the labor market. Under these conditions, many men are forced to take jobs that are not rewarding in terms of pay, status and job satisfaction. Women on the other hand are not expected to be employed, unless there is an urgent need for additional income. They are dependents, expected to be content with what the men provide (Özbay, 1998: 215). If they work, their earnings are considered extra, additional income to the family budget. This attitude towards women's work outside the home has serious problems in their employment choices and limits their equal involvement with men in the labor market.

First of all, women are not provided with equal opportunities in education and employment in the market. Investment on girls can make a positive affect on their future life if they become employers, but even now the education that girls' receive is reviewed as secondary to their anticipation of becoming a housewife or mother in the future. So this increased investment brings no solution to the problem.

The gender division of labor at home not only limits women's entrance into the labor market but also causes discrimination against women based on their reproductive roles. Most employers are reluctant to employ married women, arguing that they will terminate their working life when they have children (Ecevit, 1991). Therefore, they prefer to employ single, young women. The employment status of women and men also differs in the market. The most significant working status of women is working as unpaid family workers. The proportion of this group within the female labor force has decreased steadily from 35.5 percent in the 1980s to 24.9 percent in 2005. This is because almost all women working in agriculture are considered as unpaid family workers although all men are considered self-employed. Women are doing their traditional roles in the home, looking after children and home works, doing farming in their fields as unpaid family workers. That is this reduces the number of employed women in the market and forces them to only consider the role of wife.

But despite the above female participation in employment has increased considerably in Turkey, reflecting both changes in the labor supply behavior of women and the demand for female workers. Although the gender gap in employment is narrowing, employment rates (either in number of jobs or in number of hours worked) are still lower for women than for men. As the proportion of women in total entrepreneurial activity still reflect the proportion of women in the labor force, and female entrepreneurship may be influenced by different factors to those affecting male entrepreneurship, so attention must be given to the female entrepreneurship literature.

As seen from the above figure, it can be argued that women who are family workers have an overwhelming majority over other women who are working as employee or self employed. Very few women are employed in the self-employment and employer

sector. From 1970 to date, there has been a trend to an increasing number of women working as employers although the percentage of family worker women still remains the same. It can be concluded that this is related to socio-economic difficulties they are facing in the labor force. The statistics also indicate that the majority of women (73.9 %) worked as unpaid family laborers in 2000. During a span of 36 years, while the % of self-employed women remained somewhat stable, the proportion of women employers doubled (10.2 % from 1970 to 24.3 % 2000). Despite the trends toward women as a salaried workers, some of them still are self-employed. But it is still very different to the situation facing men in Turkey.

Figure 1

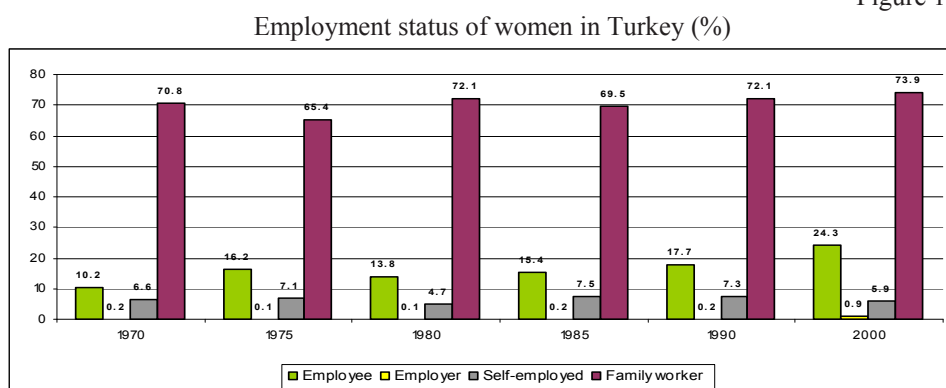


Table 2

Self-Employment in Turkey				
	2000	2001	2002	2003
Total self-employment as a percentage of % total civilian employment	51.40	52.82	50.25	49.36
Male self-employment as a percentage of % total male civilian employment	46.51	47.46	45.11	44.53
Female self-employment as a percentage of % total female civilian employment	64.71	66.79	63.02	61.88

Source: TUIK

After 2000, the ratios changed in other ways for example the percentage of female self-employed show a changeable trend. But due to men, it determines an increasing tendency towards self-employed sector and of course it depends on the economic situation of the country like tax rates, income distribution, wage earnings, level of technology, institutional credits and so on. From Table 2, it is easy to see that till 2001, the self-employed population of women increased. But after 2001, because of the economic uncertainties in the country such as devaluation of Turkish Lira against the US Dollar and stagnations in the market which adversely affected these people, they then gave up working or stopped working till the economy recovers.

The literature on female entrepreneurship mainly consists of studies like characteristics of female and male entrepreneurs (motivation, experience,

availability of capital, cultural factors) or the features of their organizations (size, strategy, management, performance). Yet other factors affecting employment include issues mentioned earlier such as those arising from the traditional roles that women perform in Turkey. Women are still responsible for the major part of child-rearing activities; therefore the availability and price of child-care facilities will influence female employment. If quality child-care is unavailable or costly, more women give up to be employee when they become mothers. In addition to privately provide day-care, subsidies for child-care can stimulate female labor force participation.

Gustafsson and Jacobsson (1985) argue that in countries with less generous parental leave schemes, more working mothers give up their jobs. Indeed, the availability of these schemes in wage-employment is expected to have a greater negative impact on female than on male entrepreneurship as child-rearing activities are a constraint particularly for working women.

Cultural values play a role in shaping the institutions in a country. Values and beliefs shape behaviors and may be assumed also to influence the decision to become self-employed (Mueller and Thomas 2000).

3.5. Other Factors

There are other factors that affect women entrepreneurialship, such as earnings, education, sectoral employment and so on. Wages in the private sector are generally low for both men and women in Turkey. Also the reasons are not different for men and women. Unemployment not only weakens the bargaining power of those currently employed, but also discourages people who would seek high salaried jobs.

In general, the wages of working women are lower than men and changes with respect to educational level, occupation and position at work. The 1987 Household Income and Consumption Questionnaire and the 1994 Income Distribution Research describes male and female wage differences in terms of basic variables such as educational level, age, economic activity, occupation, job status, and size of enterprise. The studies of social scientists using these data sources have made further analyses and have investigated the causes of these income inequalities (Tansel, 1996; Dayioglu and Kasnakoglu, 1997; Özcan and Özcan, 1999; Esim, 2000).

According to the 1987 Household Income and Consumption Questionnaire, the difference between male and female hourly wages is 40 percent, meaning that women on average receive only 60 percent of what men earn. There is a positive relationship between education and wages; while female elementary school graduates receive 42 percent of the hourly wages of male graduates, this ratio increases as the level of education increases. Furthermore, it has been determined that a university diploma increases the chance of employment of women by 50 percent (Tansel, 2000: 11). For both women and men, benefits received from being educated in vocational high schools are found to be higher than those from a general high school education (Tansel, 2000: 33)

On the other hand, cultural, religious and social factors have a heavy influence on girls' and women's participation rates in education. There is a positive relationship between education and employment. Moreover, there is often an emphasis placed on 'traditional' subjects for them, and less encouragement to study subjects such as mathematics, science, technological innovations, genetics or business training. Gender bias at all educational levels reinforces the roles of girls and boys in the society. Cultural and social factors such as early marriages, pregnancy, child care, household work and responsibilities affect the possibility of girls who remain at school or continue to education. There is another issue and that is that education may change girl's attitudes and make them less desirable for marriage.

Meanwhile, gender roles not only prevent a large number of women from entering the labor market, but also affect the permanence of their work. The reason for half of the women (55 percent) quitting work for a certain period of time is their commitment to family and/or children, while 77 percent of such women have mentioned not being able to find a person or place to take care of their child. Most women receive the greatest encouragement from their mothers to continue with work and they are essentially helped along by their mothers or mother-in-laws when childcare is necessary (Özar et al., 2000, p.39). Women's approach to wages is also shaped by their considerations about childcare. Especially married women with young children expect to receive a salary which exceeds their childcare and other work related expenses. Otherwise, after calculating their losses and their gains, they prefer to stay at home and take care of their child.

4. Women Entrepreneurs in Turkey Compared to the Rest of the World

Women's entrepreneurship is both about women's position in society and about entrepreneurship. Being female still represents a substantial disadvantage in all economies. In almost all area of employment women have a relatively weaker position than men in society nearly in all jobs. Of course important changes exist in many countries but the relationship between equal opportunities and entrepreneurship is not always straightforward. In many countries, especially in developing economies, women are forced into entrepreneurship, because they do not have any other choice. In these cases, the weak position of women in society combined with a weak economy leads to high rates of entrepreneurship. This can be compared to more developed economies that have lower rates of entrepreneurship because women have other options at that time which are better suited to their needs and their beliefs of what they are able to do and not able to do. From this point of view, it can be seen that women's rights in society are the main focus for action, forexample changing laws and regulations, in areas such as sexual harassments and discrimination. With the help of these strategies they can bring to maximize their education, income and their socio-economic life. While creating better likelihoods for women to be entrepreneurs in society, also equal opportunities between men and women have to be obtained.

Self-employment and entrepreneurship have become important ways to improve women's activity in the labor market. In all developing and developed countries,

there are success stories of women entrepreneurs, and many of them are related to opening up new markets. However, the number of successful female entrepreneurs is relatively small. The instability of the tax system in service and industrial sectors and other regulations in both the public and private sector, the lack of access to credit, weak institutional networks of information, marital rape, poor laws, occupational segregation, sexual harassment and discrimination limit opening of new companies by females. It can be said that to varying degrees, women face gender barriers all over the world.

In general, women who are working in Small and Medium Enterprises have a significant role in the economy and as a result of government's thoughts, women entrepreneurs are creating sources of business and jobs in the sector then men. Therefore, in removing gender segregation and increasing empowerment, decreasing poverty and raising income distributions of household in the society, women's self-employment and entrepreneurship are becoming more important worldwide. In this respect, national and international organizations are beginning to spend more resources on women's entrepreneurship and maintain its continuity.

Table 3

Sectors that women are working compared to men

Year	Agriculture, hunting, forestry and fishing	Mining and quarrying	Manufacturing industry	Electricity, gas and water	Construction	Wholesale and retail trade restaurants, hotels	Transport, storage and communication	Finance, insurance, real estate and business services	Community, social and personal services
Female									
1970	90.3	0.1	5.0	0.0	0.2	0.5	0.3	0.5	3.1
1980	87.9	0.0	4.5	0.0	0.1	0.7	0.4	1.1	5.3
1985	86.7	0.0	4.4	0.0	0.1	1.1	0.4	1.3	5.9
1990	82.3	0.0	6.7	0.1	0.1	1.6	0.5	1.8	6.9
2000	75.7	0.0	6.6	0.1	0.2	3.7	0.7	2.8	10.2
Male									
1970	55.6	1.2	11.0	0.2	4.7	7.1	3.8	1.3	15.2
1975	56.4	1.0	10.9	0.2	4.8	6.9	4.2	1.5	14.1
1980	44.5	1.1	14.4	0.3	6.6	8.9	4.4	1.9	17.9
1985	43.4	1.0	14.3	0.2	5.7	10.0	4.5	2.2	18.5
1990	38.0	0.9	15.0	0.5	7.9	11.6	5.0	2.6	18.6
2000	48.4	0.4	12.6	0.4	4.6	9.7	3.3	3.1	17.5

In poorer countries it appears that fewer women participate in entrepreneurial activities, although rates of female entrepreneurship vary dramatically across nations. The entrepreneurship gender gap measures the difference between the number of men and the number of women participating in entrepreneurial activity. The latest data show that among the countries with the largest entrepreneurship gender gaps are nations as varied as Poland, Argentina, Norway, and Greece, while

countries among those with the lowest gaps include South Africa, Peru, Portugal, and Japan. Governments and non-profit organizations around the world are actively promoting entrepreneurship through a variety of programs and policies. Entrepreneurship policy ideas are often imported from one country to another and are rarely differentiated by gender. But if entrepreneurial activity varies with gender, national culture, or economic circumstance, policies that are promoting entrepreneurship may work well in some situations.

Recent OECD statistics show that about 28 per cent of all entrepreneurs in member countries are women (OECD, 2001), while the corresponding number is estimated to be only 15 per cent in Turkey (KSSGM, 2001). Turkish women continue to participate in the national work force largely as unpaid household/agriculture sector workers or wage earners in typically lower paying jobs. This gender gap persists over time. The distribution of employed women and men by status at work did not change in the last decade, and the overwhelming majority of women (67 per cent) work as unpaid family workers, to date (Özar, 2002).

According to the gender distribution in all industries seen in the table above, women's enterprises show that some gender role related activities, such as agriculture, social and personnel services come to the forefront. This is followed by the manufacturing industry. Working in the finance and insurance sector is increasingly being highlighted as more women start to work in that area although the ratio is still low compared to other sectors. Women working in these areas are women tend to be living in the cities. Rural women are generally working in the agricultural sector and have very little chance to work in other sectors because of their responsibilities there, compared to men. Nevertheless, working in mining, electricity and contraction sectors are preferred by women compared to men. So it can be concluded that some sectors are shared between men and women. Work which needs more power, time and effort are usually done by men in actual fact agricultural and socio-economic services are done by women. Of course, the effect of society, cultural and religious beliefs and life conditions affect these circumstances adversely.

4.1 Profile of Women Entrepreneurs

The ratio of women entrepreneurs in Turkey is very small and it is only one-tenth of the ratio for men (www.ogu.edu.tr/eskkad.html). The largest proportion of Turkish women entrepreneurs own and operate micro enterprises, although enterprises owned by women in Turkey span the whole range in terms of geographical location (rural, urban), size and assets. Actually, Turkish women have founded and successfully managed large corporations in almost all existing industries from international trade to finance, from IT to advertising, from manufacturing to management consulting, from banking to insurance.

However economic difficulties may affect women's enterprises unexpectedly. While there is no extensive study on the effects of the economic and financial crises (such as 2001 currency crises in Turkey) about women's enterprises, it should be expected

that resources and support would all go through from women entrepreneurs to men in the families because of the traditional family rules in Turkey. From the perspective of family values, women's employment is considered secondary and in times of economic uncertainty and stagnation, all the savings go to men.

Women are also working more than at least half the amount of men in household facilities and child minding. In general, women who start up business are over thirty years of age (SIS, 2003). When they reach their thirties, their gender role in the home is beginning to finish as their children are growing up. According to DAI, when the enterprise of a woman is small, the family does not give much importance to them. According to the survey done by DAI, women spend 21 hours on housework and childcare, and 60 hours on their enterprise; whereas men spend 2 hours on housework and childcare and 71 hours on work (DAI 1995: 48). But working makes women more powerful, more self-confident and more in control of their decisions in their lives. There is an argument that supporting women to be entrepreneurs not only assists them to obtain additional income for themselves but also gives them control over their decisions on their lives.

4.2 Difficulties that Women Entrepreneurs Face in the Sector

The studies on Turkish women entrepreneurs vary with respect to education. Ertubey (1993), working with a sample in Aegean, Turkey, has found women entrepreneurs are mostly university graduates. Çelebi et al. (1993) describes her sample of women entrepreneurs from three metropolitan areas as mostly high school graduates. Ufuk and Ozgen's research (2001) in Ankara also found that a majority of women SME owners are high school and further educated women. But the DAI research (2001) suggests that the majority of women SME owners are primary school graduates, but the important thing to note about this survey is that they did not take into consideration women in the urban areas. Overall, it is important to note that, women entrepreneurs turn out to be more educated than men in the same industry.

Financing the business is the biggest problem. Women borrow less frequently than men; the amounts they borrow are also lower (DAI, 1995). The reason for borrowing less from banks or other institutions is women's lack of knowledge of the financial system, difficulty finding collateral and their lack of knowledge about technological developments. The most common restriction that women entrepreneurs are facing is lack of credit. Banks do not want to give credit without real estate or security, because they want to secure the credit they are giving. But not many women have real estate. So it becomes impossible for them to take credits by themselves. Very few women have knowledge about banking system and how it works. So although they get credit, it is not easy to pay it back. Yet while women are the most reliable debtors in Turkey compared to men, it is impossible for them to get the credits easily. Therefore women need knowledge on how to make business with banks, educating them in all the areas where they may face difficulties. Then such problems may be reduced in the future.

5. Data

A number of regressors is included in this study that affect proportion of women in the total labor force. The model is estimated by using Regression Analysis. The purpose of this econometric estimation is to focus on the measure of gender inequality in employment. The proportion of women in total labor force is the dependent variable while the female unemployment rate, per capita income, service sector, female labor force participation rate are explanatory variables. 1980 – 2005 period data were used to construct Regression Analysis with the help of variables provided in Table 4.

GDP per capita shows the economic growth of Turkey during the last twenty-five years, as seen in Table 4. Although GDP per capita is not internationally comparable, it gives an insight into economic progress for Turkey. It has been showing normal progress except for four years which affected the Turkish economy deeply. Nearly the years before the crises were not evaluated. In the preceding years before the crises occurred the GDP per capita was negative or very close to zero, for example in 1991 the war between Iraq and Kuwait took place in a region which is very close to Turkey's boundaries, so GDP per capita was 0.93% before the year that the war started. Also in 1994 and 2001 Turkey had suffered two major financial crises because of the devaluation of the Turkish Lira and damage of this effect of devaluation raised difficulties in the Turkish economy in those year. It can be said that a result of these financial crises the GDP per capita was -5.46% in 1993 and -7.39% in 2000. The 1999 earthquake in the Marmara region caused unforeseen effects on the Turkish economy. That means it was an unexpected event and it took time to address the effects of the earthquake in Turkey. So in 2000, people felt the effect of this natural disaster in their consumption and income.

The following equation is estimated:

$$\Delta(SFL/TLF) = \alpha + \beta_1 \Delta GDPPCI + \beta_2 \Delta FLFPR + \beta_3 \Delta FUNR + \beta_4 \Delta FISS \quad \text{eq (1)}$$

SFL/TLF: Change in the share of female in total labor force, 1980 – 2005

GDPPCI: GDP per capita income

FLFPR: Change in female labor force participation rate

FUNR: Change in female unemployment rate

FISS: Change in Female in service sector

All variables' first differences are put into the regression. The reason for this is that there are some variables which are non-stationary. That means, they can not influence their properties and have stochastic trends which are determined by changes that can be easily explained by the model. Therefore, to prohibit these differences between stationary and non-stationary variables, all variables' first

differences are taken. Otherwise, this model will tend to show linear relationship but it will not be real.

Table 4
Proportion of females in total labor force and the dependent variables which affect women entrepreneurs

Turkey	Labor force participation rate (%)		Share of females in total labor (%)	Share of females in total employed population (%)	Unemployment rate (%)		Share of females in total unemployed population (%)	Female employees in service sector (%)	Female employees in industrial sector (%)	Female employees in agricultural sector (%)	GDP per capita income (%)
	Female	Male			Female	Male					
1980	35.5	65.85	35.50	27.95	21.55	10.40	26.70	9.85	8.75	81.40	4.86
1981	35.41	71.12	35.41	27.68	22.60	9.64	26.93	9.55	9.30	81.15	3.56
1982	35.32	72.65	35.32	27.47	23.00	9.00	27.88	9.90	9.60	80.50	4.97
1983	35.23	72.90	35.23	27.35	24.80	10.10	28.12	12.07	7.70	80.23	6.71
1984	35.14	71.75	35.14	26.94	29.10	9.00	30.56	10.20	8.70	81.10	4.24
1985	35.05	72.29	35.05	26.76	11.10	11.30	31.87	12.90	8.10	79.00	7.01
1986	34.96	70.34	34.96	26.10	10.90	9.80	34.21	14.30	7.60	78.10	9.49
1987	38.10	73.87	34.87	30.24	10.50	8.70	36.48	14.20	8.20	77.60	2.12
1988	37.00	74.56	34.78	29.48	10.60	8.52	37.87	13.30	8.50	78.20	0.25
1989	35.40	75.66	34.69	31.14	9.50	8.37	26.89	13.00	9.30	77.70	9.26
1990	31.83	73.80	34.60	30.41	9.63	8.61	25.26	14.40	9.80	75.80	0.93
1991	33.24	74.87	34.90	30.55	6.47	7.94	21.70	13.50	7.80	78.70	5.98
1992	30.64	72.96	35.20	29.69	7.60	8.30	22.11	15.30	14.20	70.50	8.04
1993	29.89	71.04	35.50	25.82	6.57	7.96	27.03	16.00	11.70	72.30	-5.46
1994	31.13	71.10	35.80	29.07	6.89	9.08	22.85	17.60	11.00	71.40	7.19
1995	30.31	70.73	36.10	28.94	6.04	7.68	22.74	16.50	8.70	74.80	7.01
1996	30.06	70.17	36.40	28.91	4.93	6.86	21.07	15.80	8.90	75.30	7.53
1997	27.92	69.20	36.70	27.37	5.72	6.01	26.01	21.30	13.30	65.40	3.09
1998	26.42	68.99	37.10	27.97	6.31	6.43	23.70	19.40	10.60	70.00	-4.71
1999	30.98	65.57	37.32	28.73	6.30	7.60	24.03	18.10	9.70	72.20	7.36
2000	26.23	73.70	37.60	26.88	7.40	6.57	21.78	19.40	9.95	70.85	-7.39
2001	26.85	72.80	37.85	27.73	6.49	8.71	21.80	20.59	8.10	71.31	6.43
2002	27.43	71.60	38.10	28.67	7.83	10.70	22.17	18.96	8.90	72.14	6.98
2003	25.95	70.43	38.60	27.86	7.91	10.71	21.66	19.40	9.20	71.95	7.65
2004	25.40	72.30	39.20	26.67	7.84	9.76	20.97	19.25	9.50	71.25	5.22
2005	24.80	72.20	40.63	27.28	7.43	9.18	20.12	20.17	9.85	69.98	6.18
2006	24.90	74.50	26.15	26.02	10.30	9.70	27.39	20.58	10.15	69.27	4.35

Source: Household Labor Force Survey Results (SIS, 1989-1998).

The data that have been used in the empirical part of this paper come from different data sets that are given below:

- World Bank, 1980 – 2005.
- World Development Indicators (WDI 2003).

- State Planning Organization.
- State Institute of Statistics.
- UNDP, 1990 – 2005.
- LABORSTA, ILO Bureau of Statistics.

GDP per capita, some parts of female unemployment rates, female labor force participation rates and illiteracy and literacy rates come from World Development Indicators while the female in service sector and employment status of women are taken from the State Planning Organization and State Institute of Statistics. The proportion of females in the labor force, sectors that women are working, self employment of women, activity rates by sex and age are taken from ILO Bureau of Statistics and UNDP.

5.1 Women and Employment Index (WE)

To understand the causes of low female participation in the labor market, the Women's Employment Promotion (WEP) Project can be used. The general aim of WEP can be summarized as understanding the current situation of women's employment and developing related policy proposals in order to increase the total number of employed women and to supply women with better career opportunities and jobs. **WE** is defined as

$$WE = \sum_{i=1}^k |(N_{fi} / N_f) - (N_{ti} / N_t)| * 100 \quad \text{eq (2)}$$

N_{fi} : Number of females in industry i

N_f : Total female employment

N_{ti} : Number of persons in industry i

N_t : Total employment

Women and Employment Index is used here to calculate gender segregation in the industrial sector. The variables used to calculate the equation are given in Table 4.

6. Estimation Results

The explanatory variables defined in the previous section have been regressed using Regression Analysis and the results are provided in Table 4.

Dependent Variable	Constant	Per Capita Income	Female Unemployment Rate	Female Service Sector	Female Labor Force	R ² Adj. R ²
SLFTLF	0.45 0.71	0.045 0.43	-0.014 (-1.98)	0.26 1.63	0.15 0.43	0.78 0.53

Table 4 shows the basic regression equations as described above. Most regressions have shown the expected signs, a high explanatory power and perform well on specification tests. Equation confirms a number of known findings regarding the importance of initial results as well as growth in human capital (per capita income). There is negative impact of unemployment while there is a positive impact of others (based on t-values).

The more interesting thing in this equation is the finding that both the ratio of female in the service sector and female labor force has significant positive impact on proportion of females in the total labor force while female unemployment has the opposite effect. The improvement in the female labor force is positively associated with educated women and the level of their earnings. The coefficients of all are prospected. On the other hand, only the t-value for female unemployment rate is significant (1.99). That means, when the number of unemployed females increases, they start to be less proportion of the labor force. Females who are working in the service sector also have a great positive impact which will increase their equal proportion of the labor force. Also as expected, per capita income has a high explanatory power on the female labor force as it is expected. A 1% increase in the ratio of per capita income will increase the proportion of women in the labor force by about 4.5%. However, as expected the relationship between unemployment and share of females in labor force is negative as expected. When there is a 1% increase in the unemployment rate, the female labor force will significantly decrease by 3.8%.

Meanwhile, there are so many other factors that affect the proportion of females in the labor force such as fertility and mortality rates, education, literacy rates of them and also the wages connected with working hours. Most of the remaining factors relate to education which is an asset and accepted as human capital. Once gained, it can not be sold. This was based on the theory that education is an investment in human capital and as its amount increases, individual's skills, and competencies also increase. Because of this, the education of women also has to be increased, to get a better job or to be in the labor force, and to compete with men.

6.1 Results of Calculated Women and Employment Index (WE)

WE	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
	47.89	49.51	47.61	46.23	48.17	44.93	43.22	49.60	54.21	58.00	60.32	55.64	57.47	55.42
WE	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
	53.43	55.75	58.11	54.34	54.03	54.33	58.21	57.44	59.75	58.25	57.68	56.27	53.41	

In Turkey, the majority of women workers are employed in the agricultural sector. The proportion of women employed in agriculture declined from 81.4% in 1980 to 69.27% in 2006 while sectors tend to show an increasing trend. The sector with the second highest proportion of women in employment is the service sector. The third most important sector for women's employment is industry. One of the factors that caused the declines in *WE* is the higher rate of increase in the proportion of women employed in the service sector. This is because it is easier for them to find jobs suitable for them in service sector rather than in industry.

7. Conclusion

Using Regression Analysis, this paper empirically concentrates on the effects of the female labor force; per capita income and females in the service sector as well as unemployment on female labor force participation. Five indicators are used to run the regression. The result indicates that the female labor force and proportion of women employed in the service sector exert a statistically significant positive effect on women in the society. As time goes on there is an increasing trend in the labor force participation of females as years past. On the other hand, there are still so many women who are not permitted to go to the school or carry on their education in the Eastern and Southeastern parts of Turkey, because they have to work in lands where their families use them as unpaid family workers or they have to help their families in the home. Due to this, overall the female labor force ratio is very low compared to men. Secondly, findings show that per capita income, by increasing the income of the household, also has an important effect on the proportion of females employed in the labor force.

Findings of this study show there is not much difference between men and women entrepreneurs. To overcome the problems of low female labor force participation and high rates of female unemployment, supporting female entrepreneurship has become the most widely emphasized solution to the problem. "Female entrepreneurship" is fully adopted in Turkey and, promoting female employment is seen as important as supporting female entrepreneurship. It is considered that women can step out of unemployment and poverty through their own initiatives when they start a business. However, given the rather unstable economic and political environments in Turkey, it is not so easy for women to start and sustain their businesses and they are further blocked by some socio-cultural values and gender gaps emerge from these. It should further be noted that self employment bears the risk of employment without social security coverage. However, Turkey lacks such institutional infrastructure and arrangements. In the face of low female

employment rates, one must first support women's self employment including encouragement of female employers. That is promoting income by generating activities among women instead of wage working.

In summary, the expected outcomes are that men in general had more business experience prior to opening the business and higher expectations while women entrepreneurs had a larger average household size. The educational backgrounds of male and female entrepreneurs were very similar. Women were less likely than men to purchase their business and were more likely to have positive revenues, but men were more likely to own an employer firm. Female owners were more likely to prefer low risk/return businesses while men were generally risk takers.

Future research that is more extensive needs to be done on what is happening to women's employment within the changing global economic developments in the Turkish economy. This will give us more opportunity to gain knowledge of the developments in the informal and formal sectors. Also we will see what is happening to the new forms of labor in the service sector such as what is changing at work in terms of any discrimination, as well as a which factors are affected from this change.

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