The Effects of Integration Process with the European Union on Turkeys Regional Policies and Regional Development Agencies

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Abstract: Regional policies which have gained importance in 80s by globalization and the local dynamics brought about by globalization have also been stimulated over time by structural funds provided by the European Union. This situation has led regional policies to gain importance in EU members and also the candidate countries of EU and it has accelerated the installation of Regional Development Agencies as an instrument of regional policies. It has become mandatory for Turkey to revise again the regional policies which have been implemented since the planned period as a result of Turkey’s EU accession process. Release of deductive policies’ and adopting inductive policies in Turkey has become a requirement with the EU integration process as well as the establishment of Regional Development Agencies.

Key words: Regional policies of EU, regional imbalances, regional imbalances in Turkey, regional development, development agencies, Turkey

INTRODUCTION

Deductive policies are implemented by central governance and its strategy relies on the redistribution of development. These policies consist of like ensuring infrastructure services and financial support. Induction policies are implemented by local actors and they involve reactive policies that use soft policy instruments for providing local development and wielding the competitiveness within the region (Tiftikcioğlu, 2009). Various factors like competitive market, cost controls and the basic factors that are globalization, governance and the integration process with EU has brought crucial changes to the approach of traditional deductive development which is followed in Turkey and eventually this lead to occurrence of new organizational models for regional development.

In this process, the concept of directing central planning and investment that are one of the most important parameters of traditional development approach to less developed regions has been abandoned.

Instead of this, inductive regional development policies has come to prominence which is lead by local actors have an existence of active participation and an activation of the local dynamics (Can et al., 2007). Turkey is divided into seven regions by taking into account geographical features. There are crucial differences because of geographical, social, economic and cultural structures among the regions. The regional development plans were prepared in order to balance these differences in the framework of prepared development plans from the planned period. These plans which were prepared taking into account the priorities of locals using deductive method by central government did not show the expected effect because of political instability and financial problems, so the differences between regions have increased even further. In terms of the results of 1999 Helsinki Summit for Turkey which is adopted for EU candidacy, it has become a mandatory to begin to work towards eliminating regional imbalances which is clearly noticed more when compared with EU countries.

Within this framework, requirement for the installation of Regional Development Agencies have emerged and the necessary legal arrangements about Regional Policy and Coordination of Structural Instruments were made pursuant to headline acquis communitaire headline with EUs pre-accession financial assistance. Thus, the agencies were set up by the year 2006. In this study, primarily, regional disparities in Turkey and the studies on this subject will be revealed shortly. Then, changing
development policies with Turkey's European Union integration process and the installation and development of Regional Development Agencies on the axis of these policies will be addressed.

THE CROSS REGIONAL IMBALANCE PROBLEM IN TURKEY

Regions are the different featured spatial areas that containing a small area than all the country and can be distinguished from each other by the country's physical, economic and social structure (Camur and Gumus, 2005). Regional imbalances means any disparities observed in different parts of the country (Dinler, 2001). Unbalanced economic investment that emerged in country or its own characteristics of regions may lead to the emergence of regions that have different levels of development. Uneven development at the country level is concerned with the emergence of regions that have weaker economy and lower living standards and income level areas. This is generally expressed as regional imbalances (Camur and Gumus, 2005).

It is expressed that the density of the inter-regional imbalances which may arise from geographic, economic, cultural and social care changes differently in all countries of the world (Dinler, 2001). Therefore, regional differences are important issues that are not just related to developing and undeveloped regions but also related to developed regions.

Despite there is no regional basis in administrative structure of Turkey, it has been divided into seven geographical regions taking into account the climatic and topographic features (Camur and Gumus, 2005). Significant disparities exist between geographical regions in terms of development. The economic, social and cultural, geographical and historical factors play a role in the emergence of these imbalances. More importantly, these imbalances have increased significantly especially in some areas rather than decreasing over time (Keles, 1999).

With the evaluation of demographic, economic and social indicators, Marmara and Aegean regions are the most advanced, Mediterranean and Central Anatolia regions are medium developed, Black Sea, Eastern and Southeast Anatolia regions are the least developed regions in terms of per capita GDP, population growth, literacy and unemployment rates, physical and social infrastructure, education and health facilities within geographic regions.

The size of imbalances are seen more clearly when Turkey's regions are examined especially economically. According to that Marmara is the most developed region and the difference between Southeastern Anatolia (the least developed region) and Marmara has reached approximately eight times. According to the social indicators of Southeastern Anatolia Region, it is observed that literacy rate is around to 70% and it is too below the average in Turkey and also a doctor accrues for 2000 people, a dentist for 20,000 people and a pharmacy for 6000 people. Furthermore, there is an important imbalance about income and wealth sharing as well as poverty in the region (Ozel, 2009).

It can be expressed that regional development efforts in Turkey appear in all government programs and 5 year development plans. The redirection of investments to these regions has been mentioned within the framework of the central government plans programs and policies. However, these efforts, except GAP that is a multi-faceted, multi-purpose and multi-mediate integrated program could not obtain a serious contribution about regional development issues, as well as it could not eliminate the inter-regional development disparities that is one of the basic goals of regional development (Akin, 2006).

The development of less developed eastern Anatolia, taking the control of the development of East Marmara that has excessive accumulation of population and industry, prepared plans to develop the Southeast Anatolia that is undeveloped but has rich resources are the examples of those (Berber and Celepe, 2005). According to implementation, these are the main reasons of development inability of undeveloped regions at desired level and development situation of medium developed regions that is outside of these regions (Akin, 2006; Mengi, 2001):

- Preparation of plans and programs by the center and most importantly, the form of planning was perceived to be more economic and physical
- Unable to strengthen regional plans with sufficient financial resources
- Instability in national politics and changing priorities constantly
- Inability exposition of local need and potential adequately
- Observation of a uniform incentive and support policies in undeveloped regions without regarding any differences
- Inability observation of policies based on sectoral and regional differences
- Disregard of local dynamics and cannot be benefit from them
- Lack of coordination and cooperation between public sector and private sector, local authorities and universities

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Various policy instruments are being used to establish a balance among inter-regional development disparities in Turkey and for a positive impetus to regional and local development and optimizing it sustainable. First of these instruments is regional plans based on different sized regions. These are the main objectives of regional plans (SPO, 2007):

- Ensure the reduction of regional development disparities based on development plans’ objectives and strategies
- Provide an increase in the level of welfare of the people living in underdeveloped regions
- Ensure to make a stable migration that is intensive toward advanced metropolis
- Resolve the issues that emerge from unplanned urbanization

In line with these objectives, various regional development plans have been prepared at different periods for providing sustainable development at the integration point of sectoral priorities and spatial dimensions of development plans. In this context, implementations of the southeastern Anatolia project (GAP), Zonguldak-Bartin-Karabük Regional Development Project (ZBKP), Eastern Black Sea Regional Development Plan (DOKAP), Eastern Anatolia Project Master Plan (DAP) and Yezilirmak Basin Development Project (YHGP) are continued.

**IMPORTANCE OF DEVELOPMENT AGENCIES IN ELIMINATING REGIONAL DISPARITIES**

Development agencies are seen as instruments that play an important role for ensuring regional development or adopting a participatory approach in solving the regional imbalances and ensuring regional development within the framework of a new regional paradigm. Development Committee which is one of agency’s organs and has advisory function demonstrates the concept of administration that consists of multiple actors like public, private and civil society actors. With these actors together, it is aimed that the determination of current status of the region, its problems and its analysis of strengths and weaknesses are accomplished across the region (Can et al., 2007).

Development agencies are the institutions that determine regional strategy and adopt over governance about determining policy decision in regional areas by those living in the region that have participated and implemented. Thus, development mission that only central government has undertaken in earlier detection and implementation of regional policies are now shared by different actors of community (SPO, 2008). Common strategies ensure important facilities in identification and solutions of problems.

So this provide an important impetus to the development of the region. Participation in regional projects, ownership of projects and awareness are increased with common mind again. However while this is done, the interaction between the country’s administrative structure with agency structure and social position must take into consideration. In Turkey, centralized decision-making, privacy, closure and participation in the classic range of issues that public administration may revive even in settlements which are tried to create governance aimed locally.

In this context, it will not be wrong to say that institutional and public education is necessary for providing the intelligibility of community-based participatory structures that includes agency-type governance, the regional and local organizations that are considered to be revealed or will be revealed (Karaman, 2007).

Development agencies are coordinating institutions that determine the problems of development in terms of general and sectoral. It composes solution-oriented strategies and supports plan and projects that will reach the results. The formation, functions and structures of these institutions vary from country to country but they have three common denominators (SPO , 2008). These are:

- They are development-oriented
- They observe the development of certain geographical regions
- They stimulate the intrinsic potential of the region

These are the main methods that are used by development agencies about reducing regional disparities and ensuring a balanced development (Can et al., 2007):

- Withdrawal of foreign capital to the region
- Ensuring technical and financial contributions to firms that do work in the region
- Encouraging new entrepreneurs to work
- Increasing in workforce capacity and engage in training to provide technical support
- Technical support for local public institution and organizations

The legal arrangements are made for the establishment of the development agencies taking into account Turkey's political, economic, social conditions with structures in other countries and the perspective of EU membership.
They are established to improve the collaboration between public, private and civil society organizations, reducing disparities between regions under the leadership of the principles and policies of national development plan and programs, giving acceleration to inter-regional development and ensuring the sustainability of that. Development agencies make these contributions at the point of reducing development disparities between regions (SPO, 2007):

- While development agencies ensure to increase the ability of developed regions of the country to compete on a global scale, it will also ensure an opportunity to approach the country’s average for undeveloped regions
- Development agencies will contribute to preparation of regional plans that is fully compatible with national plans and strategies and also with the contribution and participation of local potential
- Significant amounts of resources will be transferred to development agencies from budgets of central government, local governments and chambers of commerce and industry for the realization of regional development strategies that stimulates local potential.
  In this framework, accrual of regional development will be provided by ensuring to specialize in the high competitiveness in the field of each region
- Development agencies as a corporate structure that are created in governance of public, private and civil society organizations will add a significant acceleration to generate a culture of corporation between these actors that come together and to increase local’s power of creation of the project

When evaluated as a whole, the legal status of development agencies that are one of institutional tools of regional development has a unity in the point of purposes, although it shows differences in constitutive elements and functionality. Accordingly, the basic purposes of development agencies are revitalizing the regional economy and internal dynamics of the regions and increasing the social development level the by implicating and activating local actors into the system.

In other words, the main target of the key role players in development agencies is providing bottom-up development with the participation of all local stakeholders. Therefore, it is being aimed to reduce regional imbalances with the responsibility of local stakeholders in bottom-up development and this situation enhances the importance of development agencies further in ensuring the holistic development (Karaman, 2007).

THE EFFECTS OF EUROPEAN INTEGRATION PROCESS ON INTERREGIONAL IMBALANCES IN TURKEY AND THE CHANGE IN DEVELOPMENT POLICY

One of the main objectives in the establishment of European Union is to achieve equitable and balanced development between countries and regions. Therefore, the existence of regional disparities and transfer of different regional disparities to EU by enlargement process in the future enhances the importance of efforts of overcoming regional disparities within the borders of member states as well as between EU member states and union’s attention to regional development approach is increasing in line with expansion strategy (Oralp, 2001).

Because in the case of continuing and increasing of the existing regional disparity, there will be two problems in the point of application of regional policies. First of these is elimination of transnational development disparities that will emerge from joining of countries in expanding EU with different levels of development to the union.

The other is the issue of policy implementations about eliminating regional disparities within countries (Elmas, 2001).

In Turkey, per capita GDP is between one third and half of the national average in the poorest five regions and the other seven regions are below 75% of the national average. On the other hand, income of five richest regions is between 127 and 190% of the national average. However, consideration of GDP is unacceptable as the only indicator in determining the differences between regions. Therefore, when all socio-economic indicators are taken into account, the differences are seen more clearly by looking at elements like infrastructure investments as the life time, literacy rates, employment rates, accessibility of health services and health care services (Reeves, 2006).

European union has been helping the regions whose GDP average for the last 3 years is below 75% of the EU average for the development of undeveloped regions and the provision of structural adjustment to union. When the characteristics of assisted areas are examined, low capital investments, high unemployment rates, absence of service sector and weak infrastructure sectors are seen in these regions.

As this situation is evaluated in terms of Turkey, it is became mandatory for almost the whole of the country, in terms of annual GNP, to benefit from structural fund assistances that will be made by EU and this also reveals two results that are correlated with each other (Apan, 2004):
After Turkey’s participation, EU’s GDP average will fall and become more poor due to inter-regional disparities are well above the EU average and EU will have to transfer it’s structural funds to almost all of Turkey.

Countries that currently benefit from EU's structural funds will become the lack of this facility.

In EU, seven priority targets have been determined which are identified based on elimination of regional disparity and regional development policies targets (Elmas, 2001). Undeveloped regions have been included to scope of Target 1. In other words, the regions whose per capita GNP is below 75% of the union average and the regions that have other exceptional reasons for being in that scope have been evaluated in this regard.

The regions with industrial devolution are in Target 2, long-term unemployed, job seekers and the ones who have fear about staying out of work area in the union are in Target 3, the ones who will be affected by the changes that stem from employment status and production system in all community are in Target 4, farmers and fishermen in whole union are in Target 5a, the areas that have lower level of socio-economic development and rural areas are in Target 5b, the regions whose population density is extremely low are taken into context of Target 6.

Despite the deep differences between regions, Turkey was accepted as a candidate country to European Union on equal conditions with other candidate countries in Helsinki Summit held on 10-11 December 1999. This situation has brought a process with acceptance of EU norms and rules and commitment to follow for Turkey. By looking at EU candidate countries’ progress report, it is seen that Administrative Capacity concept is being used extensively. At this point, it is understood that EU while enlarging, emphasizes on candidate countries’ administrative capacities for the purpose of providing acceptance and implementation of common policies and guaranteeing of them.

Therefore, in the framework of EU standards, in both field of public administration and at the sectoral level, the implementation of regulations that will increase efficiency and get its administrative capacity comply with EU standards is expected from Turkey in subsequent periods (Demir, 2009). In the accession process, it has been stated that Turkey can take advantage of community programs towards the candidate countries and have the right to participate in the meetings that will be held between the EU and other candidate countries (Oralp, 2001).

Turkey has started to achieve their own implementations by preparing a national program concerning with the adoption of the EU acquis communitaire (Oralp, 2001). In this context, regional development regulations are between short-term obligations and took place under the headline of Regional Policy and Coordination of Structural Instruments in the EU’s Accession Partnership Document of 2003 (SPO, 2003). The objectives under this heading are stated as follows (SPO, 2003; Recber, 2004):

- Development of a national and social cohesion policy that aims reducing regional disparities through the preparation of regional development plans at National Development Plan and the NUTS 2 level
- Adoption of the legal framework that will facilitate the implementation of the acquis communitaire
- Creation of multi-annual budgeting procedures that reveals the priority criteria for public investments to the regions
- Strengthening the administrative structures that will perform regional development

In mid-term priorities, prospect of developing a national policy takes part in regional policy area through reducing the country's internal differences including establishment of the structures that provides monitoring of multiple years of budget preparation procedures and evaluation. Regional Policies is located as the title between changes and improvements that will be made for compatibility of Turkish legislation with the acquis communitaire of the European Union in the National Program that is being prepared by Turkey. Compatibility studies do not only consist of legislation implementation in accordance with EU legislation, also include legal and administrative structure that will guarantee implementation of this legislation (Oralp, 2001).

The efforts that aim to become an EU member make compliance necessary for the candidate country to the acquisitions that union has adopted and implemented at regional level. Moreover, EU attaches great importance to the levels of rational development and also to regional development policies of member countries and for this purpose, it transfers substantial financial resources to member states and candidate countries intended to reduction of regional imbalances (Zibel, 2009). Accordingly, since the beginning of 2007, instrument for pre-accession assistance has taken the place of programs or financial instruments such as PHARE, ISPA, SAPARD, CARDS that has already being implemented for candidate and nominated candidate countries.

Ensuring of financial resource has been aimed in issues such as cross-border cooperation, transport, environment, economy areas regional and rural development and fighting against discrimination by
The elimination of regional disparities are among the priorities in the union's enlargement process. Therefore Turkey, in the status of candidate country for EU has to consider the issues such as rapid population movements that cause regional imbalance, unstable and non-healthy urbanization, unemployment and labor force growth, inability of continuing of economic growth rate with higher ratios in medium and long term, accumulation of capital in Western regions, uneven distribution of public investments, institutional shortcomings about regional planning and economic and social problems that was revealed from natural disasters in some regions (Mengi and Algan, 2003).

In this process, in accordance with the union's regional policy, preparation of integrated regional plans and inductive development policies that take into account the regional sensitivities by abandoning homogeneous national development policies and reflection of these plans to implementation is necessary in the framework of statistical territorial unit classification.

Turkey's, in the status of candidate country for EU, regional development policy's that are created within the framework of reduction of regional disparities compatibility to EU's regional policies, acceleration of these policy studies and goals and efforts intended to increasing efforts of co-operated regional policy-making with the EU are expressed clearly in the 8th and 9th 5 year development plans (Zibel, 2009).

Determinations by the 8th (2001-2005) 5 year development plan are as follows; local initiatives has been gaining importance instead of traditional regional concept. In this context, firstly, connecting of surrounding areas in union to central areas by implementing a social, economic and spatial integration, environmental protection, strengthening of local governments, transport, telecommunications and energy net has been coming to the first step of the EU's regional goals and policies.

Moreover, the most important goal of the plan has been identified as minimizing the disparities between regions. At the point of provisioning this, some basic issues will be addressed such as sustainability, inter-regional integration, ensuring social and economic balances, improved quality of life, equal opportunities, cultural development and participation. Traces of the EU's regional policies are manifest themselves clearly in the basic targets (Mengi and Algan, 2003). Growing in stability, more equitable revenue sharing, have the power to compete on a global scale, transformed into an information society and has completed the integration process for EU membership Turkey vision has been determined by the 9th (2007-2013) 5 year development plan. Accordingly, some necessities were determined as enabling of regional development policy at the central level, ensuring of development based on local dynamics and internal potential, increasing of institutional capacity at local level, provision of rural development.

Again, the process of compatibility with the acquis communitaire will be phased by taking into account country priorities and opportunities and will be oriented in the framework of a comprehensive strategy. When making of prioritization, public financing, private sector competitiveness, employment, regional development, environmental and social balance basis approach will be based (SPO, 2006) is stated.

One of the main objectives of the union policies is to seek solutions to economic and social problems at regional level, also to achieve the creation of regional statistics at various levels. In this context, with 28/9/2002 dated Cabinet Decision published in 4720th the official gazette, Turkey has performed the classification of statistical regional units in nationwide with the purpose of establishment of comparable statistical data base in accordance with EU regional statistics system, gathering and development of the regional statistics, realization of regions' socio-economic analysis and determination of regional policy frameworks.

According to 4720th Law, provinces have been defined as Level 3 in statistical area classification; neighbor provinces that are similar in social and geographical aspects have been grouped as Level 1 and 2 taking into account their regional development plans and population sizes, thus statistical area classification has been made hierarchical (md. 2). Statistical regional units in the scope of Level 3 are 81 and they are all provinces. Each province defines a statistical regional unit.

Level 2 statistical regional units are defined by the result of grouping of Level 3 neighbor provinces and they are 26 Level 1 statistical regional units are defined by the result of grouping of Level 2 statistical regional units and they are 12 (md. 3).

In addition, it is expected that basing of classification of statistical regional units on some studies such as gathering and development of regional statistics, making of socio-economic analysis and determination of regional policy framework from all public institutions and agencies (md. 4).
RESULTS AND DISCUSSION

In Turkey, establishing of regional development agencies and making necessary legal arrangements and efforts in this direction has come up after 2000s by both the wave of globalization and benefits of EU membership process. In this context, Turkey has trended towards induction of (from bottom to top) regional development concept that includes governance approach by resigning from regional development that it built upon almost half a century-incentives system and aimed at reducing inter-regional imbalances.

One of the main reasons for this orientation is ensuring of regional development policies’ compatibility with EU’s regional policies. It is aimed to make a dynamic regional economy, to increase regional investments and to increase ownership of services by joining the community in management (Mae, 2006, Parlak and Sobaci, 2010).

EU’s one of the priority issues that must be carried out by candidate countries is to ensure compliance with the Union’s regional policies and practices. Therefore, adoption of regional policies that reduce regional imbalances and performing legal regulations and institutional structures about this are needed for candidate countries.

Because, one of the basic conditions for getting share from EU’s structural Funds is creation of institutional structure that will eliminate regional imbalances (Parlak and Sobaci, 2010). In this context, after 1999 Helsinki decision which gives the EU membership perspective, it is seen that adoption of the failure of regional policies in Turkey and changing of this policy fundamentally in the direction of EU regional policy adaption have occurred.

In this context, policy tools of previous regional policy was not completely abandoned but by the influence of incentive funds EU allocated to member states, adaption of internal development model that applied within the EU to the regional policy has been worked for the purpose of regional policy compatibility to EU.

It is aimed that improving of competitiveness and achievement of a balanced and sustainable development by mobilizing inner potential, dynamics and co-operation networks of less developed regions and co-operation networks (Altan, 2007). However, the expected effects of new policy are directly proportional with provided funding and the applicability of the developed projects.

When looking at the situation in Turkey, some of the agencies were established without the financial support of civil formations and capital and therefore, it is seen that their financial possibilities are limited to an amount of funds transferred from the center and EU supports. These resources are not sufficient to ensure regional development. In this context, it can be said that the studies about the regional disparities should be supported by centrally managed policies, otherwise the ongoing status will increase existing development disparities between regions further.

In this model, the success of regional policy is being provided by giving an active role to the institutions such as chambers, associations, foundations which are the representative of capital in the management of region (Birgul, 2005). Another discussion about regional development policies that have shaped in the axis of European Union is the expression that is intended to enhance the inter-regional competition and hence regional imbalances rather than relations of agencies with capital to reduce regional disparities.

When evaluated as a whole, the reduction of regional disparities is a major problem for Turkey and elimination of this problem alone seems quite difficult for one country. Therefore, in reducing of these imbalances administrative structure that EU had demanded from us before accession has finished, Alzmir Development Agency including Izmir and Çukurova Development Agency including Adana and Marsin at level 2 region for the first time have been established with the decision of the council of ministers. In the later period, establishment of 26 A Level 2 A regional development agencies have been finished with eight at A Level 2 A in 2008, 16 in 2009.

However, completion of the administrative structure through the Union’s request is not enough and passing to the application and seen of application are needed. Because the most important functions of development agencies are to redirect funds from EU to local priorities, to ensure the movement of especially economic planning from center to local and to play an important role in the realization of localization.

Therefore, to ensure the transformation in administrative mean is not enough, ensuring of this transformation reflect to implementation is absolutely necessary, contribution for reduction of regional disparity can be done with providing expected benefit from the establishment of agencies.

CONCLUSION

In this context, it is concluded that the studies about the regional disparities should be supported by centrally managed policies, otherwise the ongoing status will increase existing development disparities between regions further.
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