
THE ECONOMY OF IMMIGRANTS:

The Case of the Netherlands

Author

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| ISBN 978-625-399-008-4 | Page and Cover Design Akademisyen Dizgi Ünitesi |
| Book Title The Economy of Immigrants: The Case of the Netherlands | Publisher Certificate Number 47518 |
| Author Ömer Tarık GENÇOSMANOĞLU ORCID iD: 0000-0003-3979-6387 | Printing and Binding Vadi Matbaacılık |
| Publishing Coordinator Yasin DİLMEN | Bisac Code BUS068000 |
| | DOI 10.37609/akya.2473 |

Library ID Card
Gençosmanoğlu, Ömer Tarık.
The Economy of Immigrants: The Case of the Netherlands / Ömer Tarık Gençosmanoğlu.
Ankara : Akademisyen Yayınevi Kitabevi, 2023.
316 page. : graph, map, table. ; 160x240 mm.
Includes Bibliography.
ISBN 9786253990084
1. Business and Economics.

GENERAL DISTRIBUTION

Akademisyen Kitabevi A.Ş.
Halk Sokak 5 / A Yenışehir / Ankara
Tel: 0312 431 16 33
siparis@akademisyen.com

www.akademisyen.com

BOOK SUMMARY

The book, written mainly in the Netherlands, is the result of almost three years of work. The most difficult part of the preparation is the compilation of the comprehensive data. Microdata from the Netherlands Statistics Office (Centraal Bureau voor de Statistiek-CBS), consisting of thousands of lines on population, labor, foreign trade, and taxes, are combined with immigration statistics and transformed into new data sets with millions of lines. In order to make accurate calculations and conclusions from such large data sets, it is necessary to thoroughly check and confirm the data at each stage. In addition, the Dutch technical documents on microdata services produced by CBS often need to be translated into English. In the Netherlands, access to CBS microdata services is only allowed to researchers within accredited institutions such as universities under strict privacy regulations. This study was designed at Erasmus College and is the result of days of work in the CBS microdata environment. As far as I know, this is the first time such a study has been conducted in European countries where Turks are an important immigrant group. Moreover, there is no similar study on other immigrant groups. While there are some sub-studies or reports that examine specific immigrant groups on specific topics or time periods, there has not yet been a comprehensive comparative analysis based on microdata. This study, which makes little reference to the literature, should be accepted as a first-hand study.

While the data on immigrants are presented verbally and graphically, important data sets are added at the end of the book for use as needed. In the sections that follow, the study is limited to a pure factual analysis, which is attempted to be done according to academic standards. The book is originally written in English, but it would make more sense to publish it in both English and Turkish. The Turkish version, which remains faithful to the English original, is intended to be more accessible to Turkish Dutch and those doing research on immigrants. Although the data and findings in the book can be used in sociological, cultural, and political fields, the analyses in this study are limited to the dimensions of economics and trade. The results and opinions presented here do not necessarily reflect those of the Turkish or Dutch authorities¹. Possible errors in such a detailed study are my own.

¹ The results in this book are based on calculations by the author using non-public microdata from Statistics Netherlands.

PREFACE

PURPOSE OF THE BOOK

In my opinion, this book is one of the few books on the role of immigrant groups in the Dutch economy. The book is based on the extensive data I prepared for my research on the relationship between international trade and migration at Erasmus University between 2017 and 2021.

As might be expected, international migrants impact host countries economically, socially, politically, and culturally, while being influenced by conditions in those countries over generations. These impacts, usually referred to as integration, are increasingly considered and regularly monitored by immigration countries. On the other hand, the International Organization for Migration, a United Nations affiliated organization, emphasizes that it is not safe to paint a clear picture of migrant integration at the global level because the relevant research is fairly recent and mainly limited to high-income countries or regions.

I wanted to contribute to this growing literature by looking at immigrants' level of integration in the economic sphere across generations and years. Accordingly, this book focuses on the participation of immigrants moving to the Netherlands in the national labor market and income distribution, in the economy (firms and self-employed entrepreneurs), and in foreign trade. The analyses using descriptive statistics involve different immigrant groups in comparison with each other and with the native population.

WHY THE NETHERLANDS?

The Netherlands has a large immigrant population. There are currently four million immigrants in the country, which means that almost one in four residents is an immigrant. The Netherlands may be a small country geographically, but in terms of gross domestic product and foreign trade volume, it is one of the leading countries in the world. The country's population hosts immigrants from various countries around the world, making it possible to compare economic integration among immigrant groups. Finally, the available comprehensive data on immigrants provides a unique opportunity for such a study.

ANTICIPATED AUDIENCE

The book will be of great use to several fields. It should be read by economists, political scientists, sociologists, and policymakers who want to better understand the characteristics of immigrant groups in the Netherlands and their inter- and intra-group relationships with respect to economic interactions. In addition, they will benefit from insights into socioeconomic differences not only among immigrant groups but also between these groups and natives. They will also find the content of the role and patterns of immigrants in the Dutch economy over the years very useful.

Clearly, there is a growing interest in migration research. This is confirmed by the recent World Migration Report of the International Organization for Migration, which underscores the growing long-term trend toward expanded migration research. The report also points to the tremendous activity of inter-governmental organizations with numerous global reports on migration issues. Therefore, this book provides considerable results with relevant summary data in the hope of contributing to studies conducted by academic institutions, national governments, and intergovernmental organizations.

Finally, this book will also be of interest to immigrants themselves and to non-governmental organizations dealing with immigrant groups in the Netherlands. I am quite sure that they will be very interested in the changes they have shown in socioeconomic conditions since they arrived in the country.

OUTLINE OF THE BOOK

The book is divided into six chapters. It first addresses the basic concepts of “migrant” and “migration” and then discusses global trends in migration by various regions, including the Netherlands.

The second part assesses the role of different immigrant groups in the Dutch labor market in many ways. For example, the distribution of wage income and the differences between average hourly wages and hours worked by natives and immigrants are estimated comparatively. Immigrant workers are also examined by looking at their generations and gender separately by age, education level, sector, positions in firms, and type of employment contract. In addition, the distribution of labor migrants in the country by province and municipality is examined.

The third section focuses on self-employed entrepreneurs among migrant workers. Their number by province and municipality is presented along with turnover, labor force, and foreign trade volume.

The fourth section provides data on Dutch businesses run by immigrant groups. This section also provides detailed information on partnerships between immigrant groups and native investors. Company characteristics such as turnover, employment, size, and location in the country are included in the corresponding analyzes. The allocation of the labor force by different immigrant groups in the companies shows interesting results in terms of the employer-employee relationship.

The next section is devoted to the foreign trade activities of enterprises managed by immigrants. The number of their exporters and importers as well as trade volume, turnover and employment are also presented. Whether immigrants have close commodity trade links with their countries of origin is also examined.

The final section summarizes the main findings on the role of immigrants in the Dutch economy, considering the conclusions from the previous sections.

ABOUT THE AUTHOR

Ömer Tarık Gencosmanoglu is an associate professor at the Turkish Inter-Universities Council and a senior trade expert at the Turkish Ministry of Trade. Prior to his current position at the Ministry, he worked for the Turkish government in various capacities in statistical research, international project management, trade policy analysis, World Trade Organization issues, and Turkey-European Union relations.

Between 2006 and 2009, he served as a commercial counsellor at the Permanent Mission of Turkey to the World Trade Organization in Geneva, Switzerland. During the Doha Round of multilateral trade negotiations, he was responsible for several WTO committees. In 2017, he was appointed as Turkey's Commercial Attaché in the Netherlands and worked in this position until 2021.

Assistant Professor Gençosmanoğlu holds a B.Sc. degree in economics from Middle East Technical University in Ankara, Turkey, in 1993. He earned his M.Sc. in economics from the University of Illinois at Urbana-Champaign, USA, in 2002, and his M.Sc. in economics from Ankara University, Turkey, in 2010. He received his Ph.D. in economics from Hacettepe University of Ankara, Turkey in 2014. He teaches undergraduate and graduate courses in international trade and finance, Turkey-European Union relations, and customs procedures.

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