

# Women Entrepreneurship & Problems in Turkey

Aykut Bedük and Kemalettin Eryeşil

**Abstract**—Together with the industrialization, women began to be included in business life by peeling off of the tasks given them by society and they have become a factor of production creating value in economic and social sense. Thus, women have taken place in the labor market, majority of which has been formed by men. In this study, the experiences of women entrepreneurs, who succeed in business activities, will be analyzed. By the study, current state of the women entrepreneurs in the labor market of Turkey will be put down, as a result of interferences obtained from the shared experiences of women entrepreneurs. Findings obtained at the end of the study are thought to light the way of future studies for increasing women entrepreneurship.

**Keywords**—Women Entrepreneurship, Entrepreneurship, Turkey.

## I. INTRODUCTION

ALTHOUGH roles of genders varies in different societies, and also differ more throughout history, women has endured to have a minor importance in relation to men. The role of women in society was largely determined by tradition, culture, and values. By these values, division of labor was formed gender based and while roles of bringing home the bacon, providing financial support was given to men; roles of bringing up the children and managing home were given to women. Surely, while woman had been created as more emotional, gentle, and domestic; man is more powerful, adventurous, and brave.

Together with the industrialization, women began to be included in business life by peeling off of the tasks given them by society and they have become a factor of production creating value in economic and social sense. Thus, women have taken place in the labor market, majority of which has been formed by men.

In this study, the experiences of women entrepreneurs, who succeed in business activities, will be analyzed. By the study, current state of the women entrepreneurs in the labor market of Turkey will be put down, as a result of interferences obtained from the shared experiences of women entrepreneurs. Findings obtained at the end of the study are thought to light the way of future studies for increasing women entrepreneurship.

## II. ENTREPRENEUR WOMAN AND SPECIALTIES

In the literature, there are different meanings of the concept

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of entrepreneurial woman. In the vast majority of studies, woman entrepreneur is defined as the woman establishing the enterprise and the second-generation entrepreneur. Also in some studies in the literature, woman entrepreneurship is considered equal with small business.

Women Entrepreneurs Association of Turkey (KAGİDER), founded in 2002, defines woman entrepreneur as "With a creative idea of a woman; in a sustainable, long-term framework of a business plan, process of establishing a new business where capital and idea is combined". According to entrepreneur undertakes a calculable risk and creates employment [1]. According to another definition, a woman alone or employing other people, which is a registered member of Chamber of Tradesmen and Artisans of Turkey Union of Chambers or Commodity Exchanges (TOBB), and is under the umbrella of one of the social security institutions, which employ women alone or alongside other people, producing and selling directly market-oriented goods or services which are convertible into cash, by undertaking calculated risks, having their own business tax registration, within a market economy [2].

In light of all this information, it is possible to collect the woman entrepreneur in a common definition as; woman, working in a place outside the home, having a workplace set up her own behalf and carrying out activities related to the production of any goods or services by working with people in her employ, doing/having done the distribution, marketing and selling of these goods or services, undertaking all types of work-related risks, having the right to route her gains derived [3].

According to determination of the study conducted by Schreier and Schwartz about women entrepreneurship in the United States, characteristics of women entrepreneurs are listed as follows [4];

- 1) Though owner of the business seems to be a woman, generally women entrepreneurs work in partnership with a man,
- 2) The vast majority of women entrepreneurs operate in the service and retail sector,
- 3) Women Entrepreneurs' educational levels are over the national education level,
- 4) Women Entrepreneurs women are usually the first child of a family belonging to the middle layer,
- 5) The vast majority of women entrepreneurs are included in the labor market after 35 years,
- 6) Before setting up their own business they work in other places for a few years,
- 7) Women entrepreneurs generally dense in health, food and clothing, tourism and service sectors, and mostly evaluate their own savings in small-sized enterprises.

In another study conducted by Dorothy P. Moore (1990), women entrepreneurs are classified in two groups as traditional and contemporary. In the study women entrepreneurs between 1945 and 1970 are defined as traditional women entrepreneurs, and women entrepreneurs in the period after 1970 are defined as contemporary women entrepreneurs. Different determinations in the study are given in Table I.

TABLE I  
WOMEN ENTREPRENEUR TYPES ACCORDING TO MOORE'S DISTINCTION

|                         | Traditional Women Entrepreneurs (1945-1970)               | Contemporary Women Entrepreneurs (1970- + )                   |
|-------------------------|---|---|
| Orientation             | Home and family   | Carrier   |
| Aim of working          | Providing additional income                               | Realizing the ideals  |
| Sectors                 | Service and retail trade                                  | Businesses where men are dominant and new enterprises         |
| Finance                 | Personal resources  | External resources  |
| Loan                    | Discrimination  | Equal credit chances  |
| Education               | Higher sciences such as science or history and philosophy | Business management supported by collaboration and experience |
| Business Proprietorship | Sole proprietorship and low income                        | Partnership and high income                                   |
| Role Models             | Prohibitive   | Less prohibitive  |

Source: Moore, 1990: 277.

When prompted to compare the men and women entrepreneurs; although there are similar features essentially, it is seen that they distinct in some points such as personal characteristics and areas of activity. In Table II the comparison of men and women entrepreneurs is given.

TABLE II  
COMPARISON OF MEN AND WOMEN ENTREPRENEURS ACCORDING TO HISRICH

|                                    | Men Entrepreneurs   | Women Entrepreneurs   |
|------------------------------------|---|---|
| Motivating Factor                  | Effort for self-realization and putting forth something   | Goal Orientation, being free, succeed alone   |
| Reason for Starting the Enterprise | Turnover, dissatisfaction with current employment, dismissal  | A sense of inhibition, interest owned in a particular area and opportunities  |
| Sources of Funds                   | Personal savings, bank loans, loans from friends and family   | Personal savings and loans  |
| Occupational Background            | The experience acquired from previous work  | Experience in the field of activity   |
| Personal Characteristics           | Persistence, stubbornness, innovation, excessive self-confidence, being enthusiastic and energetic, becoming their own boss | Being flexible and tolerant, creativity and realism, being enthusiastic and energetic, the ability to cope with social and economical environment |
| Entrepreneurship Age               | 25-35 years   | 35-45 years   |
| Promoting Groups                   | Friends, business partners, wife  | Close friends, family members, women's associations, Professional organizations   |
| Enterprise Type                    | Manufacturing and construction  | Education and consultancy in service sector   |
| Annual Average Net Income          | 7.100 \$  | 2.200 \$  |

Source: Şekerler, 2006: 115[5].

As it can be understood from Table II; while men entrepreneurs start an enterprise because of dissatisfaction with the current job, dismissal or breaking up the current job, women entrepreneurs start an enterprise when an opportunity or an interest arise in a particular area. Again, as a different situation; while the motivating factors for men entrepreneurs are self-realization and putting forward something; orientation for a particular purpose, being free and succeeding alone motivate women entrepreneurs for starting an enterprise. While men entrepreneurs in the labor market are stable, persistent, innovative, idealistic and extremely self-confident women entrepreneurs are more flexible and tolerant and they have moderate self-trust and ability to cope with the social-economic environment. Although men entrepreneurs start their first enterprise in manufacturing and construction sectors, women entrepreneurs generally focus in food, clothing, tourism, insurance, health and sanitation sectors because of ease of access and fewer requirements of capital and hardware. When these differences are considered, and gender roles of women are predicted, significant dissimilation is seen about the specific jobs for men and women.

### III. PROCESS OF ENTREPRENEURSHIP FOR WOMAN ENTREPRENEUR

Entrepreneurship is not an action that may be randomly, but an action that requires a process. These processes are the processes of noticing the opportunities, developing a business plan, supplying resources needed and managing the business. Demand, government, private sector and political influences play a role in the platform, where these processes will take place. Thus, for the entrepreneur to notice the opportunities and start up; enough demand in the market, support of government and the power to compete with other competitors are needed [6]. Women's labor force status by age group is given in Table III. Labor force participation among women is between 20 and 44 years of age. However, considerably high labor force participation rate is seen at the age range of 25-29 and 35-39.

According to 2010 Turkey Statistical Institute (TÜİK) Household Labor Force Survey, Turkey's total population is 73.7 million and 43.2 of them are men, 36.7 million of them are women. In 2010 labor force participation rate is 70.8% among men and 27.6% among women. When one looks at labor force participation rates by age groups, it seen that in 2010 labor force participation rate among population over age 15 is 48.8%.

TABLE III  
WOMEN'S LABOR STATUS BY AGE GROUP, 2010

|       | Non-Institutional<br>Working Age<br>Population<br>(thousand) | Labor<br>(thousand) | Population out of<br>labor<br>(thousand) | Employment<br>Participation Rate<br>(%) | Unemployment<br>Rate<br>(%) |
|-------|--|---------------------|--|---|-----------------------------|
| 15-19 | 3.012  | 511                 | 2.501                                    | 17.0                                    | 18.5                        |
| 20-24 | 2.893  | 1.042               | 1.851                                    | 36.0                                    | 25.2                        |
| 25-29 | 3.133  | 1.191               | 1.942                                    | 38.0                                    | 17.9                        |
| 30-34 | 2.988  | 1.066               | 1.922                                    | 35.7                                    | 12.5                        |
| 35-39 | 2.676  | 1.000               | 1.676                                    | 37.4                                    | 11.2                        |
| 40-44 | 2.406  | 867                 | 1.539                                    | 36.0                                    | 8.0                         |
| 45-49 | 2.163  | 621                 | 1.543                                    | 28.7                                    | 6.3                         |
| 50-54 | 1.901  | 444                 | 1.457                                    | 23.4                                    | 5.7                         |
| 55-59 | 1.537  | 294                 | 1.242                                    | 19.1                                    | 1.8                         |
| 60-64 | 1.204  | 181                 | 1.023                                    | 15.0                                    | 1.1                         |
| 65-+  | 2.827  | 166                 | 2.661                                    | 5.9                                     | 0.1                         |
| Total | 26.740   | 7.383               | 19.357                                   | 27.6                                    | 13.0                        |

Source: www.tuik.gov.tr (10.01.2012) [7].

Women's participation rate of labour is given in the Table IV.

TABLE IV  
WOMEN'S LABOR PARTICIPATION RATE

|        | 2010 | 2009 | 2008 | 2007 | 2006 |
|--------|------|------|------|------|------|
| Female | 27.6 | 26.0 | 24.5 | 23.6 | 23.6 |
| Male   | 70.8 | 70.5 | 70.1 | 69.8 | 69.9 |
| TOTAL  | 48.8 | 47.9 | 46.9 | 46.2 | 46.3 |

Source: www.tuik.gov.tr (10.01.2012)

A significant increase is seen in female labor force participation by years. Women's labour force participation rate is 23.6% in 2006 and 27.6% in 2010. However, when looked at labour force participation rate of men, this rate should be increased more for women. Women's non-institutional labour force status according to education level is given in Table V.

TABLE V  
NON-INSTITUTIONAL LABOR STATUS OF WOMEN ACCORDING TO EDUCATION LEVEL

|   | Non-Institutional<br>Working Age<br>Population (thousand) | Labor (thousand) | Population out of<br>labor (thousand) | Employment<br>Participation<br>Rate (%) | Unemployment<br>Rate (%) |
|---|---|------------------|---------------------------------------|---|--------------------------|
| Illiterate  | 3.012   | 511              | 2.501                                 | 17.0                                    | 18.5                     |
| Literate but not Graduated from Any School        | 2.893   | 1.042            | 1.851                                 | 36.0                                    | 25.2                     |
| Primary School                                    | 3.133   | 1.191            | 1.942                                 | 38.0                                    | 17.9                     |
| Elementary School or Equivalent Vocational School | 2.988   | 1.066            | 1.922                                 | 35.7                                    | 12.5                     |
| Public High School                                | 2.676   | 1.000            | 1.676                                 | 37.4                                    | 11.2                     |
| High School Equivalent Vocational School          | 2.406   | 867              | 1.539                                 | 36.0                                    | 8.0                      |
| College or University                             | 2.163   | 621              | 1.543                                 | 28.7                                    | 6.3                      |
| Primary Education                                 | 1.901   | 444              | 1.457                                 | 23.4                                    | 5.7                      |
| TOTAL   | 1.537   | 294              | 1.242                                 | 19.1                                    | 1.8                      |

Source: www.tuik.gov.tr (10.01.2012)

In the table, it is seen that, labor force participation rates of women increase with higher educational level. Indeed, according to the results of TÜİK labor of households in 2010, female labor force participation rates being 19.6% for primary school graduates, 24.6% for elementary school, 30.4% for high school and 71% for graduates of college or university: indicate the existence of a direct proportion between level of education and female labor force participation. Labor force status of women according to the place of residence is given in Table VI.

TABLE VI  
LABOR STATUS OF WOMEN ACCORDING TO PLACE OF SETTLEMENT, 2010

|       | Non-Institutional<br>Working Age<br>Population<br>(thousand) | Labor<br>(thousand) | Population out of<br>labor<br>(thousand) | Employment<br>Participation<br>Rate<br>(%) | Unemployment<br>Rate<br>(%) |
|-------|--|---------------------|--|--|-----------------------------|
| Urban | 18.519   | 4.396               | 14.124                                   | 23.7                                       | 18.7                        |
| Rural | 8.221  | 2.987               | 5.233                                    | 36.3                                       | 4.6                         |
| Total | 26.740   | 7.383               | 19.357                                   | 27.6                                       | 13.0                        |

Source: www.tuik.gov.tr (10.01.2012)

Again, when one looks at the results of TÜİK 2010 urban and rural households labour, labor force participation rate of women, which is 23.7% in rural areas, is seen to be 36.3% in urban areas. Higher labor force participation of women in rural areas indicates that, women are employed in the

agricultural area, but it is not an entrepreneurial activity. The employment rate of women according to employment status is given in Table VII.

TABLE VII  
EMPLOYMENT RATE OF WOMEN ACCORDING TO WORKING POSITION  
(THOUSAND PEOPLE)

|      | Paid /<br>Casual | Employer | Own<br>Account | Unpaid Family<br>Worker | Total |
|------|------------------|----------|----------------|-------------------------|-------|
| 2006 | 2.670            | 69       | 659            | 1.859                   | 5.258 |
| 2007 | 2.809            | 75       | 617            | 1.855                   | 5.356 |
| 2008 | 2.975            | 77       | 616            | 1.927                   | 5.595 |
| 2009 | 2.999            | 77       | 749            | 2.045                   | 5.871 |
| 2010 | 3.260            | 83       | 822            | 2.260                   | 6.425 |

Source: TÜİK (2011, 65)

According to the study, "Women in Statistics 2010" reported by TÜİK, a significant increase was experienced in the last five years in women's entrepreneurship. According to the data, while 69 thousand women were employers in 2006, in 2010 83 thousand women were employers. While 659 thousand women in were working for their own account in 2006, in 2010 this number has reached to 822 thousand women.

#### IV. CHALLENGES FACED IN WOMEN ENTREPRENEURSHIP

According to traditional thought system, which is still ongoing, "woman's place is home" and customary duties of

her are "being her husband's wife, and her children's mother". However, new social roles are added to this role of women in the process of industrialization and urbanization and depending on the social change process. The result this inevitable change is on the way of women's becoming more free, powerful, and conscious in consequence of gaining economic independence by entering the working life by own volition or not. As a result, women entrepreneurs, who want to have their own business have emerged [2].

The leading causes of women starting a business are need to succeed, desire to be independent and tendency to take risks. In addition, the country's unemployment problems caused by country's economic conditions, unsuitable business conditions for women and gender discrimination where women work, depended on an employer; can be counted on.

Existing in the society with the entrepreneur's role provides opportunities of autonomy within working life, acting independently, self-realization, reaching the goals for the future; more than the other units in working life [8]. Problems, which women entrepreneurs face, are mainly examined from two points of view, as financial and social.

Financial problem, which is one of the most important problems, women entrepreneurs face, is very important in terms of both starting a new establishment and managing the established business. For why, not only capital is necessary for starting an establishment, but also financial skills are needed to carry out the established business place in a healthy way. Having financial asset and necessary information potential is the prerequisite to start an establishment. Absence of financial strength is the greatest challenge for women entrepreneurs.

One of the problems, which arise about the women entrepreneurs, can be classified as social problems. Social problems can be listed as; the cultural environment, where roles of women are stereotyped, gender discrimination, women's lack of adequate educational level, the negative reaction of the family to women's entrepreneurship, requirement of risk-taking for entrepreneurship, high working hours and workload, reduced time for women to spend at home.

In our society, housework and home care of children and elderly are the work expected to be done by women [1]. Women have to share the responsibilities in family life such as childcare, elderly and patient care, with her husband and/or the state. However, institutions in our country, such as day care and day care centers have not reached sufficient numbers despite all efforts [9].

Lack of education is another problem mostly faced by women. Especially the families, adopting the traditional way of life, want to redirect their financial strength, to education of his sons, not daughters', and they expect success and the business ownership from the male children [10]. In this context, especially in rural areas, girls made to work in the fields beginning from young ages and they are forced to marry at an early age.

The patriarchal structure in the direction of women to be depended to their husbands through marriage and not to have a responsibility as housekeeping impedes the education of girls.

However, self-confidence of educated women is higher and they are more courageous to enter the business world. One of the most important factors affecting the work lives of women in society is the gender role, which they adopt in the society, different from men. No matter how much knowledge women have about the field where they want to work, a difficult process is required for them to be accepted in the market. In addition, working and money earning women in our society is seen as an element of pressure on men and it is thought to house the image of the man as the head of home.

Women entrepreneurs' role dilemma between their private and working life, put them away from being entrepreneurs. Again, the most common issues can be suggested such as lower wages paid to them than the men with the same seniority and the glass ceiling barriers.

Gender based stereotyping is seen as the most important challenge in women's careers. They can be listed as; being expected to fail due to lack of experience and confidence problem due to not being in the market for a long time. Another factor that prevents women entrepreneurs is the legal and bureaucratic challenge. Women entrepreneurs have more difficulties in transactions with governmental agencies when compared with men entrepreneurs, and they also have difficulties in overcoming the bureaucratic challenges.

A wide variety of studies on women entrepreneurs can be said to exist in our country. Notably the General Directorate of the Status of Women (KSGM), Ministry of Development, Industry and Trade Ministry; Small and Medium Industry Development Organization (KOSGEB), Turkey Business Association (İŞKUR) and Turkey Union of Chambers and Commodity Exchanges (TOBB) and more many institutions work to promote women's entrepreneurship in Turkey. One of them is KAGİM (Konya Women Entrepreneurs Panel), which was established by Konya Chamber of Commerce to support women's entrepreneurship by providing them entrepreneurial training, information and consultation.

Konya Women Entrepreneurs Panel (KAGİM) is a support unit founded with CFCU/TR0604.03-13 numbered "Empowering Women- Supporting Women's Empowerment in Terms of Capacity and Service Capacity through Partnership in Konya," Project which was conducted in partnership with Formaper Agency subsidiary of Konya Chamber of Commerce and Milan Chamber of Commerce in the framework of EU-Turkey Chambers Partnership Grant Program of Civil Society Dialogue's EU-Turkish Chambers Forum. General Goals of KAGİM are [11]:

- Increasing the number of women entrepreneurs in Konya by promoting women about starting enterprises,
- Supporting existing women entrepreneurs and promote entrepreneurship as a solution to unemployment,
- Establishment of a network among women entrepreneurs,
- Correction of the negative image of women entrepreneurs in the community,
- Strengthening the cooperation between Turkey and the EU Chambers.

## IV. CONCLUSION

Without doubt, in modern economies, entrepreneurship is the most important means of development. In addition, entrepreneurship plays an active role in preventing unemployment and ensuring welfare. The way of degradation among countries of the world is possible by activating the unused potential of entrepreneurship. At this point, gaining women in labor force by promoting women's entrepreneurship, is extremely important. It is significantly difficult to realize social and economic development without the participation of women.

One of the most important income items of the state is taxes. By encouraging women to establish a workplace rather than to work home-oriented, not only informality will be avoided, but government will not face tax evasion as well. In fact, in 9 Development Plans (2007-2013), the "Enhancing Women's Entrepreneurship" is located in the economic and social development axes.

In the entrepreneurship process, women hesitate to break into the market because of the problems they face thus number of establishments belonging to women retain limited. By wide spreading the implementations encouraging women's entrepreneurship, such as enhancing loan facilities, reducing bureaucracy, consulting and business development services; access to these services must be facilitated. But above all, the perceptual transformation, which accept women entrepreneurship as a natural element of economic development. In our country, interest in the issue of strengthening women's economic status has increased in the last twenty years. A variety of proposals and approaches for increasing women's paid employment and developing their occupational status have been developed.

According to our study, most women involve in the areas that are traditionally considered suitable for women. Thus, women play sort of a qualified house wife role. Different working fields for women must be researched and women must be directed to these fields by educating them. By this means, women will become an added value creating factor wherever they exist.

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