

THE POSSIBILITY OF TURKISH LABOUR EMIGRATION TO EUROPEAN UNION

Doç.Dr. Ahmet Selamoğlu

SUMMARY

This paper analysis the possibility of labour emigration from Turkey to European Union countries when the Turks will have the freedom of movement rights. In this context, the concept of freedom movement, the conditions of Turkish labour market for emigration, the characteristics of single European labour market and the chance of Turkish workers for emigration will be taken into consideration. As a result of this paper, it can be claimed that the emigration chance of potential migrant workers from Turkey are not so high to the labour markets of EU countries unless the main characteristic of the Turkish workforce shifts from unskilled to skilled workers and the unemployment problem loses its importance in EU labour markets.

In this paper, the possibility of labour emigration from Turkey to European Union (EU) countries will be evaluated when the Turks will have the freedom of movement rights. In this context, the concept of freedom of movement, the conditions of Turkish labour market for emigration, the characteristics of single European labour market and the chance of Turkish workers for emigration will be taken into consideration.

In this framework, it will be useful to start with an explanation of the concept of the freedom of movement. Firstly, freedom of movement is related to the creation of an economic union in the market economy system, because it provides the legal and institutional basis for the mobility of labour as a production factor within the EU (Gümrükçü, 1984,p.218). The economic aspect of freedom of movement means, "an individual is free in his decision to learn and practice whatever occupation and to take on whatever job in any enterprise and place"(Gümrükçü, 1984,p.218).

The European Economic Community (EEC) Treaty brought about this meaning of freedom of movement. Article 48/2 states that "such freedom of movement shall entail the abolition of any discrimination based on nationality between workers of the Member States as regards employment, remuneration and other conditions of work and employment"(Séché,1988,p.11). Moreover the meaning of this article was extended by the EEC Regulation No. 1612/68 of the Council in 1968 which defines freedom of movement as "a fundamental right of workers and their families". It states further "in order that it may be exercised,

by objective standards, in freedom and dignity, requires that equality of treatment shall be ensured in fact and in law in respect of all matters relating to the actual pursuit of activities as employed persons and to eligibility for housing, and also that obstacles to the mobility of workers shall be eliminated, in particular as regards the worker's right to be joined by his family and the conditions for the integration of that family into the host country. Whereas the principle of nondiscrimination between community workers entails that all nationals of Member States have the same priority as regards employment as is enjoyed by national workers"(Séché,1988,p.27).

It will also be useful to evaluate the Turkish position, which is called as a third country on the basis of freedom of movement of labour in the EU. As it has previously been said the Article 12 of the Association Agreement of 1963 states that "the contracting parties (European Community and Turkey) agree to base themselves on Articles 48, 49 and 50 of the Treaty setting up to the Community in order to achieve progressively free movement of labour between themselves"(Economic Development Foundation,1991,p.62). In this context, Article 60 of the Additional Protocol provides limitations, which are called protective measures, to control unlimited immigration. According to this article, Turkey and the EU have the right to adopt protective measures in the case of any "serious disruptions" in any economic of the financial sphere in Turkey as well as in one or more of the Member States of the EU(Additional Protocol, Art.60/1-2). Moreover there are some clauses to limit the freedom of movement by administrative and economic measures according to Articles 48 and 49 of the EEC Treaty. For instance, freedom of movement can be limited to actual vacancies, employment in government agencies is reserved for natives and the right to freedom of movement can also be applied restrictively on the basis of public order, security and health and also the migration of labour can be realized on the basis of equilibrium between the demand and supply of labour in the various regions and industries(Gümrükçü,1984,p.221).

On the other hand EU Decrees, which are based on related articles of the Treaty, state that the right to freedom of movement is a basic right of the worker which can not be reconciled with recruitment stop and legal restrictions. Furthermore, immigration can not be determined alone by the labour demand of the host country(Gümrükçü,1984,p.221). Therefore the freedom of movement of labour, which was expected to be established step by step during the period of 1976-86 in accordance with article 36 of Additional Protocol, is one of the important demands from EU. However, the freedom of movement for Turkish workers did not come into force in definite time because of the fear of massive emigration of Turkish workers into the labour markets of the EU countries. In other words, the EU countries are not in favor of free entrance of Turkish workers into the EU labour markets.

In fact, emigration pressure is existent and will continue to exist in future in Turkey. Obviously the major reason for this pressure is the high unemployment rate in the Turkish labour market. As it is known, the Turkish population is growing at a rate of more than one million annually, and the Turkish economy should create 400.000-600.000 new jobs to keep unemployment and underemployment rates at a current level. However, the Turkish economy is unable to do that in spite of high economic growth rates during the last decade.

According to News Bulletin, which was published by State Institute of Statistics (SIS) in December 1995, there was an increase in both the civilian labour force and civilian employment during the period of October 1988-April 1995. The civilian labour force was increased from 20.309 million to 22.446 million and civilian employment was increased from 18.541 million to 20.833 million during that period. On the other hand unemployment was decreased from 1.767 million to 1.613 million during the same period. In other words there was a decrease in the percentage of unemployment from 8.7 per cent in October 1988 to 7.2 per cent in April 1995(Kutal,1997,p.63). And by April 1998, according to results of household labour force survey, civilian labour force was increased to 22.681 million, civilian employment was increased to 21.230 million and unemployment rate was decreased to 6.4 per cent(SPO,1998,p.129). However, it is clear that this unemployment figure is still high for the Turkish economy.

In addition to this high unemployment figure, there is underemployment problem primarily in the agricultural sector. The underemployment rate was increased from 6.5 per cent in October 1988 to 7 per cent in April 1995 and by April 1998; the underemployment rate was again decreased to 6.0 per cent in domestic labour market. Finally idle labour force because of unemployment and underemployment was decreased from 15.2 per cent in October 1988 to 14.2 per cent in April 1995 and then 12.4 per cent in April 1998(Kutal,1997,p.63)(SPO,1998,p.129). In this context, it should also be noted that youth unemployment and underemployment figures are rather high in domestic labour market. By the April 1996, unemployment rate was 12.9 per cent and underemployment rate was 8.6 per cent between the age of 15-24 in domestic labour market(CTEU,1998,p.69). When we consider educated youth labour force, unemployment and underemployment figures are again remarkably high. By the October 1997 educated youth unemployment rate was 24.1 per cent and educated youth underemployment rate was 8 per cent(TÜSİAD,1998,p.102).

Moreover high wage differences between EU countries' and Turkish labour markets are important push factors for emigration of Turkish workers. As a result, wage differences and more importantly chronic unemployment and

underemployment can be evaluated as important factors for massive migration from Turkey to the EU countries.

On the other hand, there are some factors, which reduce the possibility of emigration flow from Turkey to the EU countries in the course of time. At first, the number and the volume of foreign direct investment is increasing during the last decade. In this sense, comparatively cheap labour force, loose regulation of foreign direct investment, proximity of Middle East markets, having close relations with new established republics around the Black Sea and huge domestic market are attractive factors of the Turkish economy for foreign investments. Therefore it can be claimed that foreign direct investment is one of the vital factors to increase employment opportunities in the domestic labour market and to reduce the high possibility of emigration flow from Turkey in the course of time.

The other factor is the increase in the number of infrastructure projects in emigration areas. In this sense, The Southeastern Anatolia Project or GAP in its Turkish acronym, is the most hopeful investment to stop emigration and encourage a reverse migration to these areas. In other words, The GAP is the most integrated regional socioeconomic development project ever attempted in Turkey. The total project cost is estimated at \$32 billion, of which \$12.6 billion have already been invested by 1997. This project simply covers the construction of 21 dams and 19 hydropower plants on the Fırat and Dicle rivers to irrigate about 1.6 million hectares of land, totally owned by the local population of the region. The total installed capacity of the power plants is 7476MW with an annual production of 27.345 GWh of electricity affecting the Turkish economy (CTEU, 1989, p.49) (Ünver, 1998, p.26).

Moreover according to the Turkey Research Center in Germany, the comparison between the Turks who have the right to go to the Germany on the basis of family unification and the Turks who exercised this right since 1981 shows that the number of Turks who exercised this right are very few because of the increasing unemployment and xenophobia in this country (Ekin, 1989, p.53). In this context, it can be claimed that the Germany is no longer attractive for Turks as it was in the 1960's and 1970's. Unemployed Turkish migrants in this country also affect potential emigration from Turkey to the EU countries and particularly to the Germany adversely.

In addition to these factors, freedom of movement within the EU means that Turkish workers from Turkey may enter any EU countries' labour market in search of employment up to three months. If the Turkish migrant can not find a job in EU countries within this period, he should come back to Turkey. In this sense, it is hard to say that the number of Turkish migrant workers will increase

in labour markets of EU countries after free movement of labour comes into force.

However, one thing is clear, there is still emigration pressure in Turkey. In this sense, particularly the emigration of unskilled Turkish workers to the EU countries, if freedom of movement becomes effective, can be expected. On the other hand this flow of emigration will lose its momentum with the increasing number of unskilled Turks who fail to find jobs in labour markets of EU countries.

Emigration Push and Pull Factors

There are many reasons for emigration of Turks from Turkey to EU countries. Firstly, there is a great percentage of internal migration in Turkey today and this internal migration can easily shift to external migration for higher wages, secure employment and better working conditions. Secondly, the emigration areas of the 1960's and 1970's are still labour exporting areas. In this sense, remittances, returned migrants and public and private investments could not be enough to increase economic activities of these areas so that the young generation still favors emigration as their former generation had. Thirdly, emigration is an important possibility for upward mobility for people living in economically less developed regions of Turkey. Moreover migrant workers who have worked up to 20 years abroad saved considerable currency, bought land, real estate and returned with cars to their original regions and thus expectations of the younger generation in economically less developed areas for emigration increase. Lastly, although the population growth rate has slowed down from 2.5 per cent annually, the number of Turkish population, especially the young population is still high enough. In this context, a high level of unemployment and underemployment are important problems of the Turkish economy. Turkey has not created enough jobs to prevent unemployment and underemployment from increasing despite the rapid growth rate during the last two decades. Moreover important infrastructure projects do not have enough incentive to increase employment opportunities in emigration areas in the short-run.

About 700.000 workers have emigrated to the EU countries between 1969 and 1973. This number was about 17 per cent of the total Turkish population between the ages of 20 and 35 (Martin, 1991, p.94). In this context, the 1989 survey, which has been carried out by Martin, estimates that 20-50 per cent population between the ages of 20 and 35 would emigrate, if they could. If we assume that one-third of these young group were able to emigrate, this would mean 2.3 million Turkish emigrants between the ages of 20 and 35 in 1990 or about three times the number who emigrated to the EU countries during the years 1969-73 (Martin, 1991, p.94). Evidently, this trend can also be assumed to

be an important emigration pressure factor on the Turkish population between the ages of 20-35 today.

Although the OECD data indicates that Turkey grows faster than most of the other OECD countries during the last two decades, the emigration pressure has never slowed down among the young Turkish population. In other words, rapid economic growth of the 1980's and 1990's in Turkey has failed to create enough employment opportunities for 400.000-600.000 new job seekers each year and hence unemployment and underemployment became chronic economic problems of Turkey. Moreover as it is mentioned above, the Turkish population is still growing, by the end of the century, the total population will be about 65 million. In this sense, it is expected that the Turkish workforce will continue to increase faster than the Turkish employment capacity. Researches which had been done by Tanyeri and Üner in 1987 and the World Bank in 1990, state that the Turkish economic growth rate should increase faster than 1980's level to absorb the workforce growth in Turkey.

As a result it can be stated that there is still emigration pressure in Turkey to a certain degree and this pressure shows itself in the internal migration.

As it is mentioned above, there is an emigration pressure in Turkey. However this does not mean that emigrating and finding employment in European labour markets depend on this pressure mainly even after the freedom of movement for Turkish workers becomes effective. As it is known the regulation of the EU states that migrant worker should find regular employment within three months of their entry and the host country does not provide unemployment insurance payments or any other benefits during this period. Then if migrant workers can not find regular employment in any host country within this period, he should return to his home country at the end of three months. In this context potential Turkish migrant workers do not have important chances for employment abroad unless EU countries labour markets need them. In this framework, it should also be noted that the characteristic of labour markets of EU countries has changed during the last two decades and the new composition of European labour markets do not necessitate unskilled workers as much as in the 1960's. In this sense, Turkish potential migrant workers, who are mostly unskilled, can not be employed in today's European labour markets easily as it was in the 1960's and the early 1970's.

According to labour market projections, which have been carried out in the Federal Republic of Germany before unification, there will be an employment shift from unskilled workers to skilled workers. For instance, the unskilled share of the workforce is projected to decline from 27 per cent in 1985 to 18 per cent in 2010, while the skilled share of the workforce is projected to

increase from 28 per cent to 39 per cent during the same period (Martin, 1991, p.97). As a result of these changes, about two million jobs for unskilled workers are expected to disappear while about 250.000 jobs for semi-skilled workers and 3.4 million jobs for skilled workers are expected to increase between 1985-2000 in Germany which is a very important labour market for potential Turkish migrant workers in the EU labour markets (Martin, 1991, p.98). In addition to that, the German labour market is more sensitive to unemployment of unskilled German workers after the unification of two German societies. Evidently, this development also narrowed the chance of potential Turkish migrant workers for employment abroad.

Besides the changing of characteristic of labour markets in EU countries, unemployment has become a major economical and social problem in EU labour markets after 1980. In other words, the completion of the internal market could not be able to create enough employment to solve unemployment problem in EU countries. Although according to the EU's economic policy, which was the cooperative strategy for growth and employment and sustainable non-inflationary high economic growth rates, the internal market could not have a positive impact on employment yet.

As a result, the emigration chance of potential migrant workers from Turkey are not so high to the labour markets of EU countries unless the main characteristic of the Turkish workforce shifts from unskilled to skilled workers and the unemployment problem loses its importance in EU labour markets.

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