RECENT MIGRATORY FLOWS IN TURKEY*

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Introduction

The period under review, mainly 1991 and the first half of 1992, was a period of economic instability. The growth rate in 1991, which was 9.7 per cent in 1990, declined to 0.3 per cent, due to the unfavourable effects of the Gulf crisis and the election economics of 1991 on production, investments and prices. In 1991, the Turkish economy did not grow but contracted. The decline in the growth rate was mainly due to the decline in agricultural production which amounted to 9.1 per cent in the last quarter of the year, though the rates realized by industrial and manufacturing industry production were also lower with respect to the previous year. Negative effects of public finance deficits coupled with high rates of interest and the volume of money supply helped accelerate the rate of inflation.

As a result of the relative slowing down in economic activitiy and the rising foreign exchange rates, imports declined and exports increased and consequently the nominal foreign trade deficit declined. Despite the decline in the revenues of tourism and the workers' remittances, the contraction of the foreign trade deficit together with other credit items in the current accounts, the balance of current accounts had a small surplus of 272 million Dollars–compared to –2 6235 in 1990.

In 1991, the Turkish Lira depreciated in both nominal and real terms. The external debts did not show an important development and equalled 49 210 million Dollars as of end–1991.

GNP increased in real terms in the first and the second quarters of 1992 by 6.7 per cent and 6.1 per cent respectively. The rate of inflation slowed down slightly in the first half of 1992. In the same

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period, however, workers' remittances declined, and the deficit of foreign trade and the deficit of current accounts both increased.

As for the external migration within the period under consideration, mainly owing to the recent turmoil in the former USSR and in some of the East European countries as well as the Gulf crisis, Turkey, the traditional country of emigration of 1960s, turned out to be a country of temporary settlement and / or immigration. The exodus of thousands of ethnic Turks form Bulgaria and to a lesser extent from the former Yugoslavia, who are in search of a safe haven has been a great concern for the Turkish government.

Migration to Western Europe, on the other hand, has stagnated since the first Oil Shock of 1973 and flows to the Arabic countries have been badly affected by the Gulf crisis. Therefore, migratory movements in Turkey should be treated in that context, accepting Turkey as a country of emigration and a country of immigration, though the former has produced more profound and far-reaching effects on the socio-economical structure of Turkey.

Flows

Being Middle-East bound and project-tied have been the most salient features of recent Turkish migration. In fact, out of a total of 53 020 Turkish workers sent abroad by the National Employment and Placement Office (NEPO) in 1991, 11 252 were hired by Turkish firms contracting abroad and the rest, i.e. 41 769 by foreign firms. The main host countries were Saudi Arabia (76.3 %) and Commonwealth of Independent States (CIS) (8.8 %). Only 630 workers were sent to EC countries of which only 49 were bound for Germany

In spite of the unfavourable effects of the Gulf crisis on migration, total number of workers sent abroad was 11.1 per cent higher than the previous year–which was 47 707. CIS, presently the third main host country might become a promising outlet for Turkish workers in the near future, if the objectives of the Summit Declaration on Black Sea Economic Cooperation, signed by 11 contries –6 out of which CIS countries– on 25 June 1992, can be achieved.

The 1991 migratory flows have also been dominated by male workers, who are mainly employed in construction work. Therefore, only 301 female workers could join the 1991 flows. The low female participation rate prevailing in non-secular Arabic countries is another reason accounting for the poor representation of female migrant workers within the migratory flows.

It should also be noted that, recent Turkish migrant workers are mostly hired by contracting firms engaged in infrastructural investments abroad, which are not *per se*, self-perpetuating and should not be regarded creating new job slots. Therefore, especially the Arabic countries should not be regarded as a growing potential market for Turkish surplus labour.

Table 1. *Number of workers sent obroad by National Employment and Placement Office* (1991)

Host Country	Number
Saudi Arabia	40 782
Libya	4 728
CIS	4 716
Turkish Rep. of North. Cyprus	804
EC countries	630
Australia	308
EFTA Countries	222
Kuwait	189
USA	115
Aruba	92
Rep. of South Africa	30
Canada	23
Other Countries	381
TOTAL	53 020

Source: Ministry of Labour and Social Security. General Directorate of Workers Abroad, hereafter Ministry of Labour.

Migration pressure is still very strong in Turkish labour market. A single figure will suffice to prove this argument. In 1992, the number of workers registered with the NEPO to go abroad was as high as 325 139, whereas the ones that were actually sent had been only slightly higher then 16 per cent of the aspirant migrants in the waiting list.

In the first half of 1991, The National Employment and Placement Office sent 35 550 workers of whom only 177 were women, abroad. Eighty six per cent were hired to work in the Arab countries, mainly by Saudi Arabia (80.0 per cent) reflecting the recovery of the reconstruction activities. Migration to the Commonwealth of Independent States became the second host country with 5963 workers–10.1 per cent.

All the migrants have found the jobs on their own initiative and 68 per cent of them are qualified and highly qualified workers, including more than 300 engineers. The level of education, on the other hand, is rather low. Seventy four per cent of the whole group is only primary school graduates.

There is a remarkable increase in the number of the aspirant migrants in the waiting list of the Office. As of June 1992, the accumulating number of applicants is 924 787, of which, 24 230 are females. 703 543 or 76 per cent of the total are qualified workers, reflecting the severe unemployment prevailing in Turkey.

Stocks of Turkish Workers and Nationals Abroad

The total accumulated stock of Turkish migrant workers and dependent family members is important on various grounds and to the extent that the number of yearly flows diminishes, the significance of the amount of Turkish workers and nationals living abroad increases. The data on this stock is however, highly scanty and is not comprehensive as it does not cover the clandestine workers–except those, whose situation was legalized later on. The figures shown in Table 2 Column (2) and (4) have been compiled from the reports of Turkish Labour Attachés in 14 countries. As of end–1991, 2 857 696 Turkish nationals have valid residence permits. If those, outside the consular district of the 14 Attachés together with the illegal workers, asylum seekers and refugees are taken into consideration, the total exceeds 3 million.

Tablo 2. Stock of workers and other nationals abroad

Year	Total Population (1)	Turkish nationals abroad (2)	(2)/(1)	Turkish labour force (3)	Turkish workers abroad (4)	(4)/(3)
1980	44 736 957	1 058 041	2.36 %	17 842 451	888 290	4.98 %
1990	56 473 035	2 539 677	4.49 %	20 677 000	1 149 466	5.56 %
1991	57 326 000	2 857 696	4.98 %	20 707 000	1 250 964	6.04 %

Source: Columns (1) and (3) : State Institute of Statistics (SIS)
Columns (2) and (4) : Ministry of Labour.

Table 2 reflects the significance of migration from a demographic point of view on the one hand, and from the Turkish labour market aspect on the other. As of 1991, the number of Turkish national living abroad is equal to nearly 5 % of Turkey's resident or *de facto* population*. The drastic rise in the number of Turkish nationals living abroad, in spite of returning migrants and dependent family members as well as the small number of yearly flows during the decade between 1980 and 1990 can only be explained by the high rate of fertility and family reunion abroad. The ratio of migrant workers to Turkish labour force, which is over 6 % in 1991, can be ascribed to the second generation workers' stepping into the labour markets of the immigration countries.

Distribution by Host Country

Table 3. shows the breakdown of Turkish workers and other nationals by main host countries, as of end-1991.

Table 3. Distribution by Host Countries (1991)

	Total Nationals		Total Workers	
Host Country	Absolute figure	Share in total (%)	Absolute figure	Share in total (%)*
Germany	1 779 586	62.27	694 502	55.51
France	238 682	8.35	111 890	8.94
Holland	228 414	7.99	89 000	7.11
Saudi Arabia	130 000	4.55	130 000	10.40
Austria	117 000	4.01	58 055	4.64
Belgium	84 935	2.97	23 715	1.89
Switzerland	69 493	2.43	36 027	2.88
United Kingdom	50 000	1.75	30 000	2.39
Australia	45 000	1.57	29 000	2.31
Sweden	40 000	1.40	10 000	0.79
Denmark	29 680	1.04	12 418	0.99
Libya	10 336	0.36	10 221	0.82
Turkish Rep. of Northern Cyprus	7 307	0.25	2 151	0.17
Norway	4 552	0.16	1 500	0.12
Others	22 711	0.79	12 485	0.899
TOTAL	2 857 696		1 250 964	

Source : Ministry of Labour.
* Figures may not add to 100 because of rounding

Two interesting results can be drawn from the above Table. The first one is Germany's diminishing share of total Turkish nationals as well as total Turkish workers. In fact, as of end-1991 Germany's share of the total stock of Turkish nationals and workers are 62.27 percent and 55.51 per cent respectively. These percentages were

(*) Population censuses are held every five years in Turkey and the persons who reside in Turkey on the census day are counted. Therefore, the Turkish nationals living abroad, if have not happenned to be in Turkey on that day will not be counted and will not be included in column(1) of Table 2.

72 .4 and 66 .5 in 1980 and had even been higher in 1960s and 1970s. The second result is the stability of dependency ratio over the decade between 1980 and 1991. In 1980, the dependency ratio, i.e. total nationals divided by total workers, was 2 .27(*). As can be calculated from Table 3(2 857 696/ 1 250 964) the ratio hasn't changed: 2 .28. This ratio shows that, the efforts towards family reunion abroad haven't been successful, as an average migrant family, including the worker, consists of only 2 .28 members. Even if the distorting effect of the Arab contries, where male migrants dominate, is eliminated the situation doesn't improve much, as the ratio rises slightly–2 .45. For Germany, however, we have somewhat higher ratio and a modest improvement between 1980 and 1991–from 2 .47 to 2 .56.

Unemployment Abroad

The unemployment rate is rather high among Turkish workers in European countries and in Austrialia as can be observed from Table 4. In fact, it is higher than the average rate of unemployment for foreign workers as a whole, which is also considerably higher than the rate for native workers of each host country.

Table 4. Comparative Rates of Unemployment (as of end-1991) %

Host Country	Turkish workers	Other Foreign workers	Host Country*
Germany	12.6	11.9	4.3
Holland[a]	32.4	29.8	7.1
Belgium	34.5	22.2	7.8
France	23.3	11.7b	9.9
Denmark[c]	47.1	27.3	8.9
Austria	10.9	7.1	5.8
Australia[d]	30.6	8.7	10.2

Source: MINISTRY OF LABOUR
* Eurostat, Eurostatistics.
a: May 1990.
b: average of French and foreign workers.
c: 3rd quarter of 1991.
d: August 1987

There are reasons to speculate that the above rates of unemployment for Turkish workers might have in effect been higher. To the extent that there is diguised unemployment or underemployment

(*) 1980 figures are based on Philip I., Martin, An assessment of Turkish Labor Migration to Western Europe, Working Paper, ILO,p. 24–25, Table 2.2.

among the self-employed Turkish workers, they can *per se* not be included into Table 4, the above rates should be higher. Another reason is the existence of the so-called *tourist-workers* or clandestine employment, which represents a highly precarious type of unemployment.

Several reasons might account for these high rates. Firstly, Turkish workers are not very keen on learning foreign languages and on attending vocational training courses. Therefore, some of them -especially those of the second generation-lack the necessary skills required by today's automation and high technology. Secondly workers who run a family business at the same time will not be enthusiastic enough to find a job as long as they are entitled to receive unemployment allowance at first, then social aid in the case of Germany. It is hard to judge the extent of discrimination against foreign workers and especially towards those who are Turkish, under recessionary conditions.

In this regard, the following figures, showing the employment situation of Turkish workers in Holland, in 1990 are quite remarkable.

	Number of workers
Employed workers	36 000
Unemployment allowance recipients	28 818
Social allowance recipients	24 188
TOTAL	89 006
Source : Ministry of Labour	

In the case of the Arab countries and Libya, unemployment among Turkish workers is practically non-existent. As the workers are project-tied, when the project is completed or if the firms that hired the workers are closed or went bankrupt, the workers return home.

The official estimate of the total number of unemployed Turkish workers abroad is over 156 000 in 1991.

Enterpristing Turks abroad

A tendency emerging during the early 1980s among the economically active population in host countries, was to open one's own business and to become an independent worker. The existence of brisk demand for some Turkish goods and services of the Turkish community established abroad, attracted the newly emerging Turkish businessmen. Most of the firms are small scale, though there are a few medium to large scale ones such as transportation firms.

Existing data concerning enterprising Turks, mostly gathered from Turkish associations of artisans and employers and from the Labour Attachés in the host countries are not exhaustive. On the other hand, they refer to the number of self–employed workers in some instances and to the number of firms in the others.

In Holland, there were 1 121 firms opened by Turks in 1991. Within this total one – man businesses were in the majority, though there were partnerships and even corporations.

In Belgium, 1 367 Turkish nationals were given "self–employment cards" in 1991. Retail and wholesale trade (728), catering busiess (248) were the leading coccupations.

Overall figures are not available for France. However, the Consulate General in Lyon reported by the firms in its consular district in 1991 that there had been some 400 self–employed Turks vithin the district of the Consulate General in Marseilles. "The Union of Turkish Employers in France " had 119 members, who ran business in Paris region.

The estimated number of firms in Denmark has risen from 400 in 1990 to 500 in 1991. These are mostly small scale with limited capital and applying labour–intensive methods of production. The proliferation of such firms, mostly in catering business, is partly due to the rise in the number of unemployed Turkish workers as well as the encouraging policy of the Danish Government.

No data is available in the reports of the Turkish Ministry of Labour as to the case in Germany.

Returned Migrants

Owing to the lack of adequate statistical data on the subject, there is no agreement as to the number of Turkish migrants who have returned home. Therefore, one must rely on the statistical information compiled by some of the host countries.

Table 5, in which the figures of Germany's Federal Department of Statistics are used, is arranged, in order to have a rough idea about the tendency to return and the rate of return, during the recent years.

Table 5. Returnees from Germany.

Years	Number of Turks who left Germany (1)	Stock of Turks (2)	Rate of return (1)/(2) %
1981	70 905	1 542 300	4.6
1982	86 852	1 550 700	5.5
1983	100 388	1 552 328	6.5
1984	213 469	1 425 800	14.9
1985	60 641	1 400 414	4.3
1986	51 934	1 425 721	3.6
1987	45 726	1 466 314	3.1
1988 June	16 399	1 523 678	1.1
1989	37 666	1 612 623	2.3

Source: German Federal Dept. of Statistics.

Although there are several shortcomings of the figures presented in Table 5 (*), the fact that the rate of return is declining and is levelling off around 3–4 % is obvious.

As for the returnees from other host countries, information is scanty and is mostly derived from the host country sources.

Table 6. Returnees from Holland.

Years	Number of Turks	Years	Number of Turks
1980	2.365	1986	5.181
1981	3.144	1987	3.792
1982	4.831	1988	3.631
1983	5.595	1989	3.675
1984	6.168	1990	2.435
1985	5.052	1991 July	948

Source: Turkish Ministry of Labour.

Table 6, based on information compiled by the Dutch authorities and the Turkish Consulate General, though not comprehensive, shows the declining tendency to return. The rate of return is especially low for Holland. For example, the total number of Turkish nationals in Holland, which was 191 455 in 1991, gives a rate of return as low as 1 .27 % when compared to the rough number of returnees –2 .435.

(*) Column (1) shows the number of Turkish nationals and not the workers who left Germany by informing the German authorities. Moreover, some of them –though a tiny percentage– may have been destined for other host countries rather than have returned to Turkey. Moreover, the ones who left Germany (Column I) may have re-migrated to Germany at a later date.

The Return Act, which temporarily came into force on 15 November 1985, did not encourage returns, as envisaged. In fact, only 2 643 Turks (1294 families) in 1989 and 675 Turks (383 families) in 1990 returned home, within the framework of the Act. The inadequacy of 930 Guilders as the monthly allowance and cancellation of the residence permit and health insurance were found to be the discouraging provisions of the Act.

It seems that Turkish workers have already outstayed their welcome, and a great majority of them intend to go on staying. The members of the first generation have already repatriated. The second generation migrants, on the other hand, postpone their final return to unknown future dates. Table 7 is arranged in order to give an idea on the length of stay in Germany.

Table 7. Distribution of Turkish Nationals in Germany by duration of stay (as of 30.9.1990)

Duration	Absolute Numbers	%
5 yrs.and less	340 133	20.1
5–8 yrs.	101 959	6.1
8–10 yrs.	113 308	6.7
10–15 yrs.	417 724	24.9
15 yrs. and more	702 769	41.9
TOTAL	1 675 911	

Source: Turkish Ministry of Labour

Naturalisations

Information on the numbers of Turkish migrants who have acquired the nationality of the host countries is incomplete and sporadic. However, the information compiled from the figures supplied by the Turkish Consulates is as follows:

Germany : 1990 : 2 016

Holland : 1989 : 3 277 1990 : 1952

Belgium : 1990 : 217

France : Overall figures are not available. There were 102 and 101 applications to the Turkish Consulate in Strazburg in 1990 and 1991 and 50 applications to the Consulate General in Marseilles in 1991.

Denmark : 1991 : 126
Austria : 1990 : 1022 1991 : 2068

Judging by the above figures, it can be argued that naturalisation is not a widespread exercise among Turkish migrants in Europe, though the sheer number of those who have actually acquired the nationality of the country in which they have been working does not reflect the size of the potential. It can be speculated that, in most of the cases, the qualifications of some applicants do not come up with to the required conditions such as profession, proficiency in language, having a decent house and duration of stay. In fact, naturalisation is more widespread among professionals, who comply with these requirements.

Workers' Remittances

The most salient feature concerning migrant workers' remittances is that, they tend to decline during the recent years, in absolute terms as well as in relation to other credit items in the balance-of-payments.

(Million US Dollars)

1989	1990	1991	1992 VI.
3040	3 246	2 829	1 264

The absolute decline, beginning from 1990 onwards is shown above. Several reasons account for this unfavourable development:

— Increasing tendency to invest abroad, especially in small-scale family business (a more recent drift to invest in the former East Germany is gaining momentum).

Commensurate with the length of time spent abroad is the marked increase in the propensity to consume, resulting from;

— favourable developments in family reunion abroad;

— the Gulf crisis, as a temporary reason, responsible for the decline in 1991.

As for the relative decline of remittances in relation to the other items of the balance-of-payments, the drastic rise of Turkish imports and exports and the resulting increase in "the Degree of Openness" (D_gO) of Turkish economy, especially after the famous 24 January 1980 Decisions which introduced the requirements of a liberal market economy, should be stressed. D_gO, formulated as $X + M/GNP$, which was 7.96 per cent in 1970, rose to 15.6 in 1980 and to 23.7 in 1990.

In the period of 1980-1991, exports increased by 4.7 times and imports more than 2.7 times, whereas the increase in remmittances was only 1.36 times. In other words, remmittances could not keep pace either with exports or imports (*). Therefore, Remittances (R)/X ratio, showing the import financing function of remittances, exhibited a declining trend in the period under consideration. In fact, the R/X and R/M ratios, which were 71.0 per cent and 26.1 per cent in 1980 respectively, fell to 20.6 per cent and to 13.4 per cent in 1991.

As a corollary of this unfavourable development, compared to the average of 59.3 per cent for the whole of the period 1964-1992 VI., the ratio of the remittances to the balance-of-payments deficits also declined to the range of 30-35 per cent during recent years.

The relative importance of remittances within the credit items of the current accounts also diminished. In addition to the unprecedented increase of X and M already mentioned, the emergence of new credit items such as Turkish contractors' income transfers from abroad and the flourishing tourism industry accounted for this development.

It might be of interest to note that, the total amount of remittances, recorded as unilateral credit item in the balance-of-payments since 1964 have amounted to only $ 38.1 billion, which is more than $ 10 billion less than Turkey's present total of external debts.

The underestimation of workers' remittances can be understood if remittance per worker is taken into consideration. Yearly remittance per worker can be calculated by dividing yearly remittances by the stock of workers of the corresponding year. The related figures for 1990 and 1991 are $ 2 824 and $ 2 253, respectively. In view of the saving potential of migrant workers, these sums are very modest. In order to have a better idea as to the size of the part of migrants' savings channelled to Turkey in cash, the term *remmittances* should be clarified. Remmittances consist of the sums remitted to Turkey through banks or by post and *only a small fraction* of foreign exchange that is brought to Turkey by the workers. If foreign currencies were

(*) Calculations are based on the data in the annexed Table A.

exchanged at the banks and if it was noted on the receipt that they had originated from migrant workers, the related sums could be included into workers' *remmittances*, as the receipts are sent to the Central Bank. However, it is not common to change foreign currencies at the banks, as it is time consuming and the rate is slightly lower than the rates of the recently mushrooming exchange bureaux and/or goldsmiths and other shopkeepers acting as *de facto* exchange bureaux, as well as relatives or friends. Therefore, the proportion of foreign currencies changed by private dealers and non-migrant nationals, cannot be identified and recorded as workers' remittances.

Migrant workers carry out numerous currency transactions other than their remittances. It is a common practice to pay in foreign currencies in exchange for some assets, such as real estate and plot of lands in Turkey as well as to pay rents and other monetary obligations. A more recent possibility is shopping at Turkish bonded warehouses where they can import consumer durables by foreign currencies. Migrant workers and their close relatives are entitled to import a limited amount of goods each year and upon their final return. They are given special *permits* that give them the right to buy duty free goods. Although it is possible for the migrants to buy the same goods abroad and pass them through the customs without paying duties, it is easier to buy them in Turkey. These transactions, apparently amounting to considerable sums of foreign currency, are not recorded and compiled and are not included in the balance-of-payments. However, it is not possible to identify the real buyer, as the permits can be sold to shopkeepers and to persons willing to buy such goods.

A last but not least outlet for their foreign currencies is the stock deposited with commercial banks or hoarded especially by the elderly relatives of the migrants. Mostly demanded on precautionary motives, this stock, mainly consisting of cash gifts given by the workers to their close relatives during their visit to Turkey, cannot *per se* be included in the remittances. Even if these sums are deposited with the banks and not hoarded, it is not possible to identify them, as all Turkish nationals are allowed to open foreign exchange deposit accounts with the banks.

As for the foreign exchange deposit accounts opened by the the workers themselves, there are two possibilities: a foreign exchange deposit account with the Turkish Central Bank or with one of the 22 commercial banks having European branches.

Deposit Accounts with the Central Bank*

In accordance with the provisions of the agreement concluded with Dresdner Bank A.G. in 1976, it is possible to deposit or withdraw foreign exchange, through the branch offices of the said Bank or the Turkish Central Bank and to deposit money through other banks in Turkey or abroad as well as through post offices. Persons, bearing Turkish passports, who have the residence or work permit and who haven't finally returned to Turkey are entitled to open 'foreign-exchange deposit account' with the Central Bank. The recent development of these accounts, called in short 'the Dresdner Bank Scheme', is as follows: (**)

(million US Dollars)

1987	1988	1989	1990	1991(*)
5 913	6 208	7 017	7 541	6 439

Source: The Central of the Republic of Turkey

The yearly sums shown above do not represent yearly flows, but the accumulated amount of workers' deposits. Moreover, unlike workers' remmittances, they cannot be regarded as final foreign-exchange flows to Turkey, as they can be withdrawn by the depositors abroad at any time. Still they show the savings potential of the migrant workers abroad.

Deposit Accounts with the Commercial Banks

In addition to the Central Bank, some 22 Turkish commercial banks with European branch offices are authorized to open foreign-exchange deposit accounts for migrant workers and self-employed

(*) The official name of these accounts is **foreign exchange deposit account with credit letter.** Before foreign exchange control was abolished in Turkey in 1980 these accounts used to provide some srvices for the depositors, including import with waiver.

(**) A similar agreement is concluded with Algemene Bank Nederland N. V.-Amsterdam Rotterdam Bank N.V. as the system was found attractive on grounds of higher interest rates compared to other European banks, and of state guarantee. As a measure of convenience for the depositors, an agreement with Bundespost was also signed.

(*) The decrease can partly be attributed to the withdrawal of some deposits during the Gulf crisis. However, the lowering of interest rates and additional services provided by rivalling commercial banks have also had an effect.

persons working abroad. As the commercial banks provide a wide range of facilities-especially opening credit-to depositors the yearly totals of these accounts show a rising trend as follows:

(million US Dollars)

1987	1988	1989	1990	1991
5 740	5 824	6 751	9 301	11 506

Source: The Central Bank of the Republic of Turkey.

As government employees appointed to posts abroad are also entitled to have such accounts, a certain amount -roughly 20 per cent- should be deducted from the above figures because their allowances are sent from Turkey.

A last point concerning the treatment of migrants' repatriated earnings in national inceome accounts in Turkey is worth mentioning. As can be seen in Table 8, GNP is obtained by adding the "income from the rest of the world" item to GDP.

Table 8. GDP and GNP in Turkey
(billion TL, at current factor cost)

	1987	1988	1989	1990	1991
GDP	76 316	134 109	232 260	390 183	626 471
Income from the rest of the world	297	– 49	3 045	4 117	4 314
GNP	76 613	134 060	235 305	394 200	630 785

Source: The Central Bank of the Republic of Turkey.

"Repatriated earnings" are included in the "income from the rest of the world". However, it is a controversial point whether or not it is justifiable to accept these earnings as an item to be included in GNP. According to some authors, the factor incomes of migrant workers who have been abroad more than a year should not be included as factor income in the GNP of the country of origin. They should rather be accepted as a factor income for the host country. For example, Kindleberger differentiates between seasonal workers and "permanent emigrant workers". He argues that the entire income earned by seasonal workers should be accepted as factor income for the country of origin and their expenditure abroad should be accepted as imports.

As for permanent migrant workers, their income should be counted as factor income for the host countries and their remittances as current transfer (*). If this method is adopted, workers' earnings should be substracted from "the rest of the world" item. For 1991, for example,

4 314	(income from the rest of the world-from Table 8)
— 14 264	(TL equivalent of migrants' remittances)
-10 050	billion TL (income from the rest of the world)
+ 630 785	billion TL (GNP for 1991)
620 735	billion TL (adjusted GNP for 1991)

Therefore, GNP will be smaller than GDP, mainly owing to the huge interest payments on external debts.

Turkey as a country of Immigration

Contary to the image of 1960s and 1970s of Turkey as a country of emigration, as a reminiscent of the Ottoman Empire she has been a country of immigration of ethnic Turks, from the foundation of the Turkish Republic in 1923 onwards. In the period 1923–1991, more than 1 .6 million persons migrated to Turkey mostly from Bulgaria (787 186), former Yugoslavia (304 174), Greece (408 625), and from Romania (122 524)- for details, see annexed Table B. More than half immigrated during the first years of the new Republic and before or during the Second World War. In the years 1950 and 1951, there came a new wave of immigrants mostly from Bulgaria. Within these pioneering immigrants, approaching to 1 .2 million, two groups should be differentiated according to their status. The immigration of the first group was handled in accordance with the agreements signed by Turkey and the countries of origin. There had been housing facilities, for the families within this group, in contrast to those who arrived in Turkey outside the scope of these agreements. This second group is called *free migrants* as opposesed to *assisted migrants*, who accounted for 60 per cent of total immigrants of 1 .2 million in the period 1923–1951. In other words, Turkey provided housing facilities for nearly 720 000 immigrants prior to their departure from the country of origin.

(*) **C.P. Kindleberger,** Europe's Postwar Growth-the Role of Labor Supply, Harvard University Press, 1967, p. 92, fn 6.

Flows from Bulgaria

In the period of 1952–68, owing to the prohibition by the Bulgarian authorities, immigration from this country came to a standstill until it resumed in 1969 when the number of migrants exceeded 60 000. The reason for the revival of migration was the bilateral agreement concerning outmigration from Bulgaria, signed by Turkey and the Bulgarian People's Republic in March 1968. According to Article 'I, the provisions of the Agreement were applicable exclusively to those whose:

a) wife or husband;

b) mother, father; grandmother, grandfather and their mothers and fathers;

c) children, grandchildren and their spouses and children, who migrated to Turkey before 1952.

This agreement gave a new impetus to the migratory flows, as the provisions therein partly guaranteed the would-be immigrants' property rights and social security. However, though ratified by Turkey in the due course, this agreement never came into force, as Bulgaria somehow refrained from ratifying it.

After a decade of silence between 1979 and 1988, there came the exodus from Bugaria, mainly due to political oppression and discrimination.

According to the provisions of the Turkish Nationality Law, persons of Turkish origin or of Turkish culture are allowed to immigrate, either individually or collectively. And after a short period of residence, immigrants are given Turkish nationality. In this regard, from mid- 1989 till 23.09.1992, 247 959 Bulgarians of Turkish origin were given Turkish nationality, just before the last parliamentary elections. These were the ones who obtained "immigration visas" from the Turkish Consulates in Bulgaria.

Of these new Turkish nationals, 32.4 per cent are men, 32.0 per cent women and 35.6 per cent children. As there are 69 834 families, the average size of a family is 2.8 (247 959/69 384). These families have settled mostly in the Marmara District, where the pioneering immigrants live, as well as in the big industrialized cities like İstanbul and İzmir.

By governmental assitance as weli as the enthusiasm shown by the private employers to employ ethnic Turks, 73 351 have already found jobs. As the age breakdown of the whole group is not known, it is not possible to have an idea about the present unemployment rate. However, even under the extreme assumption that all the adults-80 330 men + 99 442 women - are of working age and are willing to take up jobs, the rate of unemployment cannot be higher than 55.1 per cent, while 49.5 per cent is already under employment.

A great majority of them are staying with relatives and/or friends in Turkey. However, some 21 488 houses are presently under construction. The investment is financed by the credit of the Settlement Fund of the Euorpean Council ($ 250 million) and to a lesser extent, by the contribution of Turkish Government - $ 15 million.

When completed, the houses will be sold at their cost value by instalments to the applicants, whose number has already doubled the number of houses under construction (*). Therefore, the scarcity of dwelling houses still poses a problem.

Until 23 September 1992, the social aid extended to these 69 834 newly emerged Turkish families has amounted to $ 2 billion, accruing $ 286 per family. Although this is not sufficient for a family, beginning practically from scratch, it cannot be denied that, in view of its poor means, the Turkish Government has done its best.

This brings us to the problem of the second and disfavoured group of about 160 000 ethnic Turks, who came to Turkey by tourist visas and have already outstayed their 3 month's permission in Turkey. However, in order to have a clearer picture of recent situation as to the Bulgarian flows, the changing motives of exodus from Bugaria should be taken into consideration.

During the initial stages of the flows, the underlying motive was the discriminatory attitude against ethnic Turks in Bulgaria as well as the lure of Turkey, as a developing country offering opportunities for would-be immigrants. These opportunities have been so exaggerated that, some 100 000 migrants returned to Bulgaria rather disappointedly. But, in spite of the retournees more than 400 000 migrants were already in Turkey and some 250 000 of them had already settled down in Turkey, as mentioned above.

(*) Information, gathered by the experts of the State Ministry Responsible for Immigration.

Owing to the mass exodus, on the other hand, economic conditions began to deteriorate in Bulgaria. The big loss of labourforce in the regions where the migrants originated, began to cause a serious decline in economic activities. Some *ghost cities* have emerged. These unfavourable developments worsened the economic situation of the ones that remained behind. Even some Bulgarian schools for Turkish students had to be closed due to the lack of Turkish teachers (*). Reinforcing the *push effect*, this situation caused a new kind of self-feeding migratory flow to Turkey. This time the motive for migration was not political as before, but ecconomic. People joining the migratory flow were not necessarily nuclear families or members of families trying to establish the family reunion in Turkey, but individual family members, or those who envisaged joining the families of their distant relatives, established in Turkey. As these apparently were not going to form nuclear families in Turkey, the Turkish Consulates in Bulgaria refrained fromg giving them "immigration visas" that would entitle them the immigrant status. Therefore, they were given only tourist visas.

The result is the existence of nearly 160 000 migrants with tourist visas, most of whom have already been in Turkey for more than 3 months. The Turkish government, trying to stop further migration, has no intention of giving them immigrant status and wants them to be repatriated. However, it is not so easy to trace them in a huge country. And, in most of the cases, they are disregarded. When the primary and secondary schools opened in September, the children of school age of these legally 'invisible' migrants created a new headache. Bulgarian authorities, on the other hand, are not encouraging out-migration anymore and on the contrary, trying to attract Turkish businessmen to invest in the Turkish sections of Bulgaria, in order that the economic situation could recover again. They are also endeavouring to pull their ex-nationals back by pointing out to the democratization movements in Bulgaria.

As far as the 250 000 new Turkish nationals are concerned, newly emerging problems are under consideration. Turkish authorities already asked Bulgaria to sign a bilateral agreement on social security, lest Turkey's new nationals lose their previous social rights in Bulgaria.

(*) Within the group of 250 000, there are nearly 9 000 university or high school graduates, representing the brain-drain dimension of emigrants of Bulgaria.

A rather ambitious project, financed by the donations of \$ 9.5 million of the USA Government, envisaging to open vocational training cources, designed exclusively for these new Turkish nationals and to ensure 35 000 employment for them, has been highly successful. Under the patronage of the UNDP, 85 training courses, specialized in different occupations and situated in several Provinces have been organised in 1990 and 1 749 participants completed them. In 1991, the number of participants rose to 5 774, while the number of courses climbed to 345.

In addition to those who found jobs on their own initiative, the Turkish Employment and Placement Office has been highly efficient in placing former Bulgarians into productive employment. Out of a total of 17 884 applicants of which 9 670 were male, 4 829 found jobs through the Office in 1991. Female applicants have proven to be luckier, because they accounted for more than the half of the total, namely 52.7 per cent. Cutters, sewers and upholsterers; bureau supervisors and personnel; tailors, fur and hat workers, typists and computer operators; waiters and barmen were the main occupations. Nearly 45.6 per cent of the newly employed, however, were unskilled workers.

During the first half of 1992, there were 2 235 applicants of which 410 were placed into jobs.

Flows from the former Yugoslavia

Upon the outbreak of war in the former Yugoslavia, some 15 000 persons fled to Turkey as tourists, who hold the passports issued by the former Yugoslavian authorities.

According to the provisions of Turkish Nationality Law, people coming to Turkey not to settle but for temporary residence owing to a neccessity are considered as asylum-seekers. However, under Turkey's international commitments, only asylum-seekers from Europe with a genuine fear of persecution are given refugee status. Refugees willing to settle in Turkey are treated as immigrants (*).

In the case of the nationals of the former Yugoslavia coming to Turkey, the *intention to settle* in Turkey is lacking. For that reason, a great majority of them are not treated as immigrants but tourists and

(*) Ministry of Foreign Affairs.

are allowed to stay in Turkey for 3 months. However, under certain conditions, they are given 5 months permit of "temporary residence" but they are not allowed to take any jobs in Turkey.

A great majority of the Yugoslavians coming to Turkey are elderly people, women and children in search of a safe haven till the turmoil in their country comes to an end. Therefore it is not a family movement. They stay by families found by the Turkish-Yugoslavian Association in Turkey. They are mainly situated in the provinces of the Thrace.

New Immigrants from the former USSR

In view of the vast potential of migration from the newly emerging republics of Asia Minor, where there are thousands of ethnic Turks, the Turkish Government is presently preparing a draft law on immigration. The underlying idea is not to stop immigration, but to regulate it, especially as to the regions of settlement of the would-be immigrants. It has already been decided that, the new comers will not be allowed to live in big and already overcrowded provinces. In that context, a special Law concerning the Ahıska Turks, has already been enacted during last July (*).

Summary

During the period Jan. 1991 - June 1992 the most striking feature of Turkey's migratory movements has been her transformation into a country of immigration and a safe haven for refugees, from a traditional country of emigration of 1960s and early 1970s. Western migration practically came to a standstill and *project-tied* migration to Middle East countries was badly effected by the Gulf crisis, while hundreds of thousands seeking refuge had been fleeing from the East European countries, from the former USSR and from Iraq. However, the Commonwealth of Independent States seems to be a promising outlet for Turkey's surplus manpower.

In 1991 ,the number of Turkish workers sent abroad by the National Employment and Placement Office (NEPO), was 53 020, of which 40 782 were destined for Saudi Arabia. Only 852 workers were sent to the EC and EFTA countries. In the period January - June

(*) P.L. Nr. 3825/2 July 1992/Official Gazette, Nr. 21281/11 July 1992.

1992, the number of workers sent abroad was 35 550 - somewhat higher than the previous period.

In view of the number of aspirant-migrants recorded in the waiting list of the NEPO, which amounted to 924 787 as of June 1992, it might safely be argued that the migration pressure in Turkey is still considerably high.

In spite of the stagnating flows of migrants, the stock of Turkish workers and other Turkish nationals living abroad increased in 1991. Including illegal workers, the Turkish community living abroad might exceed 3 million, out of which some 2 .8 million have residence and/or work permits.

The great majority of workers and of total Turkish nationals are still in Germany-55 .5 per cent and 52 .3 per cent, respectively.

The unemployment rate is remarkably higher among the Turkish workers than the workers of other nationalities in the main host countries in Europe. It is officially estimated that 156 000 Turkish workers are presently unemployed abroad.

Mainly due to unemployment and the encouraging policies of the host countries, the number of self-employed workers and small-scale Turkish firms has shown an increasing trend.

The rate of return is declining and is levelling off around 3 to 4 per cent per annum. Nearly 42 per cent of the workers in Germany have been there for more than 15 years.

The number of naturalisations is not high (though there are reasons to believe that the potential is great in 1991) and has been declining since 1990. Moreover, their relative share and significance withhin the yearly foreign exchange flows is decreasing, mainly because of the increments in the *ratio of openness* of the economy (cf. X + M/GNP). However, in order to make a more realistic estimate of the migrants' cash flows to Turkey, their foreign exchange deposit accounts with the Central Bank and with the 22 Commercial banks as well as the transactions cleared by foreign currencies by the migrant workers in Turkey should also be taken into account.

From mid- 1989 till September 1992, almost 250 000 former Bulgarians were given Turkish nationality whereas some 160 000 of them, who fled to Turkey with tourist visas are disfavoured and are to be repatriated. Yugoslavian refugees are in most of the cases not given immigrant status. The migrants from the former USSR on the other hand, will not be permitted to reside in the big and already overcrowded metropolises, but will be directed to the provinces in East Anatolia.

The State Department Responsible for Migration is presently engaged in preparing a draft law on immigration.

Table A. Remittances and Balance of Trade Deficits in Turkey.

Year	Remittances (1)	Imports (2)	Exports (3)	Blance of a Trade Deficit (4)	(1)/(4)
1964	9	– 537	411	– 126	7.1
1965	70	– 572	464	– 108	64.8
1966	115	– 718	490	– 228	50.4
1967	93	– 685	523	– 162	57.4
1968	107	– 764	496	– 268	39.9
1969	141	– 801	537	– 264	53.4
1970	273	– 948	588	– 360	75.8
1971	471	–1 171	677	– 494	95.3
1972	740	–1 563	885	– 678	709.1
1973	1 183	–2 086	1 317	– 769	153.8
1974	1 426	–3 777	1 532	–2 245	68.5
1975	1 313	–4 739	1 401	–3 338	39.3
1976	983	–5 128	1 960	–3 168	31.0
1977	982	–5 796	1 753	–4 043	24.3
1978	983	–4 599	2 288	–2 311	42.5
1979	1 694	–5 069	2 261	–2 808	60.3
1980	2 071	–7 909	2 910	–4 999	41.4
1981	2 490	–8 933	4 703	–4 230	58.8
1982	2 140	–8 518*	5 890	–2 628	81.4
1983	1 513	–8 895	5 905	–2 990	50.6
1984	1 807	–10 331	7 389	–2 942	61.4
1985	1 714	–11 230	8 255	–2 975	57.6
1986	1 634	–10 664	7 583	–3 081	53.0
1987	2 021	–13 551	10 322	–3 229	62.3
1988	1 776	–13 706	11 929	–1 777	99.9
1989	3 040	–15 999	11 780	–4 219	72.1
1990	3 246	–22 580	13 626	–9 554	33.9
1991	2 819	–20 988	13 672	–7 316	38.5
1992 VI.	1 264	–10 427	6 853	–3 574	35.3
TOTAL	38 118				$\bar{x}$ = 59.27

Source: The Central Bank of the Republic of Turkey.

* Beginning from 1982 onwards, imports data changed from *cif* to *fob*.

Table B. Immigration Flows to Turkey
(1923–1991)

Years and/ or Periods	Bulgaria	Yugoslavia		
1923–49	220 085 (75 877)*	117 212 M58 94)		
1950	52 185 (52 185)	—		
1951	102 206 (102 206)	—		
1952–68	116	178 864		
1969–78	116 104	4 994		
1979–88	35	2 294		
1989	225 863	435		
1990	52 643	224		
1991	17 950	151		
Total	787 187	304 174		

Years and/ or Periods	Greece	Romania	Turkmenistan	Other Countries
1923–49	391 753 (384 000)	121 339 (79 287)	—	10 106 (7 589)
1950–81	16 872	434	2 767 (2194)	2 753 (453)
1982–1991	—	751	102	4 255 (4 163)
Total	408 625	122 524	2 869	17 117
Overall Total				1 642 496

Source: State Ministry Responsible for Immigration.
State Institute of Statistics.
* The figures in brackets show the number of immigrants, for whom accomodation facilities have been provided beforehand.