

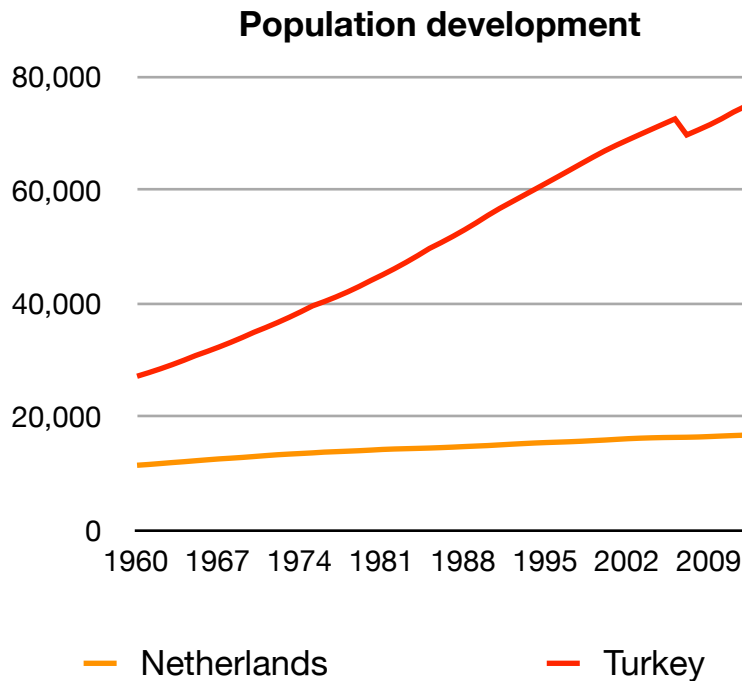
Info note

Labour Market Characteristics Netherlands and Turkey

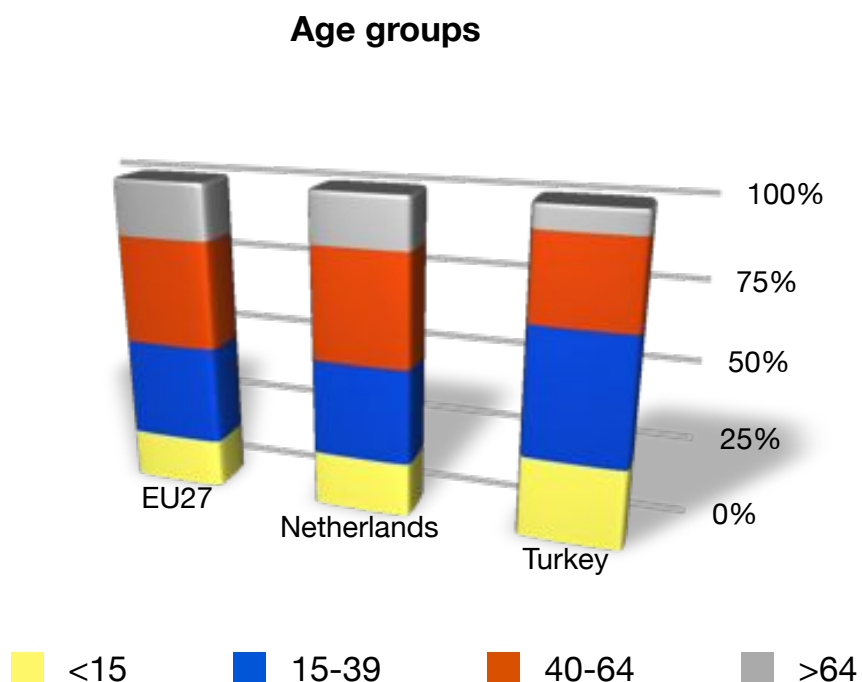
This info note is meant to get an impression of the main labour market related characteristics of Netherlands and Turkey. Some indicators include comparison with EU27.

Population

Turkey (75 million) currently has more than 4 times more inhabitants than Netherlands (17 million). The growth pace is quite different, as can be seen in this graph. Turkey has a steep ongoing growth pace since (at least) 1960 in which the population grew with $\pm 250\%$, whereas Netherlands had a gradual growth of $\pm 46\%$.



The composition of the population is quite different as is shown in the next graph.



Turkey has 66% people younger than 40. More than half of the people in the Netherlands are older than 40. Netherlands is dealing with a greying society.

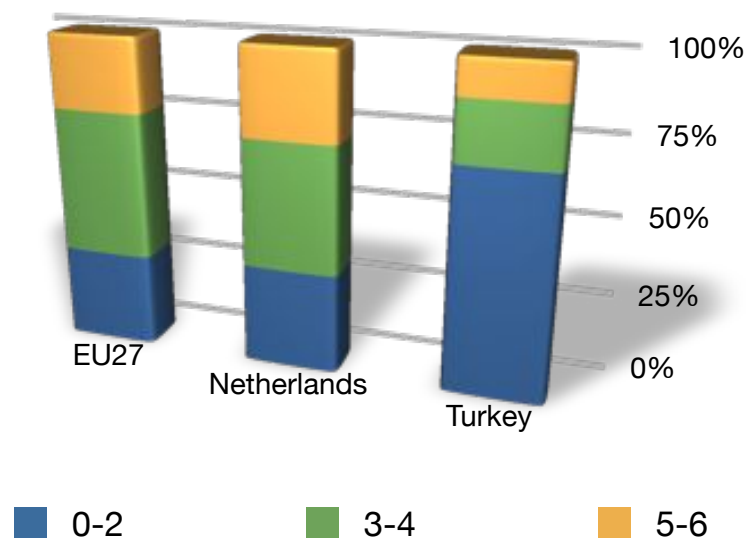
Netherlands is obviously not alone in dealing with the greying society. Its composition of the population is almost identical as that of the EU27.

The median age in Netherlands is 40.8 (2010, 23th in the listing of countries according to age - descending); Turkey's median age is 28.1 (ranking 111).

Level of education

There are significant differences in the level of education. Turkey has more than two times more people with pre-primary, primary and lower levels of education, compared to the EU27 and Netherlands. Important differences in the disadvantage of Turkey are in the levels of secondary and tertiary education.

Level of Education 2012 ISCED



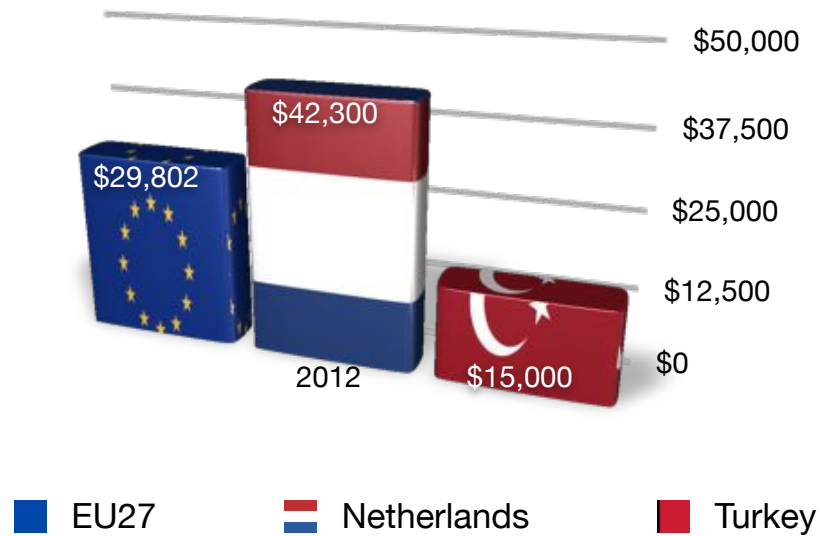
Gross Domestic Product

The GDP per head in the Netherlands is the highest in the EU27 after Luxembourg.

Turkey's GDP pc is a bit less than 40% of that in Netherlands. (Turkey's GDP is higher than that of EU27 countries Bulgaria and Romania.)

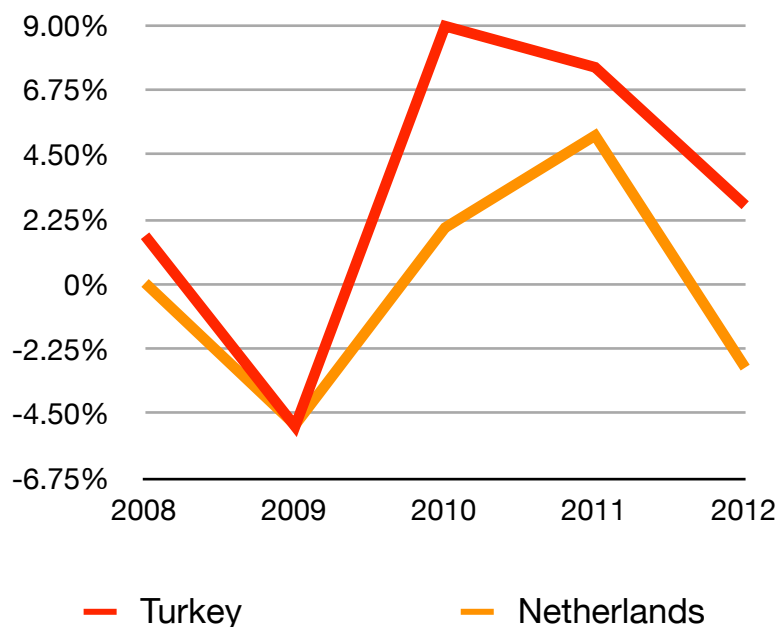
As will be shown later, part of this difference can be explained by the considerably lower participation rate and (not shown) lower wage levels and a higher level of agricultural employment - mostly in undeclared work.

GDP pc 2012



Probably mostly due to the growth in Foreign Direct Investments and related industrial production, the GDP on both levels in Turkey is growing, whereas Netherlands is confronted with a negative GDP pc development in 2012. After 2009 Turkey has a growing GDP from year to year. Interesting are the generally comparable trend lines between the two countries.

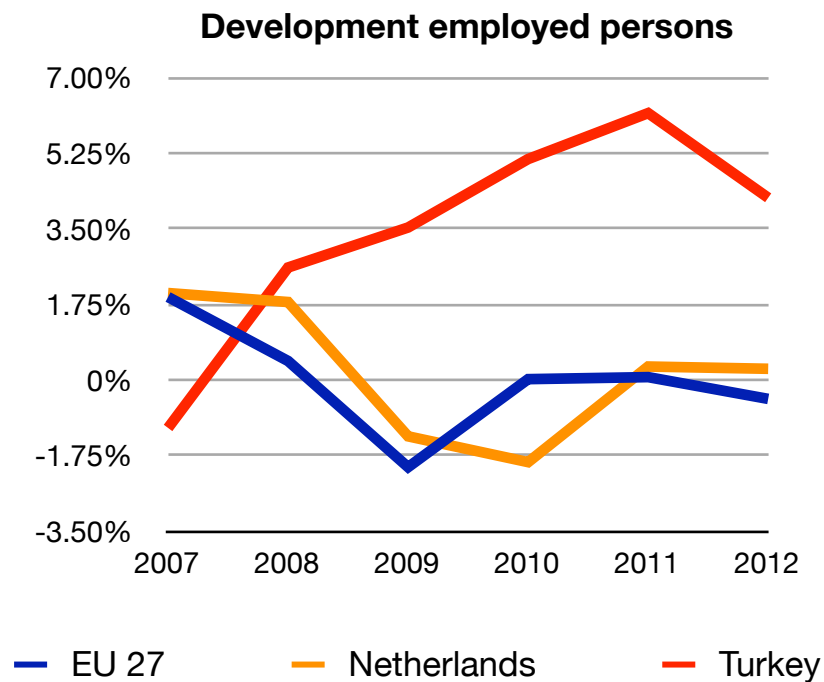
GDP development 2008-2012



Employment

Netherlands had a slowdown in the development of employed persons over the last six years. Turkey's number of employed persons is growing since 2007 with almost 1 million persons per year (4.3% average).

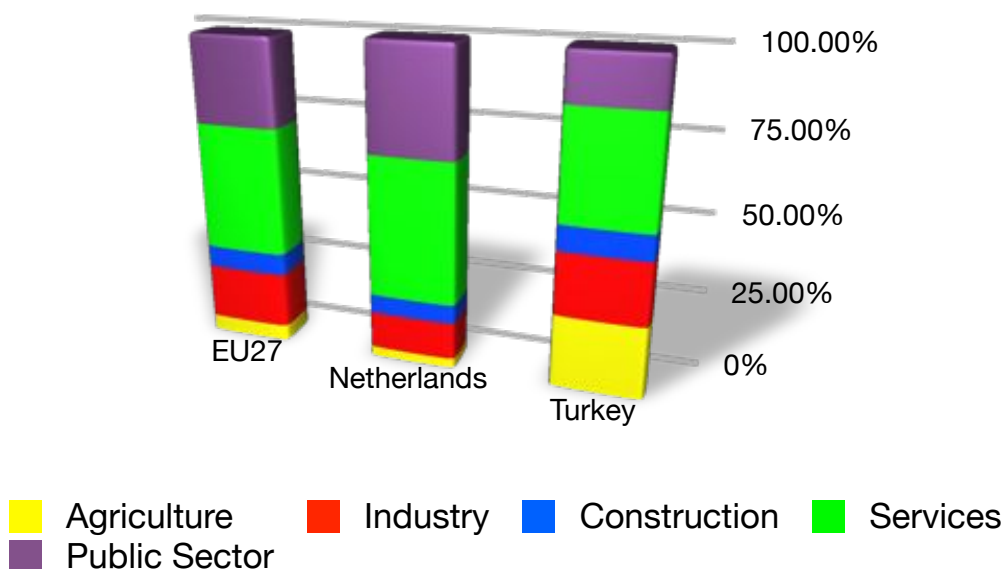
Despite Turkey's growth in the number of employed persons, in terms of the share of employed persons in the total population, Turkey still has a $\pm 16\%$ lower share (34% TR vs 50% NL).



Sector structure

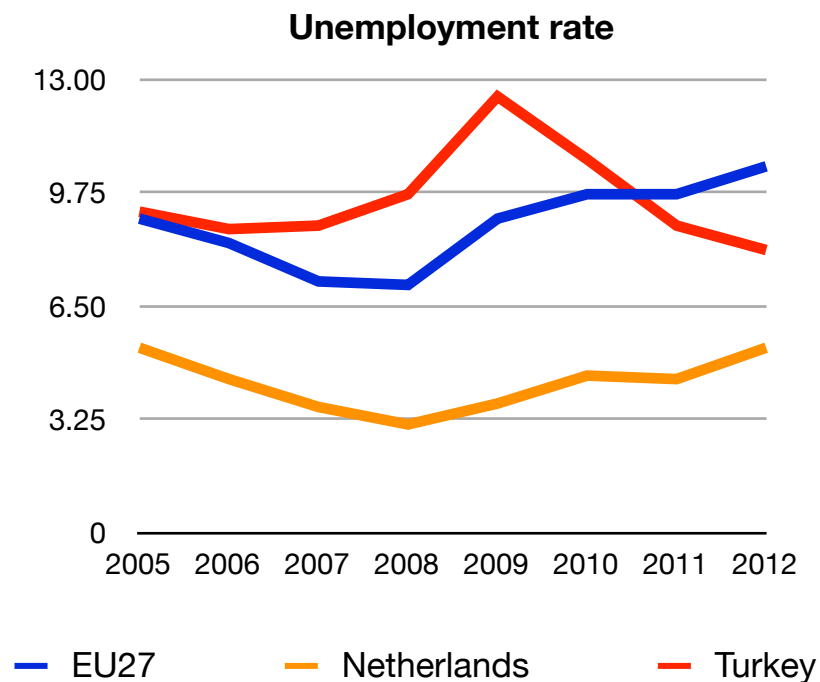
Employment according to sector structure in the EU27 and Netherlands is almost comparable. Employment in the agricultural sector in Turkey is however 5-6 times higher than EU27 and Italy. Turkey has considerably lower levels of employment in the services and public sector.

Employment according to sectors



Unemployment

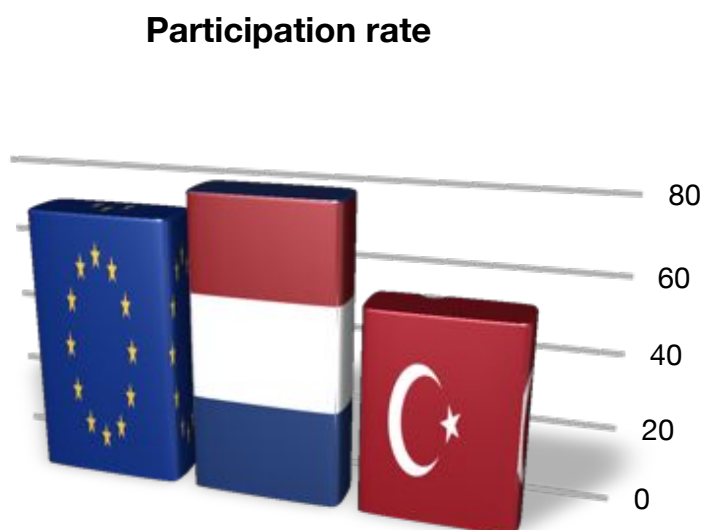
Turkey's level of registered unemployment has come down from more than 12% in 2009 to around 8% now. Despite what people in the Netherlands call 'a crisis' the unemployment rate is still lower than in Turkey.



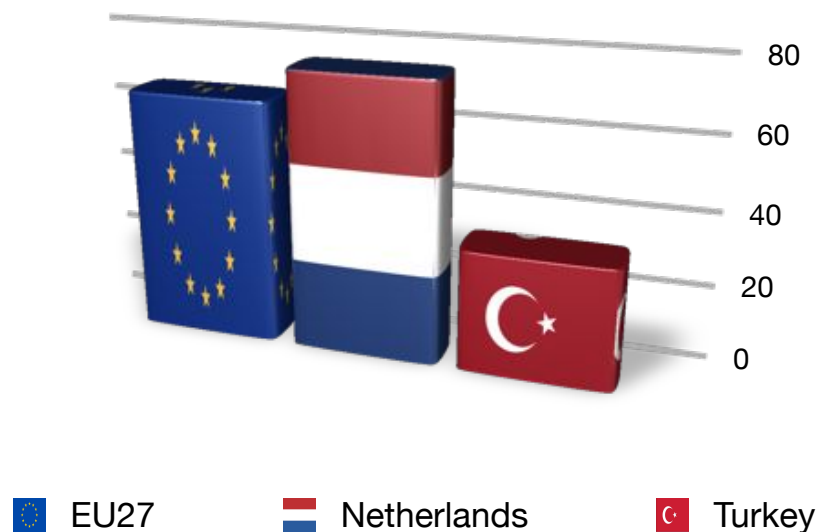
Participation rate in labour force

The participation rate of people between 15 and 65 years in Netherlands is considerably higher than the EU27 average. Turkey's participation rate is considerably lower than the EU27.

Both EU27's and Turkey's lower participation compared Netherlands participation can be almost solely explained by the lower participation of women.



Participation rate women



Unregistered employment

Unfortunately there is no recent and comparable data available regarding unregistered / undeclared employment.

In Turkey, undeclared work is part of the household survey and thus yearly figures are available. In recent years the share of undeclared work has come down from $\pm 48\%$ of the labour force in 2008 to 39% in 2012. This is mostly due to urbanisation, a diminishing share of agricultural employment and higher industrial employment (H. Ercan, EEO, 2012). Despite this downward trend, the share is still immense.

If European figures are available, they are mostly related to the share of the shadow economy in the GDP. OECD estimates the size of informal economy at 5% for the Netherlands.

Studies about Turkey in this regard are not available.

If we try to roughly estimate the size of the informal economy in Turkey based on a previous calculation (Chamber of Accountants) and assuming that earnings in unregistered employment are lower than in registered employment, the share of Turkey's shadow economy would be somewhere between 25-30%. Considerable enough to be a severe challenge.

Summarising:

- Turkey has a young population - Netherlands is dealing with a greying society
- Netherlands' national debt is almost two times higher than Turkey (71% GDP - 40% GDP)
- Netherlands' level of education is higher than that of Turkey
- Turkey's GDP pc is $\pm 40\%$ of the GDP pc of Netherlands
- Turkey's GDP pc is growing, Netherlands' GDP pc indicates a negative trend
- In a share of the total population Italy has 16% more persons employed than Turkey
- Turkey has relatively substantially more employment in agriculture
- Turkey's number of employed persons is growing, Italy's number of employed persons is stable
- Unemployment is growing in Netherlands and getting lower in Turkey
- Turkey has a 25 points lower participation rate than Netherlands, importantly because of a lower participation of women
- Turkey has a higher level of undeclared work.