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Policy Paper Discussion

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The Problems and Solutions of Economic
Activity of Women in Oil-Rich Countries:
Azerbaijan Example

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The Outline

- Introduction of the problem
- The problem (history, theory and statistical visualization)
- Policy principles
- Brief diagnostics

Introduction to the problem

- According to Ross (2008), Dutch disease cause a rise for the male labor demand because of the non-tradable sector of the economy;
- Oil booming and decreases in female unemployment descriptively overlap;
- Considering economic, social and cultural factors, the lack of the necessary state policy can be considered as a missing policy regarded female labor.

The Problem - History

- Pre-soviet era: 1901 – the first school for girls; Legal equality of women with men by Azerbaijan Democratic Republic
- The Soviet Union era – Female Labor Attraction Plan – 37% or 5 times more women started to be active in economic activities in 1929 and 1933.
- Post-soviet era – Hardships as a result of transition process; inheritance issues and sharp drops in manufacturing and regional production ignited female labor downsizing.

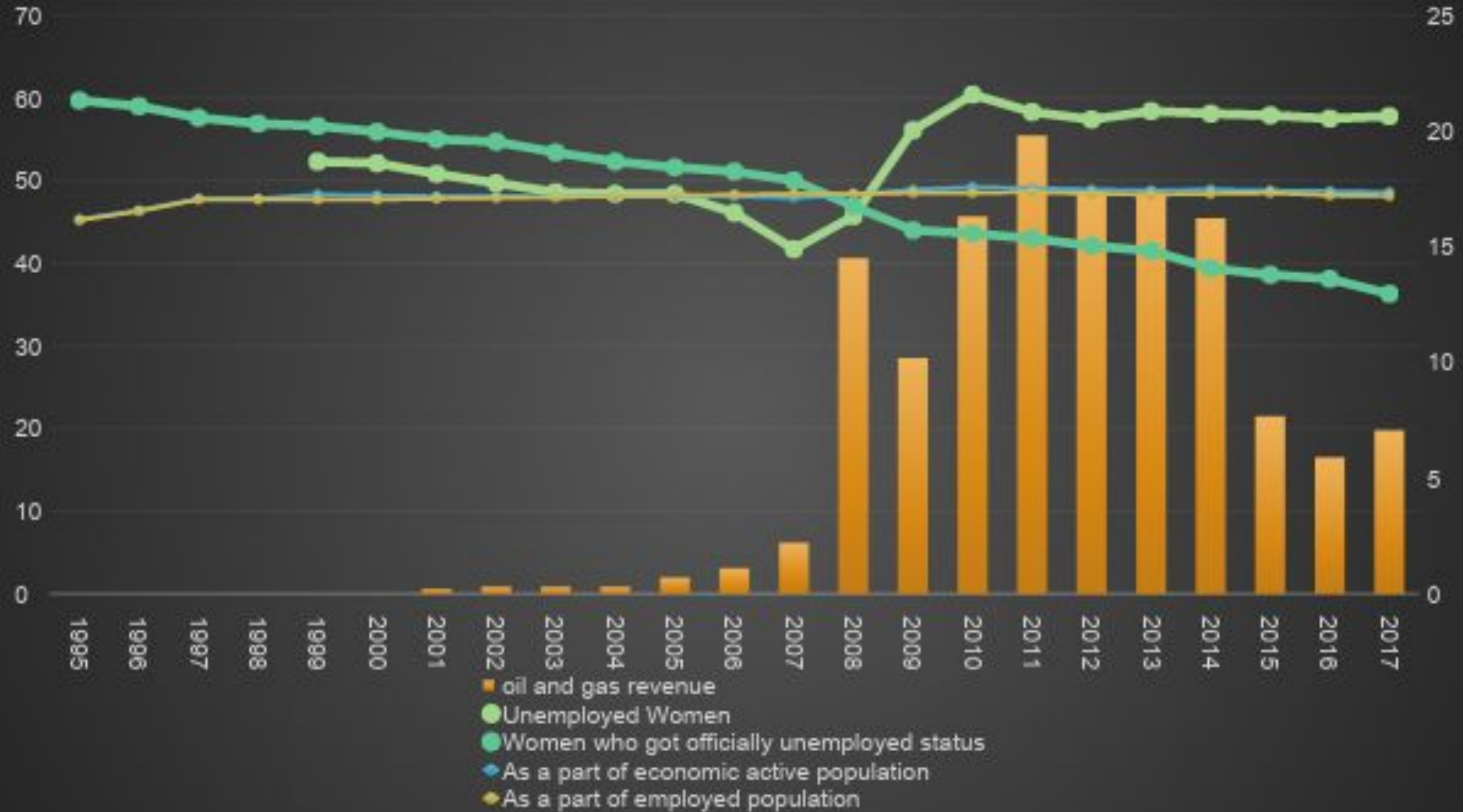
Theoretical and Methodological Aspects

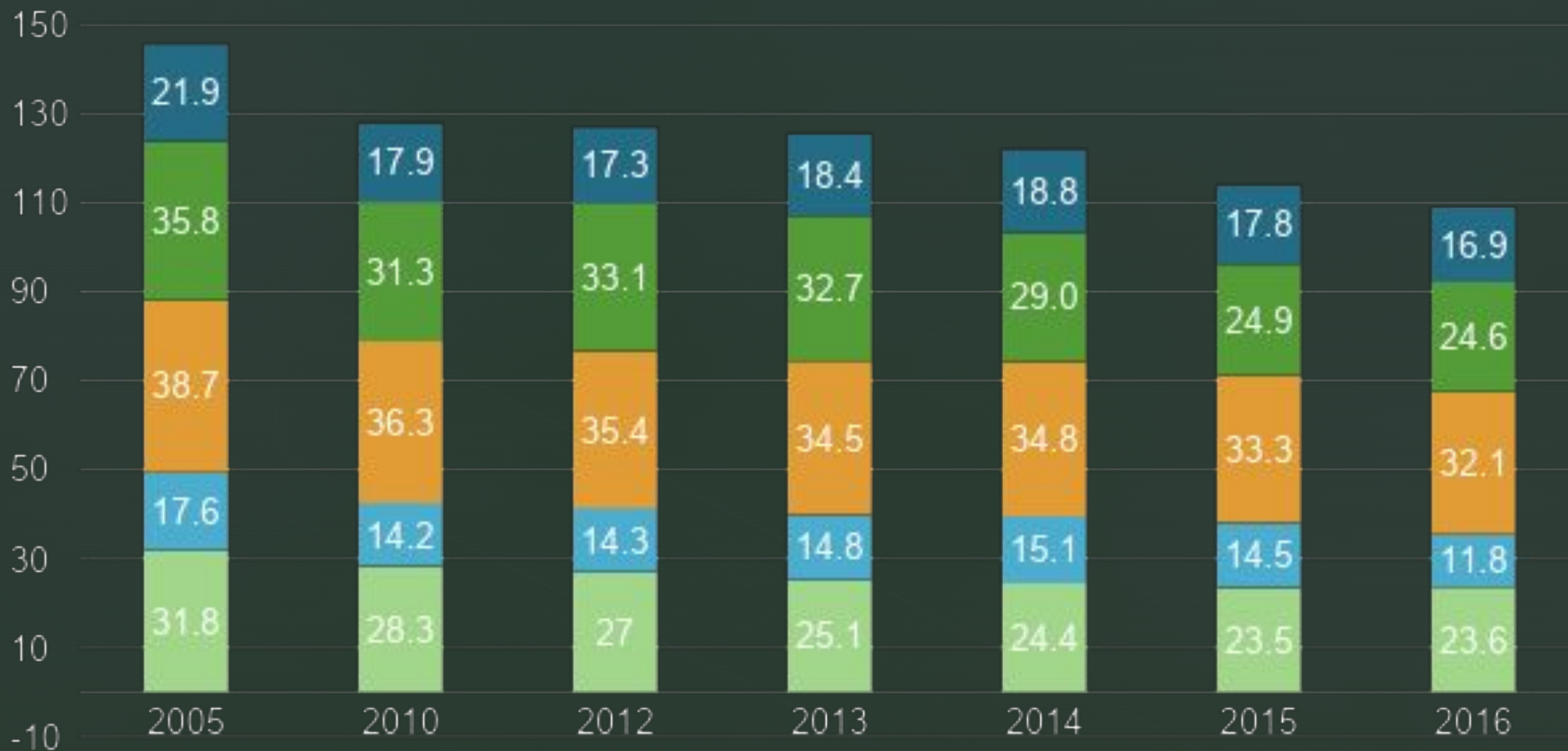
- Michael Ross adopted two hypotheses:
 - A rise in the value of oil production will reduce female participation in the labor force.
 - A rise in the value of oil production will reduce female political influence
- Does similar experience exist?
 - Indonesia and Norway. The level of economic active population in Indonesia decreased from 66% to 55% and the share of agriculture dropped from 48% to 30%. In Norway, however, women labor supply increased because of the subsidies addressed to the manufacturing sector of the economy (Gurbanov, 2012).



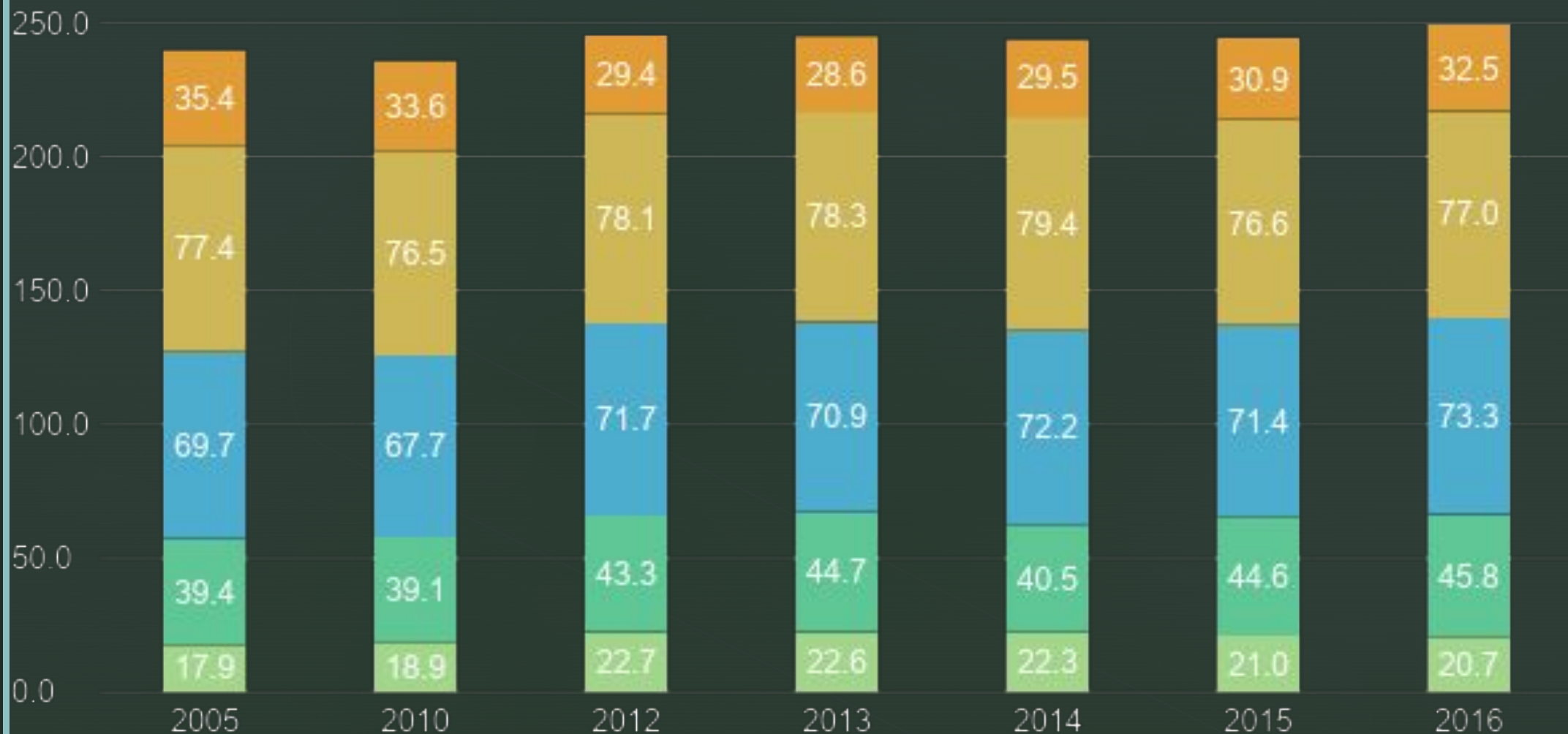
Statistics of the Problem







- Manufacturing
- Electricity, gas and steam production, distribution and supply
- Water supply, recycling and processing
- Trade & Transportation Repair
- Transport and Storehouse services



- Agriculture, Forestry and Fishery
- Vocational, technical and scientific activities
- Education
- Medical and Social Services
- Other services

Education level	Women	Men	Sex distribution	
			Women	Men
Higher Educated	48.1	63.3	31.8	68.2
Vocationally Trained	40.0	26.8	47.8	52.2
Semi-vocationally Trained	7.8	7.8	38.1	61.9
Fully Secondary Educated	4.0	1.9	56.5	43.5
Secondary Education (together with the persons who does not have education or have only primary education)	0.1	0.2	38.0	62.0
Overall, %	100.0	100.0	38.1	61.9
persons	12554	20418	x	x

Quick results from the surveys

- Because there is a lack of work places, men deserve working more than women – 70% of the women agreed
- Big majority do not think that working can make women more independent – 76.3%
- Big majority think that university education is important for the women as it is important for the men – 80%

Policy Principles

1st Principle – To Increase Women Entrepreneurship

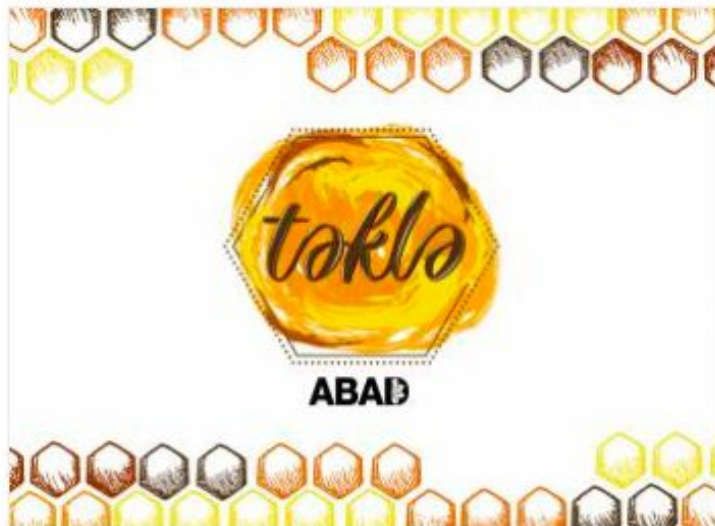
The Hardships Women Entrepreneurs Experience		
<u>Macro Environment</u>	<u>Micro Environment</u>	<u>Personal Level</u>
Access to the markets	Lack of the support of the family	Deficit of knowledge, skills and experience
Access to the finance	Limited mobility	Lack of credit/trust
Access to the information	Lack of the role models	Not having social networks
Unofficial experience		
Infrastructure		
Tax and social benefits		

▸ 2nd Principle – Extending Social Projects

- Creation of ABAD
- Considering similar experiences



"Bağ gözəli"



"Təklə"



"Bizim nemət"



"Kəndli"



"Sanlı"



"Çiçəkli"

Similar Experiences

- Experience of Saudi Arabia – After the collapse of the oil prices down to 42\$ per barrel, we observe the high level integration of women to the society. Compared to 2006, in 2016 the female labor force participation reached 21% from 16%.
- Experience of UAA – Creation of Arzanah department in the Institute of National Oil.
- Experience of African Countries
- Experience of Iraq – UNO coordinated projects related to women education and integration

Review of the Place of the Women in Extractive Industry

- The general trend is that women who used to work in oil and gas industry used to be 17.5% in 2005. After 5 years this number dropped to 12.4 % and in 2010 the growth was under 1 %—13.3%.
- The main problems of the place of women in the extractive industry are: low representation in the management, lack of legal and institutional regulations

Brief Diagnostics and Conclusions

- 20 enterprises were included to the evaluation. Half of them used to be “women-friendly”, however, the 82% of the economic sectors where female labor is extensive, only 27% of the GDP was created.
- What should the institutions do?

References

- Gurbanov, S. (2012). Dutch Disease: Theory and Country Examples (Hollanda Hastalığı: Teori ve Ülke Örnekleri). *İstanbul: Akis Kitap*.
- Ross, M. L. (2008). Oil, Islam, and women. *American political science review*, 102(1), 107-123.



Thank you!

