Women’s Work - A Way Out of the Global Economic Crisis? The Cases of EU, Turkey and Israel

Nellie Munin
Assistant Professor
The Law School, Zefat Academic College
Israel
An Introduction to
ATINER's Conference Paper Series

ATINER started to publish this conference papers series in 2012. It includes only the papers submitted for publication after they were presented at one of the conferences organized by our Institute every year. The papers published in the series have not been refereed and are published as they were submitted by the author. The series serves two purposes. First, we want to disseminate the information as fast as possible. Second, by doing so, the authors can receive comments useful to revise their papers before they are considered for publication in one of ATINER's books, following our standard procedures of a blind review.

Dr. Gregory T. Papanikos
President
Athens Institute for Education and Research
This paper should be cited as follows:

Women’s Work - A Way Out of the Global Economic Crisis? The Cases of EU, Turkey and Israel

Nellie Munin
Assistant Professor
The Law School, Zefat Academic College
Israel

Abstract

The ongoing global economic crisis motivates countries to look for new resources for the enhancement of economic growth. Although it is a well known fact that efficient utilization of labor is a potential growth resource, the potential of women's labor is not fully utilized. In most of the countries, the major obstacle to more efficient utilization of that source does not lie in legislation, but rather in cultural and religious drawbacks. This article examines the situation in three Mediterranean partners: the EU, Turkey and Israel, concluding that despite their very different sizes, as well as social and cultural profiles, by and large they share common problems in that respect. It further suggests possible ways to improve the utilization of women's labor in these countries, to the benefit of their economies.

Keywords: Gender, Global Economy, EU, Turkey, Israel

Acknowledgements: I would like to thank Zefat Academic College for the ongoing support in my research, and to ATINER for including this paper in the conference and for publishing it.

Contact Information of Corresponding author: www.nelmun.com

Introduction

The ongoing global economic and financial crisis which started in 2008 is affecting the Mediterranean region, motivating countries in the region to look for new potential resources for the enhancement of growth. In general, such resources include capital and labor. While capital may be short in times of crisis, labor is available. Despite the recognition that better utilization of women's labor may improve the economic and financial situation in the Mediterranean region, steps taken by governments to achieve this goal are insufficient.

Three Mediterranean Partners

This article examines the approach towards utilization of women's labor in three Mediterranean partners: the EU, Turkey and Israel. The EU is the largest, most powerful neighbor addressed: it is combined of 27 Member States. Its population is
estimated to exceed 502.5 Million people (Eurostat, 2011). The EU is the largest trade block in the world, and a very important global economic and strategic player. Turkey, a country with more than 78 million citizens (Index Mundi, 2012a), is an EU candidate. It is thus committed to adopt the EU law before accession to the EU. Its legislation and practice are constantly subject to review by EU institutions. The EU parliament follows the treatment of women in Turkey closely, and has made it clear that the respect of women's basic human rights is a condition sine qua non for Turkey's accession to the EU. (European Parliament, 2006).

Israel is the only democracy in the Middle East, a small country with 7.8 million citizens (Israeli Central Bureau of Statistics, 2012). Its economy heavily depends on export. The EU and Turkey are two important trade partners and strategic allies of Israel. Israel has a Free Trade Area Agreement with Turkey, concluded in 1997, and an Association Agreement with the EU, concluded in 2000.1 Both these agreements facilitate trade in goods between their parties, by the abolition of barriers to trade such as customs duties, quotas and their equivalents. Since 1995 Turkey and the EU form a customs union, which means that they share a common external trade policy. In addition, they share an Accession Partnership. (The European Commission, 2012a). Israel and Turkey are both parties to the Barcelona Process (initiated 1995), the Neighborhood Policy (initiated 2003) and the Union For the Mediterranean (UFM) (initiated 2008), three initiatives by the EU offering, among other things, financial and technical support to Mediterranean countries.2 This support from the EU is subject to the adherence of recipient countries to shared values of democracy and the rule of law.3

**Growth, the Global Economic Crisis and the Utilization of Women's Work**

Due to the economic crisis, growth rates escalated considerably in the three Mediterranean partners. Thus, for example, during the years 2008-2009 the EU suffered negative growth rates. In 2010 the situation seems to have been improved, heading towards the average rate held before the crisis, with 2% GDP growth rate, but in 2011 growth declined to 1.5% (Eurostat, 2012). Turkey also experienced a sharp decline in its GDP growth rates during these years, to 0.7% and -4.7%, respectively. However, GDP growth rate improved considerably in 2010, to 9.01%. (Index Mundy, 2010). Israel experienced a sharp decline in its GDP growth rate in 2009, to 0.8%, but in 2010 it improved to 4.7%. (Israel Bank, 2012). Despite the fact that all three Mediterranean partners seem to be recovering from the sharp decline in their growth rates, all these countries are still struggling with serious economic challenges emanating from the global economic crisis: in the EU, certain Member states such as Greece, Portugal, Spain, Ireland and Italy suffer high debt rates. Most of them are in need for financial help from EU and/or international resources. Turkey suffers from a growing current account deficit and its economy is threatened by the slowdown in the European market, which is the destination for 50% of its export. (Raufoglu, 2011). Israel is also struggling to ensure the stability of its economy, considerably depending

---

1 The full text of these agreements may be retrieved from http://www.israeltrade.gov.il/NR/exeres/8A8AE4E9-3652-4DE4-841D-C2F252E53709.htm?wbc_purpose=basic&WBCMODE=pres%2cpres%2cpres%2cpres.

2 More information on these initiatives may be retrieved from www.ec.europa.eu.

3 Article 4 of the EU-Israel Association Agreement, www.moit.gov.il; As an EU candidate, Turkey is subject to the Copenhagen Criteria set by the EU, which require candidate countries and Member States to be abide by the principles of democracy and the rule of law.
on exports, in particular to its two major trade partners who suffer from the crisis: the EU and the US. In 2012, Israel's economy is experiencing a slow down compared to 2011. It is thus clear that higher growth rates are necessary to pull the three partners out of their economic and financial difficulties and ensure the long term stability of their economies.

One way to enhance growth is by improving utilization of labor, a resource available, but not fully utilized, in all three partners, like in the rest of the world. Women account for approximately half of the world's population. Nevertheless, their work potential is not fully utilized (Rodham-Clinton, 2011; World Bank, 2012). Optimal utilization of women's labor is not measured only by the general rate of women's participation in the workforce.\(^4\) The following biases, shared by all three Mediterranean partners examined, should also be taken into account:

- **The rate of educated women (which is higher than that of men) does not necessarily correspond to the rate of their participation in the workforce.**
  In the EU, for example, although women account for 55% of university graduates, their employment rate is 21% lower than that of men (Desvaux, Devillard-Hoellinger, & Baumgarten, 2007).

  However, in all three partners correlation is found between higher education and participation in the workforce, showing that educated women tend more to work than non-educated women. (World Bank, 2009, Almagor-Lotan, 2010, Mattler, 2007). While in Turkey the total rate of educated women's participation in the workforce is considerably lower than that of men, and decreasing, in the EU it seems to be increasing as women take advantage on the shift from demand to hard physical labor, to high skilled services providers. (Mattler, 2007).

- **Women tend to hold inferior occupations/positions compared to men with equivalent qualifications, and to concentrate in jobs considered 'more due for females'.**\(^5\) In Israel, for example, working women tend to concentrate in sectors such as education, health, social services, while working men concentrate in sectors considered more 'men-oriented' such as industry and business services. (Almagor-Lotan, 2010). In recent years Turkey experiences growing immigration from rural areas to the cities. Women who used to work in agriculture find it even more difficult than men to integrate into the labor force in the cities: 'women without university education, especially in urban areas, generally have access to jobs that offer low wages, require long hard working hours and do not provide social security'. (World Bank, 2009).

- **The rate of self-employed males and entrepreneurs is considerably higher than that of self-employed females.** In Israel, the rate of self-employed females is approximately half of the rate of self-employed males. (Almagor-Lotan, 2010). In Turkey, there are approximately 1.8 million male entrepreneurs, but only 80,000 female entrepreneurs. (Daily News, 2011). In the EU, women form only 30% of all entrepreneurs. (European Commission, 2012b).

\(^4\) Which is 58.3% in the EU, 47% in Israel and 22% in Turkey.

\(^5\) This tendency may emanate from a combination of stereotype perception shared by (male) employers as to the qualifications and abilities of women, affecting the pattern of employment defined by them, on the one hand, and the constraints imposed on women due to their double responsibility at home and at work, due to which they find this pattern inapplicable to them (Rimalt, 2010).
- **Women tend to engage in part time jobs more then men.** Thus, in the EU 33% of women work part time, compared to 7% for men. (Desvaux et al., 2007). In Israel, 10% of the men engage in part time jobs, while 34% of the women in the center and south of Israel and 43% in the north of Israel do so (Almagor-Lotan, 2010). In Turkey, less than 10% of men engage in part time jobs while more than 20% of women do so (OECD, 2011).

- **Women tend to earn considerably less than men doing the same/equivalent jobs.** In Israel women earn 66% of the wages paid to men holding the same position (Almagor-Lotan, 2010). The gap is usually created by indirect benefits given to men, but not to women in equivalent positions. In the EU wage gap between men and women in 2009 was 17%. (Eurostat, 2012). In Turkey, the observed average gender wage gap is about 25.2% in favor of men for the salaried population. According to one opinion, around 60% of it may be attributed to discrimination (Cudeville and Gurbuzer, 2007).

In most cases, this reality forms an infringement of domestic law, but since not all women have the ability and/or courage to sue their employers, enforcement is quite limited.

- **In many cases, women's potential wages are weighed against the cost of help in the household assignments they need to take in order to work, in particular where their potential salaries are low.** Thus, for example, a survey held in Turkey reveals that '[t]he high cost of hiring someone else to help working women with child care and domestic work is an important barrier for women to seek jobs.' (World Bank, 2009).

- **Women are underrepresented in high, influential positions in the business sector as well as in decision making bodies.** Israel is ranked 70th in the world in terms of women's participation in its parliament, while Turkey is ranked 106. The EU countries differ from each other considerably. Thus, the Netherlands are ranked at the 6th place, while Hungary is ranked 97. (Almagor-Lotan & Kayn, 2010).

In the EU, women represent only 11% of the membership of the governing bodies of listed companies. (Desvaux et al., 2007, Desvaux, Devillard, Sancier-Sultan, 2010). In Turkey, only 9.7% women participate in boards of directors, and in Israel - 12.5%. (United Kingdom Government, 2011).

As a result, women have fewer opportunities to affect the patterns of employment and enhance policies that would support their interests.

### The Legislative Framework to Support Utilization of Women’s Work Exists

Legislation ensuring basic rights such as gender equality at work is a pre-condition for utilization of women's labor. Such legislation should refer to different aspects of that subject: it should include incentives for women to join the workforce and at the same time extend the options for promotion offered to women who already joined the workforce. It should include instruments that ease the double burden of family and work, borne mainly by women, by offering solutions intervening in the domestic sphere such as parental leave and daycare arrangement, while at the same time

---

6 This phenomenon was already discussed by Paula England in the 1990's (England 1992). For comparative data on the American market see: Goldberg Day and Hill (2007).

7 See also the analysis in Aktas and Uysal (2012).
offering direct instruments intervening in the labor market, by providing for affirmative action, equal pay for equivalent work, the creation of special working frameworks for conservative groups. Close examination of the legislative framework reveals that although there is always room for improvement, in the three Mediterranean partners there is a solid legal basis establishing basic necessary rights to ensure intensive participation of women in the workforce, providing, among other things, for equal pay, equal treatment at work, the protection of pregnancy, maternity and parental leave, the prevention of sexual harassment at work. (Landau and Beigbeder, 2008 (EU); Bozkurt, no date (Turkey); Rimalt, 2010 (Israel)). However, indirect regulation to create a supportive environment which would offer incentives for women to join the workforce is still lagging behind.

**The Contribution of International Organizations**

The domestic legal framework in the three Mediterranean partners is further reinforced by the activity of international economic organizations in which all three Mediterranean partners are members (Munin, 2012). Thus, for example: The International Labor Organization (ILO) is responsible for the development of binding Conventions and non-binding Recommendations concerning gender equality at work. It also developed a mechanism to deal with infringements of binding measures, although this mechanism is somewhat limited. The Organization for Economic Cooperation and Development (OECD) published one comprehensive Declaration drawing a roadmap to achieve gender equality at work already back in 1980. The OECD further contributes to the global discussion on this issue by publishing data and statistics which form factual basis for any decision-making process. Recently it has initiated co-operation with MEDA countries, which are not OECD Members, in order to extend the efforts towards the achievement of this goal.

The World Bank is also publishing data and statistics on this issue, and has recently started to subject financial aid given by it to adherence to gender equality standards. This is an effective implementation instrument, although it is confined only to potential beneficiaries of such support.

**The Obstacles Encountered by Women**

The extensive global legislative effort, reinforced by international regulation, does not seem to be enough to ensure the utilization of women's labor in the three Mediterranean partners examined. One problem seems to be insufficient implementation of the available legal instruments, while another problem seems to be an insufficient effort to establish a supportive environment for women's work.

It is interesting that despite the different social and cultural composition of the three partners examined, women in them share common difficulties, which are not different than those shared by women in other countries. Women wanting to utilize their work potential seem to encounter the following obstacles (Desvaux et al., 2007): the ‘double burden’ syndrome: the combination of work and domestic responsibilities set on women, the lack of governmental support (in terms of creating a supportive network of daycare centers, tax incentives etc.), the unsuitability of labor market models (historically designed by men) to women, religious and cultural obstacles.

---

8 The full scale includes 138 countries.
9 In Israel and in the EU practices of affirmative action are known (Landau and Beigbeder, 2008, Rimalt, 2010) although experts hesitate to what extent this technique is effective in enhancing women’s participation in the workforce on equal footing to men. By comparison, in the US a positive correlation was found between affirmative action programs and their effective implementation. Effective governmental enforcement resulted in effective implementation by employers (Rimalt, 2010).
In certain cases, women are exposed to severe violence by men in their families, culturally or religiously justified. Such women are even less free and/or motivated to exhaust their work potential. (e.g., Bozkurt, no date, European Parliament, 2006). Women belonging to minorities (e.g. Kurdish women in Turkey (Bozkurt, no date)) and Arab women in Israel10 (Almagor-Lotan, 2010) and immigrant women encounter even more obstacles than women belonging to the majority group. They may suffer additional language, culture and education barriers. (Munin, 2011). These practical difficulties turn into sources of psychological drawbacks.

Cost-Benefit Analysis

It should be noted that in many cases the motivation behind the extensive domestic legislation and international regulation in favor of gender equality at work is not necessarily economic, but rather the achievement of equality as a basic human right. Seen as such, the insufficient enhancement of women's work in the three Mediterranean partners examined may be explained not only on grounds of the social perception of women's role in the society, but also in light of attempts to avoid the substantial cost and effort involved in implementation of the relevant law and in creating incentives for women's work in terms of tax, daycare arrangements etc. As long as the motivation behind striving for these rights is confined to due observance of human rights and its economic potential is not realized, the motivation of governments to invest in its enhancement may be limited. Effective enhancement of optimal utilization of women's labor necessitates the combination of the following fields of action: governance, employment and economic activities, promotion of social protection schemes and health care and the prevention of gender based violence and the establishment of a gender budgeting approach as an expression of political commitment to gender equality and the enhancement of women’s work. (European Commission, 2007).

The economic and political price involved in such efforts may deter governments from undertaking them, in particular in times of economic crisis. However, in recent decades the economic cost of continuing the current situation and the economic benefit of changing is gradually realized. (World Bank, 2012, Rodham-Clinton, 2011).

The Price of Gender Inequality

Gender inequality at work has an economic price, paid by the entire society. This price includes, among other things:

**Shortfall of workers** – The EU is expected to suffer more than the other two Mediterranean partners examined from this problem, due to its growing aging population and low rate of births. (Passig, 2010). If current employment rates for women remain constant, Europe can expect a shortfall of 24 million people in the active workforce by 2040. If, on the other hand, the rate of women's participation in the workforce can be raised to the same level as that of men, the projected shortfall is expected to drop to 3 million. (Desvaux et al., 2007). The necessity to develop the human resource is well recognized by the EU, as reflected by the Europe 2020 smart growth agenda. (European Commission, 2012c). Although the other two partners enjoy higher birth rates, they still have to invest in the development of human capital to optimally utilize the full work potential of their populations. They may further face brain drain in favor of economies such as that of the EU, which may offer attractive

---

10 In Israel, while 58% of Jewish women participate in the workforce, only 21% of Arab women do so.
work conditions to foreign labor in order to overcome the shortage of domestic workers. (Passig, 2010).

**Less growth** – The shortfall of workers and the omission to optimally utilize the available labor resource may inevitably lead to the achievement of less growth than may be achieved by full, efficient utilization of this resource.

**Risk of poverty for women and their children** - Unemployed, particularly elderly, women are more exposed to the risk of poverty. Their right to a pension income is often linked to their marital status and they rarely have adequate pension rights of their own. Sadly, this is also true for a section of working women, due to career breaks, pay gaps, part-time work, etc. In the EU, there is a growing public concern about how to counter this challenge (see, e.g., European Parliament, 2010). Poverty among young women also affects child poverty, where unemployed or low-paid women are supporting children. In Israel, this problem was strongly reflected during intensive social protests that took place in summer 2011. The protests revealed the distress of single mothers, but also of families where both parents work but are still unable to overcome poverty. Enhancement of women's employment (and also improvement of their terms of employment) may prevent this difficulty in the long run, for the current population which is still in the working age, thus relieving the relevant economies off a substantial burden of supporting ongoing poverty in the long run.

The economic benefit of avoiding such results may offset the financial investment necessary to achieve this outcome.

**The Limited Power of Governments**

Even if governments are convinced to invest more in the enhancement of women's labor utilization, the limits of their powers should be understood. While governments have full power to shape the economic and legislative environment in which women may exercise their work potential, they have only limited power to dictate the social atmosphere, which may be affected by long term traditions and religious considerations. However, governments may contribute to the creation of a supportive atmosphere by education and the development of work models for women that might be tolerated by the societies they live in.

**Crisis, Unemployment and the Enhancement of Women's Work**

How can one enhance women's work during a severe economic crisis, which is characterized, among other things, by high rates of unemployment and budget shortage?

It seems that despite these difficulties, some steps may be taken:

**Encouragement of Female Management**

One answer to that question may be that in companies, the replacement of unsuccessful male directors by female directors may change the management style of the company, thus leading for growth and success (Desvaux et al., 2007, Rodham-Clinton, 2011).

**Opportunities for Entrepreneurs**

To entrepreneurs, including women entrepreneurs, an economic crisis may offer many interesting opportunities to acquire develop and recover assets and businesses in financial difficulties. Companies and businesses thus recovered may yield new jobs in the medium and long term.
Implementation adapted to religion/cultural considerations: SMEs

Yet another pattern of activity which may offer an interesting solution, which is both less vulnerable in times of economic crisis, being more flexibly operated, as well as corresponding to religious/cultural limitations, is the encouragement of work through small and medium enterprises (SMEs).

SMEs are common in all three Mediterranean partners, forming a decisive share of their respective markets (OECD, 2012). It is a well known fact that the enhancement of SMEs indirectly enhances women's work, since SMEs facilitate the bridging of family and business responsibilities. SMEs seem to be particularly suitable for women's employment in the cultural atmosphere of Turkey as well as of minority societies in Israel (Reut Institute, 2012) and in the EU. SMEs overcome difficulties such as access to work for those living in distant areas. They allow for flexible working hours, thus allowing women to combine their family and work responsibilities. The Turkish experience shows that SMEs are the least vulnerable form of business to the current economic crisis, since they are more flexible and able to serve a wide variety of alternative markets, more efficient and keep up with new demands and technologies (Sentürk, Keskin, Kiriş, Turkoz, Kiriş, 2008). SMEs may offer a comfortable framework for work for both educated and non-educated women. A common effort by the three examined Mediterranean partners to expand, facilitate and support this form of business may enhance women's participation in the workforce of these countries, in a manner that would be acceptable in religious and cultural terms. The legal network of agreements among the three partners may facilitate such common efforts. Thus, for example, the major disadvantage of work through SMEs is that they usually suffer financing difficulties, since banks and credit institutions are not keen to offer them credit (OECD, 2012). The EU has developed programs to support SMEs both in the EU and in the Mediterranean region (CEPS-IEMED Working Group, 2009). Some of these programs are open for Israel and Turkey, due to their relations with the EU. By adopting a policy similar to that exercised by the World Bank, of subjecting financial aid given by it to adherence to gender equality standards, the EU could have leveraged this financial aid to contribute even more to the regional enhancement of this goal.

Work From Home (Distant Work)

New technologies allow for women to supply services from home by using the phone, the fax, the computer. This option may be open for self-employed women as well as for workers who obtained the consent of their employers. This form of work may take place full time, or part time. It may be suitable for educated women who may supply professional consulting, academic, translation, typing services etc. but also for less educated women who may engage in telemarketing, secretarial services etc. Similarly to SMEs, this manner of working may solve many religious and cultural difficulties, and allow women to better juggle between their home and work responsibilities. Governments may encourage this form of working, for example by improving technological networks in distant areas and by offering recreational training for women who want to engage in these kinds of work. They may further offer incentives for employers, to employ women working in this manner, raising their awareness to

---

11 The Reut Institute particularly argues that better integration of minorities' women in the Israeli labor market is a key for the achievement of higher growth: http://www.reut-institute.org/Publication.aspx/PublicationId=3656
12 Women in distant areas have even greater disincentives to work, being afraid not to be able to reconcile their home and work responsibilities due to the distance (Almagor-Lotan, 2010).
the costs which are saved by this manner of employment in any case, e.g. transport costs, office maintenance costs etc.

**Free Movement of Workers/Service Suppliers among the Three Partners**

Additionally, the network of agreements among the three partners may encourage better allocation of labor among them, thus opening new opportunities and horizons for women's labor as well.  

**Conclusion**

The Mediterranean region may profit from fully utilizing women’s labor which is an available resource for growth enhancement in the region. Implementation requires domestic efforts but investment will be reimbursed. Patterns of work which do not collide with culture, tradition or religion may be developed and enhanced by governments. A combined regional effort may create a substantial economic leverage to pull the region out of the current global economic crisis. Public pressure to engage in such domestic and regional efforts may encourage domestic politicians to take steps in the right direction, in particular in light of the public social protests that took place in the region recently.

**References**


---

13 To achieve this goal, agreements that do not cover movement of workers and trade in services would have to be modified.


European Parliament. (2006). Resolution on women's role in social, economic and political life in Turkey (2006/2214(INI)).


OECD. (2012). Credit Crunch Squeezing Entrepreneurs and Small Businesses More than Big Firms. Retrieved 24 April 2012 from http://www.oecd.org/document/43/0,3746,en_21571361_44315115_50137131_1_1_1_1_1_00.html


Rimalt, N., (2010). Legal Feminism From Theory to Practice – the Struggle for Gender Equality in Israel and in the United States, Pardes Publications, Israel.


