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Fire middelhavslandes EF-indtræden og regionalpolitikken
EG-Beitritt von vier Mittelmeer-Ländern und die Regionalpolitik
EC-accession of four mediterranean countries and regional policy
Adhésion de quatre pays méditerranéens et politique régionale
Adesione di quattro paesi mediterranei e politica regionale
De toetreding van vier middellandsezee landen en regionaal beleid

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Resumé og indledende bemærkninger

Grækenland, Portugal og Spanien har indgivet ansøgning om medlemsskab af De europæiske Fællesskaber. Tyrkiet har med Fællesskaberne en associeringsaftale, hvis endelige mål er fuldt medlemsskab. Der vil blive tale om særlige vanskeligheder for den fremtidige regionalpolitik, eftersom det drejer sig om fire middelhavslande, som omfatter betydelige områder, der må betegnes som underudviklede, og som alt i alt befinder sig på et økonomisk udviklingsniveau, som ligger betydeligt under Fællesskabernes gennemsnit. I indledningen til nærværende studie foretages et skøn over disse fire landes økonomiske potentiel og dets vægt i relation til Fællesskabernes. Deres samlede befolkninger udgør mere end 1/3 af de ni medlemsstaters, samtidig med at deres produktion af råstål (her taget som økonomisk indikator) kun udgør 10%. Går man ud fra befolkningstallet, må antallet af medlemmer af Europa-Parlamentet efter direkte valg og udvidelse antages at blive som følger: Grækenland og Portugal hver 24; Spanien og Tyrkiet hver 55. Under disse forudsætninger ville Europa-Parlamentets medlemstal blive 568.

Hovedparten af studiet indeholder, for hvert af de fire lande, detaljerede oplysninger om befolkning, udvandrede arbejdstagere, indkomster og regionale problemer. Kapitel V indeholder sammenlignende tabeller for de forskellige dele af økonomien.

I konklusionen forsøges angivet et skøn over den byrde, som en regionalpolitik for de fire middelhavslande ville udgøre for Fællesskaberne. Det konkluderes, at man, hvis støtten skal være af samme størrelsesorden som den, der i 1976/77 ydedes Irland, Det forenede Kongerige og Italien, beregnet på grundlag af dette år, måtte tredoble Regionalfondens midler.

Studiet er blevet udarbejdet efter anmodning fra Europa-Parlamentets Socialistiske Gruppe. Det er kun tænkt som et første overblik og vil ikke kunne erstatte de mere dybtgående studier, som Kommissionen måtte udarbejde.

Dette dokument foreligger kun på engelsk.

Zusammenfassung und Vorbemerkung

Griechenland, Portugal und Spanien haben Aufnahmeanträge an die Europäische Gemeinschaft gerichtet. Die Türkei hat ein Assoziationsabkommen mit der Gemeinschaft, dessen Ziel die Vollmitgliedschaft ist. Da es sich bei diesen vier Mittelmeerländern um Staaten handelt, die ausgedehnte unterentwickelte Regionen aufweisen und die insgesamt auf einem deutlich niedrigeren wirtschaftlichen Entwicklungsstand stehen als der Durchschnitt der Gemeinschaft, ergeben sich besondere Probleme für die künftige Regionalpolitik. In der Einleitung der vorliegenden Studie wird zunächst die wirtschaftliche Stärke der vier Mittelmeerländer geschätzt und ihr Gewicht in der Gemeinschaft. Ihre Bevölkerung beträgt mehr als ein Drittel der jetzigen Neuner-Gemeinschaft, ihre Rohstahlproduktion (als Indikator der wirtschaftlichen Stärke) jedoch weniger als 10 %. Sodann wird die Zahl der Abgeordneten im Europäischen Parlament nach Direktwahl und Erweiterung geschätzt: Griechenland und Portugal je 24, Spanien und Türkei je 55. Damit würde das Europäische Parlament auf 568 Mitglieder anwachsen.

Im Hauptteil der Studie werden für jedes der vier Länder ausführliche Angaben über Beschäftigung, Wanderarbeiter, Einkommen und Regionalprobleme gemacht. Ein weiteres Kapitel (V.) gibt Vergleichstabellen für verschiedene Wirtschaftsindikatoren.

In den Schlußfolgerungen wird versucht, die Belastung der Gemeinschaft durch eine Regionalpolitik für die vier Mittelmeerländer zu schätzen. Ergebnis: Wenn die Hilfe an die neuen Länder genau so groß sein soll, wie 1976/1977 an Irland, England und Italien, müßte der Regionalfonds gegenüber diesen Jahren verdreifacht werden.

Die vorliegende Studie wurde auf Anregung der Sozialistischen Fraktion des Europäischen Parlaments verfaßt. Sie ist als ein erster Überblick gedacht und kann die sorgfältigen und weitergehenden Studien, die die Kommission anfertigen wird, natürlich nicht ersetzen.

Die vorliegende Studie besteht nur in englischer Sprache.

Summary and preliminary remarks

Greece, Portugal and Spain have presented a request to acceed to the European Community. Turkey has an association agreement with the Community the object of which is, in the long term, complete participation. Particular problems are posed for the future regional policy because four countries of the Mediterranean Basin are concerned, of which large regions may be considered underdeveloped and which, on the whole, are notably less developed economically than the community average. The introduction of the present study attempts to situate the economic potential of these four countries and their weight in the Community. Their population represents more than 1/3 of that of the nine member states and their production of steel (as an economic indicator) less than 10%. Taking their population into account, the number of members of the European Parliament, after direct elections and enlargment, can be estimated as follows: Greece and Portugal, 24 each; Spain and Turkey, 55 each. The European Parliament would then have 568 members.

The substance of the study is represented by detailed indications of population, emmigrant workers, income and regional problems for each of the four countries. Chapter V presents comparative tables for the different economic sectors.

The conclusion attempts to evaluate the cost to the Community of a regional policy for the four countries of the Mediterranean Basin. One concludes that, if the aid granted to these new countries should be the same as that accorded in 1976/1977 to Ireland, Great Britain and Italy, the Regional Fund should be tripled compared to this reference year.

The present study has been carried out at the request of the Socialist Group of the European Parliament. It attempts to give a first impression and does not pretend to replace more extensive studies that the Commission could carry out.

This document only exists in English.

Résumé et remarques préliminaires

La Grèce, le Portugal et l'Espagne ont présenté une demande d'adhésion à la Communauté européenne. La Turquie a un accord d'association avec la Communauté dont le but est, à terme, une participation à part entière. Des problèmes particuliers se posent au regard de la politique régionale future puisqu'il s'agit de 4 Etats du bassin méditerranéen dont de larges régions peuvent être considérées comme sous-développées et qui, dans l'ensemble, ont atteint un degré de développement économique nettement inférieur à celui de la moyenne communautaire. L'introduction de la présente étude essaye de situer le potentiel économique de ces 4 Etats et le poids de celui-ci dans la Communauté. Leurs populations représentent au total plus qu'1/3 de celles des neuf Etats membres, leurs productions d'acier brut (en tant qu'indicateur économique) cependant moins de 10 %. Compte tenu de la population, le nombre des parlementaires du Parlement européen, après les élections directes et l'élargissement, peut être évalué comm suit : Grèce et Portugal, chacun 24; Espagne et Turquie, chacun 55. Dans ces conditions, le Parlement européen comprendrait 568 membres.

Le corps de l'étude comporte, pour chacun des 4 pays, des indications détaillées sur la population, les travailleurs émigrés, le revenu et les problèmes régionaux. Le Chapitre V présente des tableaux comparatifs pour les différents secteurs de l'économie.

La conclusion tente d'évaluer la charge qui pèserait sur la Communauté du fait d'une politique régionale pour les 4 pays du bassin méditerranéen. On arrive au résultat que, si l'aide apportée à ces nouveaux pays devait être de la même ampleur que celle apportée en 1976/1977 à l'Irlande, la Grande-Bretagne et à l'Italie, le Fonds régional devrait être triplé par rapport à cette année de référence.

La présente étude a été élaborée à la demande du Groupe socialiste du Parlement européen. Elle cherche à donner un premier aperçu et ne prétend pas remplacer des études plus poussées que la Commission pourrait réaliser.

Ce document n'existe qu'en langue anglaise.

Sintesi e osservazioni preliminari

La Grecia, il Portogallo e la Spagna hanno presentato domanda di adesione alla Comunità europea. La Turchia ha un accordo d'associazione con la Comunità il cui fine è, in definitiva, una partecipazione di pieno diritto. Problemi particolari si pongono in vista della politica regionale futura perchè si tratta di 4 Stati del bacino mediterraneo le cui ampie regioni possono essere considerate sottosviluppate e che, nell'insieme, hanno raggiunto un grado di sviluppo economico prettamente inferiore a quello medio comunitario. L'introduzione al presente studio cerca di puntualizzare il potenziale economico di questi 4 Stati e l'importanza di questo nella Comunità. Le loro popolazioni rappresentano in totale più di 1/3 di quelle dei nove Stati membri, la loro produzione d'acciaio grezzo (considerato quale indice economico) è tuttavia meno del 10%. Tenuto conto della popolazione, in numero dei parlamentari al Parlamento europeo, dopo le elezioni dirette e l'allargamento, può essere valutato come segue : Grecia e Portogallo, 24 ciascuno; Spagna e Turchia, 55 ciascuno. In queste condizioni, il Parlamento europeo comprenderebbe 568 membri.

La parte centrale dello studio contiene, per ciascuno dei 4 paesi, indicazioni dettagliate sulla popolazione, i lavoratori emigrati, il redditto e i problemi regionali. Il capitolo V presenta delle tabelle comparative per i differenti settori dell'economia.

Nella conclusione si cerca di valutare l'onere che peserebbe sulla Comunità in conseguenza di una politica regionale per i 4 paesi del bacino mediterraneo. Si arriva al risultato che qualora l'aiuto portato a questi nuovi paesi dovesse essere della stessa grandezza che quello fornito nel 1976/77 all'Irlanda, alla Gran Bretagna e all'Italia , il Fondo regionale dovrebbe essere triplicato rispetto a questo stesso anno.

Il presente studio è stato elaborato su richiesta del gruppo socialista del Parlamento europeo. Esso tende a fornire una prima visione e non pretende di sostituire studi più approfonditi che la Commissione potrebbe realizzare.

Questo documento esiste soltanto in lingua inglese.

Samenvatting en inleidende opmerkingen

Griekenland, Portugal en Spanje hebben een verzoek tot toetreding tot de Europese Gemeenschap ingediend. Turkije heeft een Associatie-overeenkomst met de Gemeenschap gesloten, waarvan het doel een volledig lidmaatschap is. Bijzondere problemen doen zich voor ten aanzien van het toekomstig regionaal beleid, daar het 4 Middellandse Zee-staten betreft, waarvan uitgestrekte gebieden als onderontwikkeld beschouwd kunnen worden en die, over het geheel genomen, een niveau van economische ontwikkeling bereikt hebben, dat duidelijk lager is dan het gemiddelde van de Gemeenschap. De inleiding tot deze studie probeert de economische sterkte van deze 4 landen en het gewicht daarvan in de Gemeenschap te situeren. Hun bevolking vertegenwoordigt in totaal meer dan 1/3 deel van de bevolking der negen lid-staten; hun produktie van ruwe ijzer (teken van economische sterkte) bedraagt echter minder dan 10%. Rekening houdend met de bevolking, kan het aantal afgevaardigden in het Europees Parlement na de directe verkiezingen en de uitbreiding als volgt geschat worden: Griekenland en Portugal, ieder 24; Spanje en Turkije: ieder 55. Daarmee zou het Europees Parlement tot 568 leden toenemen.

Het hoofddeel van deze studie verstrekt over ieder van de vier landen nauwkeurige inlichtingen omtrent de bevolking, de migrerende werknemers, de inkomsten en de regionale problemen. Hoofdstuk V bevat vergelijkende tabellen voor de verschillende economische sectoren.

In de slotconclusie wordt getracht de belasting welke op de Gemeenschap zal drukken als gevolg van een regionaal beleid voor de vier landen, te schatten. Dat leidt tot het resultaat, dat, indien de hulp aan de nieuwe landen precies even groot zou moeten zijn als die van 1976/1977 aan Ierland, Engeland en Italië, het Regionaal Fonds verdrievoudigd zou moeten worden in vergelijking tot dit jaar.

Deze studie is verricht op verzoek van de Socialistische Fractie van het Europees Parlement. Ze is bedoeld als een kort overzicht en kan natuurlijk niet de nauwgezette en vergaande studies welke de Commissie zou kunnen verrichten, vervangen.

Deze studie bestaat alleen in de Engelse taal.

Contents

EC-Accession of Four Mediterranean Countries and Regional Policy

This study is based mainly on the following official publications :

O.E.C.D. Economic Surveys

The various National Statistical Service Yearbooks

I.L.O Publications

Eurostat

Introduction

1. State of Application

On 12 June 1975 the Greek submitted a formal application for full membership of the EEC. This application has been favourably received, mainly for political rather than economic reasons, and negotiations are presently in progress.

On 28 March 1977, Portugal lodged an official application for membership of the EEC; this application has the support of all the major parties within the country with the exception of the Communist party. Mainly for political reasons this application has been generally welcomed by the present members of the Community although doubts have been expressed concerning the Portuguese economy's ability to withstand the pressures EEC membership will bring.

The Association Agreement signed between the EEC and Turkey in 1962 envisages eventual full membership in 1995. Also in 1962 systematic planning of the economy began. This planning is designed to bring the standard of living of Turkey up to the level existing in Italy in 1970 by the year 1995 and thereby make full membership easier to accomplish.

The Spanish government has not so far submitted a formal application, but it seems probable that, not long after the first democratic elections have taken place on 15 June and a democratically elected government has been formed, Spain will submit an application[1]. In recent years, Spanish government circles have made overtures to the Community to ascertain their willingness to accept closer cooperation or even full membership. These overtures have been rejected by the Community, however, with a firm declaration that a democratic regime is a prerequisite for EEC membership.

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1 Such an application was in fact received on 28.7.1977, after this document was prepared.

2. Economic strength

The economic weight which the new candidates will add to the Community and which they will possess within the EEC can obviously not be easily evaluated,still less expressed, in one figure,but the following tables which compare population, surface area, foreign trade and steel production of the candidate countries with those of the present members give some impression of their relative strength. According to population size they would be fifth, sixth, ninth and tenth largest and add 30% to the present Community total. In surface area they would be 1st, 3rd, 7th and 8th in a Europe of 13. The total surface area of the candidate countries is as large as that of the existing Community; thus in a Community of 13 they will constitute half the land area. In economic strength expressed in terms of foreign trade and steel production, they would account for less than 10% of the existing Community. Although these few indicators give a rather accurate general view of the situation, it should be kept in mind that in some individual sectors the economic importance of the candidate countries is much greater (e.g. shipping in the case of Greece).

Table 1 Comparison of Population sizes

No. of order	Country	Population (1973)	
		in millions	in percent (round figures)
1	Germany	62	18
2	United Kingdom	56	16
3	Italy	55	16
4	France	52	15
5	Turkey	38	11
6	Spain	35	10
7	Netherlands	13	3
8	Belgium	10	3
9	Greece	9	3
10	Portugal	9	3
11	Denmark	5	1
12	Ireland	2	1
13	Luxembourg	0(.3)	0
	Eur 9	255	74
	4 candidates	91	26
	Eur 13	346	100

Source: Eurostat

Table 2: Comparison of Surface Area

No. of order	Country	Surface	
		in 1,000Km^2	in percent (round figures)
1	Turkey	780	26
2	France	547	18
3	Spain	505	17
4	Italy	301	10
5	Germany	249	8
6	United Kingdom	244	8
7	Greece	132	4
8	Portugal	92	3
9	Ireland	70	2
10	Denmark	43	1
11	Netherlands	41	1
11	Belgium	31	1
13	Luxembourg	3	0
	Eur 9	1529	50
	4 candidates	1509	50
	Eur 13	3038	100

Source: Eurostat

Table 3: Comparison of Economic Strength (Foreign Trade)

No. of order	Country	Total Imports 1973	
		in Mill. Eur	in per cent (round figures)
1	Germany	43 000	23
2	United Kingdom	31 000	17
3	France	30 000	16
4	Italy	22 000	11
5	Netherlands	20 000	10
6	Belgium & Luxembourg	17 000	9
7	Spain	8 000	4
8	Denmark	6 000	3
9	Greece	3 000	2
10	Portugal	2 000	1
11	Ireland	2 000	1
12	Turkey	2 000	1
13	Luxembourg	..	..
	Eur 9	172 000	90
	4 candidates	14 000	10
	Eur 13	186 000	100

Source: Eurostat

Table 4 : Comparison of Economic Strength - Steel Production

No. of order	Country	Steel production 1973	
		in Mill. t	in per cent (round figures)
1	Germany	50	31
2	United Kingdom	27	17
3	France	25	15
4	Italy	21	13
5	Belgium	16	10
6	Spain	11	7
7	Luxembourg	6	4
8	Netherlands	6	4
9	Turkey	1	1
10	Portugal	0.5	..
11	Denmark	0.5	..
12	Greece	0.5	..
13	Ireland	0.1	..
	Eur 9	152	93
	4 candidates	13	8
	Eur 13	163	100

Source: Eurostat

3. Probable number of seats in the European Parliament

As regards their power in the political institutions of the Community, evidently the new Member States will have full voting rights in the Council of Ministers, which according to the present custom (contrary to the Treaty) means one country, one vote and full veto-rights for the newcomers. It is difficult to estimate their voting strength in a 'qualified-vote' system of decision making; however, it is possible to estimate the number of seats they would have in a directly elected European Parliament. Since the Community has not adopted an 'en-bloc' system of negotiation, it is unlikely that the distribution of seats among present Member States will be changed at each new member's accession.

Under these conditions it can be foreseen that Greece and Portugal will obtain parity with each other and with Belgium so that those countries with populations in the 9-10 million area will have 24 seats in the European Parliament.

It can also be assumed that Spain and Turkey with populations of similar size will have parity. On the basis of the number of seats of the four large countries and those with 24/25 seats, Spain and Turkey will have in the region of 55 seats each.

Table 5 - Possible number of seats in European Parliament

Country	Seats	Country	Seats
Germany	81	Greece	24
United Kingdom	81	Portugal	24
Italy	81	Denmark	16
France	81	Ireland	15
Spain	55	Luxembourg	6
Turkey	55		
Netherlands	25	Eur 9	410
Belgium	24	4 candidates	158
		Eur 13	568

Since at least one Parliament amongst present Members has more than 600 members, it is possible that the number of members may not be reduced because of organizational problems. It can be estimated therefore that the European Parliament, after accession of the four Mediterranean countries, could consist of 568 members.

These figures and comparisons may suffice as a first rough introduction to problems of development and regional policy as they will present themselves after enlargement of the Community.

The following chapters will first give a country-by-country description of Employment, Migration, Income and Regional Problems in the new countries and then a comparison of the regional policy and development situation as well as conclusions to be drawn for the future of the European regional policy and more especially for the European Regional Development Fund.

I

GREECE

1. Employment

In 1974 Greece had a total population of 8,962,000. The net average annual increase between 1963 and 1973 was 0.57%. In 1971 the labour force numbered 3.28 million, which is a decrease of 9.3% on the 1961 figure. This decline was mainly caused by the large numbers of workers emigrating during the 1960's - the O.E.C.D. secretariat estimates that 440,000 persons in the active age groups went abroad between 1961 and 1971.

The Greek economy enjoyed a period of rapid growth up to 1974; as a result, between 1961 and 1971, employment in non-agricultural sectors increased at an annual average rate of 3.25%. Construction was the sector of highest growth with an annual average rate of 4.8%; the yearly rate of increase in the services sector was 3.7% while in industry the rate was 1.6%. Despite the rapid growth of the non-agricultural sectors, 36.3% of total employment was in agriculture in 1974. In 1961, 56.3% of the work force were employed in this sector. The large number of workers who left the agricultural sector since 1961 were partly absorbed through the expansion in non-agricultural employment and also through emigration, particularly to Germany.

During the expansionary phase before the oil crisis, the large net outflows of emigrant labour contributed to the development of tight labour market conditions. Some industries, such as shipbuilding and mining, often had difficulty in recruiting skilled labour. By 1972 the improvement in domestic employment opportunities resulted in a fall in the net emigration level. Figures for manufacturing industry indicate that the growth in employment began to level off around mid-1973 as a result of the recession caused by the oil crisis. There was a slight recovery in 1975 when employment increased by 0.6%,or 20,000 jobs, on the 1974 figure and by a further 5% in 1976.

Greek unemployment statistics are generally recognized to be inadequate. The effects of the recent recession on unemployment levels were disguised to some extent by the return of many workers to the agricultural sector. For instance, despite a big decline in activity in the construction industry in 1974 (an industry which is relatively labour intensive), the number of registered job seekers for that year was 27,000 against a figure of 21,000 for the previous year. An increase in military personnel in 1974 absorbed many unemployed. The slight increase in employment in 1975 was not sufficient to prevent an increase in unemployment levels. Greek government estimates suggest that the unemployment rate rose to 4% in 1975 against a level of 3.6% in 1974. These estimates give a better indication of the unemployment situation than the number of registered job seekers as they are based on a fairly large census sample. However they refer only to urban unemployment.

In the agricultural sector there is a high rate of disguised unemployment and underemployment. Because of the small size of Greek holdings (average 8.5 acres) many farmers are effectively unemployed for long periods each year. The Greek government does not keep a record of the unemployment situation within the agricultural sector. One estimate suggests that the average farmer is fully employed for only sixty days per year[1].

In urban areas only new entrants to the labour force have real difficulty in finding a job. The situation is worse in Greece than in most European countries because of the return of many emigrant workers who, because of their experience, are given many of the jobs which might normally be open to new entrants to the labour force.

The major problem in the Greek unemployment situation is the underemployment in agriculture. This can probably be solved only through the transfer of large numbers of agricultural workers to other sectors of the economy and a rationalization of resources in agriculture.

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1 Estimate by the Financial Times of London

Table 1

Greece: Labour force by sector 1961 and 1971 (millions)

	1961			1971		
	Total	Male	Female	Total	Male	Female
Total Labour Force	3.64	2.44	1.19	3.28	2.37	0.91
- Agriculture	1.96	1.18	0.78	1.33	0.85	0.48
- Industry	0.53	0.37	0.16	0.59	0.44	0.15
- Construction	0.17	0.16	--	0.25	0.25	--
- Services	0.86	0.66	0.20	1.05	0.79	0.26
Services						
- Trade, catering, banking	0.27	0.24	0.04	0.43	0.33	0.10
- Transport and communication	0.15	0.15	--	0.21	0.20	0.01
- Other services	0.44	0.29	0.15	0.41	0.26	0.15
Non-declared activities	0.12	0.07	0.06	0.06	0.04	0.02
Population						
- aged 15-64 years	5.50	2.66	2.84	5.61	2.74	2.88
- aged 15-64 years less active population	1.86	0.22	1.65	2.33	0.37	1.97

Source: National Statistical Service of Greece, Statistical Yearbook of Greece

Table 2

Employment by sector as a percentage of total civilian employment

Year	Agriculture	Industry	Other Activities
1961	56.3	18.0	25.7
1962	54.2	18.7	27.1
1963	52.3	19.4	28.3
1964	50.4	20.1	29.5
1965	48.5	20.9	30.6
1966	46.8	21.7	31.5
1967	45.1	22.6	32.4
1968	43.4	23.4	33.1
1969	41.9	24.4	33.8
1970	40.3	25.3	34.4
1971	38.9	26.3	34.8
1972	37.9	26.9	35.2
1973	37.0	27.5	35.5
1974	36.3	27.8	36.0

Source: O.E.C.D. Labour Force Statistics 1963-1974

Table 3

Branches of Economic Activity of Economically Active Population in Greek Regions

		Greece Total	Greater Athens	Rest of Central Greece & Euboea	Peloponnesos	Ionian Islands	Epirus	Thessaly	Macedonia	Thrace	Aegean Islands and Crete
Agriculture Forestry and Fishing	Male	834 424	6 220	122 412	156 868	25 324	37 020	97 164	217 128	57 872	114 416
	Female	478 176	1 116	63 896	74 664	20 240	27 772	46 316	134 448	48 428	67 296
Mining and Quarrying	Male	19 528	2 300	7 612	636	172	340	728	5 744	252	1 744
	Female	1 568	176	740	20	4	4	20	568	4	32
Manufacturing	Male	404 268	188 912	37 660	28 908	4 240	6 732	22 552	84 416	6 260	24 588
	Female	150 112	70 276	13 396	12 312	1 648	2 720	8 188	32 232	1 576	7 764
Electricity, Gas, Steam Water Supply	Male	22 160	10 392	2 788	2 160	332	340	816	3 328	268	1 736
	Female	2 656	1 864	124	196	8	24	48	264	36	92
Construction	Male	254 908	92 800	33 032	22 448	4 320	10 164	14 952	47 988	5 504	23 700
	Female	1 516	444	268	148	48	80	84	240	32	172
Trade Restaurants and Hotels	Male	284 504	118 464	24 424	24 280	5 200	7 584	17 900	55 752	6 380	24 520
	Female	77 520	36 032	5 972	5 868	1 416	1 248	3 152	15 116	1 236	7 480
Transport Storage and Communications	Male	198 656	88 440	20 088	17 664	3 952	4 196	10 492	31 660	4 128	18 036
	Female	13 016	8 084	624	1 016	220	152	380	1 596	164	780
Banking, Real Estate and Insurance	Male	57 376	36 284	2 608	3 584	528	776	1 936	8 172	624	2 864
	Female	21 148	14 520	860	1 068	108	196	476	2 776	180	964
Services	Male	227 980	94 584	18 580	21 032	4 106	7 532	13 768	42 036	6 324	20 108
	Female	121 124	59 676	7 800	9 596	1 688	2 892	5 628	22 412	2 144	9 288
Not declared	Male	25 784	12 968	2 424	1 688	244	548	1 192	4 520	580	1 620
	Female	38 572	24 764	4 868	2 048	520	532	1 232	4 984	516	2 108

Source: National Statistical Service of Greece

Table 4

Recorded Job Seekers (1965 - 1975) excluding unemployed seamen (thousands)

Year	Total	Farmers, Fishermen and related workers	Craftsmen, Production Process workers, labourers not elsewhere classified	Clerical, Sales, Administrative, Executive and Managerial workers	Professional, Technical and related workers	Miners, Quarrymen and related workers	Transport, Communication Service and workers not classified by occupation
1965	64.3	1.7	43.3	7.5	1.5	0.8	9.6
1966	64.8	1.9	42.9	8.3	1.4	0.9	9.4
1967	83.5	2.0	59.7	7.7	1.5	1.1	11.6
1968	73.7	1.3	51.3	8.1	1.6	0.8	10.7
1969	66.5	1.2	45.2	8.7	1.4	0.7	9.3
1970	48.7	1.0	32.6	6.5	1.2	0.6	6.7
1971	30.3	0.7	20.1	3.9	0.9	0.4	4.4
1972	23.8	0.6	15.7	2.8	0.7	0.4	3.6
1973	21.4	0.5	14.0	2.5	0.7	0.3	3.4
1974	27.1	0.5	17.7	3.0	0.9	0.4	4.6
1975	33.8	0.3	24.9	3.7	1.1	0.4	3.5

Source: I.L.O. Yearbook of Labour Statistics 1976

2. Migration

From the end of the last World War until 1975 Greece was a net emigration country. During the period 1955-1973 gross out migration flows reached a total of 1,555,000 people (approximately 13% of the Greek population) of which 53% or 612,150 went to West Germany.

Between 1955 and 1972 roughly two thirds of all migrants were in the 20-39 age group, a group generally regarded as the most dynamic in a labour force.

The majority of Greek migrant workers belong to one of two occupational categories; agricultural workers or technicians, craftsmen and industrial workers. During the first half of the main emigration period (1955-1973) the latter category was the largest hit,but since 1966 the number of agricultural workers has exceeded those from the industrial sector. This change is probably related to the expansion of the industrial sector in Greece during the sixties and the consequent reduction in unemployment among industrial workers.

The majority of migrants between 1955-1973 were male - 59%. The proportion varies substantially among host countries, approximately 50% of migrants to Australia were men, 51.9% of those in Canada, 52.6% in the U.S.A. but in Germany 61.1% of Greeks were male.

There are three main benefits for the Greek economy as a result of emigration :

1) the easing of the unemployment situation in Greece
2) the training and industrial experience which the migrants receive abroad and which may be used on their return to Greece and
3) the remittances of the migrants back to Greece. These remittances totalled $575 million in 1972, in 1973 $735 million, in 1974 $645 million and $734 million in 1975.

Since 1968 the Greek government has collected data on returning migrants. They define a returning migrant as one who has been abroad for a period exceeding one year and intends to remain in Greece for at least one year. Of returning migrants between 1968 and 1972, half were from Germany and a quarter from the three main trans-oceanic host countries (Australia, Canada and the United States). As a proportion of out-migration to these countries, the return migration for the period 1968-1972 was 26% for Germany, 39% for Australia, 30% for Canada and 16% for the U.S.A. These trends suggest that migration to transoceanic countries does not involve a relatively higher permanent loss to the labour force.

Net out-migration, which is the difference between gross out-migration and return migration, has shown a clear tendency to decline during the seventies. This is mainly because of the increased employment opportunities within

Greece during the expansionary phase prior to the '73-'74 recession and more recently the decline in employment opportunities as a result of the recession in the host countries. By 1975 Greece had become a net immigration country with a net return of 15,000[1] migrants.

The main significance of return migration for Greece is the change in the work preferences of the returning workers. Table 13 shows that the majority of workers between 1968 and 1972 were from an agricultural background, 28.5% of all migrants,while only 16.2% were workers from the manufacturing sector. Among returning migrants for the period 1969-1972 only 1.6% listed their occupation within the agricultural sector, while 35.5% were listed under manufacturing and there were no listings in the unskilled category. While it is probable that the majority of emigrants only get a superficial training with no real technical skill, they have at least become accustomed to the conditions of industrial work and the instruments of industrial production. It may be concluded that migration changes the occupational preference of Greek workers and probably also the skill mix of returning as compared to out-migrants.

It is very unlikely that opportunities for work abroad will be appreciable during the next few years bearing in mind the fact that the principal host countries for Greek migrants now have unemployment problems of their own. It is difficult to forecast levels of return migration. By 1974, Greece had near zero migration levels, by 1975 it had become a net immigration country with 15,000 net immigrants[1].

In Germany, the number of Greek workers reached a maximum of 270,000 in 1972; since then numbers have been steadily declining. During the two years 1973 and 1974, numbers declined by approximately 15%; between July 1974 and March 1975 alone there was a decline of 10% or 24,000 workers. It is probable that the present situation in Greece is one of net immigration or at the very least a zero migration level.

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[1] O.E.C.D. estimate

Table 5

Greece: Permanent Emigrants, by Country of Destination and Geographic Region of their Permanent Residence 1974

Area	Total	U.S.A.	Canada	Australia	Other Trans-Oceanic Countries	Germany	Other European Countries	Mediterranean, Asian and African Countries	Unknown
Greece	24 448	6 347	2 542	2 837	654	8 259	2 632	442	735
Greater Athens	5 660	2 151	843	670	289	488	1 0344	118	67
Rest of Central Greece & Euboea	1 214	500	141	171	37	208	123	22	12
Peloponnesos	2 188	791	578	448	45	189	99	6	32
Ionian Islands	545	209	74	89	13	86	60	6	8
Epirus	1 184	102	34	42	13	734	105	127	27
Thessaly	1 104	112	120	133	17	548	126	12	36
Macedonia	6 973	803	355	538	100	4 189	667	34	287
Thrace	1 368	32	11	22	17	1 105	72	18	91
Aegean Islands	1 621	708	131	423	48	133	95	52	31
Crete	620	134	93	70	24	174	102	18	5
Not declared	1 971	805	162	231	51	405	149	29	139

Source: National Statistical Service of Greece

Table 6

Return Migration to Greece 1968 - 1973

Year	Total	Germany	Australia	Canada	U.S.A.
1968	18.9	8.9	2.3	0.6	1.0
1969	18.1	9.1	2.0	0.8	1.5
1970	22.7	11.5	3.2	1.1	2.0
1971	24.7	11.8	4.2	1.3	1.8
1972	27.5	13.5	4.2	1.2	1.4
1973	22.3	11.2	-	-	-

Source : National Statistical Service of Greece

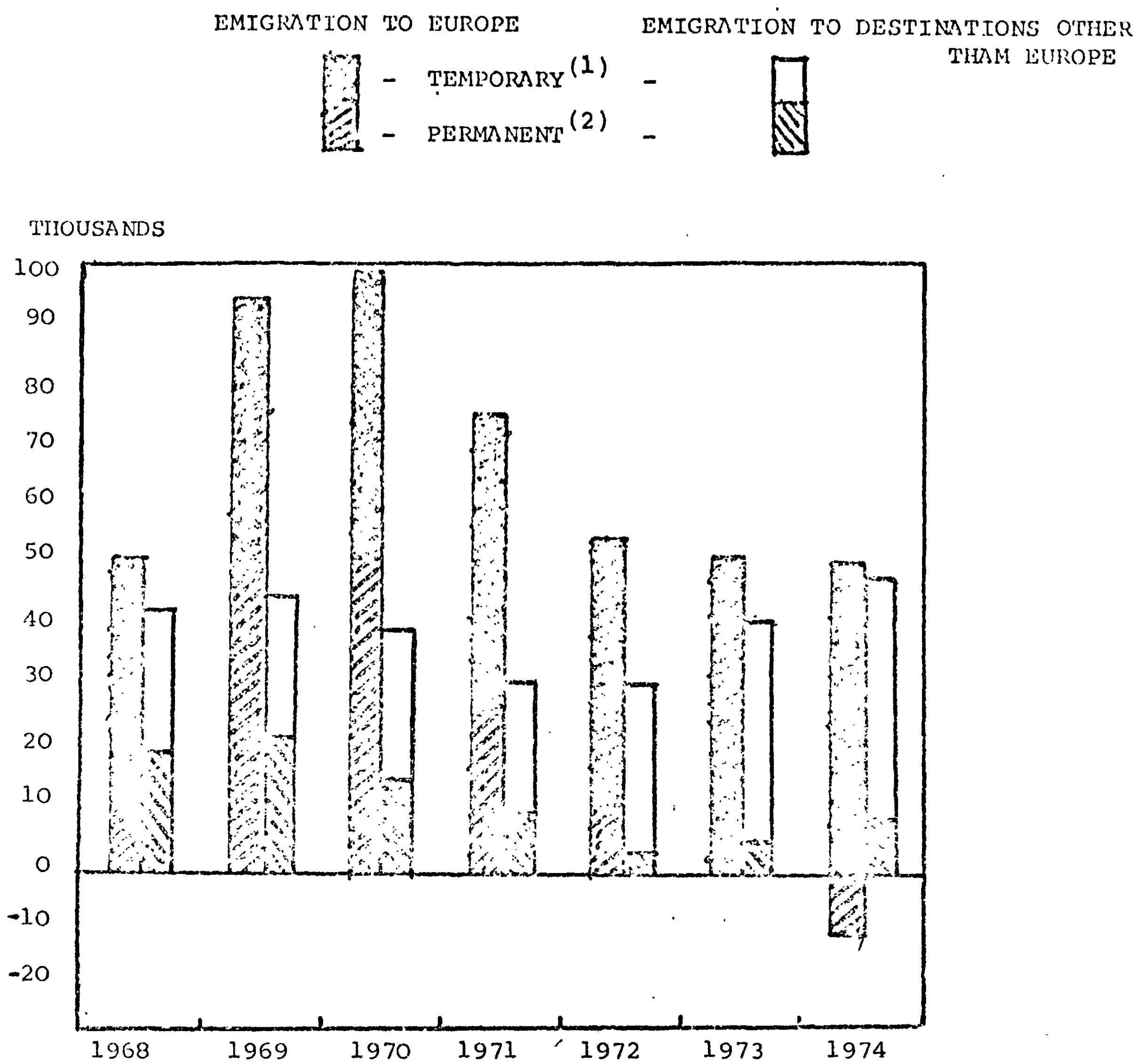
Table 7

Gross Out-Migration from Greece 1955-1973 (thousands)

Year	Total	By sex		By country				
		Male	Female	Germany	Belgium	Australia	United States	Canada
1955	30	20	10	0.7	2.7	9.1	6.9	2.2
1956	35	23	12	1.3	2.6	7.8	9.0	4.4
1957	30	19	11	1.5	8.6	6.0	1.8	5.0
1958	25	13	12	2.0	0.8	4.5	3.8	4.9
1959	24	14	10	2.5	0.3	5.5	2.5	4.5
1960	48	33	15	21.5	0.6	8.3	3.6	4.7
1961	59	36	23	31.1	0.9	8.0	3.5	3.9
1962	84	52	32	49.5	4.3	11.9	4.5	3.6
1963	100	62	38	64.7	3.7	13.0	4.6	4.4
1964	106	66	39	73.3	1.1	16.0	2.3	4.2
1965	117	65	52	80.6	0.6	18.6	2.8	5.5
1966	87	46	41	45.5	0.4	13.1	12.2	6.3
1967	43	23	20	9.7	0.4	7.9	11.8	5.8
1968	51	27	24	20.2	0.4	9.9	9.8	4.9
1969	92	52	40	54.4	0.3	9.9	12.7	4.6
1970	993	53	40	65.3	0.2	8.0	11.5	3.7
1971	62	34	28	40.0	0.2	7.0	8.3	2.6
1972	43	24	19	26.7	0.2	3.7	6.6	2.3
1973	28	15	13	12.8	0.2	2.5	6.0	2.7

Source: International Migrations Vol. XIII No. 3 1975

GREECE: EMIGRATION 1968 - 1974



(1) GREEK WORKERS AND SEAMEN (INCLUDING FAMILY MEMBERS) WHO GO ABROAD WITH THE DECLARED IN TENTION OF WORKING ABROAD DURING A PERIOD OF LESS THAN ONE YEAR

(2) GREEK CITIZENS WHO GO ABROAD FOR A PERIOD EXCEEDING ONE YEAR LESS RETURNING GREEKS HAVING SPENT AT LEAST ONE YEAR ABROAD AND DECLARING THE INTENTION OF STAYING IN GREECE FOR AT LEAST ONE YEAR

SOURCE: OECD Economic Survey of Greece 1975

Table 8

Occupations of Emigrants and Immigrants 1974

	Emigrants (Permanent) by occupation	Repatriated Greeks by occupation
Total	24,448	24,476
Professional, Technical and related workers	827	834
Administrative, Executive and Managerial workers	70	90
Clerical and related workers	320	339
Armed Forces	17	15
Tradesmen and Sales workers	429	534
Service workers	377	432
Agricultural, Forestry, Fishermen and Hunters	3,000	515
Production workers, Technicians, Transport Operators and Labourers	4,012	11,591
Persons of unidentified occupation	1,418	800
No occupation	13,978	9,326

Source : Statistical Yearbook of Greece 1975

Table 9

Migrants by Sex and Main Countries of Destination 1955-1973

(thousands)

Country	Men	Women	Total
Germany	364	231	595
Australia U.S.A. Canada	185	175	361
Total	549	407	956

Source : National Statistical Service of Greece

Table 10

Sex - Age Structure of Migrants 1955-1972

Age Group	Percentage of All Migrants	Percentage of Men and Women in each Age Group	
		Men	Women
0 - 19	22.3	50.3	49.7
20 - 39	65.9	62.2	37.8
40 - 64	10.9	58.0	42.0
65 +	0.9	40.1	59.9

Source : National Statistical Service of Greece

Table 11

Place of Residence before Migration and after Return

	Urban	Semi-Rural	Rural	Not Reported	Total
Gross Out Migration 1971 - 1972 thousands	37.1	10.7	54.2	3.2	105.1
Percent of Total	35.3%	10.1%	51.6%	3.0%	100%
Return Migration 1970 - 1972 thousands	41.3	5.9	23.4	4.2	74.9
Percent of Total	55.1%	7.9%	31.3%	5.7%	100%

Source : National Statistical Service of Greece

Table 12

Leaving and Returning Migrants by Age Groups

	Under 14	15 - 45	46 - 60	Over 60	Not Known	Total
Leaving Migrants 1968 - 1972 thousands	48.7	267.6	16.3	6.6	-	340.2
Percentage of Total	14.3%	78.7%	4.8%	2.2%	-	100%
Returning Migrants 1968 - 1972 thousands	20.2	71.0	12.3	7.6	0.7	111.9
Percentage of Total	18.1%	63.4%	11.0%	6.9%	0.6%	100%

Source : National Statistical Service of Greece

Table 13

Occupations of Migrants 1968 - 1972

	Agricultural	Manufacturing	Unskilled
Out Migrants thousands	96.9	55.0	8.0
Percentage of total out-migration	28.5%	16.2%	2.3%
Return Migrants thousands	1.5	33.2	-
Percentage of total return-migration	1.6%	35.5%	-

Source : National Statistical Service of Greece

3. Income

According to O.E.C.D. estimates, Greece's gross per capita income increased from $421 to $2,117 between 1960 and 1974. This compares favourably with increases in Ireland, the EEC's weakest Member State,where for the same period gross per capita income increased from $636 to $2,180. The current Five-Year Plan (1976-1980) aims at an average rate of increase in national income of 2 to 3 percentage points higher than that of Western Europe which if successful, should bring the average per capita income closer to EEC levels.

Within Greece there are large income differences between the various regions. Greater Athens, the major industrial area, is the only region with an average per capita income higher than the national average. The region of Epirus, a mountainous region where sheep-farming is the major source of employment, has a per capita income level which is 40% that of Athens.

In general, income levels are much lower in the agricultural regions than in industrial regions. Unfortunately, the Greek government does not gather statistics on farm income levels. With an average size of 8.5 acres many Greek farms are clearly too small to support a family at a decent standard of living. An indication of the plight of these small farmers is the fact that many farms lie fallow, the owners having migrated to Athens or Western Europe where in the majority of cases they arrive as unskilled workers. Between Athens and Salonika there is a relatively prosperous farming area where holdings are generally above average size.

Judging from price changes for farm produce, agricultural incomes have probably increased during the past five or six years though probably at a slower rate than income levels in other sectors. To bring income levels up to the national average will require a basic restructuring of the agricultural sector with the grouping of small farms into more economically viable sizes and the transfer of a large percentage of the agricultural work force into other sectors.

Apart from 1974, when, as a result of the recession, 'real wage' levels fell slightly, industrial wage levels have been rising at a faster rate than the cost of living. Tables 14 - 18 indicate recent trends in industrial income levels.

Although the per capita income level is still less than half that of the EEC as a whole, it is not far short of that of Ireland. In real terms G.N.P. per head is now roughly equivalent to the average level prevailing in the EEC countries at the end of the 1950's.

Table 14

GREECE: Wages - percentage changes from previous year

	1970/1965 Average Annual Rates	1971	1972	1973	1974
Nominal Wages					
Hourly Industrial Earnings[1]	8.9	8.8	8.6	16.4	23.6
Minimum Daily Wage (Male)	8.4	1.1	7.6	14.0	33.4
Wages deflated by Consumer Prices					
Hourly Industrial Earnings[1]	6.7	5.6	4.2	0.8	- 2.6
Minimum Daily Wage (Male)	6.4	- 1.9	3.1	- 1.3	5.1

[1] refers to manufacturing enterprises employing at least ten people only

Source: O.E.C.D. Economic Survey 1975

Table 15

GREECE: Wages - percent changes

	From previous year 1974	1975	During 12 months up to Dec.'74	June'75	Dec.'75
Hourly earnings in manufacturing	26.1	24.2	24.2	23.5	31.3
Hourly earnings deflated by Consumer Prices	- 0.6	9.3	6.7	8.9	13.7

Source: O.E.C.D. Economic Survey 1976

Table 16

Wage Level Index (1970 = 100)

Hourly	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975
Hourly earnings[1] manufacturing	63	71	79	86	94	100	109	119	138	174	216

[1] Wage earners in enterprises employing at least 10 people

Source : O.E.C.D. Survey 1976

Table 17

Greece: Wages in manufacturing - by industry - Average hourly earnings (drachmas)

Date[1]	Food	Beverages	Tobacco	Textiles	Clothing	Wood	Furniture	Paper, paper products	Printing, publishing	Leather, leather products
1966	11.20	12.01	11.42	10.63	10.37	10.50	11.81	10.59	16.74	11.83
1967	12.78	13.10	11.67	12.14	12.06	11.93	12.24	11.64	16.45	14.30
1968	13.56	13.74	12.99	12.94	12.66	13.31	13.85	13.48	18.60	15.15
1969	14.69	14.65	13.73	14.39	14.49	14.05	15.52	14.83	19.20	15.91
1970	16.02	15.12	14.29	15.12	14.89	14.60	16.45	16.38	20.92	17.46
1971	16.23	16.08	15.62	16.45	16.89	15.92	18.28	17.18	22.75	18.34
1972	17.02	17.14	15.72	17.83	17.73	16.75	19.62	18.69	23.61	19.34
1973	19.29	22.16	18.89	20.26	17.26	20.73	21.31	19.86	29.34	21.65
1974	26.69	29.36	24.57	28.59	23.96	27.25	27.47	29.37	37.48	29.71
1975	34.81	34.95	37.11	36.05	31.21	37.06	35.36	38.91	46.29	36.57

Date[1]	Rubber products	Chemicals	Products of petroleum and coal	Non metallic mineral products	Basic metal products	Metal products	Machinery (non-electrical)	Electrical Machinery	Transport equipment	Miscellaneous manufacturing
1966	11.42	12.32	15.91	13.98	20.17	11.85	12.39	11.55	13.86	12.29
1967	13.14	13.55	17.48	15.01	19.30	13.47	13.37	13.48	14.34	13.59
1968	14.44	14.41	17.26	15.72	21.19	14.26	14.20	14.54	15.21	13.41
1969	15.69	15.25	18.38	17.30	24.01	15.43	15.17	14.79	16.39	14.55
1970	16,92	16.17	19.42	18.04	26.14	17.21	16.52	16.51	18.79	14.06
1971	17.67	16.86	21.42	19.05	29.23	18.59	18.13	17.37	20.21	15.19
1972	19.68	18.54	22.28	20.08	29.88	19.56	19.09	18.88	21.45	15.82
1973	23.83	23.58	27.38	22.35	34.64	23.16	23.83	21.18	28.92	19.51
1974	29.25	28.97	35.10	30.24	43.15	29.89	31.83	28.69	37.53	28.28
1975	35.18	39.67	46.92	42.28	59.33	39.96	37.18	38.52	49.98	33.13

[1] November of each year

Source : International Labour Organization, Yearbook of Labour Statistics 1976

Table 18

Annual averages of weekly receipts of workers in industrial and handicraft establishments with 10 persons and over

(In drachmes)

Branches	1973			1974		
	Total	Males	Females	Total	Males	Females
Total	955	1.127	688	1.220	1.428	897
Food	822	1.024	594	1.036	1.273	777
Beverages	927	1.026	652	1.202	1.314	844
Tobacco	809	1.073	661	1.061	1.268	930
Textiles	885	1.110	762	1.112	1.407	950
Clothing and footwear	715	947	618	970	1.216	868
Wood and cork	867	914	691	1.101	1.154	891
Furniture	906	934	686	1.102	1.122	930
Paper	889	1.032	664	1.272	1.424	1.006
Printing and publishing	1.324	1.548	726	1.639	1.922	941
Leather	975	1.039	763	1.220	1.298	1.029
Rubber and plastic products	900	1.073	633	1.209	1.423	868
Chemicals	1.051	1.297	745	1.202	1.467	870
Products of petroleum and coal	1.298	1.331	715	1.580	1.623	941
Non-metallic mineral products	961	1.080	615	1.252	1.378	833
Basic metal industries	1.789	1.823	913	2.204	2.224	1.076
Metal products	1.036	1.131	685	1.268	1.366	884
Machinery (non-electrical)	1.078	1.082	703	1.397	1.402	972
Electrical supplies	867	961	689	1.146	1.266	927
Transport equipment	1.231	1.240	687	1.634	1.644	943
Miscellaneous manufacturing	849	1.025	569	1.042	1.214	777

Source: Statistical Yearbook of Greece 1975

4. Regional Problems

There are sharp regional disparities in Greece. In common with other Mediterranean countries, the richest areas are the predominantly industrial ones, while the depressed regions are predominantly agricultural areas. In Greece's case, however, the vast majority of industry is concentrated in the Athens area. This is the only area with a per capita income higher than the national average. Over 30% of the Greek population lives in the Greater Athens area and its share of the total is continually increasing. While the population of Greece as a whole is increasing, all regions,with the exception of Athens and Salonika in central Macedonia, are in decline.

The decline in employment levels in the agricultural sector in recent years has been accompanied by migration from rural areas to Athens and the industrialized countries of Western Europe. This has led to a disproportionately high number of old people in the population structure of many rural areas.

As already mentioned, farm holdings are generally too small, the average size being 8.5 acres against an EEC average of 53.1 acres. Much of Greece is mountainous with difficult soil conditions. This, combined with the size of many holdings, makes the use of efficient modern farming methods difficult. As a result, many farms lie fallow especially in the northern regions of Macedonia and Thrace.

The Greek government is at present trying to rationalize the use of agricultural resources. In the current Five-Year Plan (1976-1980) a doubling of the present 800,000 hectares of irrigated land is envisaged. The government is also attempting to set up a type of cooperative farming system. This involves the setting up of farm companies into which a farmer would contribute his farm for a share in the company. It is also hoped that the many farms presently lying fallow would be cultivated through this scheme.

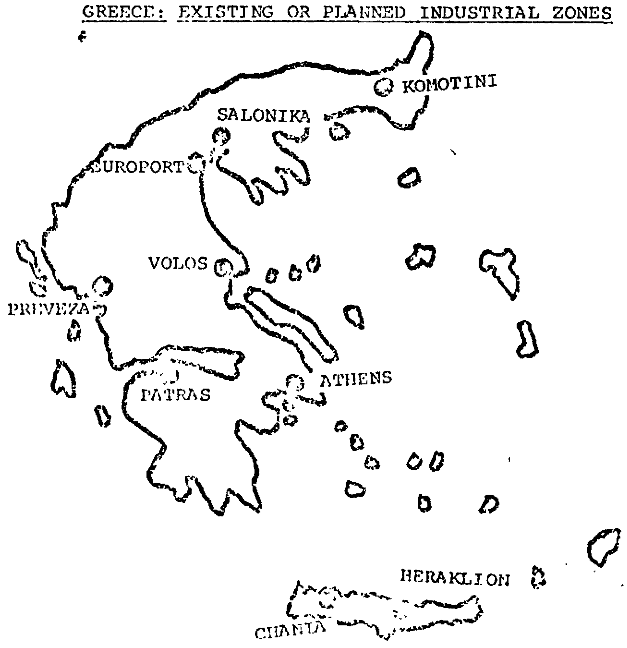
Recognizing that regional inequalities will continue to exist while industry is so strongly concentrated in Athens, the government is now attempting to set up industrial zones in many areas as a counterbalance to Athens. Two zones have already been established:in Salonika in central Macedonia and Volos in Thessaly. Two more are currently being established; one in Komotini in Thrace and one in Preveza in the Epirus region. Further zones are planned in Crete and the Pelopennesos.

Perhaps the most ambitious attempt at providing an alternative focal point to Athens is the proposed 'Europort' development in the Thermaikos Gulf near Salonika. Currently at the planning stage, an international free customs zone is envisaged which would include an international airport, a shipyard, a container terminal and a deepwater port. A channel connecting the port with the inland waterways system of central Europe is also included in the plans.

Although regional inequalities remain large, if the Greek government is successful in its attempts to restructure the agricultural sector and decentralize the industrial sector, in time inhabitants of the poorer regions should have a standard of living closer to the Athens level.

GREECE: REGIONS

GREECE: EXISTING OR PLANNED INDUSTRIAL ZONES



II

PORTUGAL

1. Employment

In mid 1975 Portugal had an estimated population of 9,448,000[1]. Prior to 1974 the population had been in continuous decline principally as a result of emigration. Between 1964 and 1974, the numbers in employment had also been in decline, mainly as a result of the decrease in the numbers involved in the agricultural sector, where the annual average decline was 3.7%. As a percentage of total employment, the numbers involved in agriculture has fallen by 12% between 1963 and 1974. During the same period, industry increased its share of total employment by 3.9% and the services sector increased by 8%. Employment in non-agricultural sectors increased by a 1% annual average rate during the ten years prior to 1974; this was made up of a 0.5% rate in industry and 1.4% in services. As a result of this expansion in the non-agricultural sectors and also a high level of emigration, the unemployment rate remained reasonably low, roughly 3 to 4% during the late sixties and early seventies.

The international recession and the Portuguese revolution of 1974 have brought major changes in the employment situation. The recession has resulted in a decline in employment opportunities in the main emigrant host countries and consequently a big drop in the numbers emigrating. The revolution led to a withdrawal from many of Portugal's overseas colonies which resulted in a large percentage of the armed forces being demilitarized and also a big influx of former colonists into Portugal. Demilitarization alone released 95,000 men into the labour force in 1974 and a further 60,000 in 1975. Officially registered repatriates from the colonies numbered 450,000[2] in March 1977 but the actual number who returned is estimated at 700,000 at least and possibly as high as one million[3]. The occupational structure of workers amongst these repatriates is such as to cause added difficulties in assimilating them into the labour force. 67% were formerly employed in the services sector, 20% in industry and 4% in agriculture.

As early as 1974, political uncertainties had caused some labour shedding in industry; this was offset by an increase in service sector employment. As a result, the decline in total employment levels in 1974 was 0.8%, roughly in line with previous years. In 1975, employment in industry continued to fall while in the services sector there was a decline of 3.1%. Despite government intervention, total employment levels fell by 3% in 1975.

[1] O.E.C.D. estimate

[2] Financial Times March 14, 1977

[3] O.E.C.D. estimate

As a result of these factors, the unemployment rate increased to 13.5% in 1976 against 5% in 1974 and 3% in the early seventies. To solve this serious unemployment problem will require a basic reorientation of government policy according to the O.E.C.D. Measures which would help would be an expansion of residential construction and labour intensive types of public works. The tourist industry, which was seriously affected by the political uncertainties following the revolution, has immense potential for expansion. The government is at present trying to encourage investment in the industrial sector both from local and foreign sources. After the revolution, private investment in this sector practically ceased as industrialists awaited the emergence of a stable political system. The development of a sound agricultural sector could eventually provide a partial answer. This sector had been neglected for over fifty years under the totalitarian regime. Since then attempts have been made to reform the structure of land ownership and to make better use of modern farming methods. At present over 25% of employment is in this sector yet it produces only half of the country's food requirements.

Table 1

Portugal : Labour Force 1963-1974 (thousands)

Item	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974
Total Labour Force	3494	3492	3488	3493	3518	3525	3500	3417	3404	3443	3423	3404
Labour Force as a percentage of total population	38.5	38.3	38.2	38.3	38.6	38.7	38.7	39.4	39.3	40.1	40.0	37.8
Wage Earners and Salaried Employees	2431	2423	2416	2406	2395	2385	2374	2367	2351	2340	2337	2324
Employers and Persons working on own account	856	855	852	842	833	823	814	800	806	795	771	757
Wage Earners and Salaried Employees as a percentage of total employment	74.0	73.9	73.9	74.1	74.2	74.3	74.5	74.7	74.5	74.6	75.2	75.4

Table 2

Portugal : Employment by Type of Activity 1963-1974 (thousands)

Sector	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974
Agriculture (including Hunting, Forestry, Fishing)	1314	1270	1257	1182	1138	1093	1049	1004	979	938	893	868
Mining and Quarrying	22	21	19	18	17	15	14	12	11	11	10	10
Manufacturing	705	709	714	718	723	727	732	737	742	753	761	752
Electricity, Gas and Water	16	16	16	17	17	17	18	18	18	17	17	17
Construction	237	240	243	246	248	251	254	257	261	265	269	258
Wholesale, Retail Trades, Restaurants and Hotels	305	311	317	322	327	332	337	342	348	357	362	369
Transport, Storage and Communication	130	133	135	138	140	143	145	147	150	152	155	164
Finance, Insurance Real Estate and Business Services	33	37	40	44	47	51	54	58	61	64	68	79
Commercial, Social and Personal + Activities not adequately defined	525	541	557	563	571	579	585	592	587	579	573	564
Total - Industry	980	986	992	999	1005	1010	1018	1024	1032	1046	1057	1037

Source : O.E.C.D. Labour Force Statistics

Table 3

Portugal: Employed Labour Force

Sector	1975 (in thousands)	% annual change 1965-70	1971	1972	1973	1974	1975
Total	2,821	-0.6	-0.3	-0.7	-0.9	-0.9	-2.9
Primary Sector	789	-4.0	-2.6	-4.4	-5.0	-2.8	-2.5
Secondary Sector of which:	1,002	1.3	1.7	1.6	1.8	-2.8	-2.9
Manufacturing	769	1.3	1.7	1.5	1.9	-2.4	-2.3
Construction	233	1.3	1.6	1.6	1.6	-4.3	-4.9
Services	1,030	1.2	-0.2	0.3	-0.1	2.6	-3.1
Emigration (in thousands)	45		151	105	120	70	45
Total Population	8,760[1]	-0.5					

[1] Mid-year estimate

Source: Economic Survey 1976 published by O.E.C.D.

Table 4

Employment Indicators

Indexes by Branches of Activity

1974 = 100

Sector	1975 Jan.	1975 April	1975 July	1975 October	1976 Jan.	1976 April	1976 July
Total	98.9	98.6	98.7	99.0	98.8	99.0	99.7
Manufacturing Industries	99.1	99.0	98.7	99.4	99.0	99.1	99.6
Food Industries	97.7	97.7	98.4	105.5	100.3	100.1	101.5
Textiles	99.2	98.4	98.0	97.1	97.2	97.1	97.2
Chemicals and Petrol	101.7	102.7	102.4	102.8	102.7	103.2	103.2
Metallurgy and Mechanical Ins.	98.7	98.8	98.5	98.6	98.8	99.5	100.0
Construction	94.3	92.1	92.8	90.5	89.9	90.6	91.4
Commerce, Banking and Insurance	100.8	100.9	101.3	101.4	101.9	102.3	102.1
Transport and Communications	102.3	102.9	103.0	105.8	107.4	108.4	109.9

Source: O.E.C.D. Economic Survey 1976

Table 5

Portugal: Civilian Employment by Sector

Year	Agriculture	Industry	Other Activities
1961	42.7	29.2	28.4
1962	41.2	29.5	29.4
1963	40.0	29.8	30.2
1964	38.7	30.1	31.2
1965	37.5	30.4	32.1
1966	36.4	30.8	32.9
1967	35.3	31.1	33.6
1968	34.1	31.5	34.4
1969	32.9	31.9	35.2
1970	31.7	32.3	36.0
1971	31.0	32.7	36.3
1972	29.9	33.4	36.7
1973	28.7	34.0	37.3
1974	28.2	33.7	38.2

Source: O.E.C.D. Labour Force Statistics 1963-1974

Table 6

Employment Indicators

Sector	1970	1971	1972	1973	1974	1975
Fishing	100	117.1	99.1	90.2	85.4	82.4
Mining	100	97.2	94.5	94.6	96.7	92.8
Manufacturing	100	100.1	100.2	101.4	101.9	101.0
Construction	100	102.2	106.5	110.4	114.6	105.9
Electricity, Gas and Water	100	100.5	99.0	96.7	97.3	99.0
Transport and Communications	100	102.6	104.3	105.7	110.2	114.0
Miscellaneous Services[1]	100	102.7	104.7	108.8	111.4	112.6
Total Non-Agricultural	100	101.3	101.8	103.5	104.7	103.4

[1] Banking, Insurance, Real Estate and Trade

Source: O.E.C.D. Economic Survey 1976

2. Migration

Traditionally in Portugal the problem of excess labour to requirements has been solved through emigration. Since the 19th century and up until 1974 many workers migrated to Portugal's former overseas colonies, especially Mozambique and Angola in southern Africa. Other traditional host countries include Brazil, the United States, Canada and South Africa. By the mid-sixties the labour shortage in the industrialized countries of western Europe resulted in the main flow of migrants being to these countries, especially to France. The Portuguese population in France in 1960 was roughly 45,000 but by 1972 this had increased to practically three quarters of a million and France had become the principal host country for Portuguese emigrants. Although the annual migratory flow in the late sixties and early seventies was substantially above the levels of the fifties and the early sixties, migration to the traditional overseas host countries had greatly declined.

The main origin areas of emigrants have been the northern provinces, particularly 'Tras os Montes' which, as a result, is very sparsely populated. Other areas of origin include the Azores and Madeira islands and the southern province of Alentejo. Although statistics are not kept on the occupational structure of migrant workers, it would appear from the main areas of origin that the majority are from an agricultural background.

In France where the large Portuguese population is a recent phenomenon, a very high proportion are male and economically active. In 1968, 74.6% were male and 63.9% of all migrants were economically active. Also in 1968, 98.8% of Portuguese workers had occupations in the manual categories (Table 10). Among male workers, the building industry is the main employment area, whilst among the much smaller female population, domestic service is the main employment area (Table 9).

As a result of the restrictions placed on foreign recruitment of workers by the main European host countries at the beginning of the international recession, Portuguese emigration levels have fallen substantially in recent years. In 1973, over 120,000 emigrated, by 1975 this had fallen to 45,000. Although no figures are available on return migration levels, Portugal has in recent years become a net immigration country because of the huge number of former colonists who have returned to the country, estimates of their number vary between 700,000 and 1,000,000. It is also likely that many migrants to European destinations have returned to Portugal as a result of the decreased employment opportunities in these countries. An indication of the effect of these decreased employment opportunities is the fact that 71% of emigrants in 1973 were in the economically active population whereas by 1975 only 14% of all emigrants were in this group.

Emigration has had three main advantages for the Portuguese economy :

1) it has absorbed much of the surplus in the labour force;
2) many of the workers have gained experience and some training whilst abroad which can be put to use on their return, and
3) remittances from emigrants have helped Portugal's 'balance of payments' problem.

Negative effects include the depopulation of many rural areas, particularly the north eastern province of 'Tras os Montes'. Because so many emigrants are male and economically active, it has caused an imbalance in the population structure of the country.

In the immediate future there is not likely to be any significant flow of emigrants. Reasons for this are two-fold: the industrialized host countries now have unemployment problems of their own and the other traditional host countries, the former colonies, are presently thought of as being unsafe destinations. There may be changes in this situation in the next few years. Angola has expressed the hope that many of the former colonists would return again. The majority of the former Portuguese inhabitants are presently unemployed in Portugal and in the event of a stable political system emerging in Angola it is possible that many will eventually return there.

In 1976, there was in all over 1.5 million Portuguese workers abroad.

Table 7

Portugal: Annual Emigration Flows (thousands)

Year	Number	Year	Number
1950	21.9	1963	39.5
1951	33.7	1964	55.6
1952	47.0	1965	89.1
1953	39.7	1966	120.2
1954	41.0	1967	92.5
1955	29.8	1968	80.5
1956	27.0	1969	-
1957	35.4	1970	-
1958	34.0	1971	151.2
1959	33.5	1972	105.0
1960	32.3	1973	120.0
1961	33.5	1974	70.0
1962	33.5	1975	45.0

Source: 'European Historical Statistics'

Table 8

Portuguese residents in EEC countries

Year	France[1]	Netherlands[2]	Luxembourg[3] (workers only)	Germany[4] (workers only)	United Kingdom[5]
1958	33,951	85	-	-	-
1959	38,393	95	-	-	-
1960	44,530	114	-	271	-
1961	53,365	119	-	656	-
1962	70,858	168	-	1,421	-
1963	99,082	269	-	2,284	-
1964	157,394	509	-	3,463	-
1965	243,093	-	-	10,509	-
1966	270,972	1,618	-	19,802	-
1967	330,000	2,624	-	18,519	-
1968	367,284	2,594	-	18,743	-
1969	479,665	-	-	26,379	-
1970	607,069	-	3,700	40,222	5,418
1971	694,550	-	6,300	55,214	6,047
1972	742,646	-	8,500	63,218	6,441

Source: 1 Ministère de l'Interieur
2 Ministerie van Justitie
3 Luxembourg Statistical Service
4 Bundesanstalt für Arbeit
5 H.M.S.O.

Table 9

Portuguese immigrants by sex & industry in France 1968

Sector	Male	Sector	Female
	Number		Number
Total economically active	156,260	Total economically active	25,500
	Percentages		Percentages
Engineering and Electrical Goods	7.9	Domestic Service	37.2
Building and Public Works	58.2	Personal Services	9.3
Agriculture, Forestry and Fishing	8.0	Commerce	8.8
Commerce	3.3	Clothing Industry	5.8
Metal Production	1.4	Engineering	7.9
Extractive Industries	11.6	Agriculture, Forestry and Fishing	3.9
Total for the six industries	80.4	Textile and Kindred Industry	3.5
		Total for the seven industries	79.1

Source : 'Immigrant workers and class structure in Europe' by Castles and Kosack

Table 10

Socio-economic Status of Portuguese Migrant Workers in France 1967

Status	Percentage of Total
Engineers and Managers	0.1%
Supervisory Personnel and Technicians	0.2%
Non-Manual Workers	0.9%
Skilled Manual	28.8%
Semi-Skilled Manual	35.1%
Unskilled Manual	34.9%

Source: 'Enquete effectuée par le Ministère d'Etat chargé des Affaires Sociales'

3. Income

In 1973, G.D.P. per head in Portugal was $1,250, which is substantially lower than the figure for Ireland ($2,130), the least developed country amongst Community members. The revolution in 1974 resulted in large increases in wages being granted to practically all the workforce (cf. Table 11). However, accompanying these increases was a 22% rate of inflation in 1974 resulting in marginal increases in real wage levels. Although the inflation rate slackened slightly in 1975 real wages again increased only marginally (e.g. the 1975 increase in real wage levels in industry was 3%). By the end of 1975 and in early 1976 real wage levels were actually declining.

At the beginning of 1974, 80% of Portuguese workers earned less than 5,000 escudoes a month. By 1975, this percentage had fallen to 40% as a result of legislation fixing minimum salaries. The salary category between 1,500 and 3,000 escudoes per month was virtually eliminated while the number earning in excess of 7,000 escudoes per month had increased. In May 1977 one European unit of account was equal to 43.5 escudoes.

Since the revolution, Portugal has had difficulty in ensuring an adequate supply of food. Prices for basic foodstuffs have been fixed by the government, but shortages occur occasionally. Bachalau (a type of codfish) which for centuries has been a staple food of the Portuguese people, has recently become both scarce and expensive. The problem is made more difficult because the agricultural sector is presently able to supply only about half of the country's food requirements.

The influx of up to one million repatriates from the colonies has resulted in a shortage of many basic service facilities. Shanty towns exist in Lisbon and to a lesser extent in Oporto. In these housing is of a poor quality and essential services are scarce. There is a shortage of educational and medical facilities. Many of the repatriates live in temporary accommodation and the majority of them are unemployed.

In the Alentejo region, where before the revolution the normal landownership pattern was one of large estates, the farm labourers were a particularly disadvantaged group. They possessed neither land nor housing and lacked security of employment. Attempts have been made to improve their standard of living through a redistribution of land in their favour.

In northern Portugal income levels are also low because of the small size of many of the farms (39% of all holdings were less than one hectare in size in 1973).

Table 11

Nominal and Real Wages

% changes on corresponding period of previous year

Item	1973	1974	1975	1975				1976	
				1	2	3	4	1	2
Nominal wages agriculture:									
- Men	13.1	32.6	24.3	39.0	32.5	18.8	11.5	14.1	14.9
- Women	15.8	40.5	34.6	56.2	49.9	24.0	18.4	14.4	13.3
Nominal wages in industry & transport (1) (2) :									
- Lisbon	13.8	32.3	18.7	32.4	19.7	10.6	14.9	15.7	12.5
- Porto	9.8	38.5	27.8	40.8	29.1	22.3	22.6	21.9	11.9
Real Wages in industry and transport (1) (2) :									
- Lisbon	.8	5.8	3.0	15.5	2.3	- 0.3	- 5.3	- 2.2	- 0.2
- Porto	- 0.9	9.6	7.5	17.9	7.1	9.7	0.1	- 2.1	- 0.5

(1) Last full working week in March, June, September and December
(2) Deflated by the weighted average of the consumption price indexes in the main cities

Source : O.E.C.D. Survey November 1976

Table 12

Portugal : Wages

Year	All Industries except Agriculture (1)	Agricultural Workers (2)		Construction (1)	Mining & Quarrying
		Male	Female		
1966	-	42.06	24.70	-	48.50 (2)
1967	-	50.54	27.41	-	53.20
1968	-	53.60	31.60	-	55.90
1969	-	59.40	34.00	-	61.30
1970	-	66.10	37.30	-	73.40
1971	10.50	74.70	43.10	11.60	11.20 (1)
1972	12.20	83.90	48.00	12.80	13.20
1973	14.30	94.60	55.60	14.80	14.90
1974	22.60	125.70	78.10	20.10	23.00
1975	-	156.20	105.20	-	-

(1) Earnings per hour
(2) Earnings per day

Source: O.E.C.D.

Table 13

Portugal: Wages in Manufacturing by Industry - Average hourly earnings (escudos)

Date	Food	Beverages	Tobacco	Textiles	Clothing, footwear	Leather, leather products	Wood	Furniture	Paper, paper products
1971	9.20	13.70	13.40	8.00	6.70	9.20	8.60	9.90	13.00
1972	9.80	15.90	24.50	9.10	7.20	10.90	9.60	11.30	15.70
1973	12.00	20.40	25.40	11.30	8.70	11.80	11.50	12.90	17.30
1974	18.40	31.90	45.90	17.30	14.30	16.70	16.90	18.60	27.80

Source: International Labour Organisation - Yearbook of Labour Statistics

Table 14

Portugal: Wages in Manufacturing by Industry - Average hourly earnings (escudos)

Date	Printing, publishing	Industrial chemicals	Other chemical products	Petroleum refineries	Briquettes and packaged fuel	Rubber products	Plastic products	Pottery, china, earthenware	Glass
1971	22.30	15.30	13.10	30.60	10.50	11.60	9.90	10.30	13.40
1972	15.70	17.60	15.10	33.50	12.30	13.20	12.00	12.60	17.20
1973	17.70	20.70	17.50	37.10	13.80	17.30	13.20	12.30	18.60
1974	24.60	24.50	29.00	65.70	16.90	23.90	21.50	19.10	29.70

Date	Other non-metallic mineral products	Basic metal industries		Metal products	Machinery (non-electrical)	Electrical machinery and apparatus	Transport equipment	Scientific, measuring, optical, etc., equipment	Other manufacturing industries
		Iron and Steel	Non-ferrous metal						
1971	11.20	22.50	12.40	11.10	12.30	12.20	19.80	18.00	8.00
1972	12.30	19.80	13.90	14.40	15.50	14.00	22.10	11.80	9.90
1973	14.70	21.20	15.60	16.70	17.60	16.90	26.60	15.00	11.60
1974	21.80	23.90	26.00	26.90	29.20	36.50	36.60	22.00	16.70

Source: International Labour Organisation Yearbook of Labour Statistics

4. Regional Problems

There are major regional inequalities in Portugal. There are two main industrial areas centred on Lisbon and Oporto; the rest of the country is predominantly agricultural and, as is the pattern in Mediterranean countries, considerably less prosperous than the industrial areas.

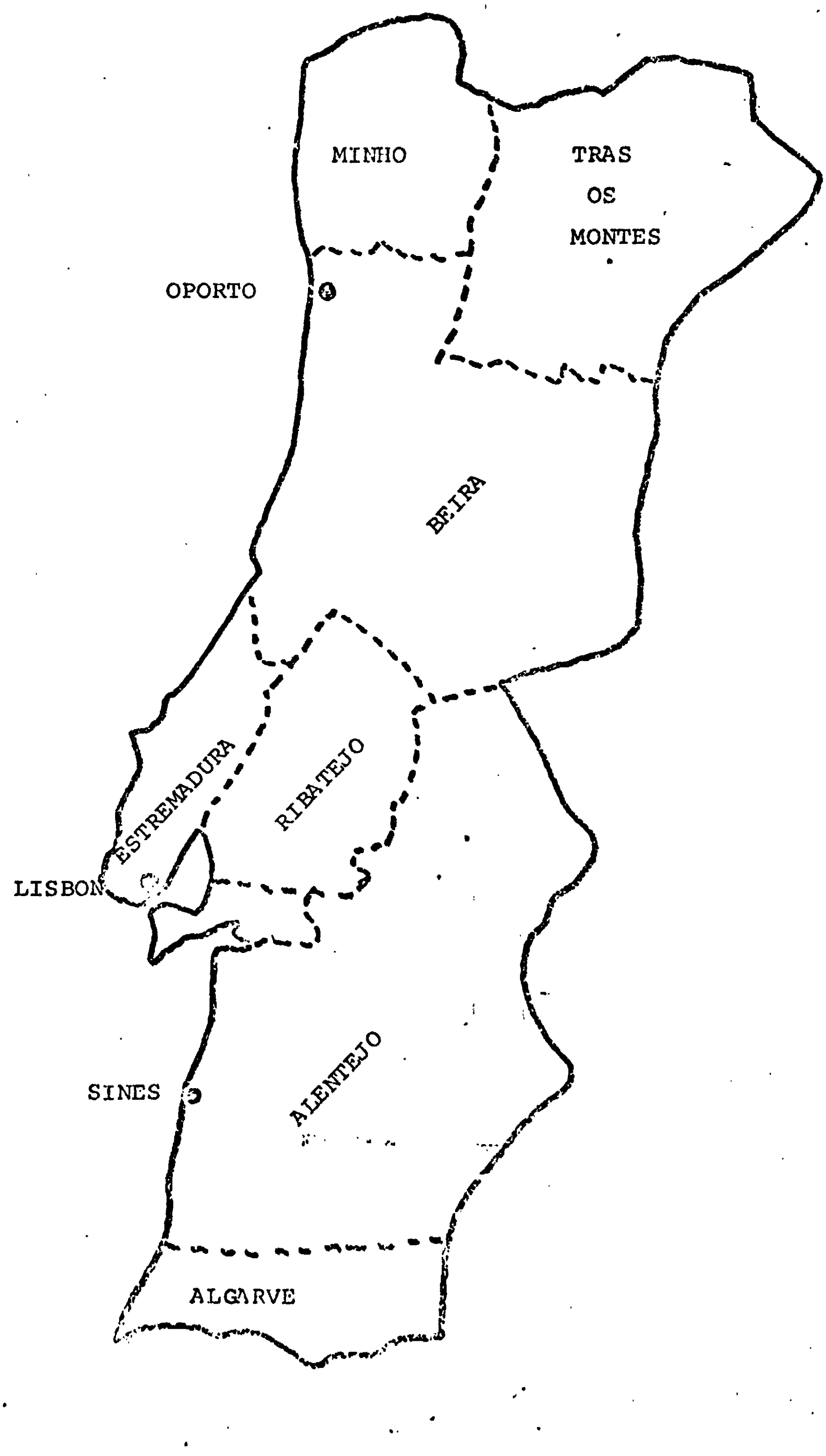
Before the revolution of 1974 the pattern in Portuguese landholding had been one of very large estates in the south and small farms in the north. Holdings of over 200 hectares (.3% of total holdings) accounted for about 39% of all farm land, these are mainly in the south. In 1970, about 50% of the agricultural labour force consisted of rural workers who owned neither land nor houses and whose standard of living was extremely low. These farm labourers worked principally in the 'latifundios' or large estates of the south. Many of the owners of these estates lived in Lisbon and rarely visited them. As a result, many lay fallow or were grossly underworked. In all 1.6 million hectares out of a total of 5 million hectares of arable land lay fallow prior to the revolution. Shortly after the revolution occupation of many of the large estates, especially those which had been unworked, became commonplace. The Government began a policy of land reform. In 1975-1976, 20% of the country's arable land was expropriated (1 million hectares out of a total of 1.5 million liable to expropriation under the law). This land was grouped into collective farms of approximately 2,300 hectares each and handed over to the former farm workers. In time, this should improve the standard of living of these workers and increase the prosperity of the whole region.

In 1973 holdings of less than one hectare (about 39% of total holdings) accounted for approximately 2.5% of total farm land; these holdings were mainly situated in the north. Farming methods are generally antiquated and so far the small landowners have resisted government attempts at modernization through collectivisation or cooperatives. One of the government's major problems in reducing regional disparities is gaining the confidence of the farmers of the north who are fearful of losing their position as independent landowners. In the past, this area had been a major emigration area but this did not result in a general increase in the size of holdings of those remaining behind. In the province of Tras os Montes in the extreme north-east, there has been a major decline in population as a result of emigration. The province, which is mountainous and suffers from poor soil conditions, is unsuitable for modern farming methods. The establishment of industrial concerns will prove difficult because of its isolated position and inadequate transport facilities.

Northern Portugal's industrial area in the Oporto region is based on two main industries - 'port' wine and textiles. The latter which employs 270,000 people (85% female) is presently experiencing difficulties after a 'boom' period in the sixties. The possible collapse of this industry would have very serious repercussions for the northern half of the country.

In the extreme south in the Algarve province, tourism is the main industry. Partly as a result of the revolution and partly because of the recession in the tourists home countries, the industry has been in decline during the seventies. The potential in this sector is, however, immense and the government has begun a programme of development designed to revitalize the industry.

The Portuguese government is at present developing a third industrial area to serve as a focal point for the Alentejo region. This is situated at Sines on the Atlantic coast about seventy miles south of Lisbon. The development includes a deep-water port, an oil refinery, petrochemical industries and other industries associated with oil. Begun in 1970, the complex will eventually include a city of 100,000 inhabitants tentatively named Santo Andre.


MINHO
TRAS
OS
MONTES
OPORTO
BEIRA
ESTREMADURA
RIBATEJO
LISBON
ALENTEJO
SINES
ALGARVE

III

TURKEY

1. Employment

Turkey is still largely a peasant country with some 58%[1] of the people still living in villages, and well over half the labour force engaged in agriculture. Illiteracy is between 35 - 48%[1] of the population.

The situation is, however, changing. There is a high level of migration to the urban areas (e.g. Istanbul is increasing its population by about 7% per annum). Because the labour force engaged in agriculture is continuously contracting,Turkey is faced with a massive problem of excess labour. The process of industrialization has caused and continues to cause rapid social changes.

The population of Turkey in 1975 was 40,198,000[2]. When economic planning began in 1962, the population was 26 million. The population has been and is still growing and at an increasingly fast rate. During the 'First Five-Year Plan' (1962-1967), the rate of growth was 1.2% annual average. During the 2nd Plan, this had increased to 1.8% annual average rate of growth. For the period 1970-1975, the yearly rate of growth has been 2.4%.

In 1975, the economically active population numbered 16.2 million, an increase of 3.3 million on the 1962 figure. Between 1962-1967, the yearly growth rate was 1.8%; this fell to 1.2% during the Second Plan, mainly due to a rapid rise in worker emigration in the late sixties. For the Third Five-Year-Plan (1972-1977) an annual average growth of 2.4% is estimated by the O.E.C.D. secretariat on the basis of plan data and current trends.

The increase in Turkish population is adding 400,000 new entrants to the labour force annually, an estimated total of 2 million during the period 1972-1977.

The majority of the labour force is engaged in agriculture. In 1974, 64.1% of civilian employment was in this sector, against 14.8% in industry and 21.1% in all other activities.

The relative importance of agriculture as an employer has been declining steadily in recent years. In 1961, 77.6% were engaged in this sector, a drop of 13.5% in thirteen years. The industrial sector employment level has shown a moderate increase of 4.5% over the same period, while the services sector has increased by 9.0% (cf. tables 3, 4 and 5).

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[1] Source: 'A Wider European Community' by W. Wallace + Y. Edwards

[2] O.E.C.D. Economic Survey 1976

During the first two economic plans, the total numbers involved in each sector has increased with the exception of agriculture. In this sector the decline was at an annual average rate of .5% for the ten year period. The Third Plan target was for a further drop of .4% annual average but figures available for the period 1972-1975 suggest the rate of decline has been .2%[1]. During the first two plans, employment in industry increased by 4.3% annual average rate. A target of 8.5% yearly increase was set for the Third Plan but this is unlikely to be realised with an annual average increase of 3.8% achieved for the first three years of the period. Construction, commerce, transport and services all increased during the ten-year period 1962-1972 (cf. table 6).

In round figures one million new jobs were created in the non-agricultural sectors between 1962 and 1967, of which 245,000 were in industry and construction. Between 1967 and 1972 an additional 1.1 million jobs were created in these sectors, 400,000 of which were in industry. The Government set a target of 1.3 million non-agricultural sector jobs for the Third Plan, 800,000 of which were to be in industry. By the end of 1977 there is likely to be a substantial shortfall on this figure. On the basis of current trends, one estimate is that industrial employment will probably expand by no more than three to four hundred thousand[2]. This is due to a number of factors, such as a slower than anticipated growth in some industries, a substitution of capital for labour as the industrial sector becomes more modernized and also a tendency by the Turkish authorities towards an over-optimistic view of the employment likely to be generated by the growth of industry.

Unemployment remains a very serious problem. The O.E.C.D. estimate an unemployment figure of 2.2 million for 1975. This figure breaks down into .8 of a million in agriculture and 1.4 million industry. The figure for agriculture is in certain respects misleading because of disguised unemployment and underemployment. If accepted as a realistic estimate of agricultural unemployment, this number has shown a tendency to decline since 1967 when, the figure was estimated at .91 million, though it does seem to be levelling off as both 1974 and 1975 figures are .8 of a million (cf. Table 3).

Because of the structure of the agricultural sector, unemployment can vary enormously during the course of a year.

The Turkish government estimated that during the 'peak period' unemployment was 8-10% during the First Five-Year-Plan while during the slack period this figure rose to 85%. Its estimate for the 'Second Plan' was 9% during the peak period while 'slack period' unemployment had fallen to 77%.

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[1] O.E.C.D. secretariat estimates

[2] O.E.C.D. estimates

A detailed methodology was developed in 1963 by the F.A.O. and the Turkish authorities to estimate demand and supply in agriculture. This methodology combined labour requirements for each major agricultural operation under differing methods (power sources) of production. Using this method, the following results were obtained for the period 1967-1972.

TABLE 1

'Peak Period' (July-August) Surplus Labour in Agriculture

(thousands)

Year	Demand	Supply	Surplus	
			Thousands	Percent of Supply
1967	9,173	10,083	910	9.0%
1970	9,680	10,143	463	4.8%
1972	10,025	10,138	113	1.1%

Source · World Bank Report on Turkey

TABLE 2

Net Seasonally Removable Labour Surplus in Agriculture in 1967 and 1972

(thousands)

Seasonable Period	1967	1972
I December-February	619	959
II March-May	3,824	4,463
III June	4,744	5,016
IV July-August	0	0
V September-November	4,227	4,523

Source : World Bank Report on Turkey

These figures suggest that there is scope for rationalization of the agricultural sector. Measures such as increasing irrigation projects and land reform would increase labour utilization, the former also in the construction stage if labour intensive methods were to be used. The tendency of the Turkish government to encourage greater mechanization in all sectors of the economy could only lead to greater unemployment in agriculture.

The general employment situation is expected to deteriorate further until 1987 and after that to improve, in the long term development strategy of the government. The strategy estimates an urban employment increase of 5.8% per year but total unemployment is expected to increase at a yearly rate of 3% to reach 2.5 million in 1987, of which two million should be in the urban sector. Rural urban migration is expected to increase by 5% per year, a total of 2.9 million in the period 1972-1987.

Judging by the targets set for the Third Plan period (1972-1977) and the O.E.C.D. estimates of the actual situation during the first three years of this period, these development strategy estimates are not likely to be maintained at least in the short term.

Unemployment for 1972-1977 was estimated to increase by 2.4% annual average increase but O.E.C.D. estimates suggest that for the years 1972-1975 the actual annual average increase was 11.8% with a figure of 38.6% in the non-agricultural sector as against a plan target of 8% (cf. Table 7). The annual average yearly increase in employment was planned at 2.1% whereas the actual yearly rate for 1972-1975 was 1.3% (cf. Table 7).

The outlook for the future is therefore one of increasing unemployment at least until 1987, even if the government's economic planning is successful in its aims. The situation has been considerably worsened since 1974 by the fall in emigration numbers and the prospect of no emigration in the immediate future. This has tended to alleviate the true employment situation in the past and to some extent disguise the actual seriousness of the situation. Migration from the country to urban areas is likely to continue as should the expansion in the industrial sector. In the industrial sector, the Turkish authorities have tended to concentrate on capital intensive industries for long term gains whereas a greater degree of concentration on labour-intensive industry would in the short term help to alleviate the unemployment problem.

TABLE 3

POPULATION, EMPLOYMENT AND WORKERS' MIGRATION

IN THOUSANDS

	1962	1967	1972	1973	1974	1975	1977 (Plan)
Population (mid-year)	28,933	32,750	37,000[1]	37,800[1]	38,900[1]	40,000[1]	42,600
Population of working age (15 years and over)	12,936	14,173	15,085	15,374	15,790	16,200[1]	16,080[2]
Employment	11,951	12,733	13,510	13,810	14,030	14,000[1]	14,930
- Agriculture	9,216	9,073	8,760	8,760	8,700	8,700[1]	8,600
- Non-agriculture	2,735	3,660	4,750	5,050	5,330	5,300[1]	6,330
of which industry	1,300	1,545	1,940	2,095	2,210	2,170[1]	2,784
Unemployment	985	1,440	1,575	1,564	1,760	2,200[1]	1,800
- Agriculture	750	910	850	840	800	800[1]	700
- Non-agriculture	235	530	725	724	960	1,400[1]	1,100
Worker emigration	.	5	67	136	20	4	50
Total workers abroad[1]	.	200	750	850	830	750	(1,100)

1 Secretariat estimate

2 Age groups 15-64 years

Source: Turkish Third Five Year Plan and Annual Programmes

TABLE 4

CIVILIAN EMPLOYMENT BY SECTOR 1961-1974

(Percent of Total Employment)

YEAR	AGRICULTURE	INDUSTRY	OTHER ACTIVITIES
1961	77.6	10.3	12.1
1962	76.8	10.5	12.7
1963	76.1	10.6	13.3
1964	75.4	10.8	13.9
1965	74.7	10.9	14.4
1966	73.6	11.2	15.2
1967	72.6	11.5	15.9
1968	71.4	11.8	16.8
1969	70.4	12.1	17.5
1970	69.9	12.5	17.6
1971	68.1	13.2	18.6
1972	66.9	13.5	19.6
1973	65.5	14.3	20.2
1974	64.1	14.8	21.1

Source: O.E.C.D. Labour Force Statistics (1963-1974)

TABLE 5

LABOUR SUPPLY AND DEMAND 1962-1972

(Thousands)

Aggregate	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	Average Annual Rate of Growth
15-64 Age Group	15,978	16,333	16,709	17.140	17,632	18,099	18,628	19,230	19,870	20,474	20,956	2.5
Supply of Labour	12,766	13,055	13,228	13,572	13,784	13,978	14,245	14,473	14,747	15,102	15,468	1.5
Participation Rate (%)	79.9	79.9	79.2	79.2	78.2	77.2	76.5	75.3	74.2	73.8	73.8	
Demand for Labour	12,531	12,750	12,874	13,167	13,319	13,446	13,670	13,853	14,117	14,401	14,718	1.1
Armed Forces	569	659	530	514	530	536	564	562	615	615	630	1.0
Civilian Domestic Demand	11,951	12,055	12,269	12,492	12,600	12,732	12,886	12,971	13,059	13,260	13,482	1.2
Agriculture	9,216	9,267	9,370	9,287	9,167	9,073	8,900	8,775	8,763	8,763	8,763	0.5
Industry	995	1,013	1,033	1,054	1,110	1,175	1,270	1,310	1,384	1,450	1,519	4.3
Construction	305	317	332	343	360	369	387	402	412	419	433	3.5
Transportation	258	268	275	283	304	324	350	378	399	424	450	5.7
Services, Trade & Unspecified	1,177	1,190	1,259	1,525	1,659	1,791	1,979	2,106	2,101	2,204	2,317	6.9
Net Foreign Demand	11	36	75	161	189	180	220	320	443	526	606[1]	
Labour Surplus	235	305	354	405	465	530	575	620	630	701	750	
Agricultural Labour Surplus in Peak Season	750	750	780	800	850	910	895	890	880	860	850	1.2
Total Labour Surplus	985	1,055	1,134	1,205	1,315	1,315	1,440	1,470	1,150	1,561	1,600	4.9
Labour surplus af % of Labour Supply	1.8	2.3	2.7	3.0	3.4	3.8	4.0	4.3	4.3	4.6	5.0	
Total Labour surplus as % of Labour Supply	7.7	8.1	8.6	8.9	9.5	10.3	10.3	10.4	10.2	10.3	10.8	

1 Estimated

Source: SPO, except for net emigration figures for 1962 to 1964 which were taken from

Report on the demographic and social patters of migrants in Europe, especielly with regard to international migrations by Prof. M. Iivi-Barci (Italy) and Mr H.M. Hagmann (Switzerland), Research Directors.

TABLE 6

GROWTH RATES OF EMPLOYMENT 1962-1972

(PERCENT PER YEAR)

SECTOR	FIRST PLAN ('62-'67)	2nd PLAN ('67-'72)	AVERAGE '62-'72
AGRICULTURE	-0.4	-0.7	-0.5
INDUSTRY	3.3	5.4	4.3
CONSTRUCTION	3.8	3.2	3.6
COMMERCE	2.3	8.0	6.3
TRANSPORT	4.6	6.8	5.7
SERVICES	10.5	4.1	7.5

Source: World Bank Report 1975

TABLE 7

DEVELOPMENT OF THE LABOUR MARKET

(ANNUAL AVERAGE PERCENTAGE CHANGE)

AGGREGATE	FIRST PLAN 1962-1967	SECOND PLAN 1967-1972	THIRD PLAN TARGET 1972-1977	O.E.C.D. ESTIMATE 1972-1975
POPULATION OF WORKING AGE (15 YRS +)	+ 1.8	+ 1.2	+ 2.4	+ 2.4
EMPLOYMENT	+ 1.3	+ 1.2	+ 2.1	+ 1.3
- AGRICULTURE	- 0.3	- 0.7	- 0.4	- 0.2
- NON-AGRICULTURE	+ 6.0	+ 5.4	+ 6.1	+ 3.7
OF WHICH INDUSTRY	+ 3.5	+ 4.7	+ 8.5	+ 3.8
UNEMPLOYMENT	+ 7.9	+ 1.8	+ 2.4	+11.8
- AGRICULTURE	+ 3.9	- 1.4	- 3.8	- 2.0
- NON-AGRICULTURE	+17.7	+ 6.5	+ 8.0	+38.6

Source: O.E.C.D. SURVEY 1976

2. Migration

Among Mediterranean countries Turkey was a relatively late starter in the business of exporting workers to the more industrialized countries of Europe. Before the mid-1960's there was a very small flow of labour out of the country. From then until 1973 there was a rapid rise in the number of workers leaving for employment abroad. By the end of 1972, there were over 625,000[1] Turks legally working abroad and probably several thousand more illegally doing so. The country has become the second most important supplier of labour to Western Europe. The destination of the majority has been Germany.

Emigration has had three major economic advantages: it has relieved pressure on the labour market caused by the continuing high rate of population growth; it has helped to increase Turkey's foreign exchange earnings through workers' remittances and, thirdly, it has afforded many workers the opportunity to receive professional training and experience of working in highly industrialized conditions before their return to Turkey.

It is worth noting here that emigration absorbed a much smaller percentage of the growth in the labour force than in the other labour exporting countries of southern Europe (Spain, Portugal and Greece).

In the case of Turkey, emigrants tend to be the better educated, trained and informed part of the country's labour supply - a group which tends to be in short supply. Areas of recruitment are primarily the industrialized and more advanced rural areas, this despite Turkish Government attempts to give preference to applicants from less developed rural areas. The fact that unemployment is so large makes verification of the importance of emigration in respect of specific home industries and trades difficult.

Emigration has contributed to urbanization. Experienced workers leaving to go abroad make room for internal migrants from rural areas. There is also a tendency for returning workers, originally from rural areas, to settle in the urban areas.

A major impact of emigration has been the flow of workers' remittances, back to Turkey. In 1969, this totalled $141 million; by 1971, this figure had risen to $471 million and effectively covering Turkey's trade deficit. In 1973, remittances contributed to a substantial balance of payments surplus. By 1974, when payments reached $1.4 billion, it was no longer sufficient to cover the balance of payments deficit as a result of an inceease in the costs of imports because of the oil crisis. In 1975, remittances had fallen to $1.3 billion and figures available for the first four months of 1976 suggest this fall is continuing. It is obvious that without these workers' remittances Turkey's foreign payments position would be considerably worse.

[1] World Bank Report

A secondary effect of these remittances has been the relatively sudden acquisition of new consumption patterns and tastes for consumer durables by emigrants'dependants and returnees. This,allied with the means to satisfy these new tastes, had contributed to the surge in consumer demand noticed in recent years. This has led to a fast growth of imports and contributed to the price rise. Positiviely, it has aided industrial expansion and, according to the O.E.C.D. secretariat, it has lowered the propensity to leave. The Turkish government has attemptedtto direct this income from the relatively wasteful tertiary sector and to encourage its investment in industrial expansion through various transfer and banking facilities and guarantees. In the government's development strategy, workers' remittances are included as a positive source of funds for the expansion of the economy unlike the policies of the other Mediterranean countries.

Because of the international recession of 1974 and the resulting restrictions placed on the movement of labour by the EEC countries, there has been a short fall in the numbers of emigrants since 1974 (cf. Table 8). Germany, the largest recipient country,accepted 103,793 workers from Turkey in 1973; in 1974 this had fallen to 1,228. France and Austria, which had gradually been increasing their numbers of Turkish workers,also cut back especially in 1975 (cf. Table 8).

It is likely that in the last two to three years Turkey has been a net immigration country. This pattern is likely to continue for some time as with an unemployment rate of 5.6% in March 1977 in the EEC, restrictions are unlikely to be relaxed for some time.

In the short term this is likely to worsen Turkey's unemployment situation and its foreign exchange earnings. In the longer term , it may aid Turkey's industrial expansion because of the larger pool of skilled and experienced labour to draw on.

In the event of an agreement on the free movement of labour between Turkey and the EEC, there is unlikely to be a large increase in the numbers of workers coming to the EEC if the Community unemployment rate remains at any appreciable level and if the Turkish industrial sector continues to expand. One of the greatest fears of the signatories to the original free movement of labour agreements within the EEC, that of a massive influx of Italian workers to the other countries, failed to materialize. It seems that freedom of movement in itself is not a dominant factor for mobility if not accompanied by a large number of job opportunities and high wage rates.

TABLE 8

TURKISH WORKERS SENT ABROAD THROUGH GOVERNMENT OFFICES 1971-1975

(yearly numbers)

COUNTRY	1971	1972	1973	1974	1975
GERMANY	65,684	65,875	103,793	1,228	640
FRANCE	7,897	10,610	17,544	10,577	25
AUSTRIA	4,620	4,472	7,083	2,501	226
HOLLAND	4,853	744	1,994	1,503	32
UNITED KINGDOM	1,289	82	116	113	98
BELGIUM	583	113	265	555	59
DENMARK	72	27	1,254	160	38
SWITZERLAND	1,342	1,312	1,109	770	229
AUSTRALIA	879	640	886	1,138	401
LIBYA	15	86	664	1,015	1,128
U.S.A.	10	50	21	10	5
OTHERS	1,198	1,218	1,091	641	1,537
TOTAL	88,442	85,229	135,820	20,211	4,419

Source: "TURKEY: AN ECONOMIC SURVEY "TURKISH INDUSTRIALISTS' AND BUSINESS-MEN'S ASSOCIATION"" (TURKISH GOVT. FIGURES)

TABLE 9

TURKISH WORKERS EMPLOYED ABROAD

Country	1966	1967	1968	1969	1970	1971	1972
EEC	33,788	7,247	42,284	101,737	109,116	79,017	77,342
Germany	32,580	7,199	41,409	98,142	96,142	65,684	65,875
Belgium	-	-	-	-	431	583	113
France	-	-	-	191	3,507	7,897	10,610
Netherlands	1,208	48	875	3,404	9,036	4,853	744
EFTA	622	1,258	770	1,160	13,063	7,251	5,866
Austria	469	1,043	673	973	10,622	4,620	4,472
Switzerland	153	215	97	163	1,598	1,342	1,312
United Kingdom	-	-	-	4	843	1,289	82
Other Countries	-	442	150	1,078	6,109	2,174	2,021
Australia	-	-	107	970	1,186	879	640
Other	-	442	43	108	4,923	1,295	1,381
Total New Departure	34,410	8,947	43,204	103,975	128,288	88,442	85,229
Workers returning to Turkey	16,168	17,844	3,525	4,115	4,756	5,695	n.a.
Total net increase in workers abroad	28,242	-8,897	39,679	99,860	123,532	82,747	n.a.
Total Workers Employed Abroad	189,242	180,345	220,024	319,884	443,416	526,163	n.a.

Source: Turkish Employment Service: Work and Manpower Bulletins: SIS Tourism Statistics for workers returning to Turkey

TABLE 10

TURKISH WORKERS EMPLOYED IN MEMBER COUNTRIES

COUNTRY	NUMBER	TIME
GERMANY	590,000	End of Sept. 1974
FRANCE	25,000	31.12.1974
NETHERLANDS	21,925	15.12.1974
BELGIUM	10,000	1974 (annual mean)
DENMARK	5,730	1.1.1974
UNITED KINGDOM	3,000	1971
ITALY	317	1971 (annual mean)
IRELAND	10	1974
LUXEMBOURG	NOT AVAILABLE	

Source:

TABLE 11

TURKISH RESIDENTS IN E.E.C. COUNTRIES

COUNTRY	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973
FRANCE (1)	336	3,331	3,574	3,648	3,726	5,164	5,506	6,942	7,162	8,807	15,027	18,324	24,531	
HOLLAND (2)	72	87	163	305	1,172	-	8,744	14,464	12,324	-	-	-	-	46,018
GERMANY											469,000 (5)		652,800	
BELGIUM (3)	-	-	-	-	-	-	-	-	-	-	20,312			

TURKISH WORKERS IN GERMANY (4)

1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972
2,495	5,193	15,318	27,144	69,211	121,121	157,978	137,081	139,336	212,951	327,985	424,374	497,296

Sources:
(1) Ministère de l'Intérieur
(2) Ministerie van Justitie
(3) Institut National de Statistique
(4) Bundesanstalt für Arbeit
(5) Castles and Kosack: **Immigrant Workers and Class Structure in Western Europe**
(6) "Exporting Workers: **The Turkish Case**"

3. Incomes

In common with many other countries with developing economies, Turkey shares the experience of large income differences. In a recent study dividing the population into six socio-economic groups (low, middle and high income farmers, wage and salary earners, civil servants and entrepreneurs), the per capita income of the poorest agriculturalists who, formed the majority of the population, proved to be well below the incomes of the other groups. The average income of the rural inhabitant is therefore far below that of his urban counterpart.

In the urban sector, real wages began to decline in 1971; however, unionized workers received part of their incomes in various non-monetary payments (free meals, clothing, etc.), which makes the real extent of this decline difficult to measure. The World Bank estimates that benefits in kind amounted to 13-15% of total income in 1971. During the last three years wages granted to the public sector or won by trade unions were considerably increased. The O.E.C.D. Economic Survey (1976) suggests that wage rates in the urban sector have exceeded cost of living increases. In May 1975, civil servants were granted pay increases of 25-40% and a large number of labour disputes increased wages, in some cases by up to 60%. In June 1976 the legal minimum wage rate was raised to 60 Turkish liras per day and regional differences were abolished. Table 12 sets out the latest average daily wages available.

In the agricultural sector, wage and income levels remain substantially below urban levels, a strong factor in the recent heavy migration to urban areas. Table 13 gives an indication of annual farm incomes at the end of the second Five-Year-Plan, indicating the substantial differences of income between the different size holdings.

Farm incomes have received periodic increases since then through increases in floor prices for agricultural produce. In 1974, cotton prices were increased by one third but the price for cotton was to remain unchanged throughout 1975. Wheat and some other cereal products increased by 10 to 15% during 1975. Nominal farm incomes also increased considerably due to good harvests in 1974-1975. Up to the beginning of 1976, there was, therefore, a continued and sizeable increase in the disposable incomes of farmers and wage and salary earners, with the latter increasing most rapidly.

It seems reasonable to conclude that, though incomes are increasing generally, inequalities are expanding rather than the reverse. This does not take account of such things as the distribution of goods and services such as education and health facilities. The increase in literacy, in facilities for educational training, extension of health services and other steps to improve conditions in more backward areas have raised the level of living of the poorest in Turkey. Emigration has also exerted an influence through workers' remittances. Because of these remittances, the consumption of dependants is raised and their ownership of assets increased.

The first two development plans adopted the objective of reducing income disparities. Some progress was made through building a more equitable tax structure. A recent study (World Bank Report on Turkish Economy) estimated the proposition of income paid as 13-14% for the poor and 20-24% for the rich. There is obviously scope for improvement here.

Another method of decreasing income inequalities and of raising the general income level has not been stressed as much as it could be by the Turkish authorities. This is increasing the opportunities for gainful employment.

A rough estimate suggests that G.D.P. per head in Turkey is about 13% of the Community average and about 42% of Ireland's figure.

A further comparison is made later together with the other Mediterranean countries.

TABLE 12

AVERAGE DAILY WAGES IN TURKISH LIRAS

Quarter	1970	1971	1972	1973	1974	1975
1st	34.19	37.36	41.31	50.46	57.00	74.48
2nd	34.59	38.24	41.62	49.84	61.04	77.41
3rd	34.67	38.46	42.71	51.58	63.77	79.22
4th	37.45	39.61	48.13	54.96	72.77	86.39
Average annual	35.23	38.42	43.44	51.71	63.65	79.37
Percentage Annual Increase	10.9%	9.1%	13.1%	19.0%	23.1%	24.7%

Source: O.E.C.D. Economic Survey 1976

TABLE 13

AGRICULTURAL INCOME BY FARM SIZE (yearly income)

	Farmsize in decares			
	1-50	51-200	200-1000	1000 +
Number of farms as a percentage of total	68.8%	27.5%	3.6%	0.1%
Annual income per farm (turkish liras)	2,900	10,300	44,510	298,500
Annual per capita income (T.L.)	485	1,117	7,417	49,750
Total Income (T.L. millions)	5.2	8.8	4.9	2.1
Percentage share in total income	24.8%	42%	23.2%	10.0%

Source: World Bank Report on Turkey
(Taken from Government's 2nd 5 year Plan)

TABLE 14

AVERAGE DAILY WAGES BY TRADE GROUP (Turkish Liras)

Year	Fishermen	Manufac-turing(1)	Construction (1)	Mining (1) and (2) Quarrying	Transport Storage Communica-tion	Average non-agri-cultural sectors
1966	21.55	22.66	22.82	21.39	28.49	23.53
1967	15.24	24.75	27.09	22.33	31.56	25.83
1968	16.10	27.06	29.03	27.09	33.72	28.22
1969	17.54	31.80	32.15	27.01	38.42	32.13
1970	19.18	35.72	33.72	31.39	40.41	35.32
1971	21.42	40.74	38.25	33.09	46.30	39.32
1972	24.20	45.21	41.71	35.64	52.13	43.88
1973	29.05	57.28	48.10	48.31	62.28	54.41
1974	36.24	70.92	64.51	59.60	74.17	68.26
1975	-	89.75	77.15	90.19	120.15	85.55

(1) Includes salaried employees

(2) September of each year

Source: International Labour Organisation
Yearbook of Labour Statistics 1976

TABLE 15

WAGES IN MANUFACTURING

by industry

Average daily earnings (1) (liras)

Date (2)	Food	Beverages	Tobacco	Textiles	Clothing	Leather, leather prod.	Wood	Furniture	Paper paper prod.	Printing publishing
1966	20.50	28.07	20.53	19.48	19.05	21.72	16.56	17.44	28.13	30.23
1967	21.73	29.17	21.92	21.39	19.57	22.38	18.16	18.61	31.58	31.87
1968	24.16	33.73	26.35	22.50	21.38	23.70	19.22	19.97	34.25	33.60
1969	26.78	35.99	27.67	27.26	25.71	26.21	36.76	22.81	37.89	36.83
1970	30.36	50.45	54.68	28.26	28.39	33.02	24.54	25.64	39.75	44.79
1971	33.88	45.76	37.33	34.81	29.27	33.49	29.17	27.29	40.07	43.76
1972	37.26	47.28	35.82	40.76	30.84	34.04	30.14	29.08	53.51	50.28
1973	45.86	58.96	64.43	66.02	38.40	41.88	35.16	35.35	76.92	55.91
1974	70.46	77.51	77.63	57.27	52.92	54.40	49.15	50.80	77.40	76.91
1975	82.62	92.51	95.36	65.81	61.78	67.68	63.27	64.50	123.88	87.09

(1) Incl. salaried employees

(3) Sep. of each year

TABLE 15 (continued)

WAGES IN MANUFACTURING

by industry

Average daily earnings (1) (liras)

Date (2)	Industrial chemicals	Products of petroleum and coal	Rubber prod.	Non-metallic mineral prod.	Basic-metal industries	Metal prod.	Machinery (non-electrical)	Electrical mach. and app.	Transport equipment	Miscellaneous manufacturing
1966	27.34	44.09	23.64	21.42	33.32	23.33	24.69	24.96	27.76	20.36
1967	29.61	53.82	27.74	23.44	36.55	25.31	27.20	26.99	31.88	23.57
1968	31.77	56.54	28.06	25.14	40.36	27.12	29.66	29.16	34.04	23.96
1969	32.26	56.63	30.62	29.39	44.82	37.43	33.39	33.78	38.19	36.88
1970	42.75	54.50	32.97	31.14	50.61	34.20	37.89	41.17	39.07	30.92
1971	47.68	67.97	41.30	38.19	56.70	40.15	45.33	48.43	61.52	31.49
1972	59.40	76.80	48.56	40.88	67.94	44.91	48.87	54.85	65.05	36.68
1973	63.59	96.58	56.88	54.44	68.14	52.06	55.48	60.22	70.65	40.84
1974	83.89	95.11	79.90	67.00	98.41	66.39	68.48	73.72	92.00	55.25
1975	103.83	150.92	129.67	86.23	136.50	87.38	103.35	95.23	125.80	71.87

(1) Incl. salaried employees

(2) Sep. of each year

4. Regional Problems

There are sharp regional disparities in Turkey. Unfortunately, regional economic accounts are not kept.

The World Bank estimated that in 1965 the East Marmara subregion (Istanbul and four neighbouring provinces) which has 12.5% of the population, contributed about 22% of G.D.P. By comparison, the 24 provinces of Eastern Anatolia and the Eastern Black Sea regions with 33% of the population, contributed only 12% of G.D.P. Per capita value in the Eastern Provinces was about one third the level in the East Marmara provinces. It is likely that this gap has widened since 1965 as a result of increased industrialization which is centred mainly on the western urban regions of Turkey.

In 1970, the Turkish Government made a study of social and economic development by province using fifty-three indicators to build a composite index of provincial development. Using this index, the ten most developed regions are in the western half of the country and the 12 least developed are in the eastern half. However, provinces in the mid range of socio-economic development may be found in both halves of the country.

Because detailed inventories and growth potentials are lacking in the majority of areas, and because of a strongly centralized form of government, there is difficulty in defining regional objectives.

Development lags persist in many areas for three main reasons:

1) resource and location disadvantages;
2) poor administration and institutional capabilities for advancement, and
3) the lack of an aggressive policy in support of balanced development.

Resource and location disadvantages include poor soil fertility, mountainous terrain and a poor climate, plus the difficulty of transporting goods to the markets. The scope for overcoming these disadvantages through incentive policies and public investments is limited by budgetary controls and the overriding objective of rapid economic growth.

There is poor Government organization as regards regional problems through a multiplicity of groups, involved to some extent in regional matters, the majority of which are part of central government (over 90% of public resources pass through central government hands).

Although the government has attempted to encourage industrial investment from the private sector in the more backward regions through incentive schemes etc. these have been largely unsuccessful. This is principally due to lack of surveys, statistical knowledge and often primitive infrastructural services which tend to discourage the private sector investor.

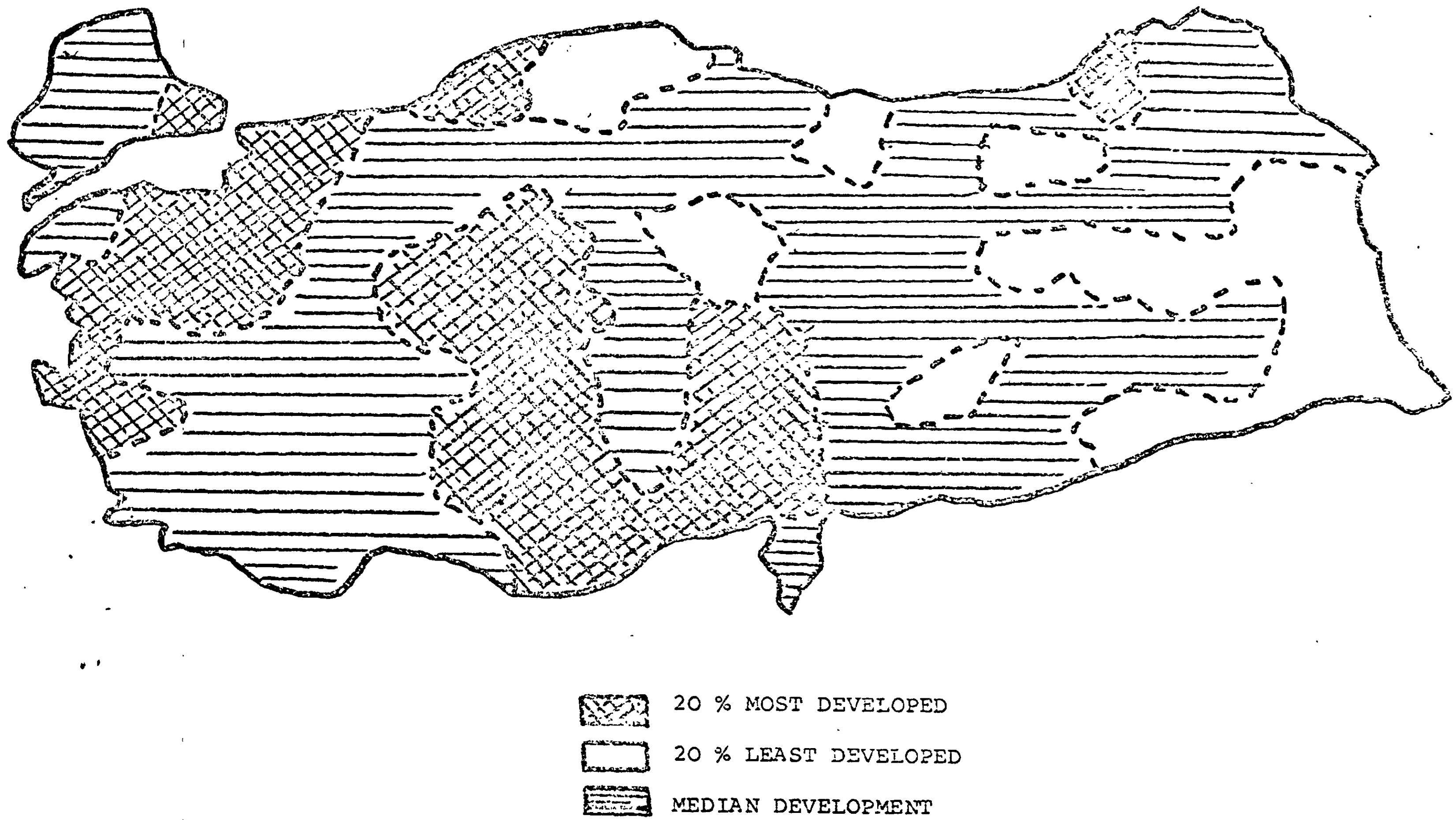
There is scope for regional improvement in the agricultural sector. In the Aegean and Chukarova (Mediterranean) plains large holdings are numerous. These are the regions with the most productive, innovative and commercialized agriculture in Turkey and have also been the major beneficiaries of the large irrigation projects recently completed and currently being established by the Turkish Government.

In the drier south-east (mainly the Eastern Anatolia region) large holdings predominate, single holdings often encompassing a number of villages. In this area, absentee landlordism is also common. Agricultural practices are mostly traditional and much of the land is sharecropped. Because these tenure arrangements pose a barrier to innovation and to increased agricultural productivity, land redistribution should serve to raise output as well as contributing to a more viable social and political order. Service facilities tend to rely on traditional landlord-merchant arrangements and there is a need for an increase in supporting services in order to raise the level of production.

Around the Black Sea and Sea of Marmara, land units are smaller and more generally equal. In the Central Anatolian Plateeu, land is investment in these regions. One drawback to these measures is the accent placed on increased mechanization and capital intensive investment which tends to increase rather than alleviate the unemployment problems.

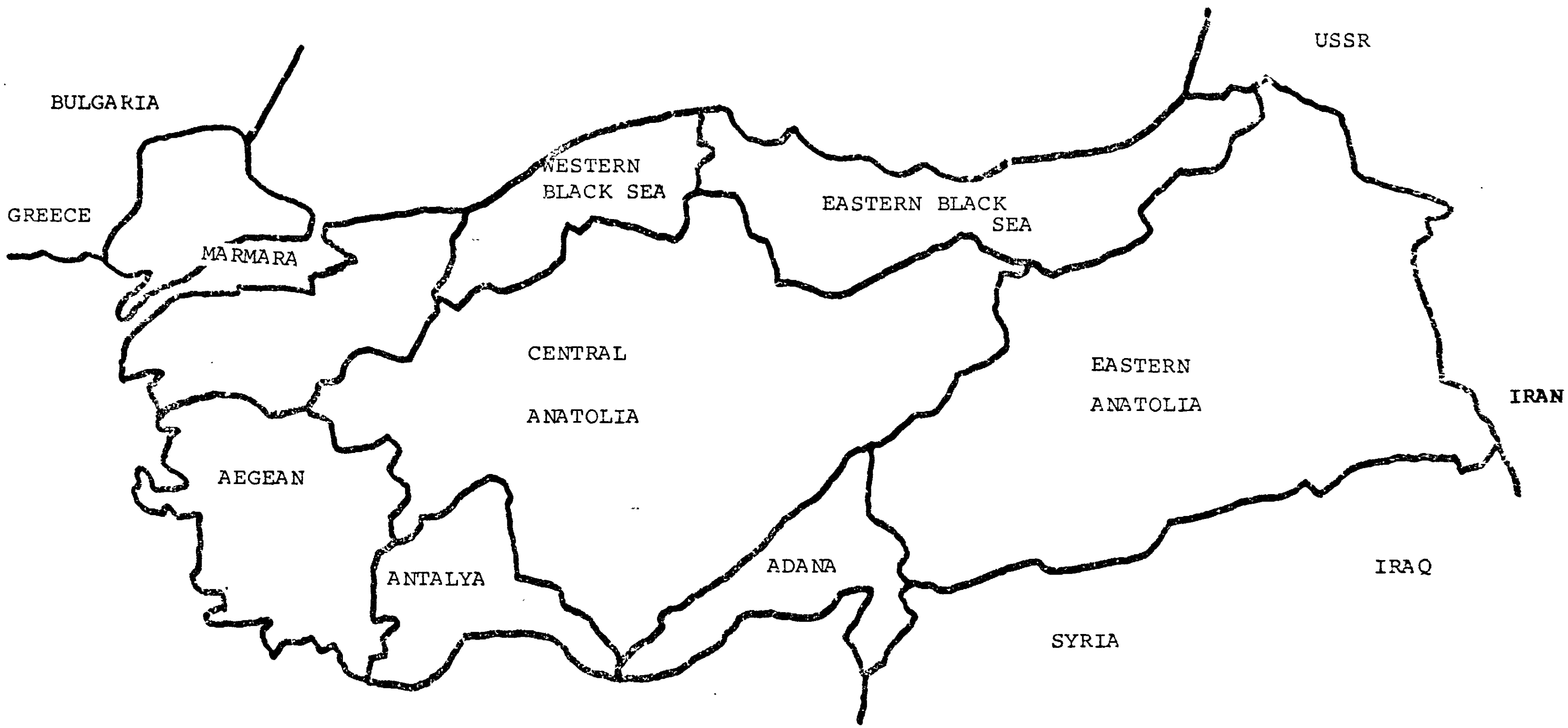
TURKEY: DEVELOPMENT BY PROVINCE

PROVINCIAL RANKING OF SOCIAL AND ECONOMIC DEVELOPMENT



SOURCE: WORLD BANK REPORT ON TURKISH ECONOMY

TURKEY: REGIONS



IV

SPAIN

1. Employment

Spain is one of the industrially developed nations, ranked eighth in industrial production among Western economies. For the twelve-year period prior to the oil crisis of 1973-1974, the rate of growth of the G.N.P. averaged over 7%. Since 1974, Spain has been suffering from relative industrial stagnation and high inflation. In the past, the expansion of industry had been assisted by a policy of protection and import substitution. Now, however, the profitability of Spanish firms has been eroded by constricted markets and wage rises. There has been a decline in investment levels, at least partly because of political uncertainties, accompanied by a fall off in tourism levels, probably as a result of the economic recession in the tourists' home countries. The economic recession has also caused a virtual halt in emigration and a probable increase in return migration. These factors have contributed to a worsening of the employment situation in the country.

The population of Spain on 1.7.1975 was 35,219,000. It has been increasing at an annual average rate of between 1% and 1.15% since 1963. During the same period, the labour force participation rate has been in decline. In 1960, it amounted to 38.7%, but by 1970 this had fallen to 35%. There was also a decline in the proportion of the population who were of working age (17-65) during the same decade, down from 64.2% of the total population in 1960 to 62.5% in 1970. Despite these trends, the growth in employment was not sufficient to absorb the potential working population. Many Spaniards found it necessary to emigrate for work; according to official Government estimates 660,000 did so between 1960 and 1973.

In spite of the high rate of economic growth, job creation in Spain was relatively moderate from the beginning of the '60s, although there was some improvement at the end of the decade. There are two main reasons for the lack of a really marked improvement in the employment situation: 1) the large fall in agricultural employment and 2) the high rate of productivity in industry. In 1974, 23.1% of civilian employment was in the agricultural sector. This compares with 40.6% in 1961. Between 1962 and 1972, over a million people left agriculture. Because of the small size of many holdings (over half of all holdings are smaller than five hectares), about 30% of Spanish farmers have another form of income in addition to their land.

Because of the high productivity of Spanish industry, this sector was unable to absorb these former agricultural workers. Between 1961 and 1974, industry was only able to increase its share of civilian employment from 32.8% to 37.2%. Meanwhile employment in services rose rapidly (Tables 1 and 2). With an increase from 26.6% of total employment in 1961 to 39.7% in 1974, the services sector has become the largest employment sector in the Spanish economy. Between 1966 and 1974 an extra 1.4 million jobs were created in this sector. It was during this time that the Spanish tourist industry emerged as the largest in Europe.

The international economic recession of the early 1970's has had a noticeable effect on Spanish employment levels, the precise scale of which is, however, difficult to assess because of the discrepancies in Spanish employment statistics. The O.E.C.D. secretariat in their 1976 survey of the Spanish economy suggest that the overall level of employment remained steady in 1974 but declined rapidly in early 1975 (Tables 3 and 4). There was, however, a nation-wide standstill in recruiting and this,combined with the impossibility of former host countries accepting emigrants, led to a rapid rise in the unemployment level. The falling-off in activity as a result of the recession led more to a reduction in the numbers of hours worked rather than numbers employed. For institutional reasons, it is difficult to dismiss workers in Spain. There was, however, a significant fall in the total numbers in employment between the end of 1974 when there were 12,955 thousand employed and early '76 when the figure was 12,628 thousand, a drop of 327,000 in a little over twelve months. In 1975, the construction industry was strongly affected; in the second quarter of that year. The number of wage earners was 8% below the level of the previous year with a similar decline in the number of hours worked. The services sector seems to have been little affected by the fall off in activity. Table 4 suggests that the rise in total employment in this sector seems to be levelling off,but the size of the sample used is too small to be an entirely reliable guide as far as the services sector is concerned.

During this period emigration practically stopped (Table 3). It is also probable that there was an increase in return migration,especially by early 1975, as is suggested by trends in emigrants' remittances. The Spanish Government does not, however, maintain a register of return migrants. The fall off in emigration combined with the virtual standstill in recruitment, caused a sharp rise in the unemployment levels. Between January 1974 and January 1976 'estimated unemployment' increased by 160% from 1.1% to 2.8%. These figures are those of the Ministry of Labour and are estimated by using the number of registered unemployed as a base. According to the survey of the active population, made by the National Institute of Statistics, unemployment at the end of 1975 amounted to approximately 610,000 or 4.6% with a further 114,000 unemployed among marginal workers (particularly seasonal workers) at the time of the survey. O.E.C.D. suggests that the figures of the National Institute of Statistics probably provide a better picture of the actual situation than the Ministry of Labour's own figures.

Industry, and particularly construction, was the worst hit sector. The increase in estimated unemployment for the 12 months up to the last quarter of 1975 was 110% in industry and 144% in construction.

Regional differences remain very high with the north-west, west and southern areas generally having the highest rates. Andalusia, for example, has an unemployment rate in excess of 10% compared with a national average of 4.6%.

Table 1

Spain: Labour Force Statistics 1966-1974

	1966	1967	1968	1969	1970	1971	1972	1973	1974
Total Labour Force (1)	12,284	12,405	12,520	12,593	12,732	12,865	13,006	13,162	13,332
Labour Force as % of Population (1)	38.1%	38.1%	38.0%	37.8%	37.8%	37.8%	37.9%	38.4%	38.3%
Unemployed as % of Labour Force (1)	1.4	1.9	1.9	1.5	1.5	2.0	3.0	2.7	3.2
Agricultural Labour Force (2)	3,962	3,936	3,902	3,801	3,706	3,610	3,420	3,238	3,066
Industry: Labour Force (2)	3,415	3,434	3,474	3,561	3,650	3,719	3,554	3,575	3,618
Construction: Labour Force (2)	1,011	1,044	1,074	1,092	1,096	1,107	1,187	1,266	1,336
Services: Labour Force (2)	3,896	3,986	4,070	4,139	4,280	4,429	4,845	5,083	5,312
Total Wage and Salary earners (2)	7,561	7,607	7,733	7,903	8,066	8,172	8,614	8,747	8,985
- Agriculture (2)	1,143	1,107	1,091	1,061	1,046	998	995	956	901
- Industry (2)	2,780	2,800	2,840	2,940	3,026	3,080	3,116	3,138	3,091
- Construction (2)	878	891	907	939	931	915	990	1,048	1,106
- Services (2)	2,758	2,809	2,895	2,963	3,063	3,179	3,513	3,665	3,887
Employers and Persons working on own account (2)									
- in agriculture	2,768	2,761	2,759	2,693	2,616	2,555	2,218	2,161	2,075
- outside agriculture	1,789	1,806	1,788	1,814	1,416	1,535	1,551	1,581	1,598

Sources: (1) O.E.C.D. Labour Force Statistics (1963-1974)
(2) O.E.C.D. Economic Survey 1975

Table 2

Spain: Civilian Employment by Sector

Year	Agriculture	Industry	Services
1961	40.6	32.8	26.6
1962	38.9	33.6	27.5
1963	37.2	34.3	28.5
1964	35.3	35.1	29.6
1965	33.6	35.9	30.6
1966	32.7	36.3	30.9
1967	32.2	36.3	31.5
1968	31.8	36.3	31.9
1969	30.7	37.1	32.2
1970	29.5	37.3	33.2
1971	28.5	37.4	34.1
1972	25.7	36.3	38.0
1973	24.3	36.7	39.0
1974	23.1	37.2	39.7
1975			
1976			

Source: O.E.C.D. Labour Force Statistics (1963-1974)

Table 3

Labour Market: Thousands (1)

	1974		1975		1976
	First 6 months	Second 6 months	First 6 months	Second 6 months	First Quarter (2)
Labour Force	13,306	13,386	13,328	13,325	13,342
Total Employment	12,948	12,955	12,849	12,732	12,628
Unemployment					
- Labour (4) Force Survey	358	431	479	593	621
- 'Estimated Unemployment' (5)	165	200	289	336	415
Emigration (3)	45.2	5.6	18.4	2.2	

(1) Monthly averages except emigration which is half-year totals
(2) Provisional estimates
(3) To European countries
(4) From surveys of the active population made by I.N.E. (Spanish Statistical Service)
(5) Estimates by Ministry of Labour on basis of numbers of registered unemployed

Source: O.E.C.D. Economic Survey 1976

Table 4

Percentage Change on Corresponding Period of Previous Year

Dependent Employment	1974		1975	
	First 6 months	Second 6 months	First 6 months	Second 6 months
- Industry	2.7	0.7	- 1.7	- 4.1 (1)
- Construction	4.8	6.9	- 3.0	- 1.9 (1)
- Services	5.4	5.8	8.4	1.8 (1)

(1) Third Quarter

Source: O.E.C.D. Economic Survey 1976

Table 5

Unemployment by Industrial Groups

Year	Total	Agri-culture Forestry & Fishing	Mining and Quarrying 2	Manufac-turing	Construction	Trade 3	Transport Storage Communi-cations	Financing Insurance etc. 1 4	Electricity Gas and Water	Activities not adequately described
1965	147,074	54,263	3,341	41,360	26,112	4,598	3,133	6,570	377	7,320
1966	123,225	40,120	5,207	34,645	21,828	4,390	4,774	6,171	405	5,685
1967	146,341	40,653	5,307	42,845	31,209	5,372	5,730	8,273	647	6,305
1968	182,019	42,794	5,950	58,674	42,645	5,904	6,181	11,016	831	8,024
1969	158,885	28,449	5,583	56,144	38,166	4,843	7,159	11,143	739	6,659
1970	145,646	19,303	3,921	53,940	41,749	4,858	5,358	11,660	622	4,235
1971	190,272	21,374	3,317	64,594	68,435	6,428	5,185	15,164	966	4,809
1972	190,910	18,743	3,771	61,453	66,634	8,801	5,035	18,835	1,063	6,575
1973	149,559	17,532	3,645	48,857	47,438	7,692	3,612	15,805	638	4,340
1974	150,273	17,214	3,356	47,539	48,612	8,517	3,763	15,980	712	4,580
1975										

(1) Included in this column are: Financing, Insurance, Real Estate, Business Services, Community, Social and Personal Services

(2) Includes Repair Services
(3) Excludes Restaurants and Hotels
(4) Excludes Repair Services, Includes Restaurants and Hotels
(5) Includes people seeking work for the first time

Source: I.L.O. Yearbook of Labour Statistics

2. Migration

Although itself a relatively industrially developed country, Spain, in common with many other countries in the Mediterranean region, became a source of labour for its industrialized neighbours to the north after the second world war. Initially, the destination for most Spanish emigrants was France where, by 1960, there was a Spanish population of over three hundred thousand (Table 6). In the 1960's, whilst many emigrants continued to settle in France, large numbers also found work in Germany and more recently in Switzerland. In 1974, out of a total of practically half a million Spanish workers in EEC countries, 250,000 worked in France, 165,000 in Germany, 30,000 in Belgium, 19,500 in Holland and 15,500 in the United Kingdom. An additional 80,000 were employed in Switzerland[1].

The restrictions placed on the intake of foreign workers as a result of the economic recession after 1973 has severely curtailed the numbers emigrating. In 1972, 103,900 departures to Europe were processed by the Spanish Government; by 1975 this had fallen to 20,600 (Table 7). The outlook for the future is one of a continued low level of emigration at least as long as the unemployment rate in the EEC is at a significant level.

Because the Spanish government does not maintain a register of return migration, levels are difficult to assess. Trends in emigrants' remittances,, especially in 1975, suggest an increased flow of return migrants. The O.E.C.D. secretariat suggests that by 1975 Spain had become a net immigration country.

The majority of Spanish emigrants come from regions with agriculturally based economies. The number of emigrants to foreign countries have been part of a larger population movement from rural to urban areas, including the industrialized urban areas of Spain. The principal regions of origin have been Andalusia, Extremadura, Galicia and the provinces of the central plateau. Andalusia lost 14% of its population through emigration between 1961 and 1970.

The majority of those were in the most active age group (between 15 and 40 years). The result has been a severe imbalance in the structure of the rural population of Spain. In 1973, the Minister for Agriculture reported that 56% of the nations active farming population was over 55 years. Although the majority of emigrants are unskilled workers, also numbered amongst them is a large proportion of these areas' skilled and professional workforces. The result is that the 'pueblos' or farming towns of Spain are left with an ageing workforce and among the younger age groups a disproportionately high number of the least educated and skilled and most passive workers.

[1] Estimates by the O.E.C.D. Directorate for Social Affairs, Manpower and Education

Emigration does, however, have some benefits for Spain. It helps to partly solve the problem of excess labour in many of the rural areas of the south and west. Wages in agriculture are steadily rising for those left behind, at least partly due to the smaller labour pool. Emigrants acquire skills and industrial experience when abroad which may be of use when they return. Remittances back to Spain have become a major source of income to the country. These, together with tourism, have become the major sources of foreign currency; in 1970 alone an estimated £196 million was sent back to Spain by workers in other European countries.

A disproportionately large number of emigrants are in the economically active population. This is partly because the host countries, particularly Germany, does not encourage workers to bring their families with them. In 1970, out of a total of 246,000 Spanish in Germany, roughly 166 thousand were in employment, in percentage terms this represents approximately 67% of the total. France, on the other hand, had a policy of encouraging permanent emigration until the late sixties. After spending a number of years in the country migrants were encouraged to apply for naturalization. The results of these policies was a larger proportion of dependants among Spanish residents although the percentage in the economically active groups still exceeded 40%.

Table 6

Spanish Residents in EEC countries

Year	France(1)	Germany	Holland(2)	Belgium(3)	U.K.	Luxembourg	Sp. workers in Germany(6)
1960	308.4		.3	-	-	-	9.5
1961	363.0		.4	15.8	-	-	48.4
1962	450.9		1.5	-	-	-	87.3
1963	516.7		5.1	-	-	-	117.5
1964	585.2		8.5	-	-	-	144.3
1965	631.9		-	-	-	-	180.6
1966	638.8		19.5	-	-	-	185.3
1967	640.1		23.4	-	35.0	-	129.1
1968	616.1		18.4	-	-	-	112.0
1969	616.7		-	-	-	-	135.5
1970	601.1	246.0(5)	-	67.5	22.0	1.2	165.9
1971	589.9		-		22.5	1.7	183.6
1972	571.7		-		21.5	1.7	184.0
1973			31.4		17.7	1.7	
1974	550.0(4)	273.0(4)			14.5		165.0(7)
1975					11.3		

(1) Source: Ministere de l'Interieur
(2) Source: Ministerie van Justitie
(3) Source: Institut de Statistique
(4) O.E.C.D. Economic Survey on Spain 1976
(5) Castles and Kosack: Immigrant workers and class structure in W. Europe
(6) Source: Bundesanstalt für Arbeit
(7) O.E.C.D. estimate source: International Migrations Vol. XIV 1976

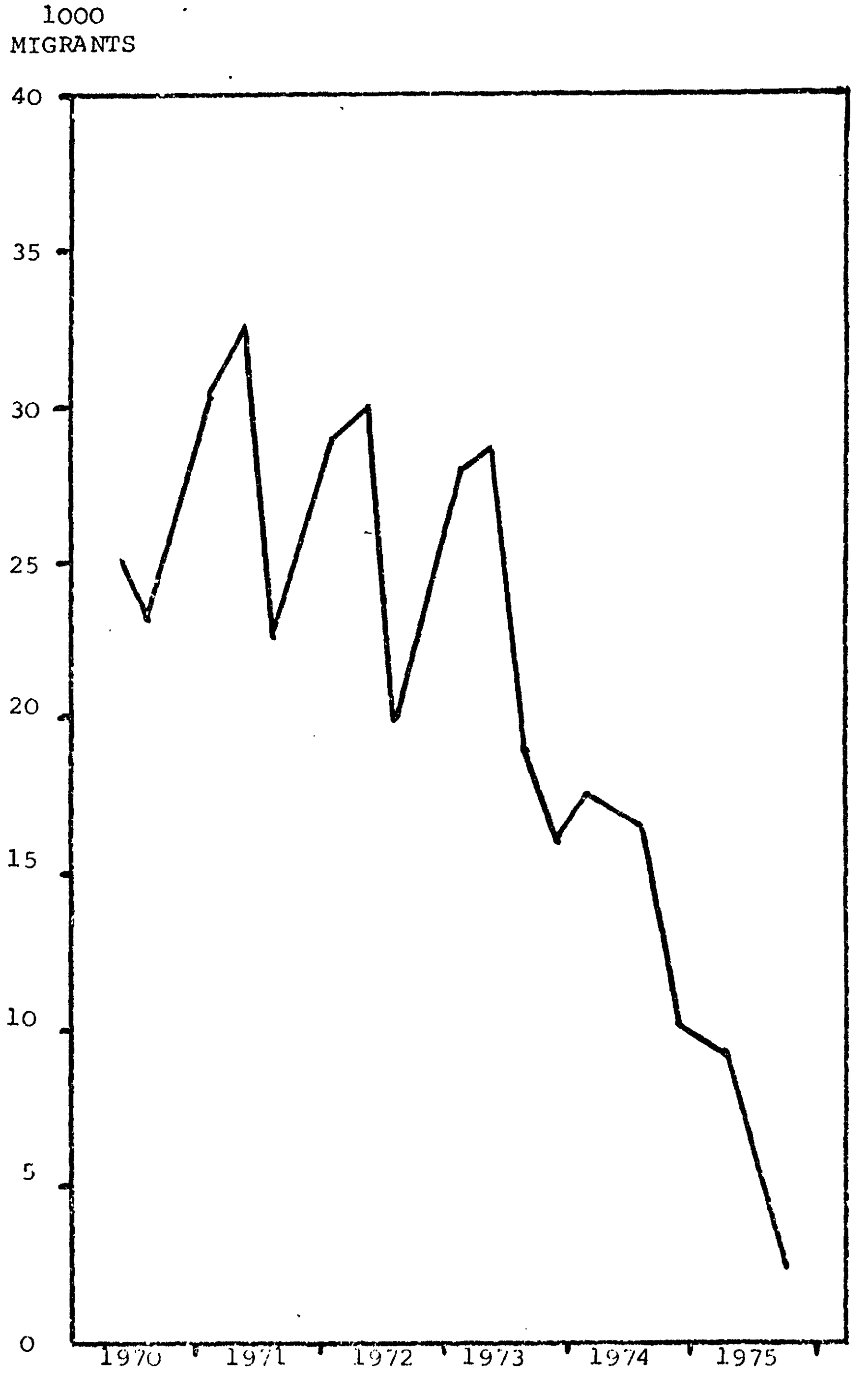
Table 7

Spain: Officially Assisted Emigration (thousands)

Year	Departures to Europe	of which to France	Germany	Switzerland
1967	25.9	6.5	3.4	14.4
1968	65.7	25.1	23.6	15.6
1969	100.8	32.0	40.7	20.7
1970	97.6	22.7	40.7	26.8
1971	113.7	24.3	30.3	51.8
1972	103.9	21.8	23.3	55.8
1973	96.0	11.5	27.9	53.3
1974	50.7	5.6	.2	42.0
1975	20.6	1.8	.1	18.0

Source: 1967-1973 - O.E.C.D. Economic Survey 1975
1974-1975 - O.E.C.D. Economic Survey 1976

SPAIN: EMIGRATION



SOURCE: OECD ECONOMIC SURVEYS

Table 8

Spain: Emigration[1] by Province of Origin and Country of Destination 1974

Province	Total	Germany	Belgium	France	Holland	U.K.	Switzerland	Others
Permanent	50.695	245	4	5.601	2.338	319	42.029	159
Temporary	99.120	-	-	99.120	-	-	-	-
Alava	13	-	-	4	-	-	9	-
Albacete	1.800	7	-	1.109	127	-	557	-
Alicante	811	-	-	76	3	2	729	1
Almeria	791	1	-	215	86	-	489	-
Avila	322	3	-	21	-	2	295	1
Badajoz	1.645	24	-	59	24	-	1.538	-
Baleares	25	-	-	8	-	1	16	-
Barcelona	323	-	-	136	1	3	176	7
Burgos	258	-	-	20	-	-	238	-
Caceres	1.881	7	-	76	146	-	1.652	-
Cadiz	824	6	-	59	258	3	497	1
Castellon	106	4	-	80	-	-	22	-
Cludad Real	253	-	-	6	1	-	245	1
Cordoba	2.374	33	-	1.078	81	1	1.174	7
Coruna (La)	8.714	2	-	135	252	36	8.289	-
Cuenca	108	-	-	22	-	-	86	-
Gerona	64	-	-	38	1	-	25	-
Granada	2.578	9	-	63	32	1	2.459	14
Guadalajara	9	-	-	2	-	1	6	-
Guipuzcoa	192	-	-	131	1	-	60	-
Huelva	153	2	-	13	-	1	137	-
Huesca	30	-	-	24	-	-	6	-
Jaen	1.963	2	-	16	64	-	1.881	-
Leon	2.230	-	-	75	177	9	1.967	2
Lerida	13	-	-	3	-	-	10	-
Logrono	57	-	-	4	-	-	50	3
Lugo	1.532	-	-	145	25	7	1.355	-
Madrid	1.319	6	-	35	18	59	1.201	-
Malaga	2.062	8	-	172	40	-	1.862	-
Murcia	1.220	5	-	132	85	1	996	1
Navarra	282	-	-	99	-	1	182	-
Orense	4.220	48	4	58	148	2	3.957	3
Oviedo	657	-	-	42	12	1	601	1
Palencia	53	3	-	5	2	1	42	-
Palmas (Las)	52	-	-	3	-	38	11	-
Pontevedra	4.109	6	-	182	277	5	3.636	3
Salamanca	1.749	1	-	54	2	-	1.692	-
Sta. Cruz de Tenerife	535	1	-	4	275	110	35	110
Santander	192	-	-	39	-	-	153	-
Segovia	92	-	-	4	-	2	86	-
Sevilla	1.919	55	-	789	99	2	974	-
Soria	48	-	-	-	-	2	46	-
Tarragona	147	-	-	18	-	-	127	2
Teruel	101	-	-	24	-	-	77	-
Toledo	198	-	-	53	-	-	145	-
Valencia	1.385	3	-	126	7	13	1.236	-
Valladolid	268	-	-	10	83	1	174	-
Vizcaya	198	-	-	67	1	8	122	-
Zamora	675	9	-	51	10	3	600	2
Zaragoza	117	-	-	12	-	3	102	-
Ceuta	3	-	-	1	-	-	2	-
Melilla	5	-	-	3	-	-	2	-

Source: Ministerio de Trabajo

(1) Assisted Emigration through the Spanish Emigration Insitute to European Destinations only

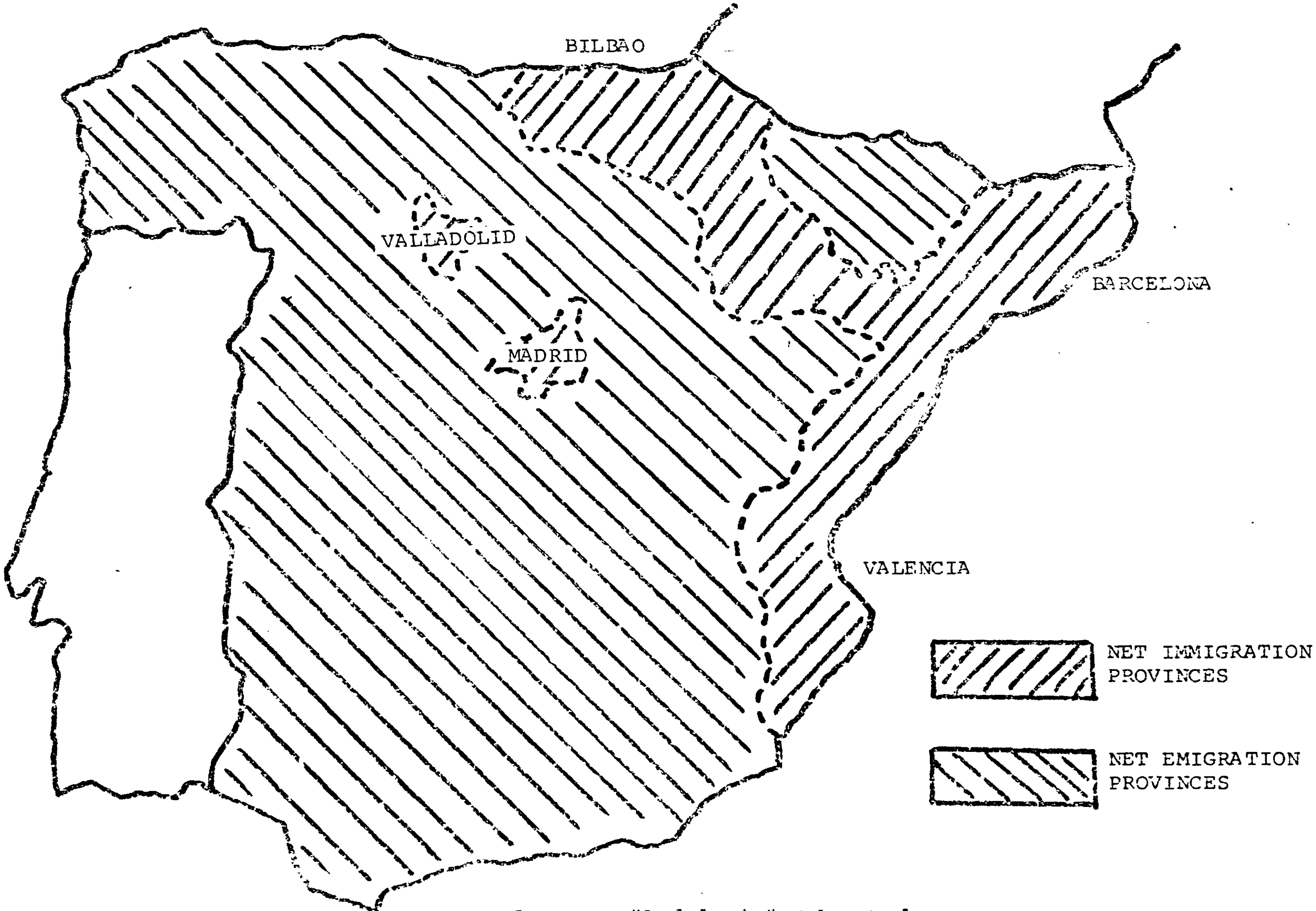
Table 9

Spain : Net Migration Totals per Province for Period 1961-1970

Out Migration				In Migration	
Province	Number	Province	Number	Province	Number
Badajoz	121,573	Leon	31,511	Barcelona	644,843
Jaen	112,484	Lugo	29,171	Madrid	280,231
Cordoba	109,915	Huelva	28,739	Valencia	135,556
Granada	101,432	Palencia	28,570	Vizcaya	119,661
Caceres	80,998	Murcia	25,325	Alicante	53,738
Albacete	80,927	Soria	24,694	Guipozcoa	41,887
Sevilla	62,736	Segovia	21,957	Gerona	25,459
Cuenca	58,404	Avila	20,230	Alava	25,379
Toledo	49,496	Orense	15,558	Tarragona	23,677
Malaga	41,010	Huesca	14,522	Zaragoza	19,358
Teruel	39,235	La Coruna	10,175	Castellon	15,681
Cadiz	38,802	Lerida	9,543	Navarra	15,653
Salamanca	37,831	Pontevedra	6,174	Valladolid	1,358
Almeria	37,577	Logrono	5,166		
Zamora	33,992	Oviedo	5,065		
Burgos	32,409	Santander	4,409		

Source: 'Problem Regions of Europe' (Andalusia by Jonn Naylor 1975)

SPAIN: NET MIGRATION FLOWS (1961-1970) BASED ON PROVINCIAL BORDERS



Source: Problem Regions of Europe "Andalusia" John Maylon

3. Income

There are severe regional disparities in income levels in Spain. Income is lowest in the predominantly agricultural regions of the south and west and highest in the three major industrial regions of Spain (Barcelona, Madrid and Bilbao). Income levels in the region of Extremadura on the Portuguese border are approximately 40% those of Barcelona and the other industrial regions. The situation appears to be improving slowly largely as a result of internal migration. The departure of large numbers of people from the poor provinces has meant a higher share in provincial income for those left behind. While per capita incomes have shown a tendency to equalize since approximately 1955, the incomes of the poorest provinces as a whole continue to grow at a slower rate than the nation as a whole. Improvements in living standards in the poorer provinces appear to be a by-product of the wealth of the industrialized provinces. Those provinces in the neighbourhood of the industrial regions have been influenced by them (Map). The more distant provinces in the south and west are too remote from the industrial centres to be affected in terms of industrial investment and development without a determined regional policy being pursued by the central government. The main benefits for these regions have been those caused by the migration of some of their excess labour to the industrial areas.

In common with many other Mediterranean countries, earnings in agriculture are substantially lower than in other sectors. In 1975, an agricultural labourer could expect an average daily wage of 394.68 pesetas. The average non-agricultural wage rate for the same year was 107.28 per hour, or, on the assumption that an eight hour day is worked, 858.24 pesetas per day. Wage levels in agriculture were equal to approximately 46% of non-agricultural levels. Apart from the large differences in income levels there were further differences in the various facilities which contribute to living standards. Most of the rural population lives in farming settlements called 'pueblos'. Because of the high level of unemployment and the emigration of many of the most active elements of the population enough local income is not generated to provide many of the municipal services taken for granted elsewhere. Housing tends to be of a poor standard in these settlements, educational and vocational training facilities less comprehensive than in the wealthier regions.

Tables 10, 11 and 12 give an indication of wage levels and trends in the various sectors in recent years, in Spanish pesetas. In early May 1977, one United States dollar was worth almost sixty nine pesetas. During the 1970's wages have generally risen at a faster rate than the cost of living index. The recent end of the Franco regime and the apparent emergence of democracy has allowed Spanish workers to increase pressure on employers for wage increases through various forms of industrial action. Probably because of the strength of the industrial workers, they have been able to maintain a very high level in the annual rate of increase of their wages (Table 12). Increases in the agricultural sector have recently tended to be smaller than heretofore.

Bringing wage levels and the standard of living of people in the agricultural sector up to similar levels to those in the other sectors would require a comprehensive programme of action directed from central government level, which would probably have to include such things as land reform, industrial decentralisation and large scale regional development programmes.

In 1974, G.D.P. per head in Spain was $2,097 which was not far below that of Ireland ($2,203 for the same year).

Table 10

Spain: Average Wages in Various Sectors (1966 to 1975) in Sp. Pesetas

	Hourly Wage Rates				Daily Wage Rates
	Non-Agricultural Sectors	Industrial Sector (1)	Mining and Quarrying (1)	Construction (1)	Permanent Agricultural Labourer (2) (Male)
1966	24.92	25.13	36.21	18.99	111.58
1967	28.82	28.81	41.62	22.45	126.43
1968	31.44	31.16	46.02	24.86	137.15
1969	35.12	34.69	52.43	27.35	153.20
1970	40.09	39.47	58.98	31.59	174.37
1971	45.73	44.81	65.47	36.51	187.64
1972	53.55	52.20	76.42	43.06	214.36
1973	64.10	62.48	89.54	51.83	250.80
1974	81.30	78.82	117.17	69.91	335.80
1975	107.28	104.73	157.47	89.39	394.68

Source: I.L.O. Yearbook of Labour Statistics 1976

(1) Inclusive of Salaried Employees

(2) Complete Wage (Workers remunerated wholly in cash)

Table 11

Spain: Wages in manufacturing by industry - Average hourly earnings[1] (pesetas)

Date	Food, beverages, tobacco	Textiles	Clothing, leather, leather products, footwear	Wood furniture	Paper, paper products
1966	21.55	22.52	18.00	18.33	26.13
1967	25.59	27.05	19.62	21.02	30.31
1968	28.39	28.57	21.04	23.21	32.38
1969	31.34	30.73	23.95	24.84	35.36
1970	35.26	33.77	26.70	27.00	39.75
1971	39.66	37.92	29.55	30.27	48.45
1972	44.88	43.68	33.86	34.50	57.35
1973	51.71	51.01	39.75	40.74	68.69
1974	61.86	62.99	49.67	49.58	87.27
1975	79.46	79.33	61.74	64.52	115.64

Source: International Labour Organisation: Yearbook of Labour Statistics

(1) Incl. salaried employees

(Table 11 continued)

Spain: Wages in manufacturing by industry - Average hourly earnings[1] (pesetas)

Date	Printing, publishing	Chemicals	Refineries and products of petroleum and coal	Rubber products	Metal industries, machinery, etc. [2]
1966	28.00	27.74	21.88	36.12	28.35
1967	32.47	31.29	25.94	38.74	31.86
1968	34.87	34.61	27.95	43.02	34.39
1969	39.61	38.13	31.04	46.71	38.86
1970	43.10	43.05	35.38	57.19	45.04
1971	49.51	49.14	41.38	65.56	51.20
1972	57.59	56.11	47.36	71.41	60.82
1973	68.37	69.03	58.58	86.70	73.56
1974	83.22	87.63	87.40	114.69	93.45
1975	107.57	116.95	97.76	138.81	127.37

Source: International Labour Organisation: Yearbook of Labour Statistics

(1) Incl. salaried employees

(2) Excl. scientific, measuring, optical, etc., equipment

Table 12

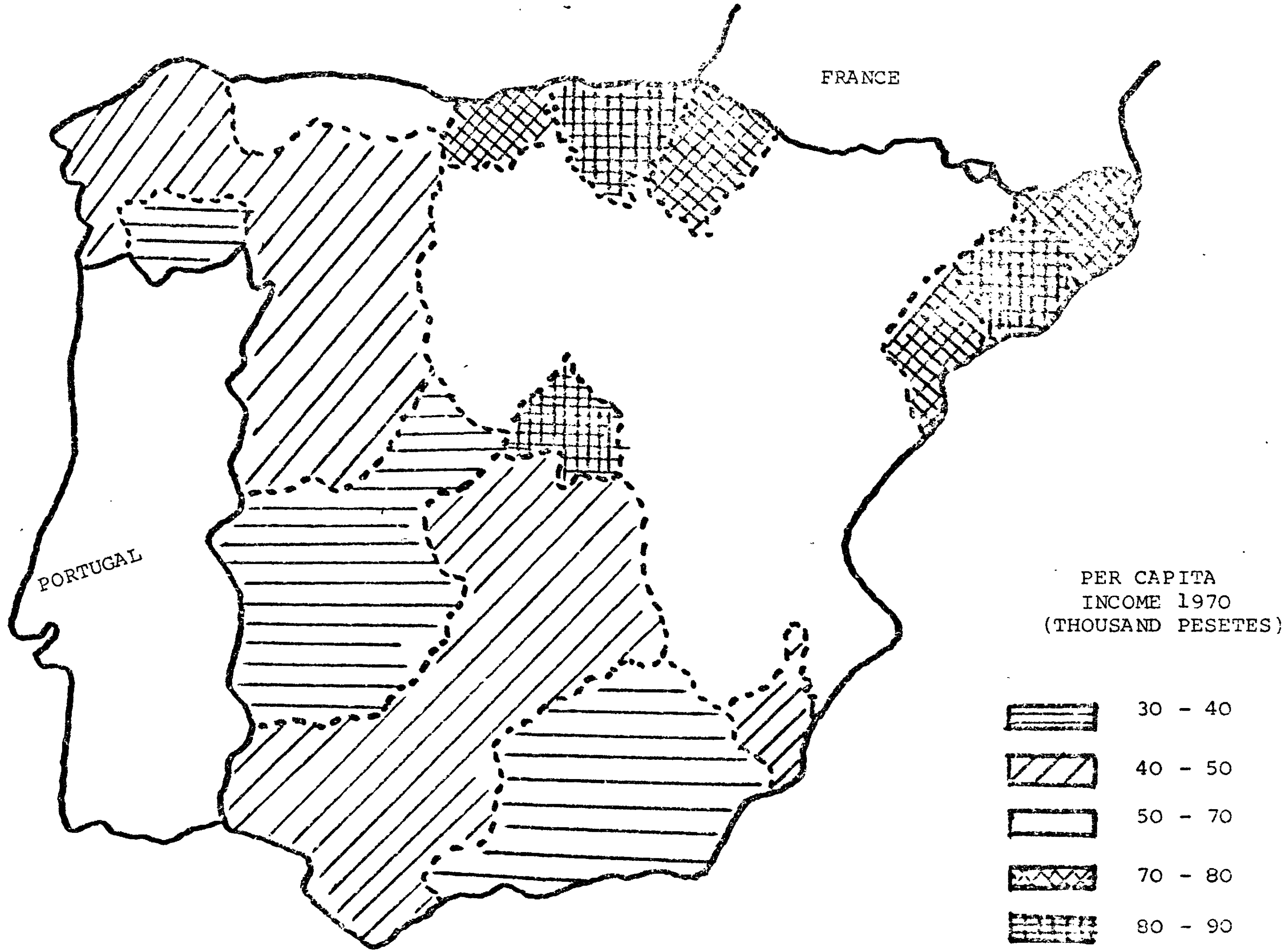
Wages : Percentage Change from Corresponding Period of Previous Year

				1974		1975 (5)			
	1973	1974	1975	III (6)	IV	I	II	III	IV
Total Wages	19.4	27.8	23.6	30.7	27.5	29.0	23.2	25.9	21.0
Nominal Hourly earnings	19.7	26.7	30.2	28.7	28.0	34.3	26.7	33.4	28.0
Real Hourly earnings (1)	7.4	9.5	11.4	11.7	9.7	13.1	8.1	13.6	11.6
Nominal Hourly earnings in									
- Industry (2)	19.4	26.0		27.6	28.6	33.8	27.7	34.1	
- Construction	20.4	35.3		41.9	29.1	34.7	19.0	30.9	
- Services (3)	18.8	23.7		24.0	25.6	38.7	27.3	30.1	
Wages in Agriculture (4)	19.1	32.2	16.7	36.4	31.3	23.7	17.0	13.3	13.9

(1) Deflated by the cost of living index
(2) Not including construction
(3) Commerce, Banking and Insurance
(4) Average daily wage: Unweighted average of wages earned by the various categories of farm workers
(5) Provisional figure
(6) Roman numerals refer to quarter (e.g. III refers to July, August, September)

Source: O.E.C.D. Economic Survey 1976

SPAIN: PERCAPITA INCOMES BY REGION 1970



SOURCE: "ANDALUSIA" BY JOHN MAYLOR 1975 (PARTOP SERIES: "PROBLEM REGIONS OF EUROPE")

4. Regional Problems

The benefits of Spain's recent economic progress have not been evenly distributed throughout the country. Recent industrial development has been largely confined to the traditional industrial regions centred on Madrid, Barcelona and Bilbao. The expansion of the tourist industry has also resulted in the development of a narrow strip of land stretching along most of Spain's Mediterranean coast. Much of the rest of the country, particularly the south and west, is much poorer than these areas.

As in most Mediterranean countries, the poorest regions are those whose economy is based mostly on agriculture. Spanish land holding patterns vary enormously throughout the country. Over 50% of holdings are less than five hectares and fragmentation is a problem, particularly in Galicia. In the south, particularly the region of Andalusia, the 'latifundios' are the main types of farm. These are very large estates often owned by institutions; absentee landlords are also quite common. A large proportion of the farming population are casual labourers in these areas. In Andalusia, roughly three-quarters of the farming population are labourers, of which three-quarters are casual. The majority of these only have employment for about half the year. The 'latifundios' are not usually intensively farmed. Small-holdings are generally too small to be economic and hereditary practices continue to subdivide many of them still further. Much of the rural population has migrated to urban areas in the last twenty years. The result of many of these small farmers moving away has been, generally, a further increase in the size of the 'latifundios'. Because of the near feudal conditions existing in much of rural Spain, with large-scale underemployment, many uneconomic holdings, low income levels and the emigration of much of the most vigorous elements of the population, it has been impossible for a prosperous family-farming class to emerge. Land reform would seem to be an obvious method of improving the situation. Because of the base of support of the Franco regime, this has not been attempted in the past.

Spain has a surprisingly long record of (isolated) development programmes. These plans have generally been one of two kinds. Firstly, plans for power generation, irrigation, electrification, land settlement and industrialization designed for individual provinces or the 'Great Irrigable Zones'. In these plans the industrialization element has been seen as a series of industries based on irrigated crops and hydro-electricity, and they have rarely materialized. The second type of plan concentrates on public works and the construction of necessary service facilities for individual provinces and districts. Most of the action as a result of these plans has been the construction of power stations, irrigation networks and general infrastructural facilities. The accompanying social problems such as illiteracy, vocational training, housing, unemployment and income levels have generally been neglected. Action taken has also been generally limited to irrigable zones with the vast dry-farming areas being neglected except in occasional re-afforestation schemes.

Above all, Spanish regional plans have not been integrated into a national long-term programme.

SPAIN: REGIONS

V. Comparison of State of Development

An attempt is made here to give some comparison of the situations pertaining to Portugal, Spain, Greece and Turkey, and these are contrasted against figures for the Community maxima and minima along with (when available) a figure for Europe of the 9.

Some tables comparing basic facts have been taken up in the introduction to this study on pages 4-7 (population, surface area, foreign trade, steel production).

1. Employment

The break up of employment figures in the four prospective members of the EEC, shows a continuing dependence on agriculture, particularly in Turkey, whose membership would obviously present grave problems for the functioning of the CAP.

With regard to the industrial sector, despite the fact that these are very broad figures (and that there would be discrepancies within the sector were the data broken down further), it would appear that Spain and Portugal are at least on the same level as the less developed member states at the moment, while Turkey again lags far behind as does (though to a lesser degree) Greece.

Looking more specifically at agriculture in a comparative manner, the extent of its significance in the economies of the prospective members (figures for Turkey unavailable) is shown up strongly.

Table 1

Total Employment and percentages in three main sectors - 1974

Item	Portugal	Spain	Greece	Turkey	Ireland	West Germany
Employment:						
Total civilian ('000)	3,081	12,860	3,170	14,868	1,047	25,689
of which (percentages):						
Agriculture, forestry and fishing	28.2%	23.1%	(36.2%)	64.1%	24.3%	7.3%
Industry	33.6%	37.2%	(27.8%)	14.8%	31.1%	47.6%
Other	38.2%	39.7%	(36.0%)	21.1%	44.6%	45.1%

Source: O.E.C.D. Survey of Ireland 1976.
Figures in brackets are O.E.C.D. estimates.

Table 2

Basic Figures for Agriculture (%)

Item	Portugal	Spain	Greece	Turkey	Italy
Share of Agriculture in G.N.P. (1969-1970)	18	14	19	n.a.	10.3
Share of Agriculture in total active employment (1970-1971)	31	29	40	n.a.	20
Growth of agricultural Output (1960-1969) (average annual rate)	1.8	3.1	3.5	n.a.	1.8 (1)

(1) Rate of growth for period 1965-1971.

Source: O.E.C.D. Economic Survey of Greece (1972).

2. Migration

Comparative figures showing the country of origin of migrant workers in five of the original six member states (since Italy itself has experienced a net outflow of labour and since the three new member states do not receive many migrant workers from the countries in question), we see that a sizeable percentage of the migrant labourforce in Benelux, France and West Germany, is made up of workers from Greece, Turkey, Portugal and Spain - a fact which could present problems for the host countries in the event of full E.E.C. membership of these four countries, and the implementation of free movement of labour provisions.

Table 3

Percentage Distribution of Migrant Workers by Country of Origin

(Based on 1969 figures)

Country of Origin	Host Country		
	West Germany	France	Benelux
Portugal	1.9	17.8	5.7
Spain	9.9	20.7	13.6
Greece	12.7	1.0	2.7
Turkey	15.5	0.5	8.4
Yugoslavia	16.5	3.0	1.5
Italy	24.8	17.9	31.2
Others	18.7	39.1	36.9
Sum of Greece, Turkey, Portugal and Spain	40.0	40.0	30.4

Source: Estimates of the World Bank "finance and development" (Vol. X, 1973)

3. Income

The comparative table on levels of G.D.P. at market prices shows that the prospective members would obviously be among the lower echelons of the Community, but at the same time, the annual rates of growth show favourable signs (especially Spain) - obviously a consequence of the lower level of industrialization - but even so the rates of increase show up favourably against the least industrialized Community member's growth.

Table 4 (a)

G.D.P. at Market-prices (1974)

\- at current prices and current exchange rates -

('000 million u.a.)

Country	G.D.P.
Portugal	n.a.
Spain	58.7
Greece	15.3
Turkey	23.5
West Germany	304.9
Ireland	5.3
Europe (9)	918.1

Source: Eurostat (1975-1976)

Table 4 (b)

Annual Rates of Growth of G.D.P. Market-prices

(Average 1964-1974)

\- at constant prices -

Country	Total
Portugal (a)	6.7
Spain	10.4
Greece	6.5
Turkey	6.4
France	5.3
United Kingdom	2.5
Ireland	3.9
Europe (9)	4.1

Source: Eurostat (1975-1976)

Table 4 (c)

Use of G.D.P. at Market-prices (1974) (%)

Country	Private consumption	Collective consumption of general government	Gross fixed capital formation	Change in stocks	Balance of exports and imports of goods and services	G.D.P. at Market-prices
Portugal (1973)	72.3 (private national consumption)	13.5	20.1	-0.1	-5.8	100.
Spain (1973)	71.4	11.3	21.7	1.9	-6.3	100.
Greece	70.9 (private national consumption)	13.6	21.7	3.7	-9.9	100.
Turkey (1972)	72.2 (private national consumption)	14.0	17.6	0.3	-4.1	100.
West Germany	58.2	13.9	22.8	0.1	5.0	100.
Ireland	71.0	18.2	24.7	3.3	-17.2	100.
Europe (9)	61.4	15.5	22.8	1.3	-1.1	100.

Source: Eurostat (1975-1976)

4. Industry

Industrial production is obviously increasing as the economies of the four countries develop, with Spain showing especially rapid increases over the years 1970-1974.

When the production of cotton and woollen yarns and fabrics is considered, the output in the four countries (particularly of cotton) would mean considerable additions to the total Community output (cotton output would be increased by approximately 50%). This would probably mean more problems for the Community in this primary sector which is already faced with structural problems on the Community level due to its lack of competitiveness.

With regard to industrial production in general, Spain shows up as being the country with the most potential which has made most progress and which would cause least economic problems to the E.E.C.: The size of Spain's production of motorvehicles is a sign of its developing economy, and it also has a considerable productive capacity of primary energy.

Crude oil would appear to be of significance for Turkey, but here again, the imports and refining capacity of Spain are far in excess of the other three countries.

Table 5

General indices of Industrial production

- excluding construction -

(1970 = 100)

Country	Year		
	1972	1973	1974
Portugal	113	112	112
Spain	119	137	150
Greece	127	147	144
Turkey	n.a.	n.a.	n.a.
West Germany	106	113	115
Ireland	108	119	122
Europe (9)	107	115	115

Source: Eurostat (1975-1976)

Table 6

Production of cotton and woollen Yarns and Fabrics (1973)

(000 tons)

(Nb: The figures in this table must be treated with great reserve as regards comparability between countries. National statistics are far from consistent in their inclusion of mixed yarns and fabrics.)

Country	Cotton		Wool	
	Yarns	Fabrics	Yarns	Fabrics
Portugal	120.1	94.9	33.7	12.2
Spain	143.2	130.4	47.5	39.0
Greece	68.4	32.3	12.1	0
Turkey	260.0	143.0	3.1	0
West Germany	390.9	256.1	136.4	47.7
Denmark	2.7	1.7	2.4	1.5
Europe (9)	1 212	842	1 062	391
Total of Portugal, Spain Greece and Turkey	591.7	400.6	96.4	51.2

Source: Eurostat (1975-1976)

Table 7 (a)

Production of Woodpulp, Paper and Board (1974)

('000)

Country	Woodpulp 1	Newsprint 2	Kraftpaper and board 3	Other paper and board 4	Total (2+3+4)
Portugal	540	1	111	243	355
Spain	937	115	234	1 682	2 031
Greece	0	0	0	n.a.	n.a.
Turkey	122	n.a.	n.a.	n.a.	n.a.
West Germany	1 971	506	240	6 173	6 919
Ireland	16	0	9	120	129
Europe (9)	5 937	1 700	1 445	20 611	23 756

Source: Eurostat (1975-1976)

Table 7 (b)

Production of Motor Vehicles (1974)

('000)

Country	Passenger cars	Commercial motor vehicles
Portugal	0	0
Spain	704.6	132.8
Greece	0	0
Turkey	-	0
West Germany	2 840.1	265.4
Ireland	0	0
Europe (9)	9 271.2	1 271.1

Source: Eurostat (1975-1976)

Table 8 (a)

Production of primary energy (1974)

(000 tce)

Country	Coal	Lignite	Crude Petroleum	Natural Gas	Primary Electricity	Total Primary Energy
Portugal	230	0	0	0	2 740	2 970
Spain	10 240	1 450	2 700	0	13 270	25 230
Greece	0	4 650	0	0	821	5 471
Turkey	5 120	1 870	5 000	0	1 026	13 016
West Germany	96 011	34 649	8 853	22 631	9 375	172 749
Ireland	68	1 472	0	0	297	1 837
Europe (9)	223 849	37 803	15 058	185 899	60 994	526 604

Source: Eurostat (1975-1976)

Table 8 (b)

Crude Oil Production (1974)

('000 t)

Country	Production	Imports	Crude Oil Refinery intake	Refining Capacity
Portugal	0	5 758	5 780	6 800
Spain	1 900	43 866	44 987	58 017
Greece	0	-	-	20 468
Turkey	3 500	9 962	12 970	15 712
West Germany	6 191	103 319	108 985	148 810
Ireland	0	2 625	2 652	2 789
Europe (9)	10 530	571 328 (excl.intra-EEC trade)	574 943	805 625

Source: Eurostat (1975-1976)

5. Transport / Communications

The extent of infrastructural underdevelopment in the four prospective Community members would be an obvious burden for the E.E.C. in terms of pressures for the appropriate investment to help alleviate the problem.

Improvements in the means of communication would be essential if the four countries were eventually to reap full long-term benefits from E.E.C. membership.

Table 9 (a)

Railways: Length of Line operated

Country	Total Length of Line operated (km)	Length per 1000 km^3
Portugal	3 563	49.48
Spain	13 432	31.84
Greece	2 542	12.08
Turkey	8 141	7.38
West Germany	28 926	159.57
Ireland	2 189	12.57
Europe (9)	108 896	115.325

Source: Eurostat (1975-1976)

Table 9 (b)

Length of Road Network by administrative categories (1974)

('000 km)

Country	Motorways	State roads	Provincial roads	Communal roads	Total
Portugal	0.1	18.1	12.6	12.6	43.4
Spain (1972)	1.1	78.2	63.3	0	142.6
Greece	9.1	8.4 (1973)	27.9 (1973)	0	36.4 (1973)
Turkey (1973)	0	34.8	24.5	0	59.3
West Germany	5.7	32.6	129.8	296.0 (1973)	464.1
Ireland (1973)	0	2.6	69.7	13.4	85.7
Europe (9)	18.0	142.2	664.5	1 999.4	2 824.1

Source: Eurostat (1975-1976)

Table 9 (c)

Comparison of numbers of aircraft and size of merchant fleets

Country	Number of aircraft (1973)	Total merchant fleet ('000 tons gross) (excluding ships under 100 tons gross)
Portugal	22	1 243
Spain	79	4 949
Greece	45	21 759
Turkey	18	972
West Germany	81	7 980
United Kingdom	211	31 566
Ireland	15	209
Europe (6)	368	69 088 (Europe 9)

Source: Eurostat (1975-1976)

6. Living Standards

It is very difficult to come to concrete conclusions when attempting to compare living standards, since the criteria used for such a comparison are always questionable. However, the four prospective members (especially Turkey), are obviously below the Community average on the basis of the data provided.

Table 10

Indicators of Living standards

Country	Doctors/ 1000 Inhabitants (1972)	Infant Mortality Rate (1974)	Telephones/ 1000 Inhabitants	Private Consumption per capita US $ (1974)
Portugal	1.0	44.8	109	1 089
Spain	1.4	13.6	181	1 444
Greece	1.7	23.9	187	1 517
Turkey	0.5	153 (1967)	21	568
West Germany	1.8	21.1	287	3 312
Ireland	1.2	17.8	120	1 542

Source: O.E.C.D. Survey of Ireland, 1976

VI. Conclusions for Future European Regional Policy and the European Regional Development Fund

1. The regional policy situation

It is fair to say that by continental standards the four applicant countries all belong to the less-developed countries. Given the heavy emigration of 'guest' workers they must even be counted, from the point of view of regional policy, among the Continent's 'drainage' areas. However, this is only true in a relative sense the four applicant countries themselves have enjoyed an almost unbroken period of economic growth since the '50s. Furthermore, the heavy emigration is regarded as a merely temporary phenomenon. The vast majority of 'guest' workers do not emigrate permanently to Northwest Europe; indeed it is planned and hoped that growth in the Mediterranean countries will one day reach the point where not only will there be no more emigration, but the majority of guest workers will even return to their own countries. Even without the present world-wide economic crisis Italy has already reached the stage of development where there is no more emigration and workers are slowly beginning to return home.

Emigration from the other countries has been halted solely because of the crisis in the host countries. When the economic situation picks up again, emigration from the applicant countries will no doubt be resumed. At continental level, the goal of European regional development policy will have to consist in so encouraging growth in the Mediterranean countries that jobs will be created where people live and there will be no need for them to be transplanted to their places of work.

Obviously such a goal is easier to achieve inside a Community since free movement is an important requirement for the redirection of capital flows.

The regional policy situation in the individual countries is as follows: Spain is the most developed country, where at least three industrialized regions, namely the Basque country, Madrid and Barcelona, transmit strong development impulses to the other regions; they are even on the way to overdevelopment so that a diversion of growth from these regions and assistance from them to the country's less-developed areas is not only conceivable, but is even already being planned and partly implemented.

In Greece, the region of Athens, and in Turkey the region of Istanbul show all the characteristics of development. Obviously, however, these regions, in relation to the whole of Greece or Turkey, are too small to make regional policy as an offshoot of territorial development a viable proposition. In Portugal, as in Ireland, the starting-point must be that the entire country is underdeveloped.

The regional policy followed by the four Mediterranean countries is not therefore - as is possible in the advanced industrial nations - a restructuring policy but consists mostly of isolated and specific measures in particularly disadvantaged areas or locations where for geographical reasons rapid results are possible for little outlay (hydro-electric power, irrigation, exploitation of mineral resources). In most cases the funds available are not sufficient for comprehensive development plans for the regions concerned, let alone for an overall plan for the regional development of the countries involved.

European development policy could, first and foremost, help these countries to introduce comprehensive regional plans and through European financing make their implementation promising enough to attract both private national and foreign investors from the Community and third countries. Above all, however - and this should never be forgotten - the inhabitants of the different backward regions themselves must be made to believe again in their homeland's future; this is the most important condition for a turnabout in the no-growth areas.

2. Implications for future European regional policy

European regional policy within the Community is a reflection of inner solidarity without which joint Community action outside the EEC is not possible. Quite apart from the political and social side of things it is also necessary for the functioning of a monetary and economic union and in the long term the only way towards a rational economic use of the available European economic area. Just as a totally free economic system would lead to the formation of over-powerful concentrations of economic strength and hence create the need for a cartel policy, i.e. an economic system which prevents overlarge concentrations, so there is a need also for a regional policy in the form of a structural policy to prevent an excessive geographical concentration of the economy which would develop if the forces of competition were allowed to operate unchecked. Whether we like it or not, the responsibility of the highly industrialized countries enjoying high income levels extends to non-Member States in Western Europe.

The great influx of 'guest' workers demonstrates just how far the pulling power of the West European industrial concentration reaches and consequently how extensive their responsibility is.

Responsibility for the Mediterranean countries in the matter of regional policy is currently often considered in public discussion as a

Community burden. This would seem to be a good place to look at the other side of the coin: if the Mediterranean countries can also be involved in the common responsibility for regional policy it will be seen that a great many problems of European regional economic structure can be solved more easily than is now the case. For instance, the principle of bringing the work to the workers and not the other way round will be easier to implement within the framework of a Community and through joint efforts than if the Community has to deal with the most important 'emigration countries' in the same way as third countries.

On the whole it may be said that the accession of the Mediterranean countries will make it even clearer than before that European regional policy must be seen as a structural policy on a Continental scale and not as a policy of hand-outs for a few backward and isolated areas.

3. Implications for the European Regional Development Fund

In the current discussions on the size and form of the European Fund for Regional Development, one commonly expressed view is that the Fund should be increased. It is too early yet to say how much the increase should be, but it is quite possible to work out the relative needs of the various countries. It is not certain whether a strict quota system will be maintained, but the present quota system can serve as a basis for assessment. There is doubtless a danger that, because of enlargement, the increase in the Fund may not be as generous as it would be if there were no enlargement, or no imminent prospect of it. All political means must be used to combat this danger.

The following remarks apply equally to regional policy problems and to the enlargement issue:

West Europe's industrial nations cannot afford to abandon the Mediterranean countries in their determined efforts to achieve democratic development. If those countries' admirable successes in democratizing political life should be endangered for economic reasons, they will have to be helped in any case. This is to say that the Regional Fund is not to be seen as an additional burden in the case of accession but rather as a better, because European, management of funds which the present Member States have to provide in any case if they wish to meet their responsibilities.

The following assessment starts from the premise that the Regional Fund should help the new Member States with their problems in the same proportions as in the case of Ireland and Italy.

On this basis the figures arrived at are as follows:

For period 1975 - 1977, within the overall amount put at the disposal of the Regional Fund, 84 million units of account are designated for Ireland and 520 million units of account for underdeveloped regions of Italy. On this basis the Commission estimates that for 1976 100 million units of account would go to Greece if a member of the Community - this figure would be additional to the amount that would otherwise be required on behalf of the handicapped regions of the present Member States.

This figure is arrived at through consideration of regional inequalities and population size. For the other three countries the following figures would be required using the same method as for Greece

Table 1

Additions to European Regional Development Fund

for candidate countries based on

1976 figures

Country	million units of account	'Quota'
Eur 6	500	28.2
Greece	100	5.6
Portugal	143	8.1
Turkey	643	36.3
Spain	387	21.8
4 candidates	1273	71.8
Eur 13	1773	100.0

Source for figures for Greece: European report Feb. 7 1976 No.229

Population sizes used for this calculation are the following: Greece: total population minus Athens area, Portugal: total population, Turkey: total population, Spain: total population minus Madrid, Barcelona and Bilbao areas.

The above figures show that if Turkey joined the Community the size of the Regional Development Fund would have to be slightly more than doubled. The same would apply if Greece, Portugal and Spain became members. Thus, if all four Mediterranean countries acceded, the Regional

Fund would have to be expanded to slightly more than three times its present size.

Though no more than a rough estimate, this figure may be seen as a general pointer to the scale of additional regional policy effort which further enlargement would place on the Community. Tripling of efforts would not be an easy task but it is one that can be mastered.