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**Can Turkish Migration be a
Remedy for the Ageing European
Population and Labour Market
Needs?**

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Can Turkish Migration be a Remedy for the Ageing European Population and Labour Market Needs?

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Abstract

Migration is a controversial issue in contemporary European politics. It is often perceived as burden on society, but has frequently proved a benefit. At the beginning of the Twenty-first century, the migration debate is gathering urgency once more. This stems from the following two concerns: decreasing growth rates and labour force shortage. Turkey's accession to the EU and the consequent free movement of labour may be the remedy for the ageing European population. Contrarily it could create further unemployment in the host countries and become burden on the already stretched welfare state. Movement of Turkish workers could solve the problem of the labour deficit. However, since the need for unskilled labour force is currently met by Central and Eastern European workers, there may be a need for more qualified labourers. In the light of this information, this study will link the two crucial elements of a declining and ageing population and migration paying particular attention to the current implementations and experiences. This essay will analyse the nature of these issues, including the present state of the EU population; the need for immigration in the European labour force; the present state of qualifications among the Turkish population and workforce; and the potential for Turkish workers to migrate to EU member states. The essay will then conclude on the potential for Turkish migration to be a remedy for the ageing European population and labour market needs.

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Introduction

In light of recent concern over the aging population in the EU, and the impact this may have on the economies and provision of social welfare, Turkey's potential accession to the EU and the consequential free movement of labour has been suggested as a possible remedy for the ageing and declining European population (Lejour and Mooij, 2005). At the same time, whilst the movement of Turkish workers could help boost the working age population of the EU, it could also create further unemployment in the developed EU-15 group of countries which would thus create a burden for the already stretched welfare state. In addition to this, since the need for an unskilled labour force in much of the EU-15 is currently met by Central and Eastern European workers, it may be that a higher level of skill is required from migrants. Turkey has been developing its education system in recent years, and hence it is possible that the number of educated and skilled people migrating within Europe will increase if Turkey accedes to the EU, however this is not certain. This essay will analyse the nature of these issues, including the present state of the EU population; the need for immigration in the European labour force; the present state of qualifications among the Turkish population and workforce; and the potential for Turkish workers to migrate to EU member states. The essay will then conclude on the potential for Turkish migration to be a remedy for the ageing European population and labour market needs.

The paper aims to answer the following basic questions:

- 1) What is the present state of the European population and that of its major regions? What do population projections indicate, both of the population as a whole and its major regions and of the work force? Are these projections based upon sound demographic and economic assumptions?
- 2) What level of immigration would be required to restore the labour force to the level of demand for labour projected for the future? What level of immigration would be required to restore the age structure of the population to equilibrium?
- 3) What is the present state of qualifications among the Turkish population and workforce? Can an immigrant labour force from Turkey match the skill and experience which may be needed? What are the perceived and real advantages and disadvantages of Turkish labour?
- 4) What are the EU member states' attitudes to free movement of Turkish workers after the accession? How will Turkish be incorporated into the trade unions and will they affect industrial relations? What are the preferences of skilled and unskilled Turkish workers on migration to European countries?

Analysis of the European Population

The present and future state of the European population is of significant importance due to the role of intergenerational solidarity in the European social model. Specifically, it is expected that the adult population will take care of children, raising them in a family environment; paying for personal expenses such as clothing; and paying towards public expenses through taxation. At the same time, when these children reach working age they are expected to care for the older population, again

through direct contributions and general taxation used to pay for pensions and social care (Fernández Cordón, 2007: 53). However, this social model has come under threat recently, due to the reducing pace of growth in Europe, and particularly amongst the EU-15 group of nations that made up the original EU. The rate of population growth in these countries has fallen from a very high rate in the 1960s to moderate growth in the 1990s, and is not expected to “remain close to zero population growth, at least during the next 25 years” (Fernández Cordón, 2007: 54). According to these statistics, the total EU-15 domestic population growth will be negative by 2029, with the Southern European nations such as Italy, Greece and Spain expected to be shrinking by this point.

This is largely due to aging populations and falls in fertility, causing the natural growth rate to fall from 7.9 people per thousand in the 1960s to 0.8 per thousand in the 2000s. At the same time, “immigration net flow has continuously increased, from 0.6 per thousand in 1960–1964 to 2.8 in 1990–1995 and 3.3 in 2001, for the EU-15. More than 80% of total population growth in the EU-15 is due to immigration,” (Fernández Cordón, 2007: 54). This shows the importance of immigration in balancing out the workforces in the EU, however according to Fernández Cordón (2007: 55), immigration is not stopping the population of the EU from aging rapidly. Specifically, the proportion of the population aged 65 and over, and thus the proportion of the population likely to be retired and not contributing to the welfare state, is expected to reach 30% in the EU-15 by 2050. This will mean that “the ratio between the total number of persons aged 65 and over and the number of persons of working age, 15–64, will be multiplied by more than two in the EU-15, from 26% in 2005 to 53.2% in 2050” (Fernández Cordón, 2007: 55). In other words, there will be around one retired individual for every two individuals of working age, compared to one for every four in 2005. Again, these trends are likely to be most pronounced in the Southern states such as Spain and Italy, with the ratios being lower in Nordic countries like Denmark and Sweden. All these figures are taken from Eurostat data, and hence can be assumed to be demographically valid and reliable. The potential for Turkish immigration to help solve this issue comes from the fact that whilst the population of Turkey is ageing, the process is occurring at a lower rate due to higher fertility levels. Specifically, Turkey has a fertility rate of 2.4 children per woman, compared to 1.7 in the UK and 1.4 in Germany. As a result, whilst the combined population of the EU-25 member states is expected to decline by about 12 million in the period 2010–50, the population of Turkey is expected to increase by about 23 million. Turkish accession to the EU could thus help reverse the population decline in the EU as whole. However, at the same time the number of persons of working age in the combined EU-25 member states is expected to decline by about 52 million between 2010 and 2050 whereas in Turkey it is expected to increase by about 14 million. As such, the accession of Turkey will not fully reverse the decline in the workforce in the EU-25.

The Need for Immigration in the European Labour Force

When considering the need for immigration in the EU labour force, current projections are dominated by the growing level of concern over the current economic crisis, and the extent to which it has increased unemployment levels and created pressure on the traditional welfare states in the EU. Specifically, concern over

immigration has become more pronounced as governments have come under greater pressure to create jobs for their own citizens, and hence the to control the number of jobs going to immigrants. Indeed, according to Lipsmeyer and Zhu (2011: 647) “immigration in conjunction with domestic political institutions affects unemployment provisions, while labor market integrative forces remain in the background”. In other words, the main impact of immigration is more on domestic political issues rather than on the economies themselves. This is seen in the case of Turkey, where a perception has been built that Europeans do not want or trust Turkish immigrants purely due to political and social reasons (Economist, 2005: 13).

The impact of previous immigration can be seen in the case of the enlargement of the European Union in May 2004, which “was followed by an increase in migration from the poorest of the central and eastern European New Member States (NMS) to other Member States” (Barrell et al, 2010: 373). These net migration levels did not significant influence macroeconomic performance in most of the western nations, as many of the labourers to move were unskilled, and thus did not address many of the skill gaps that existed in the EU-15 markets. In addition to this, trade unions in the major western nations including the UK and Germany tends to resist the influx of these migrants, and thus the level of ‘Structural’ Europeanization remained weak in spite of the immigration (Meardi, 2012: 99). In other words, whilst migration took place, it was not structural in nature, and consisted mainly of individuals looking to obtain manual labour in developed nations rather than actually participating in the workforce and building careers in skilled industries. Ultimately, this implies that immigration as a whole is not likely to ever restore the age structure of the labour markets or population to “equilibrium”, as EU migrants do not tend to be permanent migrants, nor do they participate in the labour markets to a significant extent. Indeed, Barrell et al (2010: 373) note that migration from nations outside the EU actually tend to have a stronger impact on labour market dynamics, as these migrants are more likely to be permanent as opposed to the temporary movement within the EU itself.

The Present State of Qualifications among the Turkish Population and Workforce

In the case of Turkey, whilst the country has engaged in significant social and economic reforms over the past thirty years, which have strongly affected the labour market, the net impact of these reforms has been to result “in a growth in informal and subcontracted work because of the spread of privatisation” (Yildirim and Calis, 2008: 214). At the same time,

Turkey maintains a very low rate of overall labour force participation rate when compared to the EU, with just 44% of Turkey’s labour force participating in the economy compared to an average of 65% in the EU-15 (Yildirim and Calis, 2008: 214). The official unemployment rate in Turkey is around 10%, which is also relatively high compared to much of the developed western European nations. The Turkish economy is also dominated by SMEs, with 95% of Turkish companies having fewer than 10 employees compared to the EU-15, where just 35% of companies have fewer than 10 employees (Yildirim et al, 2008: 362).

As a result of the low levels of labour participation and small company size, the Turkish economy performs relatively poorly compared to the EU, with GDP per capita only 29 per cent of the EU-25 average in 2004, and Turkish wages also much

lower than the EU-25 (Yildirim and Calis, 2008: 214). The economy is also structurally much less developed than most of those in the EU-25, with around a third of all Turkish workers employed in the agricultural sector, compared to 43% in services and 23% in industry (Yildirim and Calis, 2008: 214). Ultimately, this has meant that Turkey has developed a mainly low cost and low skilled labour force, with the country's primary exports to the EU being agricultural and textile products, with most consumer goods imported to Turkey from the EU (Yucelt, 2009: 141). This thus indicates that in spite of the growth in education in Turkey, the present state of qualifications among the Turkish population and workforce is poor, and an immigrant labour force from Turkey will not match the skills and experience which may be needed in the EU labour markets any better than the existing Central and Eastern European nations. As such, the main advantage of Turkish labour is its low cost and relative abundance, with the main disadvantage being a lack of skills and expertise.

The Potential for Turkish Workers to Migrate to EU Member States

As noted above, the issue of immigration from Turkey to the EU, and immigration in general, is largely a political issue. This is reflected in the actions of French President, Nicolas Sarkozy, who has promised to delay Turkey's accession to the EU for as long as possible in order to reduce the potential influx of low skilled workers and the impact on the French economy and welfare state (Hanke, 2007: 30). Indeed, the recent European Commission / Turkey Association law has established "the basic principle regarding first admission to a

Member State which is that they are free to control the first access of Turkish nationals into their territory" (Tezcan, 2009: 1621). In other words, the Turkish population still faces significant controls on immigration to the EU, and given the resistance of countries such as France it is likely that these controls would still continue for some time up to and after accession.

In terms of the actual migration potential from Turkey to the EU, (Lejour and Mooij, 2005: 104) examined the implicit migration elasticity across Turkey and the EU, based on the income differential between the groups and the demographic developments in each country. The net result of this is that the study obtains "an estimate for the migration from Turkey to the EU of 2.7 million people in the long term. This equals 4% of the current Turkish population or another 0.7% of the current population in the EU-15" (Lejour and Mooij, 2005: 104). In other words, the overall migration levels from Turkey to the EU would not be particularly significant in light of the projected 52 million decline in the workforce of the EU-25 nations. In addition to this, the projections indicate that around 75% of Turkish migrants would reside in Germany, with a further 8% in France and 4% in the Netherlands based on the existing Turkish communities in these countries (Lejour and Mooij, 2005: 104). This implies that the economic impact of the migration would largely be confined to Germany, where the 2 million immigrants would have a significant impact on the workforce.

In terms of incorporating Turkish workers into trade unions and industrial relations, the lack of 'Structural' Europeanization in trade unions and European Works Councils is likely to hinder the process of incorporation into the union structure. However, Meardi (2012: 99) does note that "network-based action is displaying strong developments, especially on migration", which implies that Turkish trade unions may

be able to integrate themselves into European Union trade union networks and hence improve access to the European workforce for their members. At the same time, Berker (2011: 197) showed that “migrant inflows increase workers' acceptance of wage cuts and ease a transition to the informal labor market”, hence implying that the influx of Turkish workers would tend to influence the overall labour markets in the EU, and primarily in Germany. In terms of the preferences of skilled and unskilled Turkish workers on migration to European countries, Harzing (2004: 693) shows that Turkish workers tend to be driven by their language skills when moving internationally, and this is a key driver of the likely high levels of migration towards Germany.

CONCLUSION

The results of this analysis indicate that the present state of the European population is somewhat stagnant, particularly in the major EU-15 group of nations. However, in the future this population is likely to decline, particularly across the work force as a whole which is likely to decline for the EU-25 by around 52 million by 2050 based on sound demographic and economic assumptions. As such, an overall level of immigration of around 52 million would be required to restore the labour force to the level of demand for labour projected for the future. However, this level would be unlikely to be achieved due to the temporary and transitory participation of most migrant workers within the EU, with most migrants tending to work in low cost and low skilled jobs and not embed into the local population. This is likely to be the case if Turkey accedes to the EU, due to the low level of qualifications among the Turkish population and workforce, and the fact that an immigrant labour force from Turkey could not match the skill and experience which may be needed in the EU-25, and particularly the EU-15. Even if Turkey were to accede to the EU in the near future, the overall projected level of immigration of just 2.7 million represents just 4% of the total fall in the work force, and given that 75% of these immigrants would be likely to go to Germany, it is clear that Turkish migration would not be a remedy for the ageing European population and labour market needs. But, Turkish migration should be considered by European states as a part of combined policy choices.

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