

A STRATEGY FOR DEVELOPMENT OF REGIONS: REGIONAL DEVELOPMENT AGENCIES IN TURKEY

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Regional Development Agencies is used as a tool for development of the regions for a while in Turkey. According to the development scale there are different size of regions. Regional development issues are related with the population and economic level of the region. In this paper it will be explained the regions in the context of regional development agencies in the historical view to development in Turkey. These agencies and development policies of the regions will be criticized. There are two phases for the regional development in Turkey. In this work, Regional development will be included in comparatively before and after the policy changing to the agencies. Benefits of the regional development agencies will be examined for different regions in Turkey. Also, EU regional policy applications is included that related with the Turkey's regional development policy. Organizational structures, efficiency, funds or other instrument that belongs to the investments will be taken into account.

Keywords: Regional Development Agencies, Regional Development, Development of Turkey, EU regional Policy

JEL Classification: R11, R07

1. Introduction

Regional disparities are most important obstacles to implement social and economic development programmes in the countries. In both, the differences that regional and national levels are determined by sufficient education, capital accumulation, local markets and infrastructure. The important thing here is how could be planned the development of the regions and implementations of the programmes. For this reason, the establishment of the regional development agencies and the statistical regional units are the important steps in Turkey. Because of the development of local areas these units are created for all regions of Turkey. According to the economical and social conditions, production capacities and population rates; the levels of the units were defined. The working conditions, investments and entrepreneurial capacity, job opportunities and other socio-economic factors determined the units of the regions in Turkey. Therefore, some tools are used for incentive rebate to improve the least developed areas in the East and Southeast Anatolia. The Blacksea region is third underdeveloped region of Turkey after the Eastern Anatolia and Southeast Anatolia. The working areas of the plans covered the certain provinces in the beginning of the planning in Turkey. The main objective of the plans were to formulate a development plan for the region to reduce the regional disparities between the region and other regions of Turkey. The regional plans tried to identify priority sectors of the regions. For example, the regional strategy of DOKAP consisted of four elements strengthening of transportation and communication infrastructure, the development and management of multipurpose water resources, improvement of land management and strengthening of local administration. The long term regional projects as ZBK, YESILIRMAK, DAP, GAP was very effective for the National and regional development in Turkey (DPT 2000,1-4)

In regional development planning process, Turkey has two terms to prepare and to implement the regional development programmes that are related with the national development plan. Firstly, preparation and implementation of the projects is made by the central administration. State planning Organization was founded for this aim that was structured by central government in Capital city, Ankara. In the second term, local administrations and regional development agencies is preparing the projects for the regional developments. This second term was determined by the EU accession period for the regional development applications in Turkey.

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2. The State Planning Organization and National and Regional Development Planning in Turkey

The authorization of preparing the regional plans were given to the State Planning Organization to solve the problems that belongs to the regional disparities and evenly distributed regional development all of the country. In this aim, the State Planning Organization was founded in 1960. This organization had been working with the National Development Plans and regional development issues until 2011. State Planning Organization was closed and Regional Development Board and Regional Development Committee were established to change places of the State Planning Organization. In 2011 Ministry of Development was established. Today, Regional Development Board determines the general policies about the regional development issues that related with the regional planning within the organization of Ministry of Development, in Turkey.

Figure1: Regional Projects prepared by the State Planning Organization in Turkey



Source: DPT, 2000, p.55

Regional policy of Turkey had depended on the balanced economic development approaches to eliminate the regional differences until 1980. In this period, central authority supported underdeveloped regions to eliminate the differences of development in the regions in Turkey. After 1980, new regional policies was made to increase the competition power of the regions that targeted developed and underdeveloped regions also coordinated with dynamics of the global economy depend on the endogenous growth theory.(Kumral,2007, 1-7) Studies into decentralization, local governance and participation have been growing rapidly since around 1980. The globalization of socio economic processes and the localization efforts for economic growth have led to a search for an effective division of responsibilities among central, regional, and local governments. This trend however, has expressed itself in different forms according to different historical experiences; that is, the interpretation of participation varies between different countries with different administrative traditions. In Central and Eastern Europe, the trend has been to reform the state and market after the collapse of communism; in the European Union, the emphasis is on European integration and developing new institutional structures. For developing countries, the interpretation of the trend is struggle for economic growth and improvement in the welfare of the poor.(Gedikli, 2009,p.115)

3. Urbanization And Regional Development In Turkey

The rapid urbanization in many developing countries over last half century seems to have accompanied by excessively high level of concentration of the urban population in large cities. In

Turkey, migration from rural to large cities had begun in 1950's. The tendency of the population accumulation has same period of time with other countries of the World. In 1950, one third of the Worlds people lived in cities and just fifty years later, this proportion has risen to one half and will continue to grow to two thirds, and 6 billion people, by 2050.(U.N.2000,p.68) On the other hand, population rate is the important factor for the development of the regions. Especially urbanization rates are basic indicator for the regional development in Turkey. Urbanization rate is lower in Black Sea Region when compared with the Marmara Region and central Anatolia region. Because of the large scale industrial areas stays in Marmara Region the most important activities for development is accumulated in the Region. Therefore, this region is formed as a polarized region in the length of time for the development of Turkey.

In terms of population densities, spatial distribution, economic activity and social attitude the World has become urbanized. Pull and push factors has determined the attitude of the rural population to migrate to large cities. Seeking the better life expectancy for immigrants had emerged the conclusion of the accumulation to urbanized areas by the period of time. In the countries with the largest urban population ordered by the rate of growth of urban population between 1950-2000. Turkey is fifth rank in the World countries with the rate 4.85% and it is expected for 2000-2030 1.54% seventeenth rank within the other countries. Turkey's urban percentage is 21.3% in 1950 and 65.8% in 2000. It is really high rate in this period. Urbanization rate is 2.25% between 1950-2000, and it is expected 0.53% between 2000-2030 in Turkey.(U.N.2002,p.63) The whole period from 1935-1965 can be divided into two stages where the first shows almost no increase in percent urban and the second is a period of rapid change. The larger proportion of increase in percent urban, that is 12 percent increase, occurred from 1950-1965. Although the urban growth rates were always higher than the rural rates, the differences has been greater since 1950.Also, the rates of urbanization show rapid increase after 1950. The process of urbanization in Turkey becomes faster as the population of city becomes larger. Although in 1960, urban percent was 25.9 the rate in 1965 that is urban percent was 29.8. So, the rate is higher in five years and in the Metropolitan areas,increased, also.(Karadayı F.,1974, p19)

**Table 1: Natural and Total Growth Rates of Three Metropolitan Areas in Turkey
1935 to 1970**

CITY	NATURAL GROWTH RATE%	TOTAL GROWTH RATE%	ACTUAL DOUBLING TIME (YEARS)
Ankara	2.2	7.8	9
Istanbul	1.2	4.1	17
Izmir	1.5	4.7	15

Source: Karadayı. F. 1974 p.19

**Table 2 : Rate of Urban and Rural Growth and Rate of Urbanization in Turkey
1935 to 1960**

CENSUS YEAR	PERCENT URBAN	URBANGROWTH RATE %	RURAL GROWTH RATE %	RATE OF URBANIZATION%
1935	16.5	4.0	1.3	1.9
1940	18.1	1.5	1.0	0.4
1945	18.5	2.6	2.2	0.3
1950	18.8	7.6	1.9	4.6
1955	22.5	6.5	2.1	4.3
1960	25.9	6.0	1.4	5.2

Source: Karadayı, F, 1974, p.19

Table 3: Bursa Turkey and Marmara Region Urban Population Rate

Years	Bursa%	Turkey%	Marmara Region%
1935-1940	1.09	2.67	2.31
1940-1945	1.83	1.51	1.17
1945-1950	2.92	2.25	1.47
1950-1955	3.70	5.57	5.28
1955-1960	3.94	4.93	3.69
1960-1965	4.89	3.97	3.44
1965-1970	4.36	4.73	4.01
1970-1975	3.93	4.17	-0.47
1975-1980	4.56	3.05	6.64
1980-1985	5.54	6.26	9.75
1985-1990	6.42	4.31	4.28

Source: SIS, 2000,p33-56

In Turkey, the main regional planning studies were prepared between 1957 and 1958. The regional planning efforts were conducted in the pilot regions that selected from regions were Marmara region, Especially, automotive production and industrial areas accumulated in Bursa at Marmara Region. Some other decisions related with the development were taken for East Anatolia Region and South East Anatolia Region to solve the economical problems in the regions in this period. The first regional development plan prepared in Turkey was the Eastern Marmara Region Plan. The project area of this plan covered Balıkesir, Bursa, Çanakkale, Edirne, Kırklareli, Kocaeli, Sakarya and Tekirdağ. The aim of the development plan was the polarized development that from a region to nationwide. As it is seen that the Marmara region of Turkey has an important part of the Turkey's population because of migration after 1950 from agricultural areas to urban areas of the country.

Table 4 : Urbanization Rates in Marmara Region and Turkey (1940-1990)

Years	1940	1950	1960	1970	1980	1990
Marmara	35.1	36.5	43.3	52.4	68.7	75.1
TURKEY	18.0	18.9	25.2	33.5	45.5	55.4

Source: Kongar E.,1999, p.36

4. Regional Development And National Development Plans

After 1960's, it was used National Development Plan that was prepared by State Planning Organization. The work of the State Planning Organization continued until 2011. In this way the periods of planned development were implemented between the dates 1960 and 2011 by State Planning Organization in Turkey.

4.1. The Period of Development Plans prepared by the State planning Organization

In the first five year Development Plan included in the years 1963 and 1967. Until today, Turkey have had 10 five years development plans that have regional development policies and programmes in each of them. Some of these five years plans offer balanced

development. All the development factors distributed equally in all regions vision experienced at the beginning of planned years. This aim was dominant in the first and second year National Development Plan. The development areas were determined all over the Anatolian regions to invest in this period. The plan is second five years plan were implemented between 1968-1972. When compared with the first plan period urbanization rates were higher than 1960's. The stream of emigration from the rural areas to urban areas was high in this period of time in Turkey. Therefore, second development plan had been particular emphasis to the importance of the regional development and urban planning issues to improve the infrastructure in the cities.

Third five years development plan was 1973-1977 and Fourth five years development plan was 1978-1983 and Fifth five years development plan was 1985-1989. From 1970's until 1990 was high urbanization period in large cities, in Turkey. Bursa, Izmir, Istanbul and Ankara faced with the population accumulation and its problems in this period of time.

The Sixth Five-Years Development Plan was 1990-1994. It embraced the idea of the stable development between regions. In addition, it stressed that while establishing and adopting the regional development policies, the regional policies of the European Union must be considered. Seventh Five year plan was 1996-2000. The main idea of the plan was the sustainable development would decrease the regional differences in the country. (SPO, 2002, p. 26) Eight five year development plan was between 2001 and 2005. The principles of the sustainability implemented to the projects in this period of time. Quality of life and sustainability in the social and economic development were considered effectively. The Ninth Five-Year Development Plan (2007-2013) had a specific importance to regional development. In this plan, it was suggested that the activation of development policies from the local dynamics. Increase the development with internal potential and building the institutional capacity in the rural and local levels. This plan included in the competitiveness and employment issues, try to ensure regional development with strengthening human development and social solidarity increase quality and effectiveness of the services. (DPT, 2006, p. 2)

4.2. The period of Regional Development Agencies

Regional Development Agencies were established 26 Level II Regions the number of Law 5549 in 2006. By work of the State Statistical Institute and State Planning Organization 'Nomenclature of Territorial Units for Statistics (NUTS) were created. In Turkey, there are 12 NUTS I, 26 NUTS II, and 81 NUTS III level regional units. Regional Development Agencies include the local actions which aim to eliminate the economical and social differences in the regions, in Turkey. Agencies are trying to eliminate these differences as a tool within a governance model. In this aspect, the role of the Regional Development Agencies have important role to develop the weak infrastructured parts of the country. In the European Union accession period Turkey has to realize EU regional policy to remove the regional instabilities. To implement the regional policies that realized with the instruments like financial aid and structural funds the accession partnership documents and reports were prepared by the Turkish Government. It was necessary to complete the adoption of Turkish legislative and institutional structures. At the same time, it was a policy change to be targeted the stronger local administration structure in Turkey. Accession partnership documents define the priorities that have short term and medium term. The short term priorities about regional policies was to create NUTS classification with the Community rules and regulations. In the medium term, priority is to develop a National Policy for economic and social cohesion with a view to diminishing the regional

disparities. (DPT,2001,p. 2-5) Regional Development Agencies were based on the frame of systematical hierarchy within the regions of Turkey. Firstly, these agencies have the role between local institutions in economic development at the local level. On the other hand they have the role of linkages between institution and economic development in specific spatial settings at the different spatial scales in the regions. In local economic development, formal institutions encompass the system of government and governance in a particular nation-state and informal institutions include the traditions of co-operative working between public and private sectors these formal and informal institutions are interact. Both are produced by actors and condition and regulate their agency. Such socially produced structures influence rather than determine attitudes, behaviours and decision making in ways that impart stability and predictability and enable their (re)production over time and space. (Gertler2010, p.13) Kumral, insisted that the network has important role that provided by the production, research and public actors will create more liveable city and competition power in a governance model. There are two actors in this network. Development Agency and Regional Science Council.(Kumral N..2007, p.6) In competition, it is important to identify the factors that effect performance measurement. Structural (demographic, geographical etc) and organizational factors have great impact on it and local inhabitant choices have effects on the competition power of the regions.

5. Conclusion

In Turkey, There are two terms that belong to the regional developments efforts. In the first part of the planning of regional development depended on State Planning Organization work that in the National development plan in a five years. In the second part of the regional development work, The Regional Development Agencies were established, statistical territorial units and priority regions for development put into the force. In the first term of the work, administration was central for the regional development in the geographical regions characteristics. Multiple issues were taking into account. The distribution of the sources to the regions from center was dominant. In the second term of the regional development policy that depends on governance system. Partially and divided authority to decision at regional frame, different actors as national international and global scales is worked together in a region to develop its components.

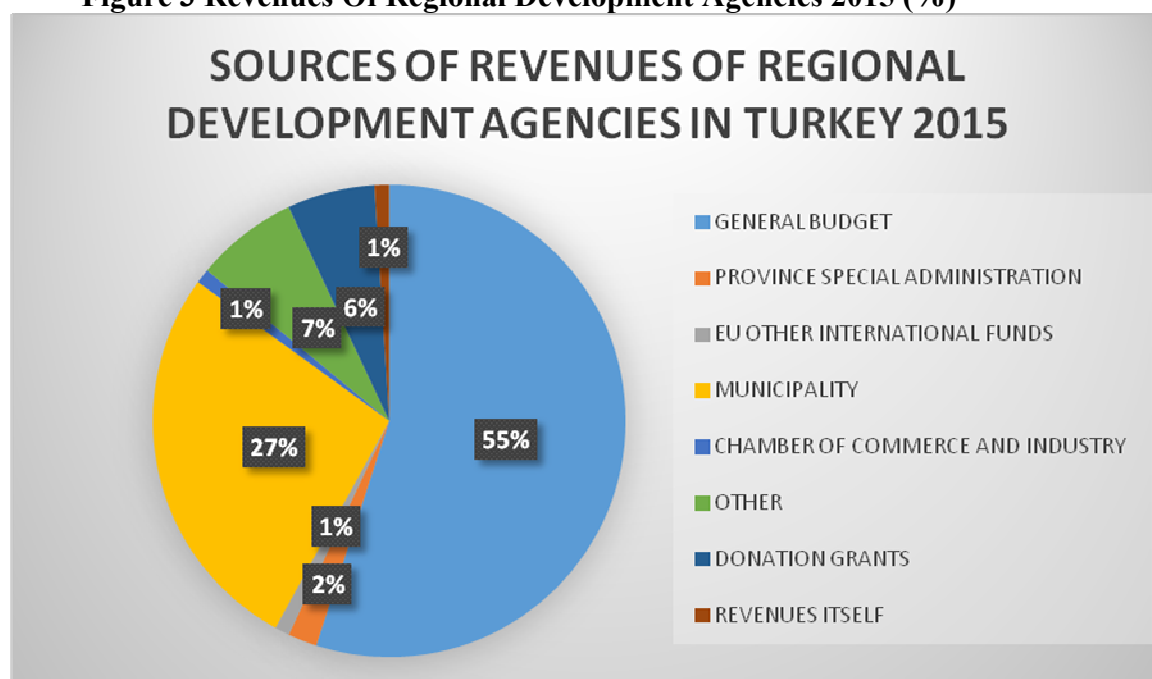
In Turkey, population accumulation was the main factor to have regional disparities between the years 1950-1990.Turkey has many programmes for the regional development in this period. In EU accession process European regional policy made the major contribution to the objectives, especially for underdeveloped regions in Turkey. In there unused economic and investment potential which can be realized through targeted cohesion policy measures, so adding to the economy as a whole. From the policy perspective, for regional development to be sustained requires favorable conditions being established at the national scale in particular a macro economic environment conducive the growth employment and stability regulatory system which encouraged business and job creation. At the regional scale, the conditions need to be satisfied like suitable endowment of the basic infrastructure and labor force with appropriate level of skill and training issues. The idea was important competition in the territorial structure, also. Therefore, structural funds for pre-accession countries support to adopt European Union regional policies in the countries. In this frame, the regional development of Turkey has similar process also. Efficiency of the technical assistance is the important factor for the development of the regions when applied to the areas of the developing regional units in Turkey. In the application of regional development agencies, it is supported with the projects that is international or national levels open to the every partners to improve the better facilities especially for least developed regions of Turkey.

Figure 2: Distribution Of The Regional Development Agencies In Turkey



Source: Kalkınma Bakanlığı,2015.p. 6

Figure 3 Revenues Of Regional Development Agencies 2015 (%)



Revenues of Regional Development Agencies 2015 (%)

55% General Budget 2% Province Special Administration 27% Provinces Special Administration 1% Revenues Itself 1% Chamber Of Commerce And Industry 6%Donation Grants 1% Eu Other International Funds 7%Other Revenues

Source: Kalkınma Bakanlığı,2015, p. 6

Table 5: The sources of the revenues in the distribution of agencies (1000 TL)

TR KOD	NAME OF AGENCY	GENERAL BUDGET 2015	PAYING FROM SPECIAL PROVINCE ADMINISTRATION	PAYING FROM MUNICIPALITIES	PAYING FROM CHAMBER OF COMMERCE AND INDUSTRY	PAYING EU AND OTHER INTERNATIONAL FUNDS
TR10	ISTKA	10910	-	61934	2721	-
TR21	TRAKYAKA	11532	440	4471	188	-
TR22	GMKA	11760	410	2510	126	-
TR31	IZKA	12752	-	16857	636	62
TR32	GEKA	11071	-	3922	333	50
TR33	ZEKA	13195	1400	5454	253	-
TR41	BEBKA	13354	160	9993	589	-
TR42	MARKA	13647	636	11142	366	1029
TR51	ANKARAKA	11664	-	8138	906	-
TR52	MEVKA	12809	336	4501	244	-
TR61	BAKA	12958	472	7559	291	-
TR62	CKA	12341	-	4245	339	-
TR63	DOĞAKA	16677	328	6948	136	-
TR71	AHIKA	14791	1118	2246	133	-
TR72	ORAN	13789	1187	3561	202	-
TR81	BAKKA	12937	816	1551	110	-
TR82	KUZKA	15068	931	977	42	-
TR83	OKA	14673	1094	2939	151	-
TR90	DOKA	15008	1093	5614	164	-
TRA1	KUDAKA	16937	388	1115	68	36
TRA2	SERKA	17410	1252	570	11	-
TRB1	FKA	14708	854	741	67	-
TRB2	DAKA	18223	1009	722	37	-
TRC1	IKA	14797	605	3741	209	-
TRC2	KARACADAĞ	17570	-	4520	146	3750
TRC3	DIKA	18190	1287	826	42	1500

Source: Kalkınma Bakanlığı,2015,p. 21

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