PREPARING THE FUTURE OF EUROPE

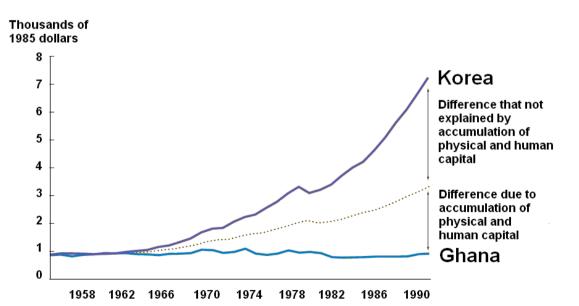
- Demographic development is predictable
- Today's youth is tomorrow's wealth creator
- Education is the key to prepare the future

Dr. Yılmaz ARGÜDEN

Knowledge is the key for growth and prosperity.

- 1.Investing in Physical Capital
- 2.Demographics
- 3. Acquiring & Using Knowledge
 - Acquiring and adapting Global Knowledge and creating knowledge locally
 - Investing in human capital to increase the ability to absorb and use knowledge
 - Investing in technology to facilitate both the acquisition and absorption of knowledge



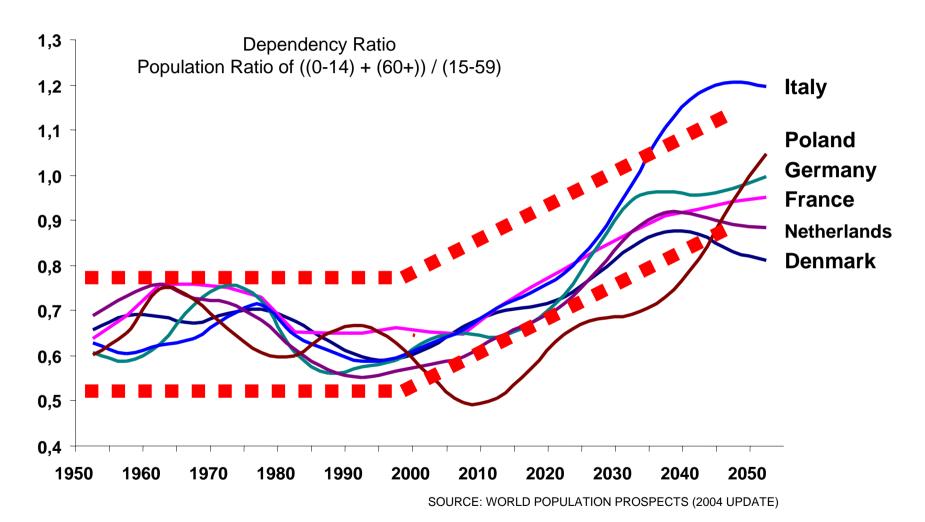


Gross enrollment rates in primary school in selected economies

	1970	1980	1990
Hong Kong	117	107	102
Korea	103	110	105
Singapore	105	108	104
Ghana	64	79	77
India	73	83	97



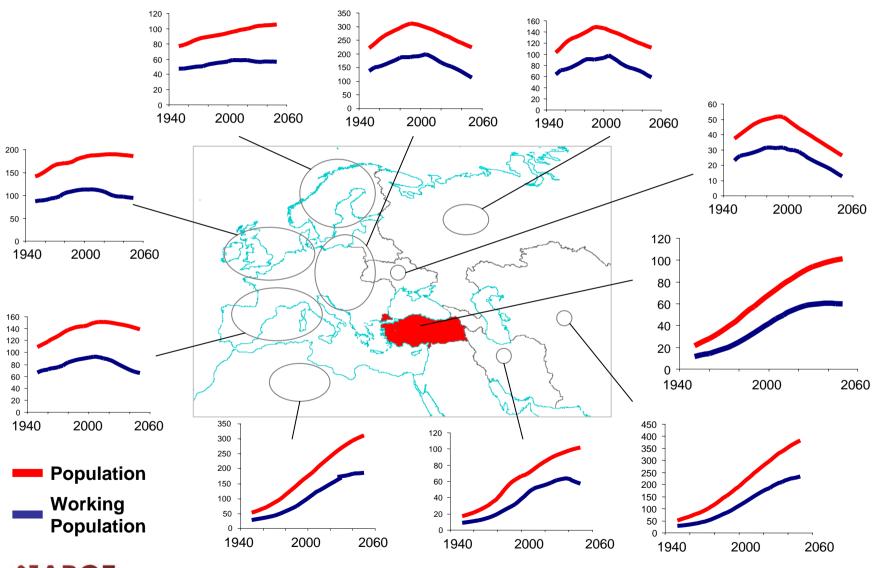
EU-15 is getting older, so are the new members.



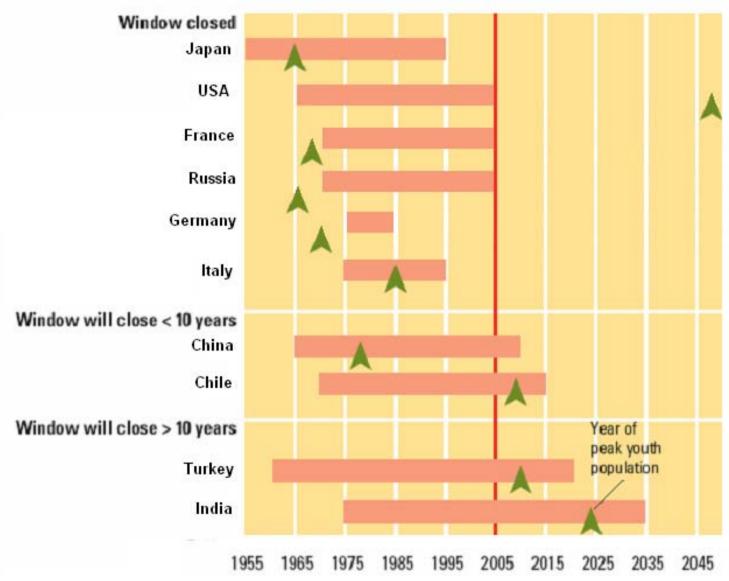
LEADING TO POSSIBLE LABOR AND SKILLS SHORTAGES



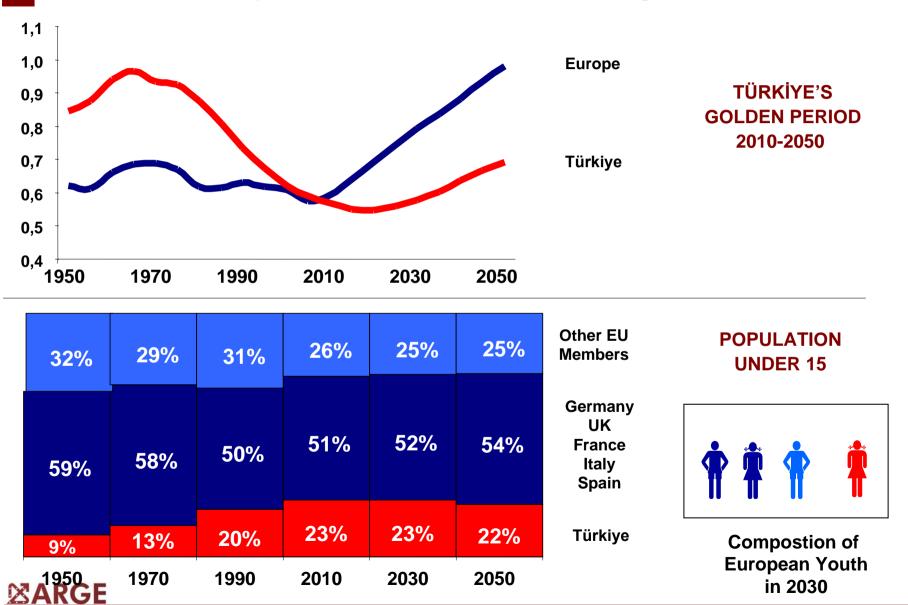
Türkiye's current "under 15" population can be a scarce resource for the region.



Golden Demographic Period is an opportunity for all nations.



Türkiye's population can be a complementary solution to EU's possible labor and skill shortages.



Türkiye's recent reforms on education need to continue.

Türkiye's Challenges in Education

Insufficient Preschool education		Türkiye %15	Greece %75	Italy %95
Low number of Secondary School graduates		Türkiye %40	EU-15 %78	
Unbalanced student performance	(PISA – Lower than level 1 scale)	Türkiye %53	EU %17	OECD %18
	(PISA - Higher than level 6 scale)	Türkiye %2,5	EU %4	OECD %4,1
High private spending on education (% of GDP)		Türkiye %2,2	Germany %1	Finland %0,1
Limited autonomy on resources for public schools (Decisions given by schools)		Türkiye %3	Germany %38	Netherlands %70
Limited opprotunity for working adults to improve their skills (% of lifelong learning adults)		Türkiye %2	EU %12	
		1 41 1		

Limited Impact of vocational schools in market labor needs

OSS systems do not increase education quality

No initiative to increase teacher quality



EU also need reforms mostly on qualitative issues.

EU's Challenges in Education

Excessive Uniformity	Lacking flexibility and diversity, difficulty to adapt and meet changes and new requirements
Insularity	Limited link to business and society
Over- regulation	National regulations prevent universities from modenization
Under-funding	Research and higher education spending lagging behinde other developed nations

Europe needs to improve conditions to attract more of highly qualified personnel

% of working age population with a degree		
Canada	%43	
USA	%38	
Japan	%36	
EU %21		

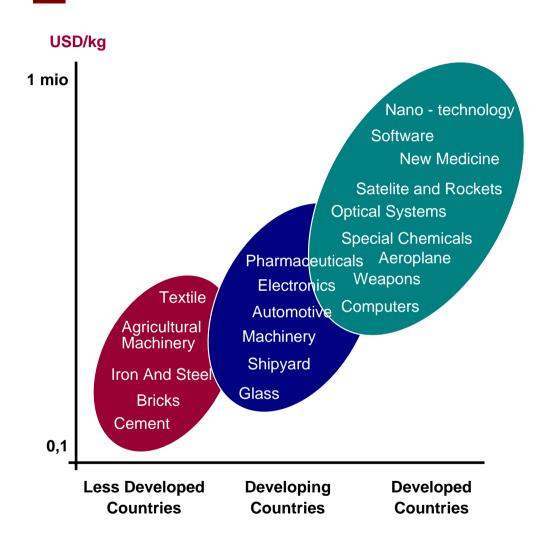
Access to universities (% of population enrolling)		
S.Korea	%82	
USA	%81	
EU %52		

Country Attractiveness for Brains ¹		
Most Attractive (Scale 7-5)	USA, Qatar, UAE, Norway, Kuwait, Japan	
Moderate	Germany, Czech Rep.,	
(Scale 5-3)	France, Hungary, Greece	
Not Attractive	Argentina, Egypt, Jordan,	
(Scale 3-1)	Romania, Bulgaria, Morocco	



Source: WEF, 2006

As countries develop they specialize in innovative industries (EU lagging behind)



Europe is not innovative enough due to shortage of science based diciplines

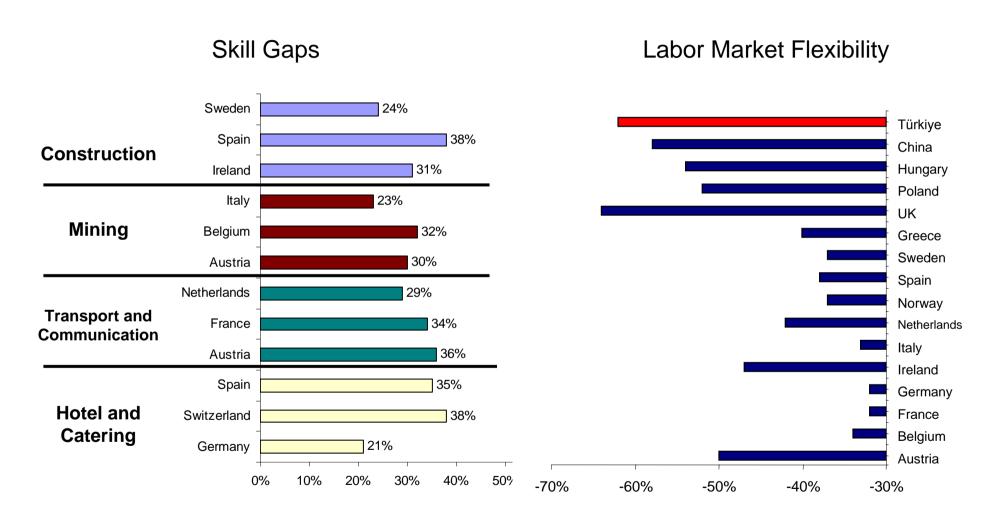
Patents Granted ¹	
USA	165.000
Japan	124.000
EU	60.000
China	49.000
Korea	48.500

R&D intensity in % as of GDP ²		
Japan	3,15	
USA	2,59	
EU-25	1,92	

Researchers per		
1000 persons in		
Labor Force ³		
Japan	10,1	
USA	9,1	
EU-25 5,5		



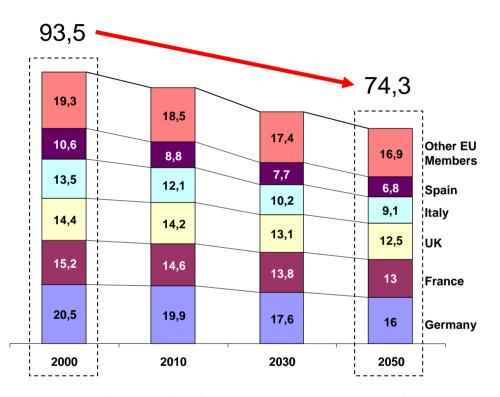
Many European countries has skill gaps where Türkiye offers flexible labor markets.





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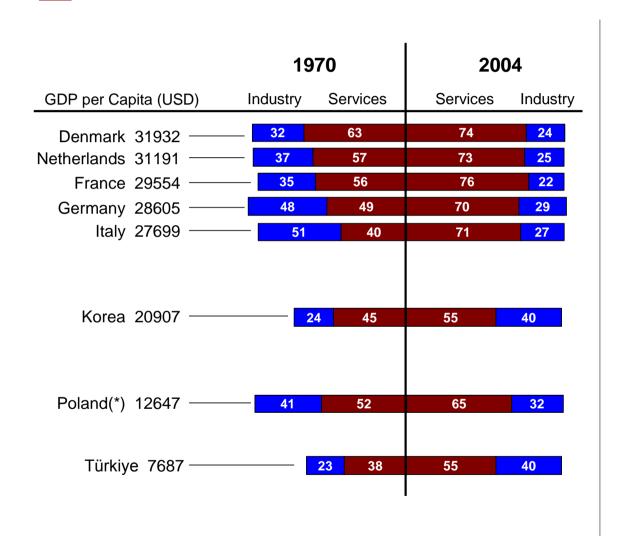
EU and Türkiye's collaboration in education will be a win win situation.



Number of population in age cohorts representative for each one of the four levels of education

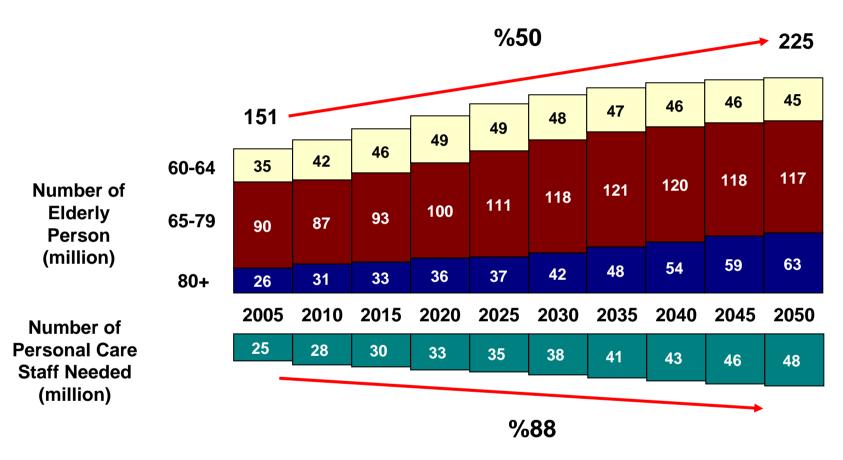
- Capacity utilization of EU schools
- Diversity creativity
- Diversity entegration
- Diversity quality

As countries develop ratio of service activities increase (where it is difficult to replace human labor with machines)





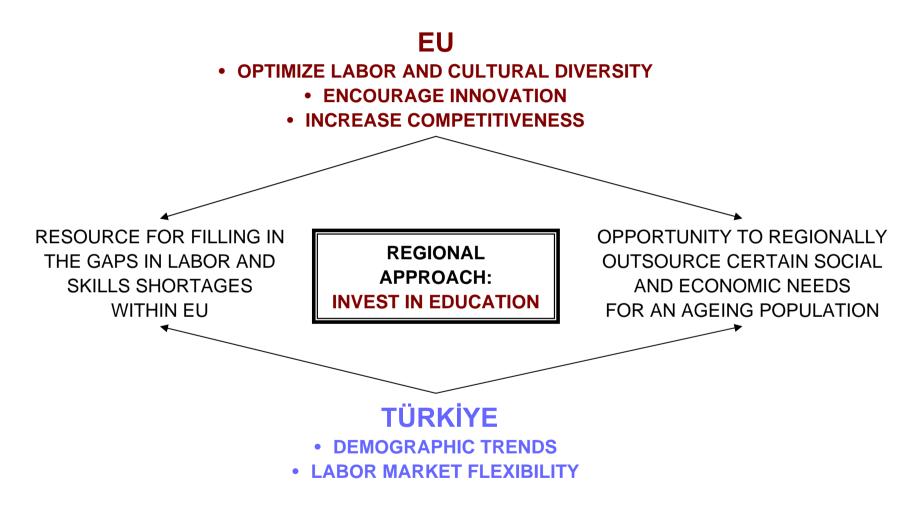
Europeans will retire in the "Florida of Europe".



- The need for personal assistance with everyday activities increases with age. Elderly persons need assistance with one or more activities of daily living. 65 to 69 years old need help for 9 percent of daily activities, 85 years old and over need help for 50 % of daily activities.¹
- Estimation: 1 personal care staff can assist 10 elderly person aged between 60-79, 1 personal care staff can assist 2 elderly person aged above 80.

MARGE

Investing in Türkiye's education will be the most strategic investment for EU's future competitiveness.



Pro-active integration strategy through regional and demographic opportunities

Investing in education, investing in a complementary and dependent future.

TÜRKİYE'S OWN EXPENDITURE ON EDUCATION1

	EXP. ON EDUCATION (AS % OF GDP)
UK	4,5
FRANCE	4,3
POLAND	4,2
OECD	4,0
SPAIN	3,0
TÜRKİYE	2,5

IF TÜRKİYE IS TO ATTAIN SUSTAINABLE DEVELOPMENT

TÜRKİYE'S ACCESS TO EU FUNDS2

- 1. COMMUNITY PROGRAMMES
 (LEONARDO, YOUTH, SOCRATES)
 (ACCESS TO APPR. 150 MILLION
 EURO PER YEAR)
- 2. DECENTRALISED SYSTEM
 (ACCESS TO APPR. 1 BILLION EURO
 PER YEAR)

IF EU IS INDEED SINCERE ABOUT TÜRKİYE'S MEMBERSHIP

A 20 % INCREASE FROM BOTH TURKISH AND EU FUNDS INTO EDUCATION

COULD ACTUALLY CREATE A MUCH NEEDED YOUNG AND EDUCATED LABOUR FORCE THAT CAN CATER FOR EU'S NEEDS WITHOUT NECESSARILY DISTURBING EU'S INTERNAL BALANCES



PREPARING EUROPE'S FUTURE NEEDS A PRO-ACTIVE INTEGRATION STRATEGY WITH TÜRKİYE WITH A FOCUS ON EDUCATION

THANK YOU

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