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# Decentralisation in Turkey

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# Introduction



# Introduction

Since 2004, the government of Turkey has introduced a series of reforms that are often subsumed under the term “decentralisation”. A number of laws have been passed that aim to reorganise the division of tasks and the relations between the central government and local/regional authorities, giving the latter increased autonomy and resources. These reforms constitute a significant change in territorial administration and management of local services in what had been, to this point, a centralised, unitary state, with practically no intermediate level between the central government and the citizens: the regional level had no political existence, and the province was not an independent decision-making authority. Only municipalities – particularly the 15-odd metropolitan municipalities – had acquired some scope of independent action since the 1980s. As a result of this centralisation, as well as local authorities’ lack of legal and financial autonomy, the decision-making centres in Ankara constituted serious bottlenecks that were regularly circumvented.

These developments raise a number of questions. What were the rationales governing the implementation of these reforms? They coincided with the beginning of the negotiations on Turkey’s accession to the European Union (EU) in 2005 and are part of the country’s European agenda. But does this mean that they are the result of a European process – remember that Turkey is a member of the Council of Europe and ratified the European Charter of Local Self-Government in 1992 – or are domestic political processes also a factor? What real changes have these reforms introduced? What impact have they had on adjustments in levels of government and the connections among them and, more generally, on the Turkish political scene?

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# Part One



# 1. Unfinished Reforms

## 1.1. The political context of the reforms

### 1.1.1. Centralisation and control

The issue of local government and the reforms undertaken since 2004 need to be placed in their historical, social and political context. To understand the political structure of Turkey's territory, we must look back to the formation of the nation-state. The fact is that Turkey's political and administrative system is characterised by the political neutralisation of intermediate levels, reflected in particular in the political non-existence of the regional level and the control of the provincial level by the central government.

#### *The establishment of hierarchical municipal and provincial governments*

In the so-called "classical" Ottoman period (from the second half of the 15<sup>th</sup> century to the late 16<sup>th</sup> century), the Empire was administered indirectly through a large number of intermediaries, who acquired considerable autonomy during certain periods (notably the 18<sup>th</sup> century). Following a series of military defeats beginning in the late 18<sup>th</sup> century, the government undertook many reforms, which accelerated during the *Tanzimat* ("reorganisation") period (1839-1876). The reformers saw the independence enjoyed by local notables as being detrimental to the authority of the State, and hence the main objective of the *Tanzimat* was to "extend the control of the central government to all aspects of life in the provinces" (Shaw, 1992, p. 33), that is, to reinforce the presence and authority of the State. In this context, a local administrative infrastructure designed as an extension of the central bureaucracy was introduced. The province system and municipal model that developed under the Empire were inspired by the French tradition of territorial administration.

The first municipal organisation was created in 1855 in Istanbul, under the influence of the international developments related to the Crimean War (1853-1856).<sup>[1]</sup> This war quickened the pace of change in the capital. As a logistically important military port, Istanbul served as a base for a large number of foreign soldiers, which made it

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[1] The Crimean War was fought between the Russian Empire and a coalition comprising the Ottoman Empire, the United Kingdom, France, and the Kingdom of Sardinia.

necessary to upgrade urban infrastructure, such as telegraph lines and roads, to build military hospitals and to hire fire-fighters and police officers from Western allies. Moreover, following the war, the Ottoman Empire was considered to be a European country and was thus more open to the influence and pressure exercised by the Western powers (Neumann, 2004, pp. 6-7).

The first quasi-municipal organisation, the *Şehremaneti*, was established in 1855 in this specific context. The *Şehremaneti* was headed by a *Şehremini*, appointed by the palace and tasked with certain urban functions, such as the provision of staple goods for the inhabitants, the control of markets and health, roads, charity and the collection of certain taxes (Toprak, 1990, p. 76). What distinguished the *Şehremaneti* from an ordinary bureaucratic institution was its internal legislative body, the *Şehremaneti Meclisi* (council), made up of twelve members selected by the Sublime Porte and appointed by the Sultan from among merchants and high-ranking bureaucrats. The council was to deliberate over urban affairs and take decisions. Owing to its lack of autonomy and of real urban powers, however, the *Şehremaneti* cannot be regarded as an example of modern municipal government (Ortaylı, 1990, p. 71).

Modern municipalism appeared three years later with the founding of the Sixth District of Istanbul, located in the Pera/Galata area and inhabited mostly by non-Muslims. Although the city was divided into 14 municipal districts, only one of them was legally constituted under the name of the Sixth District, in imitation of the *arrondissements* of Paris – yet another sign of French influence. French was also the official language of the organisation. This experiment may be considered the first example of Turkish municipalism, because of its independence in terms of financial resources and staffing. In 1868, following the relative success of this precedent, a regulation (*Dersaadet İdare-i Belediye Nizamnamesi*) legally constituted the other 13 districts. The capital was then supposed to be governed by a two-tier system, with the *Şehremaneti* having an additional council made up of the mayors and three representatives of each district (Keleş, 2000, p. 126). However, this model was not extensively deployed, because municipal councils were formed in only a few districts, where the Sublime Porte appointed the entire staff. At the same time, efforts were made to establish municipal governments in major provincial cities. After two unsuccessful attempts in 1864 and 1871, the law on provincial municipalities (*Vilayetler Belediye Kanunu*) of 1877 introduced a municipal council of six to twelve members, depending on the size of the town. The council was supposed to deliberate on local problems, prepare the annual budget and make decisions on the construction of buildings. The Sublime Porte appointed one of the town councillors as mayor (Ortaylı, 1990, p. 72).

The development of municipal government under the Ottoman Empire thus displays a measure of duality. In the capital, the introduction and development of the system were marked by very strong foreign influence. The city, particularly the Sixth District, was considered to be “*a venue where the Ottoman Empire opened up to the outside world*” (Neumann, 2004, p. 23). The Western (particularly French) system was imitated directly, with no consideration for the local socio-economic context. As a result, the system had to be revised several times. In the provinces, municipal councils were established and gradually adapted to the local context. In both cases, however, the result was far from indicating the emergence of independent local governments, since the entire process was marked by sustained efforts to achieve political centralisation.

The 1864 Provincial Code established a centralised administration in the provinces, with a pyramid of integrated districts. At the higher levels, administrative responsibilities were vested in bureaucrats appointed by Istanbul, whose job it was to transmit and implement orders passed down from the central government to the lower levels. The governors (*vali*) of provinces (*vilayet*) who were already in office saw their prerogatives extended by the new regulation. Most important, the conception of their job was changing: local administrators began to be considered no longer as independent of the central government or giving allegiance to local interests – and as such, needing to be counterbalanced by other local institutions – but as owing allegiance to the central government. The *vali* thus became the representative and sole agent of the central government, with authority over all affairs in the province. He was responsible for the bureaucracy, the police and for supervising the local civil servants at lower levels.

As these reforms were intended to improve government services, it was necessary to consider the needs of the subjects. To this end, consultative assemblies, partly elected and partly appointed, were established at each level of the provincial administration. They were also supposed to assist the tax collectors in implementing tax centralisation. The province thus acquired two functions: as a territorial and administrative division of the national government and as a local authority, with a “general” (*i.e.* national) and “special” or “particular” (*i.e.* local) function (Lewis, 1968).

The capstone of this line of development came in 1913, with the promulgation by the Committee for Union and Progress, which ignored federalist opposition, of a law following the main lines of the French law of 1871 on territorial *départements*. The law made the province a legal entity, with an independent budget and programmes, and gave it responsibility for providing local services. Provinces thus acquired a measure of autonomy from the centre, but they retained their two-fold function – as did the governor, moreover, who was both the representative of the State and the executive

of the provincial authority. However, Ottoman local governments were subject to a great deal of centralising political pressure and were becoming increasingly dependent on the central government (Ortaylı, 1995, p. 150). This administrative structure, retained by Mustafa Kemal, became the foundation of the territorial system of the Turkish Republic and, apart from certain adjustments, remained in effect until the reforms of the 1980s.

*From the Empire to the Republic: the traumatism of separatist movements*

In such a huge and diverse Empire, however, the ambition of developing a uniform administrative system ran up against the need to adapt to local conditions. This meant that the reforms were not implemented uniformly and cases of special status persisted.<sup>[2]</sup> The issue of territorial organisation took on great importance in the tumultuous debate over how to save the Empire, in a context of dismemberment and military rout. The end of the 19<sup>th</sup> century and beginning of the 20<sup>th</sup> were marked by the rise of many nationalist movements and the accession to autonomy or independence of some regions, often with the assistance of Western powers.<sup>[3]</sup> The defeat of the Empire in the First World War led to the occupation of much of its territory by the Allies. In 1920, the Treaty of Sèvres, which set the terms of this defeat, provided for the division of most of Anatolia between Greece and an independent Armenian State, as well as local autonomy in the Kurdish-majority regions of South-eastern Anatolia. These plans were supported by the Western powers. The treaty left only a small portion of territory in Central Anatolia to the Empire placed under supervision. Although the treaty was never ratified, it had a number of long-term consequences, notably through the collective traumatism (or “Sèvres syndrome”) that it engendered, in the form of fear of territorial dismemberment and secession, and suspicion of even the vaguest aspirations to autonomy. In opposition to the treaty and the Allied occupation, Mustafa Kemal unified and led the resistance movement that led to the expulsion of the occupying powers, the foundation of the Republic of Turkey and the signature in 1923 of the Treaty of Lausanne, which no longer provided for either an Armenian State or for Kurdish autonomy.

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[2] Such as the “independent” provinces placed directly under the Ministry of the Interior owing to their importance or sensitive nature (e.g. Jerusalem).

[3] In 1878, the Congress of Berlin recognised the independence of Serbia and Romania; Bulgaria became a largely independent principality within the Ottoman Empire before proclaiming its full independence in 1908; Bosnia and Herzegovina were placed under the control of Austria, which annexed them in 1908. Albania proclaimed its independence in 1911, whereas Italy took Libya. In 1912-1913, further wars put an end to the Ottoman presence in much of the Balkans. The Arab revolt of 1916, encouraged by Great Britain, led to the loss of nearly all the Arab provinces.

Many local notables joined this “national liberation” movement. Whereas the Kemalists tried to eliminate the intermediate levels, the notables formed the “Second Group” in the first National Assembly, favouring decentralisation and liberalism (Mardin, 1973, p. 181). Their importance is reflected in the strong role that the first post-Ottoman constitution (1921) gave to local governments (Bayraktar, 2007). For the first time, the two-fold status of the provinces was reflected in a clear separation: the governor, appointed by the central level, was responsible only for matters connected with the national government, while the local government took the form of elected assemblies that enjoyed considerable administrative autonomy and appointed their presidents and executive bodies from among their members.

This system – which, moreover, has never had an equivalent – was never implemented, however, since a large proportion of these notables, wary of Mustafa Kemal’s modernisation plan, were not offered a further term of office as members of the assemblies. Another turning point came in 1925, in the south-eastern part of the country, with the bloody repression of the Sheikh Said rebellion, a Kurdish nationalist and religious movement: the “independence tribunals” that operated during the war were reactivated against these “internal enemies”; the liberal opposition that aspired to decentralisation was accused of collusion with the insurgents and crushed. From then on, preservation of the country’s territorial integrity became the paramount concern. *“Between 1923 and 1946, the periphery – in the sense of the provinces – was suspect, and because it was considered an area of potential disaffection, the political centre kept it under close observation”* (Mardin, 1973, p. 184).

#### *Neutralisation of intermediate levels*

This mistrust of the potentially secessionist provinces served as the rationale for the imperative of national unity and the need to control sub-national territorial entities. It was primarily reflected in the division of the territory into political and administrative units. The first point to be noted was a drive for uniformity: in contrast to the imperial tradition, sub-national territorial units were now all administered in the same way, with none having exceptional status; the applicable law was the same everywhere. Since the territory of the Republic was considerably smaller than that of the Empire, the Kemalists replaced the overly large imperial provinces with smaller units, namely the 63 provinces (*il*), which became the main administrative units.<sup>[4]</sup> The First Geography Congress in 1941 also saw the creation of seven larger units known as regions (*bölge*), named in accordance with their geographical locations (Louis, 1941). These units were

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[4] In the last 20 years, some new provinces have been created (there are now 81 of them), mainly for political reasons.



created chiefly for statistical purposes; they had no administrative status or institutional structure. The regional level thus did not really exist in political terms.

No effort seems to have been made to draw these administrative boundaries along linguistic or religious lines (Toumarkine, 1995, pp. 64-65). The territorial divisions did not correspond to any pre-existing economic areas, nor to any cultural, linguistic or religious unity. Moreover, they aimed to blur or even to deny the geographical distribution of population: they divided certain regions having a strong historical identity, such as Lazistan in north-eastern Turkey (Bellér-Hann and Hann, 2001, p. 1). The use of this place name, which literally means “land of the Laz”,<sup>[5]</sup> was banished in 1926, because the Kemalists regarded it as an invention of the “unpatriotic” old regime. Such changes of place names were frequent during the early decades of the Turkish Republic, reflecting the drive for Turkification, naturalisation and neutralisation. Generally speaking, provinces and districts were designated by their capital cities and territorial units were thus named after their administrative centres. As a result, with only a few exceptions, place names that designate a part of the country’s territory according to natural, historical, human or other criteria have practically disappeared in contemporary Turkish (Bazin, 1986).

The geographical delimitation of these districts was not the only means of neutralising them politically. The Republic of Turkey was founded on the myth of a homogeneous population. Assimilation was accomplished through “localisation of differences”, and these differences were no longer associated with communities – which the Kemalists often regarded as foreign – but with localities, and were subsequently included into the national folklore as being representative of a “region” (*memleket*) (Sauner-Nebio lu, 1995, pp. 54ff). The history of each province was written in accordance with the nationalist historiography. Local history was not taught, or taught only through the role played by a given town in the war of liberation. Sub-national territorial entities were legitimate only in an apolitical and somewhat folkloric view, similar to the meaning of the French word *terroir* (“*terre*” meaning “land”). Thus, the affirmation of the existence of a distinct local level of government went hand in hand with the depolitisation of this level: the only legitimate policy was that determined at national level (Massicard, 2005, § 6). Local public resources were placed under central control to be used for the socio-economic development of the country as a whole (Bayraktar, 2007, § 19).

The budgets of the provinces were allocated by the central government; the province had limited prerogatives and its functions were mainly executive. Its two-fold status

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[5] The Laz are a people who speak a Georgian dialect, located mainly in the north-eastern part of the country.

henceforth meant a clear hierarchical order: the elected provincial assembly, which originated from the local authority (*yerel yönetim*), could not really exercise its legislative prerogatives, because almost all of its decisions were subject to the approval of the governor (*vali*), who presided over it even though he also headed the local branch of the central government (*mahalli idare*). The *vali* was appointed by the Council of Ministers to represent the State and the government in the province; he exercised many central government functions and coordinated the activity of national administrative departments in the province. Thus, a high proportion of local affairs were either supervised directly from the capital (through the local branches of ministries) or managed by provincial authorities presided over by the governor (Güler, 1998, p. 155).

Some changes could have been made in 1929 and 1949: laws on provincial administration that affirmed the principle of devolution were adopted, but then rendered null and void by subsequent additional legislation. Similarly, the liberal Constitution of 1961 affirmed the explicit separation of central and local governments and the need to allocate adequate resources to the local level, but these principles were never put into action for lack of implementing legislation.

#### *The growing autonomy of municipalities*

The changes that did occur were mainly at the municipality level. Shortly after the approval of the 1921 Constitution, a law on municipalities was formulated and remained in force for 75 years. Although it recognised the importance of local autonomy, this law reflected a determination to ensure oversight by the centre. Municipalities were conceived of mainly as the instruments of the country's modernisation process and as extensions of the central government; they were also responsible for local public services. The 1930 law on municipalities once again transferred some services to the central government. For example, responsibility for primary education was transferred from the municipalities to the province. Moreover, the newly founded ministries took over *de facto* many powers that were officially assigned to municipalities (Görmez, 1997, pp. 124-125).

Another reason for depoliticising local governments was to avoid letting local notables gain access to national politics and public resources. However, there is no evidence that these efforts had the desired effect; indeed, the restrictions on the administrative and financial autonomy of municipalities made them vulnerable to the influence of local interests. Urban policy came gradually under the influence of local pressure groups, particularly traders and entrepreneurs who were weak individually but were collectively organised in chambers of commerce or sector organisations. The

acceleration of massive rural-to-urban migration after the Second World War, rapid urbanisation since the 1960s and real estate speculation all weakened the influence of the central government in urban areas (Şengül, 2001, pp. 75-76).

Although the 1961 Constitution laid down the principle of decentralisation by recognising the need to allocate proportional resources to municipalities (Art. 116), the old system persisted in fact, as no law was enacted to implement this principle. The main innovations introduced related to oversight of municipalities. From this point on, municipalities were inspected only by judges and no longer by central government officials and mayors were no longer elected by the municipal council but by universal direct suffrage. However, the transition to a planned economy in the 1960s strengthened the pressure for centralisation: decision-making, functions and resources were all further centralised in order to enable the government to implement its five-year plans. Municipal activities and resources were placed under the authority of the central government so that they could be used efficiently for the country's socio-economic development. The controversial granting of autonomy to certain municipalities during the second half of the 1970s (a period of extreme politisation) confirmed the mistrust of the central institutions.

In the 1980s, under the governments of the liberal Motherland Party (*Anavatan Partisi* – ANAP), the distribution of resources between the central government and the municipalities shifted in favour of the latter. However, although more resources were allocated to municipalities, they continued to be determined by the central government, thus reproducing local dependence on Ankara. Moreover, a number of administrative powers and responsibilities were devolved to the local level (Güler, 1998, pp. 185-194). These reforms paved the way for the privatisation of some municipal services. In another important change, Law 3030 of 9 July 1984 introduced the status of “metropolitan municipality” for the largest cities, providing for increased autonomy and urban planning powers that were previously controlled by the central government. These metropolitan municipalities had a larger budget than other cities because, in addition to the share of the national budget allocated to municipalities according to population, they received 3% of the taxes collected in the city. In addition, the mayors of these cities obtained substantial rights of veto and modification with regard to the decisions of the metropolitan and district municipal councils. As a result, these “metropolitan mayors” began to enjoy considerable financial and administrative power and the provinces began to suffer from competition from the metropolitan authorities.

Although the metropolitan municipalities were the main winners of the legal changes that occurred after 1980, this does not mean that the status of ordinary municipalities remained unchanged. Among other powers and resources transferred to the local

level, the right to formulate and revise urban plans took on great importance, since this power makes it possible to create and distribute urban rents and thus to arouse investors' and contractors' interest in local authorities. As from this period, cities became more important venues for investment, speculation and rents (particularly land rents), as they were not subject to much oversight in terms of transparency and public accounting rules. The membership of municipal councils changed rapidly as from this period, with increased representation of groups of entrepreneurs, investors and contractors (Erder and Incioğlu, 2004; Köksal and Kara, 1990). Municipal corruption scandals proliferated, the best-known of which was probably that of the İski, the water department of the City of Istanbul, in 1993. It was during this period that municipal authorities acquired a reputation as poor managers and as institutions that were structurally vulnerable to the appetites of investors and unscrupulous elected officials, who sacrificed public services on the altar of private interests.

The political construction of sub-national territories in Turkey can thus be summed up by the drive for centralisation and control. The empowerment of local authorities was only partial and was accomplished mainly at the level of municipalities, particularly those designated as "metropolitan", rather than at the intermediate levels, which were politically neutralised.

### Box 1 *Historical context*

The Republic of Turkey was founded in 1923 by Mustafa Kemal on the ruins of the Ottoman Empire. It was a single-party system until multi-party politics was introduced in 1946 and the first change of ruling party in 1950.

Subsequently, the democratic process was regularly interrupted by military coups d'état (in 1960, 1971 and 1980). The last of these set up a military regime that lasted until 1983 and promulgated a new Constitution in 1982 that was somewhat restrictive where individual freedoms were concerned.

A number of reforms to the Constitution were adopted by referendum in 2010.

### 1.1.2. The European dimension

This long history gives us a better understanding of the importance of the recent reforms of local government (see Table 1). These reforms coincided with the beginning of the negotiations on accession to the EU and form part of Turkey's European agenda. It is therefore tempting to conclude that such an innovative reform is the result of Turkey's integration into Europe, but this idea needs to be substantially qualified.

What exactly is the effect of the European factor? Turkish decision-makers do not regard it as a decisive factor. Following the partnership for accession of 2001, the coalition government<sup>[6]</sup> that preceded those of the Justice and Development Party (*Adalet ve Kalkınma Partisi* – AKP), which has been in power since 2002, developed a “national plan for the adoption of the Community *acquis*” that provided for somewhat vague reforms in terms of the division of prerogatives between the central and local governments and opening up the latter to foreign capital. In 2003, the AKP government's “emergency plan of action” and its national programme, as revised for the adoption of the Community *acquis*, undertook to meet all EU criteria concerning regional policy, on condition that the accession negotiations begin (Loewendahl-Ertugal, 2005, p. 43). Interestingly, the plan mentioned public sector and decentralisation reforms only in passing, and only in relation to investment issues; thus, the government had not placed these reforms on its European agenda. The explanatory statement of the laws on reform of local government adopted in 2004 mentions the European dimension, but only in passing. In the same way, the explanatory statement of the law on special provincial administration adopted in 2004 gives a minuscule place to European matters: it mentions the European Charter of Local Self-Government (ratified by Turkey in 1992) and the European Union (EU) view of local government as “*other references taken into account in the bill*”, but only after specifying that the law was founded on the unitary structure of the State and on the constitutional principle of unity of administration. Moreover, it mentions the European dimension not to justify devolution and the autonomy of local self-government, but to legitimate the objective of having local governments “*capable of rendering quality services, active, efficient, responsible and accountable, transparent, open and reliable*”. Why is so little reference made to the European dimension? One must bear in mind that this dimension is not always legitimating and can be a handicap rather than a positive

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[6] From 1999 to 2002, the coalition government was composed of the Democratic Left Party (*Demokratik Sol Partisi* – DSP), the Nationalist Movement Party (*Milliyetçi Hareket Partisi* – MHP) and the ANAP.

**Table 1** *Laws relating to decentralisation*

Title of legislation	Number	Date of adoption by the Assembly	Decision of the President of the Republic	Decision of the Constitutional Court	Decision of the Council of State	Outcome
Law on fundamental principles and reform of public administration	5227	15 July 2004	Veto – 3 August 2004	-	-	Did not come into force. Is not on the Assembly's agenda.
	5215	9 July 2004	Veto – 22 July 2004	-	-	Did not come into force.
	5272	7 December 2004	Agreement	Nullification for procedural reasons following the appeal of the CHP* – 18 January 2005		Did not come into force.
Law on municipalities	5393	3 July 2005	Agreement	Nullification of some articles; including Art. 14 giving municipal authorities the power to open kindergartens and granting them general powers – 24 January 2007		In force, except for nullified articles.

Title of legislation	Number	Date of adoption by the Assembly	Decision of the President of the Republic	Decision of the Constitutional Court	Decision of the Council of State	Outcome
Law on metropolitan municipalities	5216	10 July 2004	Agreement			In force.
	5197	24 June 2004	Veto – 10 July 2004			Did not come into force.
Law on special administration of provinces	5302	22 February 2005	Agreement	Nullification of some articles, including Art. 10/h on peaceful solution of problems with debts owed to the provinces and Art. 15 on publication of the decisions of the provincial council by the prefect – 18 January 2007		In force. A period of one year was granted to modify the articles nullified by the Constitutional Court.
Law on regional development agencies	5449	25 January 2006	Agreement	Nullification of some minor articles, but general agreement on the law – 30 November 2007	Suspension of the implementing order and appeal to the Constitutional Court, rejected – 30 January 2007	In force.
Law on nullification of the municipal status of certain districts	5747	22 March 2008	Agreement	Nullification of some articles and of the closure of some municipalities – 31 October 2008		In force.

Shaded areas: laws that did not come into force.

\* CHP: Cumhuriyet Halk Partisi (Republican People's Party).

Source: authors' construction.

argument: on the territorial issue, and owing to the conditions in which the country was shaped, as described briefly above, Europe was widely considered in Turkey as a threat to territorial integrity (Massicard, 2001). It is thus improbable that the European dimension was the preponderant factor in the adoption of these reforms; if this was the case, it was not admitted openly (Massicard, 2008).

Did the EU suggest, encourage or require these reforms? The annual reports of the EU Commission on Turkey do emphasise the establishment of regional policies, but they never demand the creation of regional authorities – no more in Turkey than in other candidate countries. Where regional administration is concerned, these reports express a vague preference for decentralisation.<sup>[7]</sup> Not until the 2005 report – after the adoption of these reforms – did the Commission mention them, praising them in these terms: *“Turkey’s preparations for the implementation of regional policy are conditioned by its on-going reform of the public administration (...) This legislative package is to be welcomed, insofar as it devolves the responsibility for a number of executive functions to the lower tiers of the public administration and introduces a measure of local democracy at the provincial level. This should facilitate the application of the principles of partnership (...) There has been some progress in establishing the legislative framework for the decentralisation of Turkey’s public administration, and this should help to promote a participatory approach to regional policy”* (European Commission, 2005, pp. 102-103). Thus, the Commission always considers these reforms not in their own right, but in connection with regional policy.

In fact, the only genuine reform directly linked to demand from the EU seems to be relatively technical: the adoption of the Nomenclature of Territorial Units for Statistics (NUTS) classification. The EU indeed pushed for the establishment of NUTS 2 regions – the level considered most appropriate for analysing socio-economic disparities, distributing structural funds and formulating regional development plans (European Commission, 2000, p. 59; European Commission, 2001, p. 110). This European request was included as such in Turkey’s priorities – all the more quickly since it constitutes a condition for access to substantial material resources. Thus, the establishment of NUTS was the only short-term objective in the 2001 national programme, which specified that no other legislative reform would be necessary in the pre-accession phase (TC Basbakanlık Avrupa Birliği Genel Sekreteri, 2001, p. 348). This request was

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[7] The recommendations of the Committee of the Regions are much more explicit and more directly related to decentralisation (Committee of the Regions, 2006, § 11, 2.4, 2.10, 2.14), but they do not have the same political significance as the Commission’s reports.



satisfied back in 2002 through the creation of 26 statistical regions comprising the 81 provinces (which correspond to the NUTS 3 level), with no public debate.<sup>[8]</sup>

Just how constraining is the European factor in terms of sub-national organisation? In 1997, candidate countries for accession were obliged to accept the Community *acquis*, which includes an entire chapter on administrative reform of regions (first and foremost, the implementation of structural policies).<sup>[9]</sup> Since then, the Commission has considered “regional administrative capacity” as a pre-requisite for the implementation of the *acquis* and for the distribution of structural funds. What are the concrete effects of the imposition of these standards on newly acceded and candidate countries? It triggers adjustment processes that reconfigure the institutional structure (Bafoil and Hibou, 2003). However, the many studies of the effects of territorial reforms in the Central and Eastern European countries (CEECs) on the delimitation, content and powers of the new regional entities agree that the EU’s capacity to forge modes of sub-national government has often been overestimated. The EU has hardly imposed a model (Keating, 2003b): “*the European regional policy does not suffice, at the institutional level, to make the region, which moreover is not defined, the new paradigm for the territorial organisation of European States*” (Marcou, 2002, p. 164).

Several explanatory factors may be put forward. First, no such “*European regional model*” exists (Keating, 2003b, p. 66): the European Community treaty imposes no rule concerning the territorial organisation of the member States. Second, the European institutions seem to have hesitated over the desirable scope of their intervention in such a sensitive area, where the member States have exclusive competency. The preferences of the Commission’s different Directorates-General diverge on this point,<sup>[10]</sup> and these preferences have changed over time. The experience of the CEECs shows that after a first phase in which the Commission favoured devolutionary structural changes, it then reversed its stance due to its inability to administer all of the regional programmes and to its lack of confidence in the administrative capacity

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[8] How were the NUTS units delimited? There is no legal obligation to determine them on the basis of existing administrative divisions. The NUTS lines were drawn by the State Planning Organisation (*Devlet Planlama Te kilatı – DPT*) and the Turkish Statistical Institute (*Türkiye İstatistik Kurumu – TÜK*) and approved by the Council of Ministers, with no participation by local stakeholders and, officially, “*according to geographical and economic similarities*”. Some observers consider the divisions to be “artificial” (Dulupçu, 2005, p. 105). As in the 1920s, the delimitation of the NUTS 2 regions seems deliberately to ignore human and linguistic borders (Bazin, 2005, pp. 427-428). For example, Kurdish-majority areas were divided so as not to form a single region.

[9] For Turkey, the screening process on this chapter has not yet begun.

[10] Where Turkey is concerned, the Directorate General for Regional Policy (DG REGIO) and the Directorate General for Enlargement (DG ELARG) seem to have divergent interests (Massardier and Tek, 2005, p. 26).

## Map

## 1 Turkey's new statistical regions (NUTS 2 and 3)



Source: Edistat.

Key:

- National level
- Level 1 statistical regions
- Level 2 statistical regions
- ..... Level 3 statistical regions

of regions. Thus, central ministries were designated as the principal contact points in the implementation of cohesion programmes, and thus were strengthened (Keating, 2003a, p. 17). For Turkey, the DG REGIO seems to have vacillated in the same way between a multi-level, decentralised ideal and a pragmatic approach focused on efficiency and giving a strong role to central institutions, which seems to have won out (Massardier and Tek, 2005, p. 38).

Even where regional development is concerned, the *acquis* includes no institutional provisions, apart from the principle of partnership, which implies cooperation with non-State actors and hence a measure of decentralisation. That said, it is the central government that designates the participating authorities; legally, it may be a case either of decentralised, elected authorities or of authorities subordinated to the State. These partners must include “*regional authorities*”, but since there is no official community definition of this concept, in practice the authorities selected are what each Member State decides to call regional authorities (Marcou, 2002, p. 134). Many Member States do not recognise the region as a level of government, and those that do, disagree as to its nature and functions, reflecting the fact that this notion is not well defined (*ibid.*, p. 133 and p.137). The institutional options taken by the CEECs at

the intermediate levels of government were thus diversified, often involving the importation of a simple framework for EU-related interaction between pre-existing institutions; moreover, none of them sought to institute a powerful intermediate level (*ibid.*, p. 131). Where Turkey is concerned, Chapter 22 of the *acquis* on regional policy is not even open to negotiation, because it has been frozen by France – which makes the possibility of pressure from the EU, already vague, even less of an issue.

It would thus be a mistake to consider these reforms as being directly imposed by the EU, even though they are sometimes presented as such and though it is difficult to disentangle what relates to domestic policy from what relates to the European factor. If the latter does not seem to have played a determining role in the reform of local government, this is not because Turkey “circumvented” European requirements, but because EU requirements are rather loose in this area.<sup>[11]</sup> While the EU can be a driver of change, it does so primarily indirectly, since it modifies domestic opportunities by procuring resources – particularly political arguments – for the parties that favour decentralisation; the latter can thus make strategic use of Europe to clothe domestic reforms – which is not at all obvious in the case of Turkey. This imprecise demand leads us to shift our attention from the external factor as such to the way it is perceived, interpreted and transposed in the national context.

### 1.1.3. Domestic political rationales

While these reforms were partly a response to rather vague European demand, they resulted primarily from domestic motivations. The idea of such a reform was far from new: the legislative framework for local government dates from the 1920s and 1930s and quickly proved ill-suited to the social changes that were occurring. As a result, other initiatives to reorganise territorial administration had already been taken. In 1983 (under the military regime that came to power in 1980), an executive order created regions headed by an elected governor and having resources at their disposal. Most of the powers of Ankara were supposed to be transferred to these regions, in order to address the slowness of the centralised bureaucracy and the central government’s inability to drive policy at the local level. The order was nullified, however, on the return of civilian rule in 1984, as the ruling ANAP party saw in it the beginnings of a very risky division of territory in the absence of a settlement of the Kurdish issue, which was heating up. In 1996, 1998, 2000 and 2001, various governments – primarily

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[11] It should be noted, however, that in the case of Turkey this mild pressure for decentralisation did not come solely from the EU. The International Monetary Fund (IMF) and the World Bank, in their recommendations for public sector reform, also expressed a vague general preference for decentralisation, but like the EU, they made no specific mention of the regional level or regionalisation.

led by liberal parties that favoured “less State” and more checks and balances – tabled bills on local government, focused mainly on municipalities. However, apart from the 1987 revision under the ANAP (Güler, 2005), these bills were not passed into law. In 1998, for example, the coalition headed by Mesut Yılmaz (ANAP) tabled a bill providing for the transfer of powers to local authorities, an increase in their own resources and reduced oversight by the central government. However, the government fell before the reform could be completed.

Why did these reforms get through in 2004-2005? Here we must look to domestic explanatory factors. The Islamist political tradition that gave rise to the AKP did not distinguish itself with a specific municipal policy, at least in its early days: when the Islamist Prosperity Party (*Refah Partisi* – RP) came to power in most of Turkey’s large cities in 1994, its platform did not refer at all to “local government” or “local authorities”. But the Islamist movement asserted itself at the municipal level before coming to power at the central level (Massicard, 2009). The municipal policy of the “Islamist” parties was thus developed through the exercise of power on the ground, as early as 1989 in cities such as Konya, Kahramanmaraş, Sivas, Şanlıurfa and Van, and in most major cities as from 1994 (Doğan, 2007, p. 81). The local government issue also became increasingly important to the Islamist parties because of their positioning on the political scene: as the “pariah” of the system, hotly pursued by the army and other government institutions, the Islamist movement joined the partisans of “less State” and devolution to local authorities.<sup>[12]</sup> This makes it easier to understand why the AKP, from its creation in 2001, made reform of local government part of its platform, calling for the transfer of many prerogatives of the central government to local authorities and for a reduction of State oversight. In addition, this extensive experience at municipal level gave the Islamist parties the opportunity to recruit and train a new generation. Thus, in terms of political staff, many AKP leaders currently in the government began their careers in local authorities. This is of course the case for Tayyip Erdoğan, metropolitan mayor of Istanbul as a member of the RP from 1994 to 1998 before he became head of the AKP and served as prime minister. It was the first time that a former mayor had become prime minister, although some had managed to become ministers or party leaders. More generally, the executive authorities of the Islamist metropolitan municipalities served as a training ground for a new generation of national political elites.

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[12] In 1998, the RP, the indirect ancestor of the AKP, considered that Mesut Yılmaz’ bill was on the right track but not bold enough.

A last, more temporary factor is of some importance: the AKP was the first party since the late 1980s that managed to form a government by itself, without a coalition. It thus had a comfortable parliamentary majority and a measure of longevity, both of which are necessary for putting through reforms on such a scale. Lastly, at the time of the reforms, the AKP was also the leading party at the local level: following the local elections of 2004, the AKP received 40.12% of the vote and won 1,952 municipalities out of 3,499 and 12 of the 16 metropolitan municipalities. It had a majority in 71 of the 81 provincial councils. Given this crushing majority in local authorities, the decentralisation reforms entailed no loss of power for the party. Lastly, these reforms mainly remained within the framework of the existing territorial organisation and did not challenge the national party structures' grip on party machines, even within the AKP.

## 1.2. Ambitious objectives

The two first Erdoğan governments (March 2003-August 2007 and August 2007-2011) thus made decentralisation reforms one of their priorities. What was the underlying vision for these reforms?<sup>[13]</sup> The programme of the 59<sup>th</sup> government set very ambitious objectives on this point: *“Our system of public management must have a structure that is suited to contemporary management. Our government is determined to bring this about. To this end, a comprehensive reform of local government will be conducted under our government, aimed at leaving behind the cumbersome, centre-weighted structure and moving towards the principles of pluralist, participatory democracy and efficient management. The fundamental principle will be local provision of public services, taking account of both national priorities and local differences. Services that need not be provided by the central government will be transferred to local government, along with their resources. Strong emphasis will be placed on democratisation at the local level; central control over local elected bodies will be limited to control over legal matters. As part of the reform of local government, the division of competencies, powers and resources between central and local government will be redefined according to our vision of a unitary State and in accordance with the principles of efficiency, productivity, and contemporary management. Provincial administrations will be restructured; the competencies and powers of the ministries in the provinces will be transferred to the governors and special provincial administrations. We will ensure that services – health, education,*

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[13] For an overview of the philosophy of the reform, see Yılmaz and Dinçer (2003).

*culture, welfare, tourism, environment, services provided to villages, farming, livestock raising, construction and communications – are provided at the level of the province, taking local preferences into account” (TBMM, 2003). The government was thus aiming for a paradigm shift, as well as far-reaching change in the distribution of responsibilities and powers and in the principles that govern them.*

### 1.3. Resistance and loss of coherence

The reforms are embodied in a number of laws and implementing acts concerning different levels of government, as well as in a law on the general principles and reforms of public administration (see the summary table in Table 1). However, the adoption of these laws and other instruments was a tortuous process that has raised fierce opposition and heated debate.

There are two main types of opposition. First, the lifting of central control and local autonomy are widely criticised on the ground that they endanger the unity and wholeness of the State. For example, some observers perceived the creation of NUTS regions as the first step in a regionalisation process, whereas in fact these regions are merely of a statistical nature; while they are supposed to encourage provinces to integrate their development efforts, they have neither enough financial resources nor enough decision-making power to cause regionalisation (Dulupçu, 2005, p. 105). The creation of these regions has few implications for the country’s regional organisation, since the region to which they refer is a socio-economic area rather than a public institution or authority (Marcou, 2002, pp. 132, 135). However, a Kemalist and sovereignist organisation considers that: *“the central government’s power of financial control and management will be eliminated; under the name of regional development agencies, provinces composed of several smaller provinces will be created ...; the provinces will have their own armed forces, separate from the State security forces; local governments will have independent authority to contract domestic and international debt and to mortgage their property; such a development entails giving up the unitary State; this is very dangerous, given that, after a period of preparation, it will open the door to separation from Turkey (...) and will increase social tension. It is a known fact that this context can only support separatism”*.<sup>[14]</sup>

The second type of argument is concerned with the issue of free-market economics, which, moreover, is often linked to the end of national sovereignty. The law on

[14] For the declaration, see <http://www.mudafaai-hukuk.com.tr/test/bultenler/09202003.doc>

municipalities, for example, is sharply criticised as a product of neoliberalism because it encourages privatisation of municipal services and the “dangerous alliance” between local governments and world markets. According to the Union of Chambers of Turkish Engineers and Architects (*Türk Mühendis ve Mimar Odaları Birliği* – TMMOB), “the public administration reforms, including the new laws on local government and the creation of regional development agencies, aim to complete the process of integration into world capitalism and transform the country into a market, the State into a merchant and the citizen into a customer. The end product of this process will be complete economic and social destruction”.<sup>[15]</sup> Similarly, the regional development agencies are criticised on the grounds that they allegedly constitute vehicles for increased foreign investment and thus give preference to foreign interests over national interests.<sup>[16]</sup>

Following these debates, in which political figures were also involved, most of the laws were revised. As the President of the Republic had issued several vetoes<sup>[17]</sup> and some parties had appealed to the Constitutional Court, some articles were modified or eliminated and some bills were abandoned outright. For example, the framework law on public administration, which provided for the adoption of the subsidiarity principle and practically eliminated decentralised State entities, was sharply criticised because it was suspected of paving the way for federalism; it is no longer even on the agenda. The transfer of general powers to municipalities is similarly blocked.

Let us consider the example of the second reform of the provincial level in 2005 (the first was vetoed in 2004). Many trade unions and non-governmental organisations (NGOs) as well as the main opposition party, the Republican People’s Party (*Cumhuriyet Halk Partisi* – CHP),<sup>[18]</sup> agreed that this reform posed a threat to the unitary nature of the State (Massardier and Tek, 2005, p. 31). The President of the Republic at the time, Ahmet Necdet Sezer, vetoed certain articles, relating to transfers of responsibility, autonomy of local authorities and the lifting of central control. He also objected that subsidiarity was incompatible with the Constitution and the unitary nature of the State and that organisations external to the central government could be formed only under the latter’s oversight (Loewendahl-Ertugal, 2005, p. 41). After a few emendations, notably including the elimination of the reference to “administrative

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[15] Press conference, Samsun, 5 February 2005, <http://www.tmmob.org.tr/print.php?sid=519>

[16] “Yabancıyı ‘kalkındırma’ ajansı”, *Milli Gazete*, 11 July 2007.

[17] This veto applied to all of these bills except the one concerning metropolitan municipalities.

[18] This party also appealed to the Constitutional Court to nullify nearly all of the articles.

federalism”, the bill was passed again in February 2005.<sup>[19]</sup> The President of the Republic then appealed to the Constitutional Court, over which he had presided from 1998 to 2000, to nullify the law. In 2007, the Court refused to hear the appeal, so the law entered into force. At the same time, in early 2007, the Council of State, on an appeal by the TMMOB, suspended the execution of the regulation on the working bases of the regional development agencies, and referred the law providing for their establishment to the Constitutional Court.<sup>[20]</sup> The objections put forward concerned the organisational model between central and local government provided for by the law, which differed from what was stipulated in the Constitution; the provision that development agencies were allowed to implement regional plans that were not coordinated with the national plan; the subordination of Turkey’s interests to foreign interests and multinational firms; and lastly, the allegation that competition between regions would endanger public welfare.<sup>[21]</sup> In the end, the Constitutional Court nullified only two minor articles.<sup>[22]</sup>

These responses show how deep-seated was the reluctance to allow even limited autonomy to local governments. They led to the nullification of a portion of the planned reforms (a portion that varied from one bill to another) and to the postponement of the implementation of the rest. Ultimately, this ambitious reform plan lost a great deal along the way, particularly in terms of coherence, as the various reform measures were no longer necessarily coordinated or harmonised.

## 1.4. The reforms continue

Owing to presidential vetoes and nullifications by the Constitutional Court, the reform process is far from complete. The government seems, however, to be continuing its decentralisation programme, with the act of March 2008 nullifying the municipal status of towns with fewer than 2,000 inhabitants and that of July 2008 on increased financial resources for local governments (see below). Yet the government appears to be holding back from major reforms: for example, the major law on the restructuring of the administrative system is no longer mentioned, even though there is no reason

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[19] An English translation of the law establishing these agencies can be found at: <http://www.wizka.org.tr/en/kurumsal/mevzuat/kanun/>

[20] The Court had already been appealed to by the CHP, which argued that the law was unconstitutional because of the ambiguous legal status of the agencies.

[21] The word “regional” appeared in the initial draft bill (“regional development agencies”), but not in the final text.

[22] Article 18 on the appointment of agency staff by the Ministry of the Interior and Article 26 on the exemption of these agencies from all taxes.



to think that the new President, Abdullah Gül of the AKP, who succeeded the highly secularist and centralist Ahmet Necdet Sezer in August 2007, might be opposed to it. In addition, the recent Constitutional Court decisions on closed municipalities and development agencies are rather supportive of the government and its initiatives. Nonetheless, the AKP clearly has not wanted to take the risk that para-political bodies would paralyse the government and has thus bided its time in putting these reforms back on the agenda. This caution has been even clearer since 2009, owing to a series of elections: local elections in March 2009, the constitutional referendum of September 2010 and the legislative elections of June 2011.

The local elections of 2009 had mixed results: while the AKP kept its majority in most local authorities, it lost a number of municipalities, including Adana, Şanlıurfa and, most important, Antalya, a very disappointing result. Most importantly, the party enjoyed less clear majorities in municipal and provincial councils and it often had to form coalitions, which entailed new approaches to political negotiation. However, there were a few signs that the decentralisation reforms were continuing.

The AKP could, moreover, reinitiate certain reforms. For example, the only law on local and regional authorities that is still intact is the law on villages, which dates from 1924. The government drafted a bill to reform it and made the draft public in December 2009 to allow for debate among the general population. The bill would make the administration of villages – which are grouped in three categories by population – more like that of municipalities. Village mayors (*muhtar*) would still be elected and still without party affiliations, but they would henceforth chair the village council, which would replace the earlier law's "council of wise men" (composed of elected officials as well as civil servants such as schoolteachers, imams, midwives and doctors). The main new feature of the draft bill is that it grants villages an independent budget made up of revenue allocated from the national budget and from the budgets of the special provincial administrations. The new bill also provides for the recruitment of architects, engineers, veterinarians, technicians and workers to give villages the ability to assume their new urban prerogatives, such as preparing renovation and settlement plans. For these tasks and others, villages would have the authority to enter into contracts with private contractors.

Second, it can be expected that some of the reforms that were planned by the government – but which it had abandoned owing to opposition, the possibility of a presidential veto or electoral considerations – will eventually be passed. This could be the case in particular for the transfer to local authorities of certain functions that had previously been performed by local and regional branches of the central ministries (including education and health), or even the abandonment of most of these branches

by the central institutions or the introduction of local taxes. Lastly, the bill on public-private partnerships (November 2007) may be debated and adopted. In short, the reforms of local government may continue, not only along the lines of what has already been completed, but perhaps also in areas that have remained intact thus far.



# Part Two



## 2. Difficult and Partial Implementation

As we have seen, the reforms initiated in 2004 were ambitious and, although they gave rise to a great deal of opposition and remained incomplete, they are probably not dead. Those that were adopted have been implemented gradually. In short, the “new deal” is far from having stabilised. This situation makes it all the more necessary to look closely at the facts to see how the balances have changed.

The abundant literature on public policy has shown that a policy takes real form only when it is implemented and that analysis cannot be limited to noting the decisions announced by government bodies or in legislation. The reason is that the implementation process means that decisions are pursued through other means and, often, by other parties. In Turkey as elsewhere, the lack of connection between the text of laws and their implementation is real and has often been criticised by European institutions and decision-makers. Several years after the first reforms of local government were passed, it seems appropriate to undertake a first analysis of their implementation. This means examining in detail what has happened to these reforms, as well as how the various concerned stakeholders adapted to them, notably through analysis of the social usages of the laws adopted at different levels. The analysis of implementation is crucial to the evaluation of any changes in ways of exercising political power, of innovations and of what has remained unchanged. The aim, in short, is to assess the extent of the changes in the way government operates and in so doing, to go further than a teleological view of these changes so as to envisage open evolutions – especially since the reform acts, after complex legislative processes, have lost a good deal of their initial coherence – and ultimately, to gain a better understanding of the sometimes contradictory effects of the reform processes. The well-known sociological studies on decentralisation in France have shown, for example, that the actual configurations of power were not those provided for by the legislature.<sup>[23]</sup> Here again, it is necessary to go beyond the administrative structure to trace the actual path of decisions and of their implementation, including in their informal dimension. It is

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[23] See for example Rondin (1985).

therefore necessary to distinguish between words and actions, and to explore, through critical analysis, the complexity of the mechanisms at work and of the power structures.

## 2.1. New levels of responsibility?

A first question concerns the reorganisation of the country's territory: can one speak of a creation of regions and to what extent was the country's political geography affected by the reforms?

### 2.1.1. Regionalisation by sleight of hand: the creation of development agencies

As we have seen, European requirements were concentrated on regional policy, in Turkey and elsewhere.<sup>[24]</sup> Although Turkey is the only candidate country to have introduced regional policies (European Commission, 1999, p. 43), in 2000 the Commission included in its priorities for Turkey a stronger regional policy complying with EU standards (European Commission, 2000, p. 66). The reason is that European and Turkish principles concerning regional policies differ on many points (Loewendahl-Ertugal, 2005, p. 24). This is the context in which one must understand the introduction of the NUTS regions and the related creation of the development agencies as from 2006. The very term for "agency" (*ajans*) was a new word in Turkish administrative terminology; it denotes the importation into the institutional vocabulary of a word with "good governance" connotations. These development agencies are the only permanent bodies linked to the NUTS and one of the few institutional innovations in the whole series of reforms of local government. Their objectives correspond to European prescriptions. Although this is not explicitly stated, they also seem to be inspired by the partnership principle, which is a key element of EU policies. Are these European requirements and the reforms that they entail likely to pave the way for regionalisation in Turkey?

Development agencies introduce an intermediate level of management between the national and local levels. Their chief function is to coordinate all local stakeholders in the formulation and implementation of regional development plans (*bölgesel gelişme planı*); thus, planning is no longer completely centralised, with some now being done

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[24] The European regional policy, adopted in 1988, is chiefly aimed at ensuring economic and social cohesion among the territories making up the EU. The principles for implementation of the structural funds, formally established in 1999, are as follows: programming, additionality (i.e. EU assistance is added to national and local funding instead of replacing them) and partnership.

at the local level. This shift is justified by the desire to have detailed knowledge of local situations and hence to be able to set priorities in an informed manner. This may be regarded as a genuine innovation because Turkey had been following a centralised planning model since the 1960s: this responsibility fell to the *Devlet Planlama Teskilatı* (DPT), a central planning body that held exclusive decision-making power.<sup>[25]</sup> Provincial and local authorities had no say in the preparation of regional policies, a situation that left practically no room for local initiatives nor for the partnership principle.

The EU, however, puts strong emphasis on regional planning. Turkey's experience of specifically regional planning, while not wholly inexistent, was very limited. Essentially, it was restricted to the *Güneydoğu Anadolu Projesi* (GAP), an infrastructural investment project in Southeastern Anatolia implemented in 1989 with an initial budget of US\$32 billion. Subsequently, the DPT initiated other regional development plans in Eastern Anatolia and the Black Sea region,<sup>[26]</sup> but no authority was tasked with implementing them. Generally speaking, the territorial dimension is rarely included in Turkish five-year plans, and then only in a scattered, fragmented way (Dulupçu, 2005, p. 109), since planning in Turkey takes a primarily sectoral approach: the aim of the plans is to direct investments to certain economic sectors, with no consideration for their geographical distribution, whereas European planning is both multisectoral and integrated in territorial terms. Here again, the GAP is an exception, as it inaugurated a multisectoral and relatively decentralised approach (Loewendahl-Ertugal, 2005, pp. 24ff.). A more integrated approach emerged in the fifth five-year plan: in 1982, the DPT proposed the formation of 16 functional regions and "regional development plans", which was probably an appropriate classification from an economic point of view. However, no public policies were introduced in this respect (Gezici and Hewings, 2004). The seventh plan (1996-2000) was the first to affirm the need to combine "sectoral development" with "spatial analysis" (Dulupçu, 2005, p. 110). At the request of the EU, a department was formed within the DPT to monitor and evaluate regional development programmes (European Commission, 2000, p. 65; European Commission, 2004, p. 13).

The priorities of the European and Turkish development programmes do agree, however, on one important point: that public resources should be concentrated on

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[25] In the 1960s, there was some debate on creating regional branches of the DPT to implement regional projects, but this initiative – as well as the very idea of regional planning, which did not enjoy a consensus – encountered widespread resistance (Loewendahl-Ertugal, 2005, p. 35).

[26] Since the 1960s, there have been a few initiatives to produce regional plans (for the relatively prosperous regions of Antalya, Çukurova, Zonguldak and Keban), but they were never implemented.



the most disadvantaged regions. Since the 1960s, reduction of regional disparities has been one of the two priority goals of Turkish planning. In 1971, the authorities introduced one of the major instruments of this policy: privileged zones for development (*Kalkınmada Öncelikli Yöreler*). These zones were to be granted specific incentives and to be priority areas for investment. In fact, however, investment and public infrastructure have very often been concentrated in the most developed areas! In 1980, for example, 60% of public investment funds were allocated to the most developed regions in the west, whereas Eastern Anatolia received only 4% (Danielson and Keles, 1985, p. 35). What was the reason for this? The number of priority development zones rose quickly from 22 to 49, with certain provinces being included more through political manoeuvring than because of their socio-economic indicators (Gezici and Hewings, 2004, p. 118). Even these zones did not receive as much public investment and incentives as the more developed western regions, which dispose of a more solid infrastructure. In fact, the objective of reducing regional disparities seems to have been subordinated to the other planning objective, namely, maximisation of national income, which implies concentration of high-growth activities (Gezici and Hewings, 2004, p. 129; Loewendahl-Ertugal, 2005, pp. 27-28). Instead of reducing regional disparities, governmental action seems to have increased them. The latest five-year plans, as well as the European progress reports (European Commission, 1999, p. 43; European Commission, 2000, p. 65), note that little progress has been made in reducing inequality. Many other studies using a variety of methods conclude that not only has there been no development convergence, but that inequality has increased (Gezici and Hewings, 2004, pp. 114, 124).

To what extent is the establishment of development agencies likely to change this situation? These agencies have various tasks. First, they select projects to be financed (initially through subsidies and subsequently through loans), which may originate in either the private or public sector, in chambers of commerce and industry, or in NGOs. The announced selection criteria are the project's viability, its potential in terms of economic and social (jobs) development, export potential and capacity for innovation, value added and knock-on effects on other sectors. The agencies are also supposed to participate in international institutions' projects in their respective regions and in the distribution of European structural funds, in short, to act as an interface with international development assistance. Lastly, they are supposed to promote investment, including foreign investment, in their regions. To accomplish these tasks, they enjoy considerable resources: a large budget<sup>[27]</sup> and ample human resources, including

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[27] It stems partly from central budget allocations and partly from contributions by municipal authorities, regional administrations and chambers of commerce, each of which pays a fixed share of its budget. (Interview with one of the initiators of the Istanbul development agency, Istanbul, 17 June 2009).

qualified experts who speak foreign languages and whose pay scales are widely envied.<sup>[28]</sup> In fact, they are much better endowed with human resources than are the municipal and provincial administrations.

Following the subsidiarity principle, the EU leaves implementation of regional policies to states. In Turkey, however, the decision-making process remains highly centralised and delegation to agencies quite limited, to the regret of the Commission (European Commission, 2005, pp. 114-115). Although the agencies are independent public institutions,<sup>[29]</sup> their role is limited to that of coordination among public, private and civil society stakeholders, support and provision of information; they have little room for initiative. Their structure reflects their limited autonomy: the decision-making body is the board of directors (*yönetim kurulu*), made up of senior administrative officials and local and provincial elected officials and decision-makers (mayors of large cities, provincial governors, chairpersons of chambers of commerce and industry and chairpersons of provincial assemblies). Most importantly, the agencies are tightly linked to the centrally appointed governors, because the latter chair their boards of directors. The general secretaries of agencies are appointed by the Ministry of the Interior,<sup>[30]</sup> which is responsible for coordination, supervision and evaluation of regional plans.

The development council (*kalkınma kurulu*) is a larger body that also includes deputy governors, representatives of all municipalities, some NGOs and provincial administrative directors – in short, the main actors of the region. The problem is that the membership profile of these councils was determined at the outset by the government, when the rules on the foundation of the agencies were published. In any case, the development council is not a decision-making body. Its influence is limited to electing three representatives of the private sector and/or civil society to the board of directors, and even then, only in the agencies that cover only one province.<sup>[31]</sup>

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[28] Each development agency has a minimum of five experts. The Çukurova agency has 30, mainly engineers, economists, managers, administrators and political scientists and plans to increase its staff of experts. All of them have higher education degrees and speak foreign languages. The Istanbul agency plans to employ 30 experts initially.

[29] Although they are subject to the private law (Art. 3 of the law).

[30] The secretary general of the Çukurova development agency is a bureaucrat from Ankara with degrees in economics and public administration. He was previously a deputy expert in the DPT, an expert in the under-secretariat of the Treasury and in the External Trade Department, department head in the under-secretariat of the Foreign Trade Department and trade adviser at the Turkish Embassy in Canada.

[31] In agencies covering more than one province, private sector representatives are elected from outside the agency by the executive committee of the Union of Chambers and Commodity Exchanges of Turkey (*Türkiye Odalar ve Borsalar Birliği* – TOBB).

Agencies are also highly dependent on the DPT, which decides how to allocate general budget funding among the agencies and validates their annual work programmes. They are created in top-down fashion<sup>[32]</sup> (by decision of the Council of Ministers on proposals by the Minister for Planning). The first two were founded in Izmir and in the Çukurova region (which comprises the Mersin and Adana provinces),<sup>[33]</sup> followed by a second wave of eight agencies (Istanbul, Konya, Samsun, Erzurum, Van, Gaziantep, Diyarbakır and Mardin).<sup>[34]</sup> At the time of writing, each of the 26 NUTS regions has an agency.<sup>[35]</sup> Under the subsidiarity principle, the EU leaves it up to Member States to designate the authority that will manage structural funds; the Turkish government gave this task to the DPT, which “*determines the principles and procedures for allocation and use of national and international funds for regional development agencies*” (Law 5449, Art. 4c; Massardier and Tek, 2005, p. 38). This confirms the tendency for strategic decision-making to be centralised.

The development agencies are therefore not an element of regional governance, since they have little autonomy and their decision-making bodies are not democratically elected. Nor are they specific regional institutional structures dedicated to regional development (European Commission, 2004, p.135). They are more an institutional adjustment meeting the requirements of the EU, but also accommodating the domestic reluctance to initiate real decentralisation; they reproduce the existing powers, while at the same time creating new niches, and they seem to have been established chiefly to manage European investments and structural funds, or simply to channel financing,<sup>[36]</sup> without undermining the management by institutions or the centralised structure of the government (Loewendahl-Ertugal, 2005, p. 45). In due course, it will be necessary to look at what the priorities have been for the allocation of resources by the agencies.<sup>[37]</sup> One could imagine that the mayors or provincial councils close to the party in power at the national level may be favoured in the distribution of funding.

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[32] With the exception of the Izmir agency for the economically dynamic and trade-oriented Aegean region, which was created through a joint initiative by the private sector (notably the chamber of commerce), NGOs and local authorities (Loewendahl-Ertugal, 1995, p. 44).

[33] The Çukurova development agency, established in 2006, issued its first call for proposals only in late 2008, with financing to begin in the spring of 2009.

[34] For a list of development agencies, see Appendix 2.

[35] Prior to the establishment of agencies, joint services were introduced for provinces forming a NUTS 2 in areas where EU-financed regional development projects were implemented.

[36] Each agency sets up an investment support office (*Yatırım Destek Ofisleri*) in each city associated with the agency. The aim is to facilitate procedures that investors must comply with during their operations in the region.

[37] The results of the first call for projects of the Çukurova agency show a concentration of funding in urban and industrial areas (Interview with a consultant from the Çukurova agency, Adana, 18 June 2009).

Despite all the fears, it would seem highly unlikely that the development agencies will be a vehicle for the establishment of regions and for their political affirmation in Turkey.

### 2.1.2. Boundaries enlarged

The reform of the municipalities has, by contrast, brought about major changes in the map of municipalities and in the distribution of resources. The number of municipalities has been significantly reduced as the law raised the minimum population level required to acquire the status of municipality from 2,000 to 5,000 inhabitants. Ömer Dinçer, close to Erdogan and seen as having “masterminded” the reform,<sup>[38]</sup> admits that for the authors of this bill, the ideal threshold was in the region of 10,000 inhabitants, but for political reasons the government did not dare remove the status of municipality from a number of towns.<sup>[39]</sup> In March 2008, Law 5757 withdrew the municipal status of 1,145 towns. Despite a threshold set at 5,000 inhabitants, this decision was based on a reference of 2,000 inhabitants in order not to upset too many electors.<sup>[40]</sup> Although the threshold applied was the same as the one previously in force, the reduction in the number of municipal authorities can be explained by the fact that it was not applied and by the change in the method for counting population. The latter was no longer based on five-yearly censuses, which on the day of the census led to massive population displacements towards municipalities that were yearning for a better status, but on the addresses registered in the districts. The changeover to the continuous census method prevented this type of demographic manipulation.

The new legislation also amended the establishment criteria and boundaries of metropolitan municipalities. The former law gave this status to “large cities” without using any concrete criteria, which led to some abuses, for example in the case of Erzurum which has fewer than 200,000 inhabitants. The new law sets two conditions for the establishment of metropolitan municipalities: a minimum of 750,000 inhabitants

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[38] He was his advisor at the Istanbul municipality, followed him when he became prime minister, and was subsequently an expert adviser to the government, prior to being elected to parliament in 2007. At the time of the English translation of the text, he is the Minister of Education.

[39] Speech during the first symposium on local governments, 23-24 October 2008, Adapazarı.

[40] This reform turned into a legal crisis between courts. The Constitutional Court gave its partial agreement to this nullification, leaving the final decision to the Council of State for the municipalities that had appealed to the latter. The Council of State concluded that their demand was justified insofar as the population of a town could not be officialised by the new system of continuous census. The Supreme Electoral Council gave the go-ahead for these municipalities to take part in the 2009 elections, thus overruling the formal nullification of their municipal status by the government. The president of the Constitutional Court strongly criticised these decisions, stirring broad debate among the members of all the judicial bodies.

and the need to cover at least three district municipalities (*ilçe belediyesi*). It is *de facto* now much more difficult to establish a new metropolitan municipality. The geographical boundaries of metropolitan municipalities have also been extended and now include a number of surrounding villages and towns.<sup>[41]</sup> The boundaries of the metropolitan municipalities of Istanbul and Kocaeli even cut across those of their respective provinces. Certain major cities have even been oversized; they have *de facto* absorbed surrounding villages and rural areas and polarized these areas. Territorial action has thus been put at the service of the urban sector.

Finally, metropolitan municipalities used to include two types of municipality – those with the status of district capital (*ilçe belediyesi*) and *the others* (*ilk kademe belediyesi*). The law revoked the latter and transformed them into district capitals

**Table 2** *Changes in Turkey's municipal geography*

Type of municipality	Before Law 5747	After Law 5747	End 2010
	Number		
Metropolitan municipality	16	16	16
<i>District capital in metropolitan area (büyükşehir ilçe belediyesi)</i>	100	142	142
<i>Municipality in metropolitan area (büyükşehir ilçe belediyesi)</i>	283	0	0
<i>Provincial capital (il belediyesi)</i>	65	65	65
<i>District capital (ilçe belediyesi)</i>	750	750	750
<i>Municipality (belde belediyesi)</i>	2 011	1 132	1 968
<b>Total</b>	<b>3 225</b>	<b>2 105</b>	<b>2 941</b>

Source: Erdem, 2009.

[41] The boundaries of large cities with fewer than a million inhabitants have been extended to a 20 km radius; between one and two million inhabitants, the radius is 30 km; for the largest cities it is 50 km.

(35), municipalities outside the metropolitan area (8), neighbourhoods of the district capitals in metropolitan areas (239) or into forest villages (1). Consequently, the number of municipalities was reduced, but the metropolitan municipalities were extended and their institutional architecture was simplified.

### 2.1.3. *The new responsibilities of local authorities*

What can be said of the distribution of the responsibilities of local authorities? The reforms have *de jure* extended them. Law 5302 on “the special provincial administration” (*il özel idaresi*, the name of the provincial administration) brought a major innovation by putting an end to the confusion between local authority and devolved State administration at the provincial level: the governor no longer chairs the provincial council, which elects its chairman from among its members. However, he does continue to chair the equivalent of the permanent commission (*encümen*) of the general council. The local authority comes out even stronger because certain prerogatives that were previously held by the devolved administration are devolved to it, notably those that used to rest with the Village Services Department and its 50,000 or so employees (Pinar *et al.*, 2008). It also gains the management of all local services and duties that are not attributed to another public institution. This law therefore changed the very concept of the institution, which is now based on local autonomy and the principle of subsidiarity.

As for the municipalities, the substantial responsibilities ascribed to them by the Law of 1930 were gradually taken over by the central government, particularly the devolved units of ministries. In addition, their financial difficulties prevent them from effectively assuming these responsibilities. The new Law 5393 of 2005 (Art. 14) attributed a general responsibility to municipal authorities (in all areas that were not attributed by law to other public institutions), but this article was nullified by the Constitutional Court. The importance of this responsibility becomes apparent with infrastructure activities, which were attributed to different institutions. The activities related to water, roads, natural gas and electricity are conducted with no coordination. For the time being, the law simply enumerates a series of responsibilities for the municipalities for infrastructure (water, urban transport, hygiene, environment, cleaning and refuse collection, municipal police, firefighters, cemeteries, parks and gardens, housing, culture, tourism, youth, sport, civil registration, economy, trade, construction of schools, etc.).<sup>[42]</sup> The innovations include a responsibility to develop trade, the obligation to

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[42] The former law enumerated the responsibilities of municipalities one by one. The current legislation simply determines the areas of activity.

set up an urban information system (*kent bilgi sistemi*, which centralises all urban data) and, for municipal authorities with over 50,000 inhabitants, the obligation to build shelters for women and children. The financial and administrative autonomy of municipalities is strengthened. Internal control subsequently becomes exclusively financial (and no longer administrative); the Ministry of the Interior and controllers no longer have the responsibility for the financial control of municipalities (except in specific cases of established irregularities). The control of municipal authorities is henceforth exclusively conducted on compliance with the law and performance. It is carefully framed in order to prevent the central government from creating obstacles to the municipalities for political reasons. The municipal authorities can also provide services and also have them provided by third parties (private sector). They are, moreover, encouraged to establish international partnerships with international organisations, although they still require the authorisation of the Ministry of the Interior to do so.

The clear winners from the reforms are the metropolitan municipalities, which benefit from both these new arrangements and from other prerogatives. They have strategic and operational responsibility in their territories for urban planning, transport, construction of facilities (social-educational, cultural, sports ) and environmental protection. The decisions of the metropolitan municipal council no longer have to be approved by the governor or sub-governor – although the other supervisory jurisdiction concerning the application of decisions is upheld. Their oversight and coordination prerogatives have been strengthened: they must still control and validate the construction plans (*imar planı*) of the district municipal authorities that come under them. The latter must apply and respect the metropolitan plan (at 1:5,000) when defining their plans (1:1,000). However, they must now also approve the budgets of district municipal authorities under their jurisdiction in order to harmonise them and may amend them. This point sparked a number of protests from district municipal authorities, which saw themselves as being relegated to a mere rubber-stamping status in this crucial area. Finally, in June 2010, Article 73 of Law 5393 on municipalities was amended and transferred all the responsibilities for the launch of urban transformation and development projects in a given area to the competent metropolitan municipality, to the detriment of the district municipalities. The amendment also strengthened the urban powers of metropolitan municipalities *vis-à-vis* other public institutions. Indeed, all the real estate assets held by public institutions (except for those allocated to education and health) could henceforth be acquired by the metropolitan municipality at a price indexed on the amount of real estate taxes paid. In short, the implementation of urban transformation and development projects endowed metropolitan municipalities with extraordinary powers.

Consequently, although all local powers were strengthened, this particularly holds true for metropolitan municipal authorities. They not only gained broader powers, but also more responsibilities and increased oversight of the municipalities that come under them.

### *2.1.4. A distribution of resources to the advantage of local governments*

What is the situation in terms of resources? Turkey is characterised by the low level of local government resources. In 1930, municipality budgets accounted for 10% of the national budget, whereas 24% of the population lived in cities. In 1998, municipal budgets represented 12.86% of the national budget national, whereas 76.7% of the population was urban. Local tax revenues are low and account for a negligible portion of local finances. A bill aiming to increase the own resources of municipalities was drafted, but was not applied. Similarly, there was debate over the tax autonomy of local governments and the opportunity of giving them the power to increase or modify their revenues. These initiatives were criticised and blocked in the name of the federalist threat. In reality, financial transfers from the State are the main source of local authority resources (and this remains unchanged) and account for over half their revenues (Güner, 2009). These tax transfers are a kind of general operating grant and are independent of the investment programmes. This endows metropolitan municipalities with a certain financial autonomy as they are not dependent on State resources allocated to investments.

The rates of these tax transfers have varied enormously depending on the relations between the central and local governments. They increase when these authorities have the same political colour and fall when there is "local-national cohabitation". Since Law 5779 of July 2008, a fixed and increased proportion of tax revenues from the general budget must be transferred to local authorities.<sup>[43]</sup> These rates constitute a substantial increase in the budget resources allocated to local governments and reflect the priority given to metropolitan municipalities. Since January 2009, taxes that electricity and natural gas suppliers used to pay to municipalities have also been directly transferred to the central government, which, conversely, reflects the centralisation of a financial resource.

Until now, the only criterion for the distribution of central transfers was population, which gave rise to various forms of manipulation during censuses. However, the new

[43] The distribution is as follows: 2.85% for ordinary municipalities; 2.5% for district municipal authorities in large cities and 1.15% for provinces. Metropolitan municipalities receive 5% of tax revenues collected in their area, as well as 30% of resources allocated to their districts.



laws seek to balance the transfers on the basis of socio-economic indicators and integrate other factors weighted differently depending on the local authorities. The amounts allocated to provinces (1.15% of general tax revenues) are distributed according to five criteria.<sup>[44]</sup> Yet only two of these five criteria are applied to municipalities. Indeed, while 80% of the amount earmarked for municipalities is distributed on the basis of their population, the remaining 20% is distributed according to their level of development, as is the case with the provinces. It had been envisaged to include other criteria, such as the effectiveness of municipal management, but it was not possible to apply due to the lack of reliable data. Transfers to district municipalities in large cities are simply made on the basis of their population, after the 30% share allocated to metropolitan municipalities has been deducted. The latter directly receive 70% of the taxes collected in their area;<sup>[45]</sup> the remaining 30% is distributed on the basis of population. This concern for equal balance can also be seen with the creation of a “matching fund” to increase financing for the municipalities that are most disadvantaged in terms of demographics and development.

In addition, Law 5779 introduced a major innovation in the distribution of these transfers among the different local institutions. Up until 1989, the share of each town was determined by its population; but since 1989, this distribution has to be approved by different ministries and by the prime minister, which can act upon the distribution of resources by bringing different criteria into play (level of development, tourism potential, etc.). They can therefore use the budget to reward or penalise different local authorities. This arbitrary action has been limited. Government intervention on local finances is now mainly through the Treasury guarantee agreement for major investment loans and through project financing for major infrastructure projects for which government agreement is practically essential. The Adana metro is an important example as it involved a substantial investment for which government subsidies were stopped when the municipal authority did not have the same political colour as the government. Funds were released during the 2004-2009 parliamentary term – the mayor of Adana was of the same political colour as the government – whereas the works had been on standby for about ten years and the municipal debt burden was

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[44] These five criteria are as follows: 50% of the amount depending on the population of the province; 10% depending on its surface area; 10% depending on the number of villages it has; 15% depending on its rural population and 15% depending on its development index, which is determined by the DPT. This index allows the provinces to be categorised into five equal groups on the basis of development indicators. The first group (the least developed) receives 23% of the amount earmarked for this allocation, the second 21%, the third 20%, the fourth 19% and the most developed group receives 17%. The share of each province within these groups is determined on the basis of its population.

[45] An important condition is that the rate of the annual increase in this direct share for metropolitan municipalities cannot exceed 20%. The surplus is transferred to the other metropolitan municipalities for which the rate of increase is below 20%.

enormous. During the 2009 local elections, the incumbent mayor was re-elected after having resigned from the AKP (which did not wish to reappoint him as a candidate). He joined the MHP, which met with an angry reaction from the AKP government.<sup>[46]</sup> There is therefore every reason to believe that government financing will once again dry up.<sup>[47]</sup>

## 2.2. Obstacles to the assumption of responsibilities at local level

Local governments therefore acquired new responsibilities and new resources. Yet the practical implementation of these new prerogatives is manifestly not without problems.

### 2.2.1 Overlapping responsibilities

The first reason relates to the extensive overlap in responsibilities, with territorial changes leading to a partial overlap between authorities. For example, the municipality of Istanbul now has the same boundaries as the province of Istanbul, which gives rise to a number of disputes over their remits and to rival initiatives in a number of sectors. Then comes the fact that while the laws give new responsibilities to local authorities, those of other institutions have not changed. In reality, the devolved government units are reluctant to give up these responsibilities to local governments and continue to assert their prerogatives. Finally, new responsibilities have also been assigned to certain central institutions – the most blatant example being the Housing Development Administration (*Toplu Konut idaresi* – TOKİ), an entity directly connected with the prime minister. It has had extensive responsibilities for land and urban renewal since 2008, which often encroach on the prerogatives of local authorities. Consequently,

[46] The mayor of Adana is a real textbook case. He was first elected as a member of the ANAP in 1984; he was re-elected in 1994 following a break, before changing to the True Path Party (*Doğru Yol Partisi* – DYP) during his mandate. He returned to the ANAP for the 1999 municipal elections, which he won. In 2004, he was the winning candidate of the AKP. Aware that he would not be reelected by the AKP, he looked for a party under which to stand for election in 2009 and finally ended up at the MHP. The electoral campaign that placed him opposite the AKP candidate was extremely aggressive, with one campaign relying on the resources of the municipality and the other on those of the government. However, the mayor of Adana won the election by just a few thousand votes, which gave rise to suspicions of fraud and a number of appeals in court. Even after these discussions on the electoral results were settled, he continued to be the subject of intense controversies. As a result of accusations of corruption, he has been indeed suspended from function and was under arrest for more than a month. The lawsuit continued at the time of the English translation of the text.

[47] During the campaign, the mayor attached great importance to getting the metro running prior to the elections. He managed to get a very small section in operation (free of charge!) one week before the election date. Yet the AKP government had done its utmost to prevent this initiative, notably by blocking certain deliveries. Since the elections, even this section has stopped running.

there are frequent overlaps in responsibility between the local governments and the central government, or even between different local authorities. For the president of the General Directorate of Local Authorities (which reports to the Ministry of the Interior), these overlaps exist in the following sectors: environment, land-use development, traffic, housing, culture, tourism, youth and sports, social benefits and services, vocational training, trade and industry, health and the issuance of professional licences.<sup>[48]</sup> A good example of this is the adoption by the metropolitan municipalities (or otherwise provincial capitals) and provincial authorities of environmental plans in order to build an overall and common vision. The Ministry of the Environment insists that it is still responsible for the definition of these plans and has asserted this right in certain provinces. For some cities, which consider that they do not have the ability to define this type of plan, it is the ministry that does so on behalf of the province. In some cases, it is a real source of conflict, as the governor of Yalova explains:<sup>[49]</sup>

*“Some of the bureaucrats at the central government recently began to understand which responsibilities now belong to the local governments... I received about a dozen objections... When we replied to these objections, we saw that these decisions are taken with reference to the Provincial Environmental Plan – PEP (il çevre düzeni planı), the articles of which are binding for everyone. They lodged appeals in court, but we won all the cases. This is very important because the legal rules become case law thanks to these decisions. Secondly, the Ministry of Agriculture and Rural Affairs raised numerous objections. We told them the same thing. They also lodged an appeal in court. I should emphasise that in court it is the ministry against the governor’s administration. We won again. Thirdly, and this is more interesting than the other cases, the Ministry of Defence opposed our decisions; back in court; we won. Other public or private institutions raised objections, we won all the cases. Finally, we had a major problem with the Ministry of Energy and Natural Resources. They want to declare 17 locations in Yalova mining areas. They want to explore for minerals there and tell us to let them use the natural wealth of the country. And I did not accept these decisions, I justified my decision by referring to all the local plans. I immediately got a response on behalf of the minister, reminding me that I was only a governor hierarchically under the ministry and therefore obliged to obey its orders. I sent them a two-page answer reminding them of the status of governor and of the new laws. Because they do not want to accept this fact, they do not understand how they are losing responsibilities*

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[48] Speech at the 1<sup>st</sup> symposium on local governments, 23-24 October 2008, Sakarya.

[49] Speech at the 3<sup>rd</sup> symposium on governance and regional development, 28 November 2008, Mersin.

*(...). At 9 o'clock one morning, the under-secretary of the minister (müste ar) called me (the directors of the mining companies were probably with him) and asked me how the PEPs could be binding. I patiently explained to him for a quarter of an hour that all laws are binding and that it is not necessary to add an article on this obligation in each law."*

Such resistance is above all justified by technical arguments over the inability of local authorities or the need for broader perspectives at the regional or national level. However, the major concern is probably to hold onto power and to continue to control the patronage relationships related to the management of public affairs. In this respect, allowing responsibilities to be transferred to local authorities means that these entities take on a greater role in the patronage-based exchanges. It is likely that in future the directors of the mining companies will no longer go to the ministry, but to the mayor or governor, and they will make their requests and proposals to them. In any event, it is the governor who is supposed to arbitrate in cases of conflict over responsibilities, which shows once again the priority given to the government representative.

However, it would be unreasonable to cast all the blame for the overlap of responsibilities on the central government; indeed, the indifference of local governments towards their new responsibilities is just as instrumental as the resistance of the latter to relinquishing its prerogatives. What the governor of Usak<sup>[50]</sup> says on this matter clearly reveals this hesitant psychology that is to be found at both the central and local level:

*"One day, I received a letter from the police headquarters. The provincial transport commission wanted my agreement on certain decisions that had been made. Yet these responsibilities of the commission had been transferred to the municipalities a year before. I immediately called the Chief of Police and told him that it was not right to use these responsibilities that were now in the hands of municipalities. The Chief of Police replied: 'No, Governor, that is not possible. These responsibilities cannot be transferred'. I replied: 'Mr. Chief of Police, I tell you that there is a law on this. I can give you the number of the law if you like'. He insisted saying that it was not possible. I told him that I would write to him concerning the procedure and I immediately called the mayor: 'Mr. Mayor, the provincial transport commission is trying to use the responsibilities that were transferred to you a year ago'. The mayor's response: 'No, Governor, these responsibilities could not possibly have been*

[50] Speech at the 3<sup>rd</sup> symposium on governance and regional development, 28 November 2008, Mersin.

*transferred to us'. I tried to explain the new law and its innovations to him. He ended up saying to me: 'Ok, Governor, if that is the case, send me the papers on the decisions that need to be taken; I will sign them immediately'."*

It appears therefore that the local governments are not very motivated to use their new powers. Two main factors may explain this lack of readiness: the local governments dare not use their new powers, particularly given the resistance of some ministries, and they do not know how to use them.

### 2.2.2 Political rationales: not to oppose the government

Another reason to explain why most local actors are reluctant to use their new powers is related to the concern not to oppose the government. Indeed, since 2002 and, still more, 2004 (but not so overwhelmingly since 2009), the AKP has been dominant both at the government and in the majority of local governments. For the local leaders of the AKP, claiming their new powers therefore means claiming powers from people who are above them in the party hierarchy. Local actors expect that such an initiative might not be appreciated at all, as it may be seen as an infringement to the intra-party hierarchies and as the sign of a loss of coherence between the different elements of the party. Local leaders prefer not to claim the right to use their new powers in order not to confuse opinion.

Indeed, it is no coincidence if the first demands for autonomy and local democracy only appeared in the 1970s; until then the same party had been in power in the central and local governments. Municipal authorities were considered as extensions of the central government. They were asking for nothing and were not fighting to enforce their powers. Yet in 1973, the Social Democrats from the national opposition won in Turkey's largest cities, notably Istanbul, Ankara and Izmir. This was the first example of cohabitation between central and local government. The central government's response to this situation was to restrict the financial autonomy of municipalities and to use its powers of administrative supervision excessively. The Social Democrat mayors reacted by broaching the issue of the autonomy of municipalities, the need for administration and the issue of local democracy. They also launched a municipal movement, which went on to be called "New Municipalism". It advocates for democratic, participatory municipalities with a potential to raise funds and organise local life. The movement had little impact on political practices due to the socio-economic situation, which was unfavourable at the time, the hostility of the central government, the reactions of economic circles and conflicts within the party.

It should be noted that the submission of local powers to the government may be for pragmatic reasons. The administrative directors and other bureaucratic decision-makers, the very ones from which local actors should claim their new powers, are often more influential than them within the party. In most parties, candidatures for elections, even local elections, are often determined by the central bodies;<sup>[51]</sup> consequently, these senior party leaders have (or are considered to have) a potential influence on candidatures for local mandates. It is therefore rational for local elected officials seeking to be re-elected not to claim these powers. In practice, local governments therefore use the powers that have recently been transferred to them very little.

### 2.2.3. *The lack of administrative and technical staff*

One of the main obstacles to local governments taking charge of their responsibilities concerns staff. In 2007, there was a radical change in the way in which the staff of territorial authorities are managed: the introduction of the principle of “standards for permanent staff” (*norm-kadro*) sets limits, with the Ministry of the Interior determining the number, titles and qualifications of the staff that local authorities can hire. These standards aim to standardise the quality and types of staff that the authorities can hire in order to prevent partisan and patronage policies that had until then been very common (municipal authorities hired a large number of surplus staff with no specific qualifications among supporters of the party in power). Since these standards limit the recruitment competencies of the local authorities, they may be seen as a constraint on their technical capacity, especially since these positions are subject to a civil service wage and are not attractive for skilled staff. In addition, municipalities have inherited the former practices of having permanent staff that are often unskilled and must wait for their departure before replacing them. In this respect, a provision has been introduced that only benefits metropolitan municipalities, whereby positions of advisors to the mayor, required to be graduates of higher education (four years of studies), have been created. There are a maximum of five for the metropolitan municipalities and ten for municipalities with over a million inhabitants.

The law on municipalities (Art. 49, §3) has also paved the way for contract staff to be employed and therefore for more flexible working methods. However – and still in

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[51] In any case, for candidates for the metropolitan municipal authorities, municipal authorities of the provincial capitals and, in general, municipal authorities of the district capitals. This is less systematic for candidatures for the mandates of municipal and general councillors, but the latter do not have sufficient power to claim responsibilities from government authorities.

order to limit these patronage-based employment practices – staff expenditure has been limited: it is capped at 30% of the budget (40% for municipal authorities with fewer than 10,000 inhabitants). Most of the AKP municipal authorities even make a point of keeping staff expenditure at an even lower level, claiming there are efficiency gains.<sup>[52]</sup>

In the end, while the local authorities are entrusted with more responsibilities and the latter are increasingly technical (such as the urban information systems, *kent bilgi sistemi*, but also the new accounting rules), the human resources they have to fulfil their missions, notably in terms of skilled staff, have been limited. In this respect, everything drives the municipalities to resort to subcontracting. For example, the municipal authority of Adana has most of its construction plans drawn up by private companies.

### Box 2 The drafting of strategic plans

The reform also concerns the modernisation of the budgetary management of Turkish local authorities. A multi-year strategic plan and analytical budget to improve municipal expenditure management (Law 5018 of 2003 on financial management and public control) are currently being implemented in 205 municipalities with a population of over 50,000 inhabitants. The “strategic plans” and “performance programmes” set out the objectives of the municipality by activity. The achievement of objectives is measured by quantitative and qualitative indicators. These documents are prepared by municipal administrations, are adopted by municipal councils and represent commitments on the part of the municipality. However, in practice, the elected municipal officials provide very little input because these plans must be adopted within six months of the local elections (Law 5343, Art. 41). It is therefore unlikely that the newly-elected officials will acquire sufficient knowledge of the content of these plans and command of the files in such a short space of time.

The introduction of a technique that the civil service is widely unfamiliar with is obviously not a painless process. Some municipalities have set up a strategy and planning department in order to centralise financial and

[52] Interview with the director of the construction department, metropolitan municipality of Adana (AKP), November 2008; interview with the mayor of the district capital of Seyhan (Adana) (AKP), November 2008.

technical information on all the operations of the municipality and to monitor, assess and control the implementation of the performance programme. However, according to research conducted on the subject (Songür, 2008), 10% of municipalities, including one metropolitan municipality, have not set up a specific planning department. Almost half of the departments that have been set up have benefitted from the assistance of external advisors for the definition of the strategic plan (private companies or universities) and 36.5% of municipalities that have used this type of expertise have totally outsourced the drafting of the strategic plan. For the other municipalities, the definition of the strategic plan often amounts to simply copying and pasting the plans of other institutions – if we are to believe what is said by the municipal actors (in this respect, the plan of the district municipal authority of Seyhan, highly regarded by one minister, would appear to have been inspired from plans of a number of other municipalities).

There is nothing unusual in the problems to harmonise these strategic plans, the investment programmes and the budget.<sup>[53]</sup> Although the main directors of the municipal services welcome the philosophy of the reform, in terms of traceability and effectiveness, they believe that it is unthinkable to produce such documents in the Turkish contexts, arguing that most municipal services lack staff with notions of accounting and that in view of current practices, multi-year financial planning is completely unrealistic.

Generally speaking, these strategic plans would not appear to be considered as a relevant reference framework for the activities of local authorities, but as documents to pay lip service to, which only have few implications.<sup>[54]</sup> Similarly, the staff of provincial authorities do not have the skills to define this type of plan and, in practice, they are often prepared by the devolved administration.

*Source: authors' construction.*

[53] Governor of Usak, former director of the Department of Local Authorities (Ministry of the Interior).

[54] Interview with the director of the financial department of the metropolitan municipality of Adana (AKP), November 2008.



### 2.2.4. Supervisory authorities still present

Another obstacle to the assumption of certain responsibilities stems from the supervisory authorities. Turkish territorial authorities are traditionally subject to extremely heavy supervision, in stark contrast to the level of development of cities and the budgets of metropolitan municipalities. For example, the mayor of Pendik, one of the largest districts in Istanbul, has identified some fifty administrative supervisory authorities for the municipalities.<sup>[55]</sup> The recent reforms have sought to significantly minimise the *a priori* supervisory control and replace it with a jurisdictional control of a legal nature, similar to that which has existed in France since the 1982 decentralisation laws.

However, in reality, there would not appear to have been any real slackening of administrative supervision. For example, the law on special provincial administrations had given the general councils the right to impose their will at the second reading if the governor refused a decision that had been voted; the governor could consequently only have recourse to administrative courts for procedural reasons and not for reasons of content. However, the Constitutional Court nullified these articles arguing that the supervisory authority was important for the unity and integrity of the administration. In practical terms, the governor (*vali*) recovered his right to veto all the decisions made by the general council.<sup>[56]</sup>

This fear of an administrative and territorial split is a major obstacle to decentralisation; each step made in this direction is quickly likened to federalism, which is seen to be the first stage in the disintegration of the country. General Kenan Evren, the leader of the 1980 *coup d'état*, perfectly illustrates this mentality: during an interview in 2005, he declared that *"there was a man called Fikri the tailor<sup>[57]</sup> down in Fatsa... He claimed to be the State... He set up a committee which governs Fatsa... It is the people, or this committee in the name of the people, who decide what must or must*

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[55] He notably mentions the control institution of the President of the Republic, different ministries, the Inspectorate of the Prime Minister's offices, the Public Contracting Institute, the Council of Ethics for Public Service, the Prime Minister's Privatisation Agency, the governors and sub-governors, the Court of Auditors and the metropolitan municipalities (Kaya, 2006).

[56] The Constitutional Court granted a period of two years for this article to be amended. The government did nothing to propose a new practice during this period.

[57] Terzi Fikri was the left-wing mayor of the small municipality of Fatsa between 1977 and 1980; he introduced an original system of local government in the form of people's committees in which citizens could become involved. The municipality also established "redistribution" committees: in a context of shortage it was possible to find everything and at a lower price than elsewhere. This experience was unique and had nothing to do with any instructions from central government. It went on to become a cause and symbol for the entire left wing, both moderate and radical. This town was subject to a heavy military intervention prior to the *coup d'Etat* as a result of this experience.

not be done. So, it is not the State that decides. The State has no authority. State laws are no longer valid in Fatsa. I can quote hundreds of similar examples" (Donat, 2005). Yet this scepticism towards local governments is still present, as can be seen with the example of Dikili. The mayor of this small Aegean town (member of the Social Democratic People's Party, *Sosyaldemokrat Halk Partisi* – SHP, since 2004 and re-elected in 2009 for the CHP) has developed original practices: he made up to 10 tons of drinking water supply per household per year free, as well as public transport; the "bread of the people" is sold at a low price; and the municipal authority has set up a very cheap clinic. The Public Prosecutor launched legal proceedings against the municipal authority and 25 municipal councillors for misuse of public funds.<sup>[58]</sup> In his defence, the mayor recalled that "*municipalities are elected bodies, one of whose powers is to determine tariffs. We have therefore exercised our legal right*".<sup>[59]</sup> Following these proceedings, the mayor decided to set the price of water at a symbolic penny (*kuruş*), which meant that it was no longer free of charge. The trial finally ended with the mayor being acquitted, but this simple accusation reveals a mentality that sees the independent practices of local actors as a misuse of power – a mentality that is reflected in the vetoes of president Sezer or the Constitutional Court's nullification rulings and that explains why a number of supervisory authorities are maintained or reinstated in reality if not by law.

### 2.2.5. The purse strings of debt tightened

The reforms bring another innovation: they provide a framework for and introduce new constraints on the debt of municipalities. The latter for a long time borrowed from the Provincial Bank (*iller bankası*), mainly for short-term loans. Since the 1980s, and increasingly, they have begun to have recourse to external debt. Municipalities' level of external and internal debt is now determined by the municipal assembly by simple majority and is subject to certain constraints:

- municipalities' internal and external debt (with interest), including the institutions and companies that are linked to them, must not exceed the total amount of their reassessed budget revenues (one-and-a-half times the budget for a metropolitan municipality). In order to promote heavy investments, the cost of expensive high-technology infrastructure is not included in this debt stock,

[58] It should be noted that the municipal authority regularly levied the local taxes fixed by law (for example, for refuse collection).

[59] See <http://www.bianet.org/bianet/kategori/bianet/107374/yargilan-dikili-belediye-baskani-belediyeticari-sirket-degil>.

provided it has been previously approved by the Council of Ministers. Similarly, debt related to projects supported under pre-EU membership financial cooperation, or that of intergovernmental bilateral financial cooperation, is not included in the calculation of the debt stock of municipalities and provinces;

- depending on the amount of debt envisaged, the internal debt of a local authority is set either through a simple decision made by its legislative body (less than 10% of municipal revenue), or through a decision made by the simple majority of its municipal council, as well as with the agreement of the Ministry of the Interior (over 10%);
- in order to obtain investment loans and liquidity from the Provincial Bank, the municipalities must now submit a sound repayment plan, without which their request may be rejected;
- municipalities may no longer use external debt to finance their current expenditure. Their external borrowing must be used to finance expenditure set out in their investment programme (validated annually by the DPT); the obligation for expenditure to be set out in the investment programme also concerns projects for which the local authorities issue bonds;
- the authorisation to have recourse to external borrowing is also subject to a restrictive procedure, notably the favourable opinion of the undersecretariat of the Treasury (*Hazine Müstesarlığı*), which consults the DPT on this matter, including in cases where the municipality does not require a guarantee from the Treasury.

These precautions aim to improve the control of the financial management of local authorities. They reflect mistrust towards the municipalities, which are reputed to be poor managers and expensive due to their patronage-based and politically motivated approaches. It should be pointed out that Turkish municipalities are indeed structurally (over)indebted. For example, the total debt of the 1,128 municipal authorities for which closure was envisaged reached 645,762,000 Turkish lira (TRY), *i.e.* an average debt of TRY 572,484 per municipal authority (roughly EUR 300,000, bearing in mind that this is only for municipal authorities with fewer than 2,000 inhabitants). The debt of 862 of them had to be borne by the general budget. The new precautions specifically aim to avoid repeating situations of overindebtedness that in the past led to the enforcement of the Treasury guarantee. According to official figures, the Treasury had to bear EUR 10 billion of local authority debt (mainly that of municipalities), including EUR 2.8 billion of foreign borrowing between 1991 and 2005 (Canca, 2008). In 2005, the Treasury set up a commission gathering representatives

of the DPT, the Ministries of Finance and the Interior, social security funds and the Provincial Bank in order to hold negotiations on municipality debt. The agreement that was reached allowed EUR 7 billion of debt to be restructured, including EUR 2.3 billion which were borne by the Treasury, to the benefit of 14 metropolitan municipalities and 8 establishments linked to them, as well as 2,524 municipalities. Consequently, municipalities have often reacted by anticipating the cancellation or renegotiation of their debts, thus adopting a short-term reasoning without any sustainable repayment programme. In a more general manner, the bulk of the central budget transfers in municipal resources removed the burden of financial responsibility from the municipalities and disconnected the services rendered from the taxes levied. The central institutions therefore intend to take action on local authority debt further upstream so that the increased autonomy and powers that they benefit from do not lead to an increase in their indebtedness, which would ultimately be borne by the Treasury.

In practical terms, these safeguards can be considered as the counterpart of the increase in powers and an incentive for “responsible” financial behaviour. However, they also tend to limit municipalities’ scope for action.

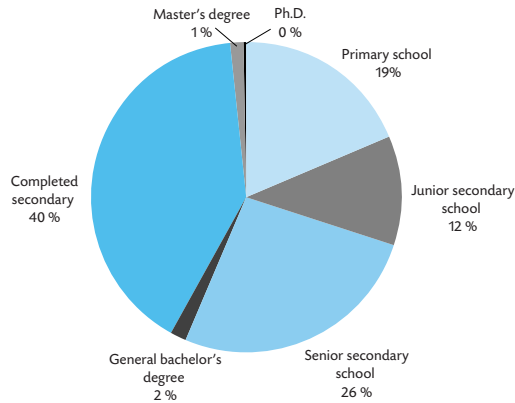
### *2.2.6. Populist and electioneering rationales*

A final factor that can explain why the new prerogatives have been underutilised by local actors may be related to what motivates their action. The indifference of local elected officials towards their new powers may also be put down to the fact that they have concerns other than the projects of their municipalities. Hence the question of how to qualify the local elected officials and what social rationale leads to a mandate. It is therefore appropriate to look at the socio-economic profiles of the mayors and the conditions in which the municipal teams come into office.

The first thing to note is the substantial amount of transactions that elections give rise to. Running for the position of mayor involves extremely heavy election expenses<sup>[60]</sup> – for metropolitan municipalities they are probably heavier than for a parliamentary seat. Yet parties bear the cost for only a very small fraction of the expenses. Consequently, metropolitan mayors’ dependence on the party for which they are

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[60] In addition to the payment of a fixed amount to the party by all the candidates to the candidature, it is necessary to include the funding of posters and brochures, campaign office rental, as well as the cost of the expenses (food and petrol) of the campaign team (often several dozen people) and sometimes their remuneration, invitations to dinner for dozens of people during a certain period of time and the possible distribution of certain goods to the community (food and coal), etc. A potential candidate for a large district municipal authority in Adana estimated the budget required for a campaign at between 200 billion and 250 billion old Turkish lira (in the region of EUR 1 million).

**Figure 1** *Mayors' level of education*


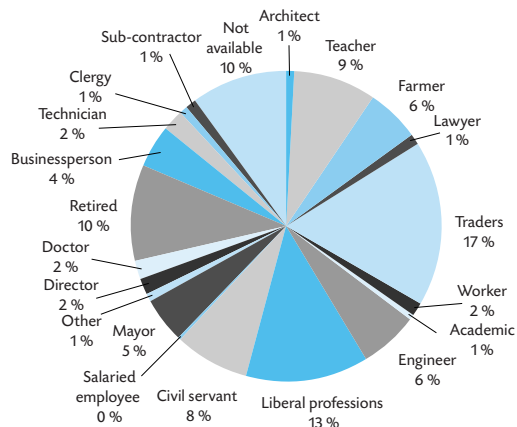
Source: Turkish Statistical Institute.

running is relatively limited. This can explain the relatively frequent changes from one party to another (like the mayor of Adana... see footnote 49). Does this mean that only the wealthy can be elected? The analysis of the demographic profile of mayors elected during the 2009 municipal elections using data from the Turkish Statistical Institute (*Türkiye İstatistik Kurumu – TÜİK*) can provide some answers.

First of all, we see that 41% of mayors are university graduates and therefore have a relatively high level of education compared to the national average. However, the education system is rather problematic and these university qualifications are not necessarily a guarantee of qualification. The occupations of these elected officials also need to be taken into account in order to have a clearer idea of their qualifications, but the official statistics do not contain information about mayors' occupations. To have an overview, it is possible to refer to information on the AKP mayors given on the party website. It lists almost half of the mayors elected during the 2004 municipal elections (1,811 out of 3,225) (cf. Figure 2).

It appears that the most common occupation among mayors is trade (17%), ahead of liberal professions (13%). If engineers and architects are added to this 13% – they may be considered as liberal professions – traders are no longer in the majority. Taken together, these two categories account for a third of AKP mayors.

The importance of these occupations among mayors reveals two significant points about the profiles of local elected officials. First, from an economic standpoint, they are from relatively well-off backgrounds. As a political career is also linked to personal resources, this fact constitutes a major advantage. Second, these professionals benefit

**Figure 2** Occupation of AKP's mayors (2004-2009)


Source: Turkish Statistical Institute.

from time they can devote to election activities and to patronage-based relationships.<sup>[61]</sup> Their ability to adopt flexible working hours is a political advantage. Those who can mobilise sufficient resources to succeed think first of recouping their expenses once they are elected. However, very few of them can finance their campaign with their personal fortune. Borrowing is the rule, from banks of course, but especially by calling on all types of support: individuals, associations, companies, etc. This support subsequently becomes obligations that the mayor and his team (or the losing candidate) will have to fulfil in one way or another, sometimes at a later stage.

To a lesser extent, the same processes are at work for municipal councillors.<sup>[62]</sup> It should be noted that parties do not so much establish their lists for municipal elections on the basis of the qualifications of the candidates (with a few exceptions), but on support organised in the party and, notably, on affiliations to factions:<sup>[63]</sup> the elected officials will therefore be the elected officials of a party, faction and support group, which they will indirectly have to remunerate once they have been elected. There is

[61] Especially because in order to assume the new powers, the municipal and provincial councils now meet on a more continuous and regular basis; this requires more time.

[62] This holds less true for the provincial councils: there are much fewer candidates for the mandates of provincial councillor and, moreover, the new figure of president of the provincial council has not yet become an established practice; the latter is elected in an indirect manner.

[63] It is also decisive when the lists are established on the basis of internal elections, which is rarely the case. Observations in Adana, May and November 2008.

a significant turnover of municipal councillors, who are rarely re-elected. Consequently, mandates are widely considered as being temporary (they can, however, serve as a stepping stone to other positions), which implies that those who hold them often find themselves in short-term strategies. The very rules of electoral competition therefore tend to mean that the municipal teams are highly dependent on locally-based interests.

How do the teams in place fulfil such obligations? They do so in a classic manner and mayors often tend to give priority to expenditure that can be qualified as being for electioneering purposes over long-term investments (precisely those that they must now plan), the profitability of which is considered to be too far ahead in the future. A number of municipal authorities base their mandate on maintaining and developing their constituency. But other means are also implemented: for example, one of the main activities of municipal authorities (which is also a way to remunerate different urban interests) is to change the status of land (*imar degisikligi*): municipal land<sup>[64]</sup> is sold to people in the know, before, for instance, it is declared construction land by a simple decision of the municipal council.<sup>[65]</sup> In this respect, the extension of the boundaries of metropolitan municipal authorities means, in practical terms, an increase in the rent potentially available to them and in the resources they control. Other common remuneration methods reside in the distribution of building permits (sometimes exceeding the legal limits) and permits to open shops (or even more lucrative, service stations in urban areas). Public procurement can also be related to this type of rationale; it is a rapidly growing market in the context of subcontracting. The circulation of resources has therefore changed: although municipal authorities can no longer hire their supporters as they see fit, they can have them hired by the companies they award public procurement contracts to; there is now therefore an intermediary, an additional partner for these transactions – private companies. In view of these schemes, which often stretch the bounds of legality, the legal proceedings launched notably by opposition parties and, sometimes, by chambers of trade and commerce are ineffective in the vast majority of cases.

These types of transactions allow municipal teams to obtain and remunerate the support they require for possible re-election. It can therefore be assumed that certain legal innovations giving access to new resources that can be mobilised during

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[64] There is a great deal of it: land has belonged to the State since the Ottoman Empire. The private appropriation of land occurred much later and in a much more partial manner than in Western Europe.

[65] This type of practice is not confined to favours granted to those who support the municipality; municipal councillors (municipal authority of Seyhan) and local journalists (metropolitan municipal authority of Adana) can also be offered this type of arrangement. It is a standard and well-accepted practice.

patronage-based transactions (such as the supervision of the urban development plans of the district municipal authorities by the metropolitan municipal authorities) will be taken on board much more rapidly than others. The increase in the prerogatives of municipalities – notably those of metropolitan municipalities –, as well as their increased financial autonomy, may heighten the issues at stake in elections and the transactions that reign over them. It can be assumed that it is the municipal authorities, notably the metropolitan authorities, that will strengthen their central role in the creation and distribution of wealth.





# Part Three



## 3. Towards the Privatisation of Municipal Services?

A key aspect of the reforms concerns the leeway given to municipalities for economic matters. There are indeed provisions for the management of municipal services to be left to the discretion of the municipalities. For example, road and public transport maintenance can now be entrusted to private individuals. Once they have received the authorisation of the Ministry of the Interior, the municipalities can also set up companies (water services, refuse collection, etc.). This series of reforms paves the way not only for transfers of prerogatives, but also for the privatisation of services provided by local authorities and therefore, in all likelihood, for a reconfiguration of the relations between the institutional, political and economic spheres.

The municipal authorities can choose the most appropriate management method for the municipal services (direct management, delegated management, municipal corporations, concessions). The possibility to call on the private sector is not entirely new in public administration or at the level of local authorities: different forms of cooperation between public and private sectors already exist.<sup>[66]</sup> This partnership can be through public institutions purchasing certain services from the private sector. Municipalities can also delegate the implementation of certain local services, for example in the public transport sector (the famous *dolmuş*). Since 1984, local authorities can also transfer the building and operation (*yap-işlet*) of establishments destined for public service provision to the private sector (for example, thermal power plants), whether or not they retain the ownership of the infrastructure (*yap-işlet-devret*). Both these sectors can also develop joint projects – particularly in the housing sector – based on the principle of sharing revenues or income. Finally, with the sale of bonds (*gelir ortaklığı senedi*), the revenues of public institutions can be transformed into securities (Gülen, 2008).

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[66] The widespread implementation of public-private partnerships (PPPs) can not only be seen at the level of local authorities, but also in central institutions: in 2007, for example, a legislative amendment established a PPP office (*Kamu Özel Ortaklı ı Daire Ba kanlı ı*) at the Ministry of Health.

The new law on municipalities extends the opportunities for cooperation between local governments and the private sector. The use of the causative<sup>[67]</sup> in all the sentences related to responsibilities is a further innovation of the law that seems to encourage municipalities to delegate to the private sector. Municipalities can indeed now have services established and operated by the private sector, such as drinking water supply, for drains and industrial purposes, wastewater and rainwater collection, the use of mineral water, the establishment of means of public transport, solid waste collection, transport, decomposition, recycling, destruction and storage and the construction of marinas and wharves (Art. 14). In addition, these services may be entirely delegated to the private sector for a maximum of 49 years, following approval by the Council of State and Ministry of the Interior. Moreover, municipal councils can now grant concessions (*imtiyaz*), privatise companies and establishments and make equity investments (*iştirak*) (Art. 18). Finally, municipal authorities can sign contracts with private actors (Art. 67). Practically all municipal services can therefore be delegated to the private sector in one form or another – privatisation, subcontracting, service contracts, etc. Other legislation related to the public sector that is not necessarily specific to local authorities promotes this type of use of the private sector – such as in the case of incentives related to district urban renewal projects (*kentsel dönüşüm*). These new legal opportunities are therefore part of a much broader framework and are not confined to local governments.

### 3.1. Municipal corporations

The law allows municipalities to set up establishments and companies under private law with an area of activity that is strictly in line with that of the municipalities and may not exceed it (Art. 70 and 71). They are referred to as municipal corporations (*Belediye İktisadi Tesekkülleri* – BIT). The difference between these companies and municipal establishments is that the former are not part of the municipal budget, unlike the latter, and we have seen the extent to which municipal budgets could be problematic.<sup>[68]</sup> In order to set up this type of entity off-budget, the municipality can either set up a new company, or make an equity investment in an emerging company, or become a shareholder of an existing company. For the two types of entity set up by municipalities, the decision is taken by the municipal council with the mandatory

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[67] The causative is a verb form widely used in Turkish, which means that the subject has an action done by someone else. For example, the law states that the public authorities “have something done”, “have something built”, etc., in short, that they do nothing themselves.

[68] For metropolitan municipalities, the law only mentions private companies (Art. 26).

*a posteriori* agreement of the Council of Ministers. The members of the management teams of these establishments and companies are selected by the municipalities.

There are four main reasons to explain why the municipalities are likely to favour setting up private companies:

- private companies can conduct more profitable and effective commercial policies; in comparison, public institutions must place the general interest first, ahead of economic profitability. It is therefore economically more effective for a municipality to use a company under private law;
- private entities can borrow from private banks, whereas municipalities can only borrow from the Provincial Bank;
- these entities are not subject to the restrictive public administration framework and can hire more skilled staff;
- the private sector has more leeway, which helps avoid cumbersome and lengthy bureaucratic procedures.<sup>[69]</sup>

The oversight of these BITs is conducted using different methods. In this respect, the status of municipalities is ambiguous, since the law that concerns them does not explicitly mention this oversight of BITs among their prerogatives. Yet such oversight can be conducted indirectly through activity reports presented by the mayor. For the companies of metropolitan municipalities, oversight is simpler because their leaders can be members of the executive and supervisory committees of these companies. BITs have the major advantage of being exempted from the oversight of the Court of Auditors – but not from that of the inspectors of the Ministry of the Interior (*mülkiye müfettisleri*) (Keskiner, 2006). Moreover, these establishments are subject to a verification of compliance with Law 4734 on public procurement and with Law 5018 on public finance management and control. Consequently, although the oversight conducted on this type of establishment is less stringent, it is unquestionably real.

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[69] Metropolitan municipalities can transfer the management of their kiosks, car parks and cafés to companies in which they hold shares, without being subject to the conditions of the law governing public procurement (Art. 26 of the law on metropolitan municipalities).

## 3.2. Widespread use of subcontracting

The Labour Act (Law 4857) promulgated in 2003 allows the public sector to recruit external staff to produce goods and services for which an expertise is “*required for institutional or technical reasons*”. This law, which aims to guarantee the socio-economic rights of subcontractors’ employees, has promoted the widespread use of subcontracting since the conditions of this type of recruitment remain very vague. Indeed, these “*institutional or technical reasons*” are too broad for a concrete framework to be defined. This type of contract owes its popularity to the minimum legal verification of the socio-economic rights of employees. Public employers tend to be more in favour of subcontracting, which involves fewer constraints during recruitment and dismissal, less leeway for unions, less pressure on wages and working hours and, finally, fewer obligations concerning occupational health and safety. In other words, subcontracting alleviates the obligations that public employers must usually assume in the context of public administration (Gökbayrak, 2008). In practical terms, one of the consequences of this type of development is that precarious, informal and unregistered employment is developing in sectors that used to be protected because they were handled by the local authorities (street cleaning, refuse collection, public buildings, etc.).

Consequently, we can see that partnerships with the private sector no longer only concern infrastructure financing, but also service production, operation and management by (and increasingly for) local authorities. In this perspective, one initiative that has been envisaged is worth mentioning due to the major consequences it may have if it comes into being: the privatisation of the Provincial Bank. This privatisation is currently being debated and would not only lead to the transition of the establishment from a public to private status, but also to a simplification of its functions. Indeed, the bank would simply become a purely financial institution and would have its functions as an intermediary between the government and local governments removed, as well as those for technical assistance to local governments for urban investment projects in sectors as varied as mapping, urban planning, drinking water and wastewater, construction and surveys.

# Conclusion





# Conclusion

To conclude this rapid overview, an initial and important observation is that the term “decentralisation” is inappropriate to qualify the transformations taking place in Turkey. Indeed, this concept only considers the relations between the local authorities and central government. Yet while these relations have certainly been modified to the benefit of local governments, they have been so in a complex manner and in an unequal fashion depending on the local authorities. The most salient feature is that Turkey’s political map has been simplified and completely reconfigured (with a reduction in the number of municipalities and a simplification of the administrative structure of metropolitan municipal authorities, as well as the creation – with mixed results – of statistical regions and bodies to channel investments). Furthermore, relations between local authorities have been redefined with an even more important position given to metropolitan municipalities and probably, in the medium term, to provinces – although the oversight of them by the central government does appear to continue to have a strong hold, allowing developments taking place at the provincial level to be compared to a devolution.

Above all, a particularly important feature of these reforms is related to the economy and to relations with the private sector, since the financial circuits have been modified. Local authorities are prompted to use the private sector in all its forms due to the continuing, or even increased, difficulties to obtain funding through institutional channels and the additional constraints in terms of “performance” and public accounting rules. They do so first and foremost for reasons of effectiveness, but also to escape from all types of oversight and constraints. The relations between the political, institutional and economic spheres are likely to be deeply affected. However, this does not mean the end of municipal patronage, but probably that the networks of interests and collusive transactions will be reconfigured and will increasingly include the private sector.

These reforms of local governments therefore demonstrate that Turkey has adapted to – and taken ownership of – the demands and rhetoric of the global discourse on effectiveness, good governance, the optimal level of decision-making on and management of services for citizens, local democracy and subsidiarity. In doing so, the country is able to attract certain resources from international donors. AKP is, in this respect, very much “in tune” with this global discourse. It is, however, important

to look at what has really changed, behind these adaptations, in the distribution of resources and powers. This approach should also allow us to analyse the possible unexpected impacts of these reforms that are not necessarily part of an “ideal” democratic consolidation process. Indeed, the democratic dimension still needs, at the very least, to be examined. Although the supervisory authority that weighs upon certain local/regional authorities has been reduced, the democratic content of these reforms remains uncertain. The transfer of entire swathes of service provision to the private sector notably, and probably the increase in collusive transactions between local authorities and the private sector, would *a priori* appear unlikely to develop citizen participation.

At the level of political careers, it is possible that there will be far-reaching changes in the medium term. For example, at least up until the 1980s, the mandate of mayor was seen to be a stepping stone to become a deputy. Yet the status of mayor – especially of metropolitan mayor – has become relatively more interesting because it paves the way for much more resources and leeway than for a mandate of deputy. This especially holds true because the powers that have been withdrawn from the devolved government units are circuits in which deputies no longer have a role to play. This is a development, moreover, that the latter are beginning to complain about as they were not used to having to ask provincial councillors for anything. One can also expect the mandates of provincial councillors – that were not previously highly valued – to gradually become more attractive, in greater demand and with a stronger involvement. How will the standard profiles of mayors, municipal and provincial councillors and deputies change? How will political parties manage and adapt to these changes?

Question marks remain over reforms that would appear to be unfinished and a balance of power that is likely to change. It is therefore obviously necessary to wait until these changes have been stabilised to have a clearer vision of these on-going developments.

# Appendices

# Appendix 1.

## Responsibilities devolved to local authorities

Functions <sup>[70]</sup>	Special provincial administration <sup>[71]</sup>		Metropolitan municipality	Municipality
	Entire province	Excluding municipal areas		
<b>Information</b>			Establishment of geographic and urban information systems	Establishment of geographic and urban information systems
<b>Law and order</b>			<ul style="list-style-type: none"> <li>Grouping of unsafe work places, entertainment venues and establishments that damage public health or the environment in special areas</li> <li>Public services relating to the municipal police in areas under municipal responsibility</li> <li>Control of obligatory measures against fires and natural disasters in households, offices, entertainment venues, industrial establishments and public institutions; issuance of permits and licences in this area</li> </ul>	<ul style="list-style-type: none"> <li>Municipal police</li> <li>Urban traffic</li> </ul>
<b>Health</b>	Related public services (RPS)		<ul style="list-style-type: none"> <li>RPS for licences and control of non-health establishments in the food sector</li> <li>Establishment and operation of food and drink analysis laboratories</li> <li>Marketing of spring or purified water (Art. 7/r)</li> </ul>	<ul style="list-style-type: none"> <li>Establishment and management of all types of health institutions</li> </ul>

[70] All the functions mentioned for the special provincial administrations, metropolitan municipalities and municipalities must be linked to common local needs.

[71] An amendment (Law 5793 of 24 July 2008) has greatly extended the scope of the activities of special provincial administrations, because the investments of all ministries can now be made by these administrations provided the related budget is allocated to them by the ministry. If the Constitutional Court does not invalidate the law (the CHP has already lodged an appeal for nullification), the special provincial administrations will acquire overall responsibility for local investments.

Functions	Special provincial administration		Metropolitan municipality	Municipality
	Entire province	Excluding municipal areas		
<b>Education</b>	<ul style="list-style-type: none"> <li>Allocation of land, construction, maintenance and provision of other primary school needs<sup>[72]</sup></li> <li>Services related to nursery facilities</li> </ul>			Repair, maintenance and provision of all sorts of needs for instruments, equipment and material in all public schools
<b>Youth and sport</b>	RPS		<ul style="list-style-type: none"> <li>Provision of equipment and support required by amateur sports clubs</li> <li>Organisation of amateur sports meetings</li> <li>Awards, with the agreement of the municipal council, for achievements in national or international competitions</li> </ul>	<ul style="list-style-type: none"> <li>RPS</li> <li>Provision of equipment and support required by students and amateur sports clubs</li> <li>Organisation of amateur sports meetings</li> <li>Awards, with the agreement of the municipal council, for sportspersons with remarkable achievements in national or international competitions</li> </ul>

[72] The first version of the law mentioned education in a general manner. This general responsibility was the main justification for the president's veto in 2004. In order to overcome this veto, the government confined the functions of the special provincial administrations to the physical aspects and to kindergarten facilities.

<p><b>Economy (trade and industry)</b></p>	<p>RPS for trade and industry</p>			<p>RPS for the development of the economy and trade</p>
<p><b>Environment</b></p>	<p>Development of Provincial Environment Plan (except in metropolitan municipalities where the boundaries correspond to those of the province, i.e. Istanbul and Kocaeli), protection of land and prevention of erosion</p>	<ul style="list-style-type: none"> <li>• Public services in the solid waste and environment sectors</li> <li>• Afforestation</li> <li>• Creation of parks and gardens</li> </ul>	<ul style="list-style-type: none"> <li>• In line with the principles of sustainable development, the protection of the environment, agricultural land and water basins</li> <li>• Afforestation</li> <li>• Determination of storage areas for construction or industrial waste, taking measures required to prevent any type of pollution during transport</li> <li>• Development of solid waste management plan</li> <li>• RPS for recycling or demolishing solid waste (except for the collection and transport of this waste to the transfer centre)</li> <li>• RPS for industrial and medical waste</li> <li>• RPS for waste collection from marine vehicles</li> </ul>	<ul style="list-style-type: none"> <li>• Environment and environmental health</li> <li>• Cleaning services</li> <li>• Solid waste</li> <li>• Afforestation</li> <li>• Creation of parks, gardens and green areas</li> </ul>



Functions	Special provincial administration		Metropolitan municipality	Municipality
	Entire province	Excluding municipal areas		
<b>Administration</b>			In line with the opinions of other municipalities in the metropolitan area, preparation of strategic plan, investment programmes and budget	
<b>Agriculture</b>	RPS			
<b>Public facilities</b>	RPS		If required, construction of buildings and establishments for health, education and culture, repairs and maintenance for these buildings and public establishments, provision of material required	
<b>Housing</b>	RPS			RPS for housing
<b>Culture and art</b>	RPS		Protection or, where required, repairs and maintenance for cultural and natural heritage, the historic fabric as well as for important sites for urban history; if it is impossible to protect, rebuild exact copy of the original	<ul style="list-style-type: none"> <li>• RPS for culture and art</li> <li>• Protection or, where required, repairs and maintenance for cultural and natural heritage, the historic fabric as well as for important sites for urban history; if it is impossible to protect, rebuild exact copy of the original</li> </ul>

Tourism	RPS			RPS for tourism and tourism promotion
<p><b>Social services</b></p>	<ul style="list-style-type: none"> <li>• RPS for social services and assistance</li> <li>• Allocation of microfinance to the poor</li> <li>• RPS for orphanages</li> </ul>	<ul style="list-style-type: none"> <li>• Public services in the sectors of emergency relief and rescue</li> <li>• Support to forest farmers</li> </ul>	<ul style="list-style-type: none"> <li>• Creation of shelters for women and children</li> <li>• Construction and operation (or subcontracting of construction and operation) of social establishments at the metropolitan level, such as regional parks, zoos, animal shelters, libraries, museums, as well as sports stadiums and facilities, rest and entertainment facilities</li> <li>• Determination, construction and operation (or subcontracting of construction and operation) of burial sites; execution of tasks for the burial (Art. 7/s)</li> <li>• Development of natural disaster plans in line with plans developed at the provincial level</li> <li>• Where required, support to other areas with damaged facilities or equipment</li> <li>• Provision of firefighter and emergency services</li> <li>• Provision and development of all social and cultural services for medical centres, hospitals, mobile health units and for adults; the elderly, disabled, women, youth and children; construction of social establishments for these objectives; establishment, operation (or subcontracting of operation) of vocational training in coordination with universities, technical colleges, public institutions and NGOs</li> </ul>	<ul style="list-style-type: none"> <li>• RPS for firefighters</li> <li>• RPS for emergency relief, rescue and ambulance services</li> <li>• Burial and cemetery services</li> <li>• RPS for social services and assistance</li> <li>• RPS for vocational and technical training</li> <li>• Creation of shelters for women and children<sup>[73]</sup></li> <li>• Creation of food banks</li> </ul>

[73] Only municipalities with a population of over 50,000 inhabitants are concerned.

Functions	Special provincial administration		Metropolitan municipality	Municipality
	Entire province	Excluding municipal areas		
<b>Development</b>		RPS	<ul style="list-style-type: none"> <li>• Construction, repairs to and maintenance of squares, boulevards, streets and major roads in the metropolitan area</li> <li>• Regulation of building facades</li> <li>• Determination of the location, type and size of billboards</li> <li>• Naming and numbering of squares, boulevards and streets as well as the buildings in them</li> <li>• River-bed development</li> <li>• Construction and operation (or subcontracting of construction and operation) of markets and abattoirs; registration of private markets and abattoirs installed on the sites indicated in the urban plan</li> <li>• Determination of production and storage sites for explosive materials</li> <li>• Evacuation and demolition of buildings in danger of collapsing on people or goods</li> </ul>	

<p><b>Infrastructure</b></p>		<p>Public services in the road, water and wastewater sectors</p>	<ul style="list-style-type: none"> <li>• Construction of buildings or establishments for services related to health, education and culture; repairs to and maintenance of similar buildings and establishments belonging to public institutions and organisations</li> <li>• RPS for water and wastewater, construction and operation (or subcontracting of construction and operation) of dams and similar facilities (Art 7/1)</li> <li>• Construction and operation (or subcontracting of construction and operation) of central heating systems</li> </ul>	<p>Provision or subcontracting of the provision of urban infrastructure in the construction, water, pipe networks and urban transport sectors</p>
<p><b>Urban planning</b></p>			<ul style="list-style-type: none"> <li>• Preparation and implementation of all urban development plans on scales between 1/5000 and 1/25000 in line with the environmental plan</li> <li>• Approval of application plans of other municipalities in the metropolitan area</li> <li>• Approval, as they stand or with modifications, of amendments to these application plans concerning the division into plots and development</li> <li>• Preparation or subcontracting of the preparation of application plans and division into plots of municipalities in the metropolitan area which have not prepared them in the year following the adoption of the development plan</li> </ul>	

Functions	Special provincial administration		Metropolitan municipality	Municipality
	Entire province	Excluding municipal areas		
<b>Transport</b>			<ul style="list-style-type: none"> <li>• Preparation of general transport plan</li> <li>• Planning and coordination of transport and public transport services</li> <li>• Determination of the number, tariffs, timetables, routes, stops and parking areas for all means of urban transport (land, marine and rail)</li> <li>• RPS for passenger and goods terminals as well as for parking areas</li> <li>• Provision of public transport services in the metropolitan area; construction and operation (or subcontracting of the construction and operation) of facilities required for this objective (Art. 7/p)</li> <li>• RPS for licences for all means of public transport, land and sea taxis as well as for collection services (Art. 7/p)</li> </ul>	

Source: authors' construction.

## Appendix 2. Development agencies

Name of the agency	Headquarters	Associated provinces	Website address
Izmir Development Agency (IZKA)	Izmir	Izmir	<a href="http://www.izka.org.tr">www.izka.org.tr</a>
Çukurova Development Agency (ÇKA)	Adana	Adana, Mersin	<a href="http://www.cka.org.tr">www.cka.org.tr</a>
Istanbul Development Agency (İSKA)	Istanbul	Istanbul	<a href="http://www.iska.org.tr">www.iska.org.tr</a>
Mevlana Development Agency (MEVKA)	Konya	Karaman, Konya	<a href="http://www.mevka.org.tr">www.mevka.org.tr</a>
Central Black Sea Development Agency (OKA)	Samsun	Amasya, Çorum, Samsun, Tokat	<a href="http://www.oka.org.tr">www.oka.org.tr</a>
TRA1	Erzurum	Bayburt, Erzincan, Erzurum	-
Eastern Anatolia Development Agency (DAKA)	Van	Bitlis, Hakkari, Muş, Van	<a href="http://www.daka.org.tr">www.daka.org.tr</a>
Ipekyolu Development Agency (İKA)	Gaziantep	Adıyaman, Gaziantep, Kilis	-
Diyarbakır and Şanlıurfa Development Agency (DUKA)	Diyarbakır	Diyarbakır, Şanlıurfa	<a href="http://www.duka.org.tr">www.duka.org.tr</a>
Dicle Development Agency (DİKA)	Mardin	Batman, Mardin, Şırnak, Siirt	<a href="http://www.dika.org.tr">www.dika.org.tr</a>
TR21	Tekirdağ	Edirne, Kırklareli, Tekirdağ	-

Name of the agency	Headquarters	Associated provinces	Website address
TR22	Balıkesir	Balıkesir, Çanakkale	-
TR32	Denizli	Aydın, Muğla	-
TR33	Kütahya	Afyonkarahisar, Kütahya, Manisa, Uşak	<a href="http://www.egekalkinmaajansi.org">www.egekalkinmaajansi.org</a>
TR41	Bursa	Bilecik, Eskişehir, Bursa	-
TR42	Kocaeli	Bolu, Düzce, Kocaeli, Sakarya, Yalova	<a href="http://www.marka.org.tr">www.marka.org.tr</a>
TR51	Ankara	Ankara	-
TR61	Isparta	Antalya, Burdur, Isparta	-
Eastern Mediterranean Development Agency (DOGAKA)	Hatay	Hatay, Kahramanmaraş, Osmaniye	-
Ahiler Development Agency	Nevşehir	Aksaray, Kırıkkale, Kırşehir, Niğde, Nevşehir	-
TR72	Kayseri	Kayseri, Sivas, Yozgat	-
TR81	Zonguldak	Bartın, Karabük, Zonguldak	-



Name of the agency	Headquarters	Associated provinces	Website address
Northern Anatolian Development Agency	Kastamonu	Çankırı, Kastamonu, Sinop	-
TR90	Trabzon	Artvin, Giresun, Gümüşhane, Ordu, Rize, Trabzon	-
TRA2	Kars	Ağrı, Ardahan, Iğdır, Kars	-
TRB1	Malatya	Bingöl, Elazığ, Malatya, Tunceli	-

Source: website of the State Planning Organisation, [http://www.dpt.gov.tr/hgyu/kalkinmaajans/ajans\\_iletisim\\_bilgileri.doc](http://www.dpt.gov.tr/hgyu/kalkinmaajans/ajans_iletisim_bilgileri.doc)

# Acronyms and Abbreviations



# Acronyms and Abbreviations

<b>AKP</b>	<i>Adalet ve Kalkınma Partisi</i> , Justice and Development Party
<b>ANAP</b>	<i>Anavatan Partisi</i> , Motherland Party
<b>BİT</b>	<i>Belediye İktisadi Teşekkülleri</i> , municipality economic agencies
<b>CHP</b>	<i>Cumhuriyet Halk Partisi</i> , Republican People's Party
<b>DG ELARG</b>	Directorate-General Enlargement (EU)
<b>DG REGIO</b>	Directorate-General for Regional Policy (EU)
<b>DP</b>	<i>Demokrat Partisi</i> , Democratic Party
<b>DPT</b>	<i>Devlet Planlama Teşkilatı</i> , State Planning Organisation
<b>DSP</b>	<i>Demokratik Sol Partisi</i> , Democratic Left Party
<b>DYP</b>	<i>Doğru Yol Partisi</i> , True Path Party
<b>EU</b>	<i>European Union</i>
<b>IMF</b>	International Monetary Fund
<b>GAP</b>	<i>Güneydoğu Anadolu Projesi</i> , Southeastern Anatolia project
<b>MHP</b>	<i>Nomenclature of Territorial Units for Statistics</i>
<b>NUTS</b>	<i>Nomenclature of Territorial Units for Statistics</i>
<b>PEP</b>	<i>İl çevre düzeni planı</i> , Provincial Environment Plan
<b>PPP</b>	Public-Private Partnership
<b>RP</b>	<i>Refah Partisi</i> , Prosperity Party
<b>RPS</b>	Related Public Services
<b>SHP</b>	<i>Sosyaldemokrat Halk Partisi</i> , Social Democratic People's Party

<b>TBMM</b>	<i>Türkiye Büyük Millet Meclisi</i> , Grand National Assembly of Turkey
<b>TMMOB</b>	<i>Türk Mühendis ve Mimar Odaları Birliği</i> , Union of Chambers of Turkish Engineers and Architects
<b>TOBB</b>	<i>Türkiye Odalar ve Borsalar Birliği</i> , Union of Chambers and Commodity Exchanges of Turkey
<b>TOKİ</b>	<i>Toplu Konut İdaresi</i> , Mass Housing Administration
<b>TÜİK</b>	<i>Türkiye İstatistik Kurumu</i> , Turkish Statistical Institute
<b>YTL</b>	<i>Yeni Türk Lirası</i> , New Turkish lira

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# What is AFD?

Agence Française de Développement (AFD) is a public development finance institution that has been working to fight poverty and foster economic growth in developing countries and the French Overseas Communities for seventy years. It executes the policy defined by the French Government.

AFD is present on four continents where it has an international network of seventy agencies and representation offices, including nine in the French Overseas Communities and one in Brussels. It finances and supports projects that improve people's living conditions, promote economic growth and protect the planet, such as schooling for children, maternal health, support for farmers and small businesses, water supply, tropical forest preservation, and the fight against climate change.

In 2011, AFD approved nearly €6.9 billion to finance activities in developing countries and the French Overseas Communities. The funds will help get 4 million children into primary school and 2 million into secondary school; they will also improve drinking water supply for 1.53 million people. Energy efficiency projects financed by AFD in 2011 will save nearly 3.8 million tons of carbon dioxide emissions annually.

[www.afd.fr](http://www.afd.fr)

# Decentralisation in Turkey

*Since 2004, the government of Turkey has undertaken a number of “decentralisation” reforms. A number of laws have been passed that give increased autonomy and resources to regional and local authorities and aim to reorganise the division of tasks and the relationships between these authorities and the central government. These reforms represent substantial change, since there had previously been practically no intermediate level between the central government and the citizens, and the decision-making centres in Ankara constituted serious bottlenecks that were regularly circumvented.*

*The reform process raises a number of questions. What rationales led to the implementation of these reforms? Did the reforms result from the opening of negotiations on Turkey’s accession to the European Union, in 2005, or were domestic political processes also a factor? What real changes did these reforms introduce? What impact have they had on adjustments in the levels of government and the connections among them, and, more generally, on the Turkish political scene?*

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