

## **A YOUTHFUL TURKEY: AN ASSET OR A BURDEN FOR THE EU?**

*This article explores topics related to Turkey's demography and immigration to the European Union, as well as the competitive pressure Turkey might add to the EU upon its prospective membership.. The article goes on to ask what Turkey's role is in its neighborhood and particularly, what a youthful population means in this context.*

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### *Demographic Trends across the Bosphorus*

**T**urkey is a youthful nation. The total fertility rate (average number of children per woman) stands at 2.5, down from 3.5 in the 1970s and is expected to decline further as economic prosperity increases<sup>1</sup>. This downward trend is accompanied by Turkey's population growth rate which has fallen to 1.4 percent per year according to the latest United Nations figures. As of 2003, the country had 71 million inhabitants, and is projected to have 98 million by 2050. In 2015 Turkey will match the population of Germany and continue growing.

The declining German population exemplifies a general trend in the EU. It is projected that the population of the EU will increase very slightly for the next few years before beginning to decline. The EU's population will grow from 458 million in 2005 to 469.5 million in 2025 (+ 2 percent). In 2030, with 468.7 million inhabitants it will be somewhat lower. The number of seniors (65-79 years) will start to increase greatly in 2010 and continue to increase by a hefty 37.4 percent by 2030.<sup>2</sup> As a comparison, in 2050 the median age in the U.S. will be 36.2 whereas in Western Europe it will be 52.7. In 2002 the respective ages were 35.5 and 37.7.<sup>3</sup>

These numbers are on the whole well-known to decision makers, but it pays to mention them, so as to highlight the demographic shift of epic proportions Europe is about to experience.

### *Pros and Cons of Immigration*

In developed countries, immigrants differ from the general population in two ways: they are either more or less skilled than the native population. By attracting skilled immigrants, the host country can specialize in activities where it has a competitive advantage. On the other hand, less skilled immigrants lower the costs of many goods and services by accepting lower wages. In some cases immigrants do jobs that domestic workers shy away from. On the balance, most economists agree that the economic impact of immigration is broadly neutral to mildly positive. Immigrants may also be unusually entrepreneurial and thus stimulate the economy in various ways. It is a fallacy to say that immigrants steal jobs: they also create jobs by being entrepreneurial and adding to demand for goods and services. The idea that there are only a specific amount of possible jobs in a given economy is a dangerous and persistent myth. In a flexible economy, the labor market adjusts to an increase in the supply of workers and more jobs are created. We do not live in a static world. Opportunities and dynamism are created by demolishing walls of all kinds!

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<sup>1</sup> Report of the Independent Commission on Turkey September 2004, p. 33.

<sup>2</sup> Green Paper of the European Commission COM(2005), p. 94.

<sup>3</sup> The Economist, 24 August 2002, p. 22.

However, while the population as a whole benefits from immigration, those competing directly for jobs with immigrants do not. In the United States, a National Research Council report concluded in 1997 that immigration had reduced the wages of groups competing with immigrants by one to two percent.<sup>4</sup> Actually, the people most affected by new immigrants were immigrants who had arrived earlier. All in all however, immigration makes business and most people better off and some of the poor poorer.

According to the European Commission, adverse demographic change may push up public spending by five to eight percentage points in the EU15 by 2040.<sup>5</sup> It can also be feared that an older EU will be less innovative and less adaptable. However, the challenges of globalization, acutely felt in the EU of today, are not going to go away. Thus, an EU incapable of redefining its role, renewing its competitive advantage and seizing opportunities as they arise, is doomed to progressive decline. If the EU refuses to seize the opportunity of welcoming hard-working immigrants, especially from a partner country like Turkey, it risks dooming itself to economic decline.

### ***Drowned in a Wave of Turks?***

Can the EU reverse its demographic trend? Encouraging the immigration of younger workers might be a partial solution. But UN estimates show that Germany, for example, would need to take in 3.6 million immigrants a year between 2000 and 2050<sup>6</sup>, which clearly is not feasible. Therefore, resolving the demographic crisis requires a combination of measures: immigration, incentives for families to have more children, incentives for people to stay active in work and raising productivity so that less people are needed to do the same job.

Even though immigration is not a miracle cure for rejuvenating Europe's populations, it can offer a partial solution and help open up critical bottlenecks. Turkey is a true resource in this sense. Allowing for large-scale immigration from Turkey would provide EU societies with much-needed additional workers, entrepreneurship and stimuli at all levels of society. So one can argue that the EU needs to turn the demographic tide, but do we risk a flood of immigrants from Turkey? Would granting EU membership to Turkey be like jumping out of the frying pan and into the fire?

A report by the Independent Commission on Turkey gave a long-term immigration estimate of 2.7 million people moving into the EU from Turkey in the long term.<sup>7</sup>

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<sup>4</sup> The Economist, 29 June 2002, p. 37-38

<sup>5</sup> The Economist, 2 October 2004, p. 27

<sup>6</sup> The Economist, 2 October 2004, p. 28

<sup>7</sup> Report of the Independent Commission on Turkey, p. 33

This would represent about 0.5 percent of the EU population. Of course if the migrants all choose to cluster in already existing Turkish communities, it would have more of a regional impact. On the other hand, the report mentions that future Turkish migration is likely to include professional and well-educated people, thus reducing integration difficulties encountered by the unskilled immigrants of the past. It is also likely that Turkish EU membership could lead to greater mobility among migrants inside the EU with some moving back to Turkey for good as its economy grows and prospers.

Forecasts and statistics are not an exact science, so immigration figures cannot be known for sure. However, if Europeans are truly afraid of being swamped with immigrants, they can deal with the perceived problem without barring Turkey's membership. First, the EU can legitimately put in place lengthy transition periods during which immigration is restricted. Second, by helping Turkey develop its economy, opportunities in the country will grow and thus reduce the desire of Turks to emigrate.

We should not be afraid of Turks taking jobs from local workers - if we reform our economies, we can reduce unemployment. However, if we say 'no' to reforms and economic dynamism, we say yes to high unemployment - with or without Turkish membership!

### ***Is a Dynamic Turkey a Competitive Threat?***

Many Europeans feel at a loss in the face of globalization. Almost 20 million EU citizens are currently unemployed. European countries have the shortest work weeks and longest holidays in the world, reflecting a preference for leisure over work. But the unemployment rate, which is about double the United States, is an incorruptible witness to the inadequacies of European labor markets. Far too many of those who actually would prefer to work, long or short days, cannot find a job.

When high unemployment is compounded by globalization challenges, the result is skepticism towards international trade. It also fosters Euro-skepticism - as seen in the referendums on the draft European constitution - and risks giving rise to xenophobia among the least fortunate Europeans. In a gloomy atmosphere it is easy to resort to blaming others for one's problems. For instance China, which has been the butt of our fears and protectionism, is stronger than ever. In China's case, it is necessary for the EU to decide if it should specialize in t-shirts or jumbo jets - the EU can't have it both ways!

The same goes for Turkey. Having a vibrant and youthful economy next to the EU should be embraced by Europeans with open arms. According to estimates, full access to the internal market, including for agricultural products not covered by the Customs Union of 1996 and the elimination of administrative and technical

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trade barriers could lead to bilateral trade increasing by around 40, 9 percent, Yes, EU companies will invest in the country and yes, some jobs will move to Turkey. But for this reason, we will remain competitive in the international marketplace. Western European companies will also be able to export factors of production to their Turkish subsidiaries thus creating job opportunities in their countries too.

The future competitiveness of current EU countries lies in their own hands. Globalization will not go away by closing our eyes, but we need to prepare ourselves better. And as trade, on the whole, is a win-win game, the EU would stand to benefit greatly from a "tigerish" Turkish economy.

### ***The Reform Process in Turkey***

Turkey is often accused of being undemocratic and that this stems from its "unwesternness". One can't deny that Turkey has a poor human rights record with torture, religious and ethnic intolerance, as well as serious problems with respect to freedom of speech. Unfortunately not all negativity towards Turkey is unfounded - but fortunately - it is increasingly less so by the day.

In fact, the above-mentioned side of Turkey is not an argument for denying Turkey membership. On the contrary, the very possibility of becoming a respected member of the EU has already set in motion a wide and profound process with undisputable results. Progress achieved to date includes a large number of constitutional amendments and legislative EU-related "harmonization packages". The death penalty has been abolished, there are now better safeguards against torture and ill-treatment, and freedom of speech is advancing in spite of "cultural inertia" in the justice system. The penal code, which entered into force in June 2005, is by no means flawless, but undoubtedly an improvement. The abolishment of the notorious State Security Courts was also an important step. The duties, powers and functioning of the National Security Council (NSC) have been substantially amended, bringing civil-military relations closer to EU levels. Finally, Kurds have also seen remarkable improvements through the lifting of the state of emergency that curtailed basic liberties in the southeast for 25 years. At long last they can also now use their language in educational and media contexts. The EU negotiators are tough and prepared to blow the whistle when needed. There is no chance of Turkey entering the European Common House with dirty shoes. Membership negotiations are designed to entice countries to comply with the rules of the EU and genuinely show that it shares common values. Therefore, Turkey will not enter the EU before it has genuinely reformed its policies and shows that its mind-set is compatible with the EU's.

What about the charge that Turkey is not "Western"? Turkey shares traits with both European and Middle Eastern cultures. This "un-Westernness" of Turkey would constitute an enormous asset for the current EU. During the row over

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Danish cartoons depicting Prophet Mohammed, Turkey acted as a moderating voice. Yes, there were demonstrations on Turkey's streets, but they did not degenerate into violence.

The fact that Turkey now has a conservative Muslim prime minister who staunchly defends democratic values is heartening and serves as an example to all Islamic countries. Fundamentalists exploit the misery of people and try to push the Muslim world back to the dark ages, à la Iran and Saudi Arabia. Our best allies in reversing these frightening scenarios are moderate Muslims and we have to offer our unwavering support to their aspirations towards democracy. The consequences of the EU accepting Turkey as its member - or that of the EU failing to do so - can determine world stability.

### ***A Youthful Turkey - A Democratic and Prosperous Friend***

Turkey is not yet ready to join the EU, nor is the EU mentally prepared to allow it in. However, the ongoing reform course and ever-increasing contacts between the EU nations and Turkey is set to change the picture. What is more, I feel very optimistic about Turkey embracing democratic values. This optimism can be spelled YOUTH.

The young generation is going to shape the Turkey of tomorrow. Their modern views of the world contrast sharply with the nationalistic and almost sectarian views of the military leaders of their parent's generation. For Turkey to take a full step into modernity, it does not have to disavow its religion, drop its folklore or substitute Big Macs for kebabs. The mental change which is needed is that Turkey must embrace the idea of being both European and Turkish. The European dimension implies tolerance for differing opinions as well as readiness to compromise at the negotiating table for the common good. The painful process of being honest about one's history is also an indispensable stage on the way to modernity. To admit that perhaps more than one million Armenians were murdered with premeditation, is tough, but inescapable, for Turkey to be at ease with itself and its neighbors. The youth of Turkey is far less sensitive, and thus far more sensible, about being honest about past misdeeds.

Establishing a new understanding of volunteerism for Turkish youth and encouraging participatory democracy in youth's everyday lives is of utmost importance in bridging the gap between Western European and Turkish societies. Tourism and student exchange programs can also play an important role.

Europe stands to gain in many ways by saying yes to Turkish EU membership. For the emerging European Security and Defense Policy (ESDP), Turkey's considerable military capabilities, not least thanks to the country's favorable

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demographics, are a clear asset. Turkey's entry into the EU would also stimulate trade and the EU would benefit from the strong dynamics of the economy. On the other hand, immigration should not be feared, but seen as an opportunity for European countries to cope with the consequences of aging populations. Attracting immigrant workers would help keep activities in Europe, which otherwise risk escaping to more populous areas in the world.

Certainly, the whole world cannot join the EU, but the symbolic step of letting a major Muslim country - the keen and reform-willing Turkey - become an equal partner, means Europeans embrace their fellow human beings. The quarrels of earlier generations should not prevent Europeans from realizing the potential of the citizens of today and tomorrow. Let us all thus see further than the next elections and think about the future we leave to our children.

