

Household Labor Supply Structure and Family Well-Being: The Case of Turkey*

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Objective of the Study

- * To explore the relationship between gendered patterns of household labor supply structure and poverty (family well-being) in Turkey.
- * Does the poverty risk of dual earner HHs differ from the poverty risk of male breadwinner HHs?
 - * If yes, to what extent?
- * Can promotion of dual earnership serve as an alternative anti-poverty strategy?

Motivation for the Study – Gender Perspective

- * Turkey has the lowest employment rate in EU / OECD (45.9% in 2013)
 - * Due to very low female employment rate globally (27.1% in 2013 vs. 65.2% male employment rate)
- * Hence dominant HH structure is male breadwinner.
- * Low (female) employment rate an increasingly important policy concern
 - * International processes (EU accession; UN CEDAW, WEF)
 - * Increasingly vocal women's movement
 - * Low female employment diagnosed as a persistent structural challenge to dynamic growth
 - * Economic growth did not eliminate the gender employment gap as expected hence need for targeted policy action (*World Bank 1980 vs.2010 reports*)

Motivation for the Study – Poverty Perspective

Turkey also has one of the highest poverty rates in the EU and OECD (child poverty at 24.6% almost twice the OECD average in 2010)

Policy discourse on poverty reduction focuses on:

1. Cash transfers (particularly against female poverty)
2. Employment promotion for men as breadwinners

How about dual earnership as an alternative anti-poverty strategy?

- * A more sustainable and equitable strategy achieving multiple social goals
 - * Recent example – Mexico
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- * A macroeconomic climate of economic instability and global economic crisis
 - * Dual earnership can improve household resilience to economic shocks

Motivation for the Study

bringing the Gender and Poverty Perspectives together

Policy discourse on women's employment

- * Proponents → Gender Equality and Growth,
- * but no perspective of family well-being / poverty

- * YET: A political climate of increasing conservatism on gender issues
 - * PM's public calls on women to have three children
 - * Government attempt to outlaw abortion
 - * PM's public statements that «*Women and Men are not equal but rather complement each other*»
 - * Government's policy discourse: Not an issue of gender equality but an issue of family well-being

- * Hence recent draft policy package (2013) on women's employment foresees promotion of women's flexible, part-time and home-based employment
- * At best a one-and-a-half earner family model

Applied studies on Dual Earnership and Poverty

- * Study on 16 OECD countries: Lower risk of child poverty in dual earner families (Oxley et. al., 2001).
- * OECD Study: Countries with larger shares of mothers in paid work also record lower poverty rates among children (OECD Family Database 2012).
- * Comparative study of North America and EU: Mothers' employment to be substantially influential on poverty reduction in the US, Canada and Sweden, lower in the UK and the Netherlands (O'Connor and Smeeding, 1995).
- * Study on effectiveness of anti-poverty policies using SILC for 24 EU countries 2008: Encouraging women's employment and dual earner families serves as a more effective strategy against poverty than cash transfers (Lancker, 2011).
- * Study of 7 EU countries: Strong positive effect of mothers' employment on improving family well-being (Büchel, Mertens and Orsini, 2003).

Research on Turkey making linkages between women's employment and family well-being

- * Reduces income inequality (*Dayioğlu and Başlevent 2012*)
- * Reduces domestic violence (*BETAM 2012*)
- * Improves resilience to economic shocks (*Değirmenci and İlkkaracan 2014*)
- * Poverty alleviation? - none so far

Research Questions?

1. What is the household profile of Turkey in terms of labor supply structure?

Dual Earner vs. Male Breadwinner

(vs. no earner; female breadwinner; other types of HHs)

2. How does **Dual Earner** vs. **Male Breadwinner** family structure impact household poverty risk and material deprivation?

- Hence can promotion of 'Dual Earner Families' serve as an anti-poverty strategy?

Data and Methodology

Data:

- * Survey on Income and Living Conditions (SILC) by Turkish Statistical Institute (TurkStat)
 - * SILC – A Eurostat Survey (EU-28 + Turkey, Iceland, Norway, Switzerland)
 - * Annual surveys since 2004 (in Turkey 2006) based on nationally representative samples
 - * Cross-section plus longitudinal (4-year panels)
 - * Variables on income by sources, employment status, household and individual characteristics, social and material deprivation
- * **2011 SILC Turkey: 56,438 individuals (total 40,679 of age 15+) in 15,025 households**

Data and Methodology

Definition of poverty

1. At-Risk-of-Poverty Rate

Comparing equivalent per capita household income (using OECD equivalence scale) to

- * 60% of median income (EU)
- * 50% of median income (OECD)

European Council definition of poverty (Council, 1985):

Poor are the persons whose resources (material, cultural and social) are so limited as to exclude them from the minimum acceptable way of life in the member state to which they belong.

A relative measure

An indirect measure of means (income)

Data and Methodology

Definition of poverty

2. Material Deprivation Rate

Based on 9 indicators of ability of the HH to...

1. face unexpected expenses
2. have one week annual holiday away from home
3. pay for arrears (rent, mortgag, utilities)
4. have a meal with meat/chicken/fish every second day
5. keep home adequately warm
6. have a washing machine
7. have a colour TV
8. have a telephone
9. have a personal car

Deprivation Rate: The proportion of people living in households which lack at least 4 of the 9 items because they cannot afford them.

Intensity of deprivation: The mean number of items (from 0 to 9) lacked by people.

An absolute measure

A direct measure of outcomes

Data and Methodology

1. Classify households by their labor supply structure
 - * Primary focus on married couples
 - * **Dual Earner** versus **Male Breadwinner** Families
2. Calculate different measures of poverty for different types of households
3. Use logit regression to identify effect of **dual earnership** on poverty risk after controlling for a series of other likely determinants of HH poverty
4. Simulation exercise on changes in poverty rates triggered by changes in female employment
 - * For **male breadwinner** households: if currently non-employed prime working age eligible spouses were to engage in employment
 - * For **dual earner** households: if currently employed spouses (wives) were to withdraw from the labor market

Table 1a: Households by Labor Supply Structure (in 1000's)

Household Type	Total Sample				Sample Excluding Family Farming			
	Population	%	HHs	%	Population	%	HHs	%
1. Dual Earner	10,272	14.20	2,926	14.88	6,454	10.73	1,889	11.17
2. Dual Earner with Other Earner(s)	5,224	7.22	999	5.08	1,085	1.80	248	1.47
3. Single Male Breadwinner	25,673	35.47	6,796	34.57	24,659	40.99	6,468	38.25
4. Male Breadwinners with Other Earner(s)	8,890	12.28	1,790	9.10	7,430	12.35	1,529	9.04
5. Male Headed HH with Other Earner(s)	6,430	8.88	1,328	6.76	5,768	9.59	1,227	7.25
6. Male Headed HH with No Earners	7,802	10.77	2,767	14.07	7,776	12.93	2,761	16.33
7. Single Female Breadwinner	1,712	2.37	658	3.35	1,422	2.36	558	3.30
8. Female Breadwinner with Other Earner(s)	1,231	1.70	297	1.52	760	1.26	199	1.18
9. Female Headed HH with Other Earner(s)	2,625	3.63	674	3.43	2,305	3.83	614	3.63
10. Female Headed HH with No Earners	2,518	3.48	1,423	7.24	2,496	4.15	1,417	8.38
Total	72,377	100.00	19,658	100.00	60,155	100.00	16,909	100.00

Table 1b: Households by Labor Supply Structure (in 1000's)

Household Type	Total Sample				Sample Excluding Family Farming			
	Population	%	HHs	%	Population	%	HHs	%
Dual Earner (1 + 2)	15,496	21.42	3,925	19.96	7,539	12.53	2,137	12.64
Single Male Breadwinner (3)	25,673	35.47	6,796	34.57	24,659	40.99	6,468	38.25
Male Breadwinners with Other Earner(s) (4)	8,890	12.28	1,790	9.10	7,430	12.35	1,529	9.04
Other Male Headed HHs (5+6)	14,232	19.65	4,095	20.83	13,544	22.52	3,988	23.58
Female Headed HHs (7+8+9+10)	8,086	11.18	3,052	15.54	6,983	11.60	2,788	16.49
Total	72,377	100.00	19,658	100.00	60,155	100.00	16,909	100.00

Table 2 – At-Risk-of-Poverty Rates (60% Median Income) by Household Labor Supply Structure

			at-risk-of-poverty (60% median)		
Non-Agricultural Population	Population (in 1000's)	Median Income (TL)	No. of Poor* (in 1000's)	Ratio of Poor (%)	Poverty Gap
Dual Earner	7,539	12,438	590	7.82	21.39
Single Male Breadwinners	24,659	7,389	6,195	25.12	25.14
Male Breadwinners with Other Earners	7,430	9,161	1,396	18.79	25.16
Other Male Headed HHs	13,544	7,930	3,574	26.40	39.49
Female Headed HHs	6,983	8,945	1,460	20.91	32.70
Total	60,155	8,572	13,395	22.27	28.64
			material deprivation		
Non-Agricultural Population	Population (in 1000's)	Median Income (TL)	No. of Deprived (in 1000's)	Ratio of Deprived (%)	Intensity of Deprivation
Dual Earner	7,539	12,438	2,568	34.06	2.52
Single Male Breadwinners	24,659	7,389	12,838	52.06	3.38
Male Breadwinners with Other Earners	7,430	9,161	3,555	47.85	3.15
Other Male Headed HHs	13,544	7,930	7,578	55.95	3.64
Female Headed HHs	6,983	8,945	4,191	60.02	3.73
Total	60,155	8,572	30,730	51.08	3.34

*Poverty line: 5,143TL (60% of 8,572TL)

Table 3: At-Risk-of- Poverty Rates (60% Median Income) by Household Labor Supply Structure; Controlling for Education of Household Reference Person

Non-Agricultural Population	Population (in 1000's)	Median Income (TL)	No. of Poor* (in 1000's)	Ratio of Poor (%)
LESS THAN PRIMARY				
Dual Earner	175	6,442	60	34.29
Single Male Breadwinner	1,170	3,803	857	73.25
Male Breadwinner with Other Earner(s)	683	6,040	304	44.51
PRIMARY				
Dual Earner	2,748	8,360	416	15.14
Single Male Breadwinner	10,706	6,317	3,767	35.19
Male Breadwinner with Other Earner(s)	4,250	8,245	854	20.09
SECONDARY				
Dual Earner	876	11,086	31	3.54
Single Male Breadwinner	3,458	7,333	787	22.76
Male Breadwinner with Other Earner(s)	837	8,746	213	25.45
HIGH SCHOOL				
Dual Earner	1,596	13,333	83	5.20
Single Male Breadwinner	5,914	9,236	709	11.99
Male Breadwinner with Other Earner(s)	1,187	11,863	25	2.11
UNIVERSITY				
Dual Earner	2,144	25,889	0	0
Single Male Breadwinner	3,410	14,235	76	2.23
Male Breadwinner with Other Earner(s)	458	17,080	0	0

***Poverty line: 5,143TL (60% of 8,572TL)**

Table 4 - Logistic Regression: Impact of Dual Earnership on Poverty Risk

Dependent Variable: At-Risk-of-Poverty (60% median Income)				
Explanatory Variables	B	S.E.	Odds Ratio [Exp(B)]	Marginal Effects
• Dual Earner HH	-0.677	0.002	0.51	-0.06
• Dual Earner HH * Spouse Employed Full-time	-1.076	0.003	0.34	-0.09
• Dual Earner HH * Spouse Employed under Social Security	-1.274	0.003	0.28	-0.09
Other HH Type Controls (x7)				
• Male Breadwinner with Other Earner	-0.369	0.001	0.69	-0.04
HH Reference Person Controls (x4)				
• <i>HH Ref Person University</i>	-3.634	0.004	0.03	-0.18
Spouse Controls (x4)				
• <i>Spouse University</i>	-2.002	0.007	0.14	-0.12
Number of Children below Age 12	0.619	0.001	1.86	.069
Regional Controls (x6)				
No of Observations	45,303			
Pseudo R2	0.3003			

Table 5: Counterfactual At-Risk-of-Poverty Rates (60% Median Income) due to Change in Wife's Employment Status

	Observed			Counterfactual		
Non-Agricultural Population	Median Income (TL)	No. of Poor* (in 1000's)	Ratio of Poor (%)	Median Income (TL)	No. of Poor (in 1000's)	Ratio of Poor (%)
Single Male Breadwinner (Wife gets a job)	7,839	6,195	25.12	10,926	3,114**	12.63
Male Breadwinners with Other Earner(s) (Wife gets a job)	9,161	1,396	18.79	11,300	1,023**	13.77
Dual Earner (Wife quits her job)	12,438	590	7.82	9,349	1,219***	16.17

* Poverty line: 5,143TL (60% of 8,572TL)

** Poverty line: 6,295TL (60% of 10,492TL)

*** Poverty line: 4,968TL (60% of 8,281TL)

Conclusions

- * Dual earner households enjoy substantially higher income levels and lower poverty rates than single male breadwinner households even when controlled for education level and a range of other household characteristics.
- * A dual earner household is subject to only half the risk of poverty than a similar single male breadwinner household. The risk decreases further 28% if the spouse is employed full-time with social security.
- * Dual earner families make up about only one tenth of households in Turkey; while male breadwinner family is the dominant household type.
- * Hence there is a large pool of potential female labor supply and encouraging married women's employment and dual earner family structure has a strong potential for serving as a strategy for family well-being and poverty alleviation.

How to strengthen women's labor market attachment?

Conclusions

- * Policies improving married women's employment need to be focused on
 - * Public provisioning of care services to free up women's potential for labor market engagement;
 - * Improvement of labor market conditions (lower full-time working hours; elimination of informal employment practices; improved real wages);
 - * Employment generating macroeconomic growth policies.

Flexible jobs for women cannot serve as an effective and equitable strategy.