

CONTEXT

SYSTEM OF GOVERNMENT: Parliamentary

- No. of ministries: 15 (2010)
- No. of governments over last 20 years: 13
- No. of coalitions over last 20 years: 7

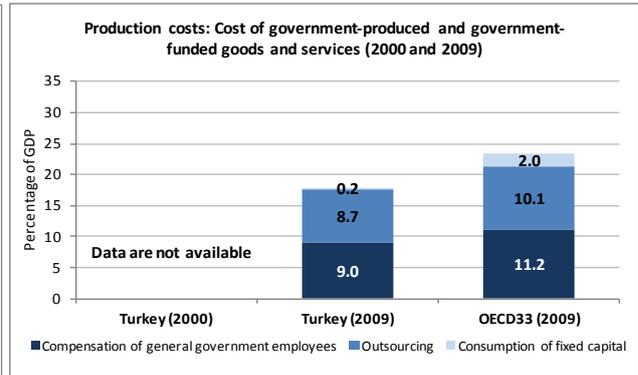
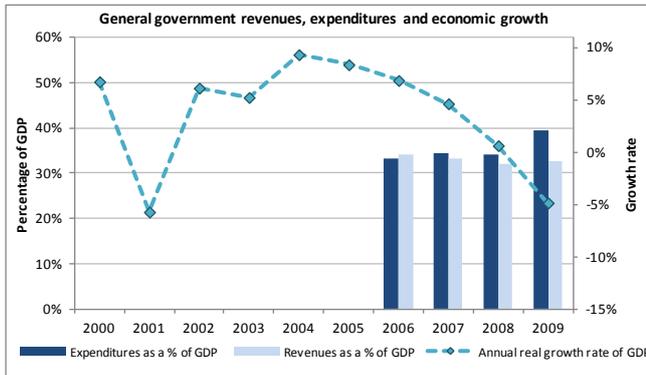
STATE STRUCTURE: Unitary

LEGISLATURE: Unicameral

- Upper house: none
- Lower house: elected using Proportional Representation

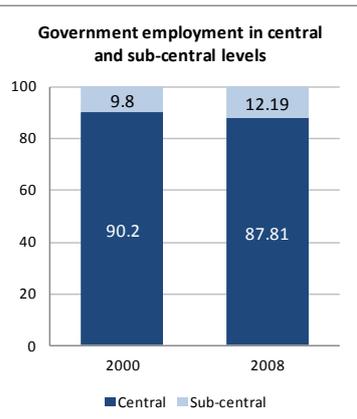
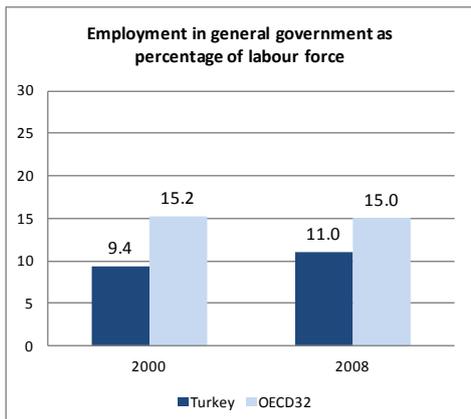
PUBLIC FINANCE

The size of government relative to the economy is smaller in Turkey compared with other OECD countries (general government expenditure are less than 40% of GDP). After operating at a surplus in 2006, the government has run at a deficit 2007-09. Turkey announced a medium-term consolidation strategy in October 2010 that keeps growth in expenditures below the rate of nominal GDP growth (by controlling costs in health, public sector wages and infrastructure) and raises additional revenues. About two-thirds of expenditures (17.9% of GDP) are spent on providing public goods and services. Production costs are almost equally split between in-house production through government employees and outsourcing.



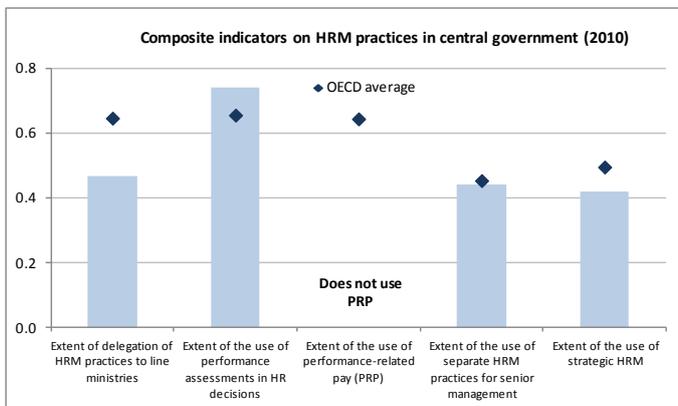
Source: OECD National Accounts and Economic Outlook 89. [\[Revenues\]](#) [\[Expenditures\]](#) [\[Production costs\]](#)

GOVERNMENT EMPLOYMENT AND HRM PRACTICES



At 11% of the labour force, government employment is fairly low in Turkey, well under the OECD average of 15% and at the lower end of the spectrum of OECD countries, which runs from 6.7% to 29.3%. This represents a slight increase from 2000, when government employment was 9.4%. Turkey also has one of the more centralised systems, with 87.8% of public employees working at central level, down from 90.2% in 2000.

Source: International Labour Organisation. [\[General government employment\]](#) [\[Distribution by level\]](#)



Turkey's central government is highly centralised in terms of HRM decision making; no HRM functions are delegated to the line ministries as their sole responsibility. Performance assessment is used extensively for career progression and contract renewal, but it is not linked to pay. Turkey's central government does not use any form of performance pay. Turkey has a separately managed senior civil service. Although workplace planning is utilised, the strategic use of HRM needs further improvement.

Source: OECD 2010 Strategic HRM Survey. [\[Delegation\]](#) [\[Performance assessment\]](#) [\[PRP\]](#) [\[Senior management\]](#) [\[Strategic HRM\]](#)

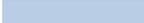
Transparency in public procurement, 2010					
	Central proc. website	Contracting entity website	Domestic printed or electronic journal	Other website	Pct. OECD countries that publish info
Information for potential bidders	Yes	Yes	No	No	97%
Selection & evaluation criteria	Yes	Yes	Yes	No	97%
Tender documents	Yes	Yes	Yes	No	82%
Contract award	Yes	Yes	No	No	100%
Justification for award	No	No	No	No	59%
Tracking procurement spending	No	Yes	No	No	32%
Percentages refer to the share of OECD countries that reported publishing information "always" or "sometimes".					

Achieving greater transparency in public procurement is important, especially given that Turkey spent an estimated 9% of GDP on procurement in 2008.

Like the majority of OECD countries, Turkey publishes most public procurement information on its central procurement website: www.kik.gov.tr. The e-procurement platform is established by the Public Procurement Authority (PPA). It is at the test stage. Following the test period it will become operational under the responsibility and management of the PPA. All this information is also published on the contracting entity website. Additionally, information on procurement plans, tender documents, selection and evaluation criteria, and contract awards are also published in the domestic printed/electronic journal. Currently, Turkey does not publish on line information on contract modifications or justifications for awarding a contract to a selected contractor.

Providing an adequate degree of transparency throughout the entire public procurement cycle is critical to minimise risk of fraud, corruption and mismanagement of public funds in order to ensure fairness and equitable treatment of potential suppliers. Additionally, it allows for effective oversight by concerned institutions and the general public.

Source: OECD 2010 Survey on Public Procurement. [\[Transparency in public procurement\]](#)

Regulatory governance mechanisms, 2008			
Functions of the oversight body		Percentage of OECD countries responding "yes"	TURKEY
Consulted as part of process of developing new regulation	2005	 73%	Yes
	2008	 82%	No
Reports on progress made on reform by individual ministries	2005	 43%	No
	2008	 56%	No
Authority of reviewing and monitoring regulatory impacts conducted in individual ministries	2005	 43%	No
	2008	 50%	No
Conducts its own regulatory impact analysis	2005	 43%	No
	2008	 47%	No
Anticipating compliance and enforcement			
Regulatory policies require that issue of securing compliance and enforcement be anticipated when developing new legislation	2005	 57%	No
	2008	 70%	No
Guidance for regulators on compliance and enforcement	2005	 37%	No
	2008	 47%	No
Existence of policy on risk-based enforcement	2005	N.A.	N.A.
	2008	 30%	No

This table presents two elements drawn from the wide range of activities for managing regulatory quality.

The Prime Minister's Office (PMO) is the key player in regulatory management in Turkey, with several units in the PMO sharing responsibilities. The PMO leads and co-ordinates initiatives for regulatory quality, including the introduction of regulatory impact analysis (RIA), the reduction of administrative burdens and the simplification of existing legislation. In 2005 the government set up the Better Regulation Group, an expert group within the PMO, to support the implementation of RIA. In March 2010 the government set up the "Better Regulation and Regulatory Impact Analysis" body, comprising officials from the PMO. This is not a permanent body. From 2005 to 2008, a previous group, consisting of experts within the PMO, had a similar purpose.

Within the PMO the General Directorate of Laws and Decrees is responsible for reviewing new laws and decrees with respect to legal quality, consistency with the government general policy, and compliance with consultation requirements. The General Directorate of Legislation Development and Publication is responsible for reviewing the stock of secondary legislation and taking simplification measures, in addition to publication on the Official Gazette. The Ministry of Justice, the Ministry of Finance, the State Personnel Department and the Competition Board can also be consulted on draft regulations. Enforcement mechanisms have often been developed independently within individual ministries, leading to inconsistencies across regions and between authorities. The 2007 RIA guidelines mention enforcement capacities. However, there is no explicit policy on risk-based enforcement. Source: OECD 2008 Survey on Regulatory Management; OECD (2002), *Turkey 2002: Crucial Support for Economic Recovery*, OECD Reviews of Regulatory Reform, OECD Publishing, Paris; Better Regulation Group (2007), "Setting Up the RIA System in Turkey", presentation to the OECD Regional Capacity Building Seminar on Regulatory Impact Assessment (RIA) on 20 November 2007 in Istanbul, Turkey [\[Oversight bodies\]](#) [\[Compliance and enforcement\]](#)

E-Government building blocks and e-procurement, 2010		
e-enabling laws and policies	Turkey	OECD25
Recognition & use of digital signature	●	100%
Electronic filing within the public sector	●	88%
Administering PPPs for e-government projects	●	64%
Services offered on single-entry procurement website	Turkey	OECD34
Tender searches	●	62%
Tracking of outcomes of contracts	●	32%
OECD percentages refer to percentage of responding countries answering in the affirmative. ● Yes ○ No .. Data unavailable		

Similar to most OECD countries, the Turkish Government has put laws and/or policies in place to promote the use of digital signatures and electronic filing in the public sector. Turkey also administers public private partnerships for e-government projects which can help increase innovation in public administrations through greater knowledge-transfers and exchange of best practices between the public and the private sectors. Like most OECD countries with a single-entry procurement website, Turkey allows businesses to perform tender searches on the government's single-entry procurement website and is among a small group of countries that allows users to track the outcomes of contracts on the website, making the procurement process more transparent. Source: OECD 2010 e-Government Survey and OECD 2010 Public Procurement Survey. [\[E-enabling laws\]](#) [\[E-procurement\]](#)

Disclosure of public sector information, 2010

Types of information disclosed	Proactive disclosure		
	Turkey	OECD32	Publication channels
Budget documents	●	94%	MA
Audit reports	●	72%	MA
List of public servants and their salaries	●	28%	OW
Sharing of administrative data			
Administrative data sets	○	66%	Not published
Requirements on publishing in open data formats	No	53%	–

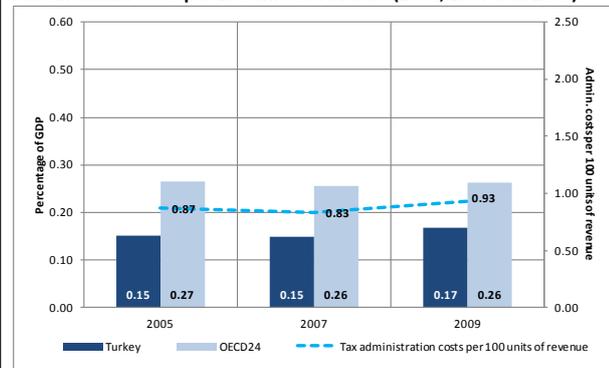
● Required to be proactively published by FOI laws
 ○ Not required, but routinely proactively published
 ○ Neither required nor routinely published

CP= central portal; MA= ministry or agency website; OW=other website
 OECD percentages refer to the percentage of the 32 responding OECD countries that either require that information be published by law or do not require it but routinely publish information.

Turkey's Law on the Right to Information (No. 4982) requires that the government proactively publish budget documents and audit reports, as do the majority of OECD countries. This information is generally found on ministry or agency websites. Administrative data sets, however, are not published nor are there requirements in place for the publishing of information in open data formats, which could promote the re-use of information by other parties. Turkey is one of the few OECD countries that is required to proactively publish lists of public servants and their salaries- on other websites- although information is only provided for select positions.

Source: OECD 2010 Survey on Access to Information. [\[Disclosure of information\]](#) [\[Publication channels\]](#)

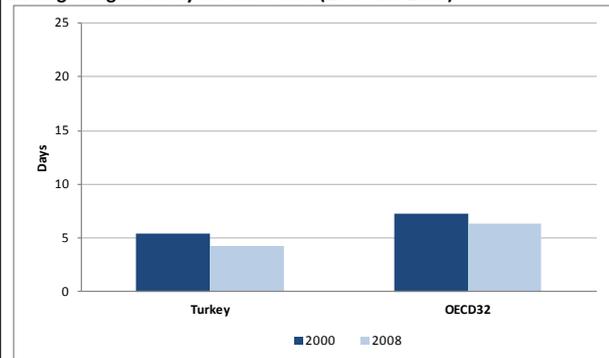
Tax efficiency: Total revenue body expenditures as a percentage of GDP and tax admin. costs per 100 units of revenue (2005, 2007 and 2009)



Growing fiscal constraints have led to increased attention on improving the efficiency of tax administrations. The “cost of collection ratio,” for instance, is one efficiency measure which compares the annual administration costs incurred by a revenue body with the total revenue collected over the course of a fiscal year. Over time, a decreasing trend could reflect greater efficiency in terms of lowered costs and/or improved tax compliance. In Turkey, the administration costs of collecting 100 units of revenue decreased from 2005 to 2007 before increasing significantly once more by 2009. Total revenue body expenditures as a percentage of GDP remained relatively stable during this period, suggesting the change in the ratio could be due to macroeconomic conditions such as a drop in revenues following the crisis. Total revenue body expenditure as a share of GDP is below the OECD average.

Source: OECD (2011), Tax Administration in OECD and Selected Non-OECD countries: 2010 Comparative Information Series, OECD Publishing, Paris. [\[Total revenue body expenditures\]](#) [\[Tax administration costs per 100 units of revenue\]](#)

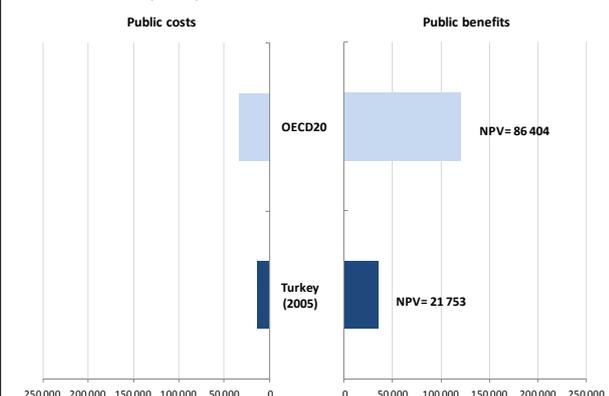
Average length of stay for acute care (2000 and 2008)



The average length of stay (ALOS) for acute care indicates the average number of days that patients spend in the hospital for curative care. On average in the OECD, the ALOS has decreased by about one day between 2000 and 2008. The trend is similar in Turkey where the ALOS decreased from 5.4 days to 4.3 days over the same period, at about 1.5 times lower than the 2008 OECD average. In some countries, lower lengths of stay can be due partly to a shortage of hospital beds for example.

Source: OECD Health Data 2010. [\[ALOS for acute care\]](#)

Public net present value for male obtaining tertiary education as part of initial education (2006), USD PPP



Both government and society gain economic benefits from increased schooling. Obtaining a tertiary education helps people enter the labour market and earn more, thereby increasing government tax revenues. A more educated and employed population can also reduce the government obligations for benefits and social assistance. At around USD 21 750, Turkey's public net present value (NPV) for a man obtaining tertiary education is lower than the OECD average. This measure represents the public economic returns to education after having accounted for the costs of this education. In the case of Turkey, the NPV is over one and a half times the net public investment in tertiary education.

Source: OECD (2010), Education at a Glance 2010: OECD Indicators, OECD Publishing, Paris. [\[Public NPV of education\]](#)

Production costs are a subset of total government expenditures, excluding government investment (other than depreciation costs), interest paid on government debt and payments made to citizens and others not in exchange for the production of goods and services (such as subsidies or social benefits). Production costs include compensation costs of general government employees, outsourcing (intermediate consumption and social transfers in kind via market producers), and the consumption of fixed capital (indicating the level of depreciation of capital).

HRM Composites: The indexes range between 0 (low level) and 1 (high level). Details about the theoretical framework, construction, variables and weighting for each composite are available in Annex E at: www.oecd.org/gov/indicators/govata glance.

- The **delegation index** gathers data on the delegation of determining: the number and types of posts needed in an organisation, the allocation of the budget envelope, compensation levels, position classification, recruitment and dismissals, and conditions of employment. This index summarises the relative level of authority provided to line ministries to make HRM decisions. It does not evaluate how well line ministries are using this authority.
- The **performance assessment index** indicates the types of performance assessment tools and criteria used, and the extent to which assessments inform career advancement, remuneration and contract renewal decisions, based on the views of survey respondents. This index provides information on the formal use of performance assessments in central government, but does not provide any information on its implementation or the quality of work performed by public servants.
- The **performance-related pay (PRP) index** looks at the range of employees to whom PRP applies and the maximum proportion of base pay that PRP may represent. This index provides information on the formal use of performance related pay in central government, but does not provide any information on its implementation or the quality of work performed by public servants.
- The **senior management index** looks at the extent to which separate management rules and practices (such as recruitment, performance management and PRP) are applied to senior civil servants, including the identification of potential senior civil servants early in their careers. The index is not an indicator of how well senior civil servants are managed or how they perform.
- The **strategic HRM index** looks at the extent to which centralised HRM bodies use performance assessments, capacity reviews and other tools to engage in and promote strategic workforce planning, including the use of HRM targets in the assessments of middle and top managers. The index does not reflect situations where strategic workforce planning has been delegated to the ministry/department/agency level.

Regulatory governance: The OECD average refers to the following number of countries:

- Functions of oversight bodies 2005: OECD30. Data are not available for Chile, Estonia, Israel and Slovenia.
- Functions of oversight bodies 2008: OECD34. Data for Chile, Estonia, Israel and Slovenia refer to 2009.
- Anticipating compliance and enforcement 2005 and 2008: OECD30. Data are not available for Chile, Estonia, Israel and Slovenia.

Tax efficiency: Tax administration efficiency ratios are influenced by differences in tax rates and the overall legislated tax burden; variations in the range and in the nature of taxes collected (including social contributions); macroeconomic conditions affecting tax receipts; and differences in the underlying cost structures resulting from institutional arrangements and/or the conduct of non-tax functions.

Public net present value for male obtaining tertiary education: Tertiary education refers to levels 5 and 6 in the International Standard Classification of Education (ISCED 97). Public costs include lost income tax receipts during the schooling years and public expenditures related to tertiary education. Public benefits include additional tax and social contribution receipts associated with higher earnings, and savings from transfers (housing benefits and social assistance) that the public sector does not have to pay above a certain level of earnings. The discount rate is set at 3%, which largely reflects the typical interest on an investment in long-term government bonds in an OECD country.