

MANAGING ACROSS LEVELS OF GOVERNMENT

TURKEY

1. Institutions and authority**1.1 Structures***Description of levels*

The total area of Turkey is 780 000 square kilometres and the total population in 1994 was 60 573 000. Central government is administered through a series of national departments and agencies; while at the sub-national level the Turkish Constitution envisages a dual system of government. One functions according to the principles of deconcentration (provinces), while local government comprises a decentralised system of municipalities and villages. There are thus three forms of local government in Turkey: Special Provincial Administrations; municipalities; and villages.

The country is divided into 79 provinces, each subdivided into a total of 847 districts. In addition to the provincial offices of central government departments, bodies known as Special Provincial Administrations (SPAs) function as a sort of local unit of government, carrying out local services beyond municipal boundaries as well as some special local services within the municipal boundaries. The creation of SPAs can be traced back to the late Ottoman period. They were established under the General Administration of Provinces Act in 1913, and defined as bodies assigned responsibility for diverse functions, particularly in the areas of health, education, public works and social security. Creation of a province is a necessary and sufficient condition for the creation of an SPA for that province.

The basic urban administrative units in Turkey are the 2 801 municipalities whose jurisdiction is limited to urban areas and to settlements of more than 2 000 inhabitants and all the districts irrespective of their population. Metropolitan municipalities have been set up in 15 largest cities in the country (Istanbul, Ankara, Izmir, Adana, Bursa, Gaziantep, Konya, Kayseri, Eskisehir, Erzurum, Mersin, Kocaeli, Diyarbakir, Samsun, Antalya), which account for nearly 43 per cent of the total urban population. In addition, 77 other urban centres have been included in the category of metropolitan government. As a result, three kinds of municipalities with widely varying powers, responsibilities and resources have been created in Turkey: "metropolitan municipalities", "district municipalities" (within metropolitan areas) and "municipalities" in other urban localities. Only about 83 municipalities have populations greater than 100 000, but their total population accounts for over two-thirds of all urban dwellers in Turkey. The local government system is therefore characterised by a large number of medium-sized and small urban centres and a relatively small number of larger settlements which have a disproportionate weight in Turkey's socio-political and economic life. In addition there are 35 324 villages in Turkey.

Table 1. Area and population of sub-national governments (1995)

Number	Provinces		Municipalities	
	area (km ²)	population	area (km ²)	population
	79		2 801	
Largest	38 257 (Konya)	7 309 109 (Istanbul)	n.a.	724 419 (Konak)
Smallest	1 100 (Yalova)	107 330 (Bayburt)	n.a.	683 (Dodurga)
Number of municipalities and population distribution				
	Population size		Number of municipalities	
	up to 10 000		2 278	
	10 000-20 000		209	
	20 000-50 000		145	
	50 000-100 000		69	
	100 000-500 000		80	
	over 500 000		5	
	Metropolitan City		15	

n.a.: not available.

Source: Ministry of the Interior.

Central government at sub-national levels

Central authorities directly provide many essential urban services in Turkey either through field offices of relevant Ministries or via semi-autonomous central government bodies. Among the most important of these services are security and police (Ministry of the Interior); planning, curricula and staffing for educational institutions at all levels (Ministry of Education for primary and secondary levels, the Board of Higher Education for universities; various health services (Ministry of Health); museums and cultural facilities (Ministry of Culture and Tourism); major intercity expressways (Ministry of Public Works and Housing); major urban water supply and treatment projects (DSI, the State Hydraulic Works); all postal services (General Directorate of Posts), all telecommunications services (Türk Telecommunication A.S.); and, with a few exceptions, all electricity supply and distribution (TEAS: Turkish Electricity Production and Transmission Company and TEDAS: Turkish Electricity Distribution Company).

At the provincial level a Governor represents the State, the government and the ministries. He is appointed by the Council of Ministers and is responsible for maintaining order and public security in the province as head of the provincial security forces. The Governor is also responsible for maintaining and co-ordinating other services. He therefore oversees the operation of the provincial offices of national governmental bodies.

At the district level a sub-governor is appointed by a decree to be signed by the Minister of the Interior, the Prime Minister and the President of the Republic and has powers and responsibilities at district level corresponding to those of the Governor at provincial level.

Creation, elimination and restructuring

Creation and abolition of the provincial offices of any ministry is under the jurisdiction of the ministry concerned. The local government system is based on the 1982 Constitution which defines local authorities as public corporate bodies established to meet the common local needs of citizens of provinces, municipalities and villages.

The main mechanism of the voluntary form of inter-municipal co-operation and co-ordination in Turkey is municipal unions organised at different levels. As public bodies governed by by-laws, unions of municipalities enjoy the authority, powers and rights of municipalities.

Over the period 1970-1980 the municipalities started joining hands to establish associations and unions among themselves for the purpose of tackling problems which went beyond the boundaries of a single municipality and/or were beyond their capacity to solve. The rising demand of civil institutions for a say in decisions affecting urban structure and facilities prompted debate on a concept of local government extending beyond the efficient provision of services alone.

Control bodies

Central control and tutelage over local government in Turkey is exercised by the Ministry of the Interior through its General Directorate of Local Government. The directorate monitors local authority budgets and ensures that their expenditure is in conformity with current laws and procedures, and approves the overall staffing of local authorities. The administrative tutelage at the local level is vested in the provincial governors who report directly to the ministries. The Minister of the Interior has the power to suspend the councils and to dismiss the elected mayors temporarily, pending a judgement by the court, in cases where an investigation or prosecution has been initiated against them on the grounds of offences related to their duties. This is an exceptional power given to the Minister of the Interior.

Administrative courts consist of the Council of State and the Regional Administrative Courts. The Council of State has an important role to play as a consultative body within the framework of the law-making process. By reviewing "acts and proceedings" of the central and local authorities (at the instigation of private citizens as well as of public bodies), the administrative courts help to ensure the consistency and legality of public policies, decisions and regulations.

The Under-Secretariat of the Treasury and Foreign Trade is authorised to manage State domestic and foreign loans of relevance to local government and to approve or reject them, if they are subject to the guaranty of the Treasury.

1.2 Powers*Nature of sub-national institutions*

The decision-making bodies of SPAs are Provincial General Assemblies, composed of representatives popularly elected every five years. SPAs are subject to the *de facto* control of the provincial governors who are heads of the assembly and whose ratification is required for all decisions and the budget. The budget must be sent to the Ministry of the Interior for ratification within 30 days.

The principal municipal bodies are common to district municipalities and ordinary municipalities, but metropolitan municipalities have a different structure designed to meet the requirements of metropolitan areas.

Non-metropolitan municipalities have three principal bodies:

- Mayor's Office;
- Municipal Council;
- Municipal Executive Committee.

According to the Constitution, the decision-making bodies of local authorities are to be elected by public ballot. Mayors are elected by public ballot every five years. Their offices constitute the municipal executive body and represents the municipal corporation. Though mayors stand for election as candidates of political parties, once elected they are obliged to resign from any administrative role in their parties. Mayors may also stand for election as independent candidates.

The members of the Municipal Council, the main decision-making body of the municipality, are also elected every five years. The number of municipal councillors varies from nine in the smallest areas to more than 55 in the largest, and the number can be even greater for metropolitan councils.

The Municipal Executive Committee, headed by the mayor, is both a decision-making and executive body, consisting of both elected and appointed members. The number of elected Council members may not exceed half of the number of appointed members and may not be less than two.

The metropolitan government structure consists of three main bodies:

- Metropolitan Mayor;
- Metropolitan Council;
- Metropolitan Executive Committee.

The Metropolitan Mayor is popularly elected every five years. He is chief executive and co-ordinator for the metropolitan area and represents the metropolitan government. He has power of veto over all decisions taken by the metropolitan and district municipal councils, which may, however, override this veto with a two-thirds majority vote.

The Metropolitan Council, the main decision-making body of a metropolitan area, is composed of the Metropolitan Mayor, district mayors, and one fifth of district municipal councillors. The council is elected for a five-year period. The Metropolitan Executive Committee, headed by the metropolitan mayor or a designated deputy, is both an executive and decision making body. Its members are the secretary-general of the metropolitan government, and the heads of the departments of urban planning and development, public works, finance, legal affairs, personnel and administration.

Turkey's 35 324 villages are governed by a popularly elected elder known as the *muhtar* and a council whose members are also popularly elected by all adult village residents. The *muhtar*, as chief village executive, not only represents his village and takes responsibility for carrying out local services, but also acts as the representative of central government for the locality.

A corresponding structure also exists in urban neighbourhoods, each of which elect their own *muhtar*, but he lacks the executive power of his rural equivalent and operates within a very limited framework. The main responsibilities of the author is to keep records of local inhabitants, and convey information about problems in his area to the relevant local or central administration.

In view of the potential capacity of the neighbourhood administrative system, various organisations are in the process of drawing up proposals designed to strengthen and empower neighbourhoods as a means of lessening the burden on local government and enhancing citizen participation in the local decision-making process.

Type and degree of autonomy

All municipalities in Turkey with the exception of the metropolitan municipalities have the same status under the law regardless of size. The 1930 Municipalities Act and various other related laws and regulations provide the legal and regulatory framework for municipal activities.

The Municipalities Act empowers municipalities with a broad competence for taking any and all necessary measures for the health, well-being and welfare of their inhabitants. In addition, the Act assigns 76 specific powers which can be divided into two major categories: service provision and regulatory powers. As corporate public legal entities, municipalities may carry out their responsibilities and establish enterprises and other bodies for such purposes within the limits of the law.

While the 1930 Act provides a broad power base to municipalities, local government has always been a secondary partner to central government. Not only can its structure and operation be changed, at whim, by parliament or cabinet decrees, but many areas of its powers overlap with those of the central authorities.

There has been a trend (at least at policy level) over the past ten years towards the empowerment of municipalities. The 1984 restructuring programme of the municipal system in Turkey, for example, has given municipalities the authority to collect certain taxes such as the property tax and to introduce a tax for solid waste collection. This process is far from complete, however, and in many areas the central government maintains significant powers of control and tutelage. For example municipalities can borrow money from both internal and external sources, but borrowing from internal sources over a certain percentage of their budget, and all external borrowings, are subject to central government approval.

Special Provincial Administrations and villages have very limited financial sources and small power base compared to municipalities. The SPAs are authorised to borrow, subject to a number of conditions. They are only allowed to borrow money to pay for projects in the fields of construction, health and educational services. If the loan does not amount to more than one-third of ordinary revenue, the authority may go ahead with the ratification of the Provincial General Assembly of a loan proposal put forward by the Governor. Loans in excess of this amount and not more than the authority's annual ordinary revenue require approval by the Council of Ministers and the Office of the President. Loans of any greater amount require the promulgation of special legislation by parliament.

1.3 Responsibilities

Distribution of responsibilities

The functional framework of municipalities was set by the Municipalities Act of 1930 which assigns a rather wide range of responsibilities to these local authorities. The major services for which municipalities are responsible according to the law are: roads and drainage, public transport, construction of social housing, fire protection, water supply and sanitation, solid waste collection and disposal, parks and other recreational facilities, clinics and welfare facilities, veterinary services, wholesale markets, slaughterhouses and cold storage. Among the major regulatory functions are the following: land use planning and development control, environmental health and pollution, conservation of areas of natural, cultural and historical value, price regulation and consumer protection.

There have been significant changes in local-level public needs and expectations and in the structure of urban settlements since the 1930s as a result of major socio-economic and technological developments. Certain municipal functions have become obsolete as a result. There has, therefore, been a significant re-evaluation and expansion of the scope of municipal activity to meet the rapidly changing needs of urban life. The most fundamental changes took place when the rapidly accelerating pace of urbanisation of the 1950s began to be reflected in an expansion of municipal functions. A law passed in 1950, for example, added the construction and provision of public housing, and another passed in the mid-1950s added urban planning and development to the list of required municipal functions. In the 1960s the scope of authority of the municipalities in regulating urban economic activities was expanded. In the 1970s, certain duties in the area of environmental protection were added.

From the mid-1970s onwards municipalities were no longer so willing to let the central government dictate their powers and responsibilities. They began to voice their wishes to expand into new areas of public service. For instance, the first major social housing projects were launched by municipalities at this time

Mandatory, optional and shared responsibilities

The 1984 Metropolitan Municipalities Act established the responsibilities and areas of action for metropolitan and district municipalities. According to the Act, metropolitan government's responsibilities can be summarised as follows:

- preparation of investment plans and programmes;
- preparation and implementation of master plans;
- construction and maintenance of major roads;
- traffic management (generally the responsibility of central government, but metropolitan governments have some duties specified by laws);
- building and operation of passenger and freight terminals;
- protection of environmental health;
- providing social, cultural and recreational services;
- establishment and operation of consumer product testing laboratories;
- location, construction and operation of cemeteries;

- selection of solid waste disposal sites and construction of treatment plants;
- naming and numbering of all public thoroughfares;
- construction and operation of wholesale markets and slaughterhouses;
- operation and co-ordination of municipal police and fire services
- co-ordination of district municipal services in case of conflict among municipalities;
- implementation and co-ordination of city-scale joint ventures.

The 1984 Metropolitan Municipalities Act requires that all intra-city services be carried out in accordance with plans and programmes prepared by the metropolitan municipalities within the framework of the objectives of the National Development Plans prepared by the State Planning Organisation.

The district municipalities are responsible for all “basic” municipal services not specifically allocated to the metropolitan municipalities. As a result they share certain functions with the metropolitan municipalities. For example, whereas the production of master plans are the prerogative of the metropolitan municipalities, development plans, detailed plans and plan revisions are undertaken by both the metropolitan and district authorities. The metropolitan municipalities have responsibility for major roads and thoroughfares and the districts for local roads. Both are responsible for urban renewal. Sewerage and water systems are the function of the metropolitan authorities. The metropolitan municipality manages public transportation, whereas both authorities have responsibility for traffic control. Garbage collection is the responsibility of the districts as is the management of local parks, and cemeteries, whereas street cleaning is in the jurisdiction of the metropolitan municipality. Districts may engage in the construction and operation of wholesale markets and slaughterhouses and provide social, cultural and recreational services -- as does the metropolitan municipality.

Village administrations are responsible for carrying out both obligatory and optional functions. Of the obligatory functions, services such as public health, housing, and education have become obsolete in practice, both on account of inadequate funding by central government and due to the fact that these services are provided by the relevant ministries, even if sporadically.

Optional services are defined as those which “assist in raising the quality of life in the village in line with modern standards”. Examples include the construction of public laundries, public baths, market places and business premises, and providing recreational parkland.

The SPAs have been subject to many changes in their powers and responsibilities since their foundation. Apart from minor amendments (and a change of name in 1987), the original act of 1913 is still in force today. However, far more sweeping changes have come about indirectly. A high proportion of the powers and responsibilities of the SPAs have subsequently been transferred to various ministries or local authorities, and according to the principle by which more recent legislation overrides previous legislation in the event of contradiction, the scope of SPA powers and responsibilities has shrunk significantly, in practice.

2. Management functions

2.1 Policy-making and co-ordination

Coherence, consultation and conflict resolution

The State alone has general regulatory powers in Turkey. Policy-making, co-ordination and general regulatory arrangements for the various central government bodies with respect to the main issues concerning local government are the formal responsibility of the Council of Ministers. However a number of other governmental bodies play an important role at the central government level with respect to concrete issues of relevance to local government.

There are certain laws and regulations (especially those on environment and crisis management) which require that central government and its associated bodies consult with local governments in formulating and co-ordinating public policies. However, it is difficult to say that this requirement is always followed in practice.

The Ministry of the Interior is formally responsible for the legal framework of local government and for the exercise of central control and tutelage functions. Taxes and finances are handled by the Ministry of Finance; general policies on urbanisation as well as local main investments fall under the responsibility of the State Planning Organisation; financing and physical implementation of municipal infrastructure indirectly fall under the Ministry of Public Works and Settlement through the *Iller Bank* ("Bank of Local Authorities"), the State Hydraulic Works and Directorate of Highways. The Ministry of Tourism plays a leading role in areas of tourism in developing water and sanitation projects among others. The Ministry of Environment is also playing an increasing role in general anti-pollution efforts and in water and sanitation services.

Though no official comprehensive regional level of administration exists within the Turkish administrative system, a number of provinces are integrated for the purposes of co-ordination and the implementation of certain services administered by various State bodies. The State Hydraulic Works, the Highway Directorate, the National Electricity Generation and Transmission Company, the National Electricity Distribution Company, and the *Iller Bank* are among bodies which are organised on a regional basis and which may have a direct or indirect impact on local government.

The provincial governors have powers of control and co-ordination on behalf of the central government. They do so via a number of institutions, among the most prominent of which are the Provincial Co-ordination Commission, the Provincial Local Environmental Commission, the Provincial Administrative Commission and the Provincial Assembly.

Formal and informal mechanisms

A range of formal mechanisms and informal modes of co-operation and co-ordination exist within the Local government framework. The relatively large municipalities generally provide support to smaller municipalities or to villages in the form of technical personnel, and the periodic lending of machinery and equipment, etc. The metropolitan government structure initiated in 1984 introduced more

formal means of inter-action and co-ordination between municipalities within a defined legal and administrative framework.

At the national level, municipalities are represented by the Turkish Municipal Association, which has a different and less structured organisation than that of the unions. There are also several unions of municipalities which also function at the regional level such as the Union of Municipalities in the Marmara Region, and the Union of Aegean Municipalities.

A number of “informal” policy-making and co-ordination mechanisms also operate between central and local government and among local authorities themselves. These include the activities of political parties, associations and unions, ad hoc committees or panels, training and development programmes, conferences and meetings.

2.2 *Financial management*

Budgets are drawn up on the basis of estimated income and expenditure on planned services and activities for the year. The funding provided by local government is not in the form of allocations, but can be spent as the local authorities see fit according to the principles outlined above. Donations and borrowing, however, are earmarked for specific projects.

Sources of revenue

In the past the revenues of local authorities have been inadequate to meet their needs. Municipal budget deficits were largely financed by the non-payment of social security taxes on the incomes of local employees, and through moratoria on municipal debts.

Several measures have, however, been taken since the early 1980s to improve the resource base of local authorities. The measures taken in 1984 in particular have led to a significant increase in the revenues of municipalities in absolute terms and as a share of the national budget. These changes emerged from a series of tax laws and government decisions that were passed in the early 1980s. As a result of these measures, municipal shares of national tax revenues were increased, municipalities were granted new forms of local revenue such as real estate tax and the taxation and fees systems of municipalities were rationalised. In addition, significant extra-budgetary funds were created to support local initiatives.

Revenue sources of the municipalities in Turkey can be grouped under the following headings:

- Allocations by central government, including:
 - shares of national tax revenues;
 - financial assistance by central government and other public agencies;
 - loans;
 - grants.
- Locally generated revenues, including:
 - local taxes;
 - fees and user charges;
 - contributions to infrastructural investments;

- income from municipal assets;
- revenues from entrepreneurial activities;
- other income.

A more broadly based grouping of municipal revenues can be made on the basis of “tax revenues” and “non-tax revenues”. Tax revenues have three main components: shares of national tax revenues; revenues under the general framework of the national and local taxation system [including taxes on Property (Real Estate), Petroleum Consumption, Advertisement, Electricity and Natural Gas Consumption, Fire Insurance and Environmental Cleaning]; and municipal fees derived from licenses and permits. Non-tax revenues on the other hand, pertain to specific municipal services and activities. These encompass user charges, revenues of institutions and enterprises managed by the municipality, profits of enterprises, revenues from municipal properties, wages, fines and other incomes.

In the case of metropolitan government, the situation differs in that metropolitan municipalities' revenues consist of:

- A share of the national tax revenues allocated to metropolitan and district municipalities on a per capita basis. This share was set by the Council of Ministers as 35 per cent for metropolitan governments and 65 per cent for district municipalities for 1986.
- A minimum of 3 per cent of the national taxes collected within the metropolitan areas. The Council of Ministers is empowered by the same law to increase this rate to 6 per cent. At present the rate is set at 5 per cent.
- Fifty per cent of the tax on energy and gas consumption.
- Twenty per cent of property taxes collected by the district municipalities within their boundaries.
- Loans, aid grants.
- User charges, contributions for infrastructural services.
- Real estate revenues, betterment taxes.
- Various local taxes, fees and charges levied on entertainment, games, sports, recreational, social and cultural facilities.
- Environmental cleaning taxes.
- Taxes on advertising.
- Other revenues.

Metropolitan Istanbul has, in addition, other potential revenue sources, such as those of the Istanbul Water and Sewerage Authority (ISKI), the Istanbul Transportation Authority (IETT), and the Bosphorus Authority. The other municipalities have similar organisations and authorities.

The revenues of Special Provincial Authorities consist mainly of a share allocated from national tax revenues. This share is set by Act 2380, and after various amendments currently stands at 1.7 per cent of total general budget tax revenues. This share is deposited at the Iller Bank, which transfers shares calculated on the basis of population to the SPA of each province.

Apart from this share of national tax revenues, the SPAs have their own tax revenues (port tax, rice tax, quarry taxes and dues, etc.). However, these constitute a very small share (around 1.5 per cent) of overall SPA revenues. SPAs also receive appropriation from the central budget in order to construct local school buildings, rural roads and other infrastructural investments such as village sewerage systems.

Revenues of village authorities derive from five sources laid down in the Villages Act. These are a "level" tax, community service tax, aid to servicemen's families, charges, and dues.

The "level" tax (*salma*) is a specific tax which is collected from villagers in order to provide local services which cannot be financed by the central government. The amount of the tax depends on the cost of the service involved. It was introduced as an exceptional source of funding at times when ordinary village revenue proved insufficient to pay for obligatory services and the monthly wages and annual remuneration for the *muhtar*, watchmen and others engaged in performing village services. However, since the central government has often failed to provide any or only inadequate assistance, the tax has become widely applied. The tax is means-adjusted, has a maximum level, and is payable either in cash, kind or community service (*imece*). Revenues raised from sources other than capitalisation and community service tax are negligible in practice.

The Ilker Bank assists local government with financing major investments and with technical assistance in planning, implementation, and other technical aspects of their projects, and provides long-term loans within the framework of annual programmes.

Table 2. Main revenue sources of sub-national governments (1985, 1990, 1992)

	(million TL) ⁽¹⁾					
	1985		1990		1992	
	SPA ⁽²⁾	Municipalities	SPA ⁽²⁾	Municipalities	SPA ⁽²⁾	Municipalities
Tax revenues	34 469	359 944	456 089	4 394 133	1 170 408	13 066 805
Other revenues	72 639	187 483	1 439 593	2 077 385	5 081 076	8 487 602
TOTAL ⁽³⁾	107 108	547 427	1 865 682	6 471 518	6 251 484	21 554 407

1. In 1985 \$US1 = 517 TL; in 1990, 2 619 TL; and in 1992, 6 860 TL.

2. Special Provincial Administrations.

3. Total of rounded figures.

Source: Ministry of the Interior.

Expenditure responsibilities

As shown in Table 3 there has been a substantial increase of expenditure since 1985 at both the provincial and municipal levels.

Table 3. Main expenditure patterns of sub-national governments (1985, 1990, 1992)

	(million TL) ⁽¹⁾					
	1985		1990		1992	
	SPAs ⁽²⁾	Municipalities	SPAs ⁽²⁾	Municipalities	SPAs ⁽²⁾	Municipalities
Current expenditures	18 099	261 448	287 124	4 562 251	793 965	14 576 037
Investment expenditures	53 538	153 550	1 015 925	1 190 632	3 710 861	5 987 814
Transfer expenditures	17 216	83 979	239 736	1 220 418	741 626	5 810 828
TOTAL ⁽³⁾	88 853	498 977	1 533 785	6 973 301	5 246 452	26 374 679

1. See Note 1, Table 2.

2. Special Provincial Administrations.

3. Total of rounded figures.

Source: Ministry of the Interior.

The Government has embarked upon a programme to set up a modern fiscal management system aimed at improving the management of its financial and budgetary operations.

The objective of the Public Financial Management Project, financed by the World Bank, is to improve the efficiency and effectiveness of tax administration, expenditure and personnel management, and customs operations. The Public Expenditure and Personnel Management component of the project is aimed at strengthening public financial management by establishing a financial ledger system to be located in the Ministry of Finance.

As part of the fiscal reform process an integrated suite of modern computer-based information systems will be implemented to support the core expenditure management processes. It is expected that the implementation of these systems will improve the efficiency of public resource allocation and use.

Other reform initiatives such as modernising budgetary and accounting control procedures, include actions to strengthen budgetary discipline, increase delegation of budget execution responsibility to the spending agencies, delegate audit authority from the central to the provincial level of government and improve performance audit.

In the Tax Administration, central, regional and local tax agencies will be restructured, and an automated system and third party financial information system will be developed and implemented.

2.3 *Performance Management*

Performance management is still a very new concept for public sector bodies in Turkey, and examples of its application are rare. Both budgeting and control activities are based on “by the book” calculations where the only criterion is compliance with set forms and the law, ignoring any evaluation of real benefit in terms of performance when determining promotion and wage rises. Instead these are entirely automatic, based on periods dictated by legislation.

2.4 *Human Resource Management*

Statutory distinctions: The State Personnel Directorate is responsible for defining the principles governing the legal and financial status of public officers and for processing their applications. Both central and local government can employ three categories of personnel: civil servants, workers (permanent workers and temporary workers) and contract staff. Rights and responsibilities vary for each of the three categories, but they remain fixed for those in the same category whether employed by local or central government bodies.

Civil servants do not have the right to strike nor to engage in collective bargaining, and their promotion and pay rises are subject to the relevant articles of the Civil Servants Act. They are employed on the basis of results obtained in examinations. Those employed as workers have union rights, and collective bargaining is conducted at regular intervals between the unions and mayors in the case of local government, and between unions and the authorised central body in the case of central government. Hiring of workers takes place through the Employment Office, where candidates must be registered. Vacancies are filled by means of examinations held by the administration concerned. Even though all of the important positions such as experts, auditors, inspectors, etc. are filled after a series of examinations, it cannot be said that evaluation of the examination results of a few central government authorities and the local governments is based on sufficiently keen and objective criteria. Patronage counts in the hiring of personnel of every type at the local government level, especially during the election periods. The fact that salaries and wages fail to keep up with the high rate of inflation by a wide margin, the lack of job security, and the failure to introduce sufficient incentives for performance in the workplace are other significant factors which reduce efficiency and productivity.

One of the foremost obstacles to administrative development is the fact that central government approval is required for hiring civil servants in local government, and that civil servants at both local and central government level have identical rights and responsibilities. This means that local government structures lack the flexibility to respond to local conditions due to over-dependence on central authorities - leading to setbacks in performing many services.

Table 4 shows the distribution of personnel by level of government and underlines the high proportion employed in the central administration compared with the municipalities.

Table 4. Public sector employment by level of government (1990, 1993, 1994)

	1990	1993	1994
Central administration ⁽¹⁾	1 622 396	1 641 544	1 600 866
State economic enterprises ⁽²⁾	688 594	577 835	519 598
Special Provincial Administrations	199 100	8 251	5 719
Municipalities ⁽³⁾	n.a.	256 550	244 739
TOTAL	--	2 484 180	2 370 922

1. Personnel of establishments with general budgets, annexed budgets, autonomous budgets and budgetary funds are included. Personnel of the General Secretariat of the Presidency, the Grand National Assembly, the General Commandership of the Gendarmerie and military personnel are excluded.

2. Enterprises covered by the privatisation programme are excluded.

3. Including the personnel of metropolitan municipalities, but not of village administrations.

n.a. = not available

Source: State Personnel Presidency.

Mobility: The mobility of civil servants across levels of government is governed by the regulations in the State Personnel Law. There are no regulations that allow the transfer of other categories of personnel. The State Personnel Law (657) provides that personnel can be transferred to other public organisations, depending on their educational background, and specifies the minimum years of service for appointment to higher grades and to specific managerial posts. These provisions also apply to civil servants working in the State Economic Enterprises (SEEs). However, there are no statutory arrangements for the transfer of contracted personnel from one SEE to another SEE or a public organisation, or vice versa, except in cases of privatisation.

Transfer of personnel between organisations is generally in order to meet a need for experienced personnel (especially for managerial posts) or on individual request, so as to obtain better working (economic or social) conditions. Both organisations involved must give their consent. The transfer is realised only if there are any suitable positions and personnel transfer is not a widespread phenomenon in the public sector in Turkey.

3. Trends in redistributing authority across levels of government

3.1 Evolving tendencies

In the 1850s, the first municipal institutions along western lines -- modelled on the municipal structure of Paris at the time -- were set up, starting with the largely non-Muslim district of Beyoglu in Istanbul. Most municipal institutions established during the latter half of the nineteenth century remained intact until the 1920s. With the establishment of the Turkish Republic in 1923 initiatives in the field of local government and municipal development in the modern "western" sense, whose early examples dated from the Ottoman period, gained momentum. In this context, the Villages Act concerning village administration was passed in 1924, and the Municipalities Act, one of the most successful pieces of legislation of the post-World War I era and one which is still in force, in 1930. This legislation, essentially a transfer of the French local government system to Turkey, opened up new vistas for Turkish

municipalities, particularly in such fields as health, transportation, environmental control, consumer protection, and personnel training.

The 1930-50 period was marked by limited urbanisation and social change, and by a hierarchical-bureaucratic approach to local government. From the mid-1950s onwards, urban migration became a significant phenomenon, picking up speed in the 1960s and causing serious problems for local authorities. Despite the democratic and autonomous financial and administrative framework introduced by the 1961 Constitution, the failure to follow suit at the legislative and institutional level meant that municipalities found themselves without the authority, funding or institutions necessary for coping with rapidly increasing urban problems.

Until the 1970s local government in Turkey, both in theory and practice, was characterised by centralism; a structure based on a primarily administrative function; introversion; and passivity. Resourcefulness and innovation were virtually non-existent. Efforts to establish a comprehensive and modern link between local government and democracy emerged to a significant degree in 1973, when a new concept of municipal administration became a widely discussed issue on the social agenda for the first time. The military intervention of September 1980 brought this process to a temporary halt, since the military regime's centralist, bureaucratic, hierarchical, and authoritarian "restoration" attitude was opposed to every kind of autonomy.

After the restitution of an elected parliament in 1984 new legislation was introduced in the area of local government and tackled urban problems, focusing mainly on boosting municipal revenues and improving efficiency. Among the measures taken were the establishment of metropolitan municipalities; relative decentralisation of powers relating to urban development and planning; increases in local (particularly municipal) income; and growth in local investment.

These measures soon lost their impetus, however, and the problems which have faced local government for many years and which derive from both the authority vested in central government and the structure of local government itself, have not only continued but worsened.

3.2 *The current debate*

The devolution of development planning to municipalities after 1984 was presented as a step in the direction of decentralisation. It is not clear, however, to what extent the long years of debate and discussion in the fields of local government and city planning affected this decision. In view of the way in which the central government has used its powers over land reserved for recreation or of historic interest in the city (most of these areas now boast high-rise hotels today), it appears, however, that local and central government saw this change as an appropriate way of sharing out patronage of the city's economic potential. The transfer of such powers to local governments without the preconditions laid down in western countries (direct public control of development plans and the establishment of mechanisms to provide members of the public with the relevant technical information in the course of exercising this control) has meant that development plans have become open to extensive interference by property and land developers, (who are strongly represented on municipal councils). As a result urban green areas have been made available for development.

There is now a body of sentiment within central government circles which would like to partially reverse some of the process of decentralisation which has taken place and to increase central government powers.

An overview of the Republic since its establishment suggests that centralist and interventionist policies continue to hold sway at the national government level; that sporadic endeavours aimed at decentralisation have been limited to the administrative and functional level, without extending the necessary decision-making powers to give true freedom of action; and that the key steps required to empower local authorities, establish their autonomy and democratise them have not yet been taken. The specific plans and policies of the present government are presented in Annex 1 to this chapter.

3.3 *Driving forces*

The principal needs being faced today may be described as requiring more of the following:

- strategic approach and planning with a more decentralised and less interventionist policy and a more responsive attitude to divergent local circumstances;
- efficiency, and in particular the development of human and financial resource management, based on mechanisms aimed at transparency, accountability and control (political, administrative, legal and financial);
- institutional reforms including co-operation, co-ordination and joint ventures to deal with the large scale needs of major cities;
- participation by local citizens in government, a sense of “belonging” to the locality, and urban consciousness among local citizens;
- clear division of responsibilities for service provision in cities with both metropolitan and district municipalities;
- attention to the relationship between elected council members and permanent employees.

Annex 1: Plans and policies of the present government

Legal arrangements concerning the sharing of tasks, authority, responsibility and resources between central and local administrations should be restructured and total revenues and the share of own revenues within total revenues should be increased with the aim of reorganising local administrations by placing emphasis on decentralisation.

Arrangements should be made for municipalities to produce a Master Plan which will determine investment priorities as well as increase service demand in municipalities and help to finance investment projects.

Mechanisms to provide co-ordination and co-operation between central administration and municipalities are required in terms of technology, standards and finance for implementation and of important municipal projects such as urban transport, solid waste, natural gas, geothermal energy, drinking water, and sewerage treatment.

Designing and implementing urban transportation plans is required in order to analyse the transportation requirements of metropolitan municipalities and to make them consistent with urban development plans.

An additional share of the general central budget tax revenue of the provinces is given to metropolitan municipalities. This will increase the demand from other municipalities to become metropolitan municipality, emphasize decentralisation and produce pseudo-metropolitan cities.

Objectives, principles and policies

It is estimated that by the year 2000 the municipal population will reach almost 85 per cent of the total population and the ratio of the population of metropolitan municipalities to the total population of municipalities will be 42 per cent.

Comprehensive restructuring of local administrations shall be undertaken in parallel with public administration reform.

Both central and local administrations will be re-structured based on the division of tasks and on co-ordination needs consistent with the principle of administrative "wholeness" and unity of structure.

With a view to increasing efficiency in service production, the rational use of resources, and performing public services in a decentralised framework, local administrations shall be strengthened by reorganising their structures and working methods.

In this context, studies shall be launched to encourage authority, responsibility and resource sharing between central and local administrations.

Those public services which become more effective and efficient when carried out by local administrations and meet common local needs shall be carried out by local administrations.

For this purpose, certain services provided by the central administration such as tourism, environment, culture, sports, rural and social services shall be made the responsibility of the local

administration -- starting from the Special Provincial Authorities and extending to others. This shall be applied to other sectors during the Plan period.

Local administrations, after performing the duties which are conferred upon them by law, shall be given authority to perform public duties of a local nature which are not prohibited nor given to other administrations by law.

Services required to be performed by the central administration in the interests of service integrity, service areas and for technological reasons shall be carried out by provincial authorities on a deconcentrated basis.

The dependency of local administrations on the central administration shall be reduced by providing regular and continuous income sources for them to provide public services and to do the necessary financial planning.

Resource planning, consistent with the sector and service planning, and involving both central and local administrations, shall be undertaken. Resources of a local nature shall be shifted to local authorities which shall perform their duties with their own resources.

In pricing local services, balance shall be established between costs and prices and those who benefit from the service shall pay the real cost of it.

In order to increase the own resources of local administrations, local councils shall be given authority to determine the rates and amounts of the taxes and charges to be collected, on the condition that minimum and maximum rates shall be determined by the central administration.

Budgeting and accounting systems of local administrations shall be developed; studies shall be undertaken to provide effective resource utilisation; and new models shall be constructed to meet service needs.

Units shall be created within local administrations charged with learning techniques, and making plans, programmes, budgets and financial analysis. Studies shall be started, aimed at adjusting budgeting and accounting systems so as to enable them to measure the services, determine alternative costs and conduct feasibility studies.

Unions of local administration shall be supported with a view to providing services concerning more than one local administration.

Studies shall be conducted in local administrations so as to ensure that staffing is appropriate to their need.

Arrangements shall be made to appoint professional officials in senior posts in the executive bodies of municipalities.

A Provincial Local Management Model and a District Local Management Model shall be designed and implemented. The Provincial Local Management Model (which shall involve local administration units within the province) shall plan the service needs and resources of the province; provide for co-operation and co-ordination between these units; and regularly perform public services. The District Local Management Model shall provide these same duties at the district level.

TURKEY

For the purpose of measuring effectiveness and efficiency and facilitating the supervision of local administrations, an information bank collecting data on local administrations shall be constituted based on regular, reliable and specific standards.

Sources: Government Programme; Seventh Five-year Development Plan (1996-2000).