

**SGI** Sustainable Governance  
Indicators 2009

## Turkey expert report

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## Executive summary

The organization and conduct of elections in Turkey are basically fair and impartial. However, candidate nomination is anti-democratic and exclusionary. Media propaganda favors cartel parties, and the electoral registry is not healthy. Although media freedom is guaranteed by the constitution, media ownership tends to have an oligopolistic structure, and the government party controls public media broadcasts. Individuals can access government information, excluding confidential and private information, easily and within a reasonable time period. A law establishing a public controller (ombudsman) was adopted in 2006, but is still not in effect. All procedures and actions by the government are subject to administrative judicial review.

Many substantive improvements in terms of constitutional/legal issues and the practice of civil rights have been achieved in the process of harmonization with the EU Acquis Communautaire. Ill treatment of security units and judicial misconduct has been decreasing gradually. Despite constitutional guarantees for equality, gender discrimination is still especially widespread.

According to the constitution (Article 125), all administrative procedures and actions must comply with the constitution and legal principles and are subject to administrative review. However, the government may exercise a considerable amount of discretion during the implementation process. The courts are not fully independent to control the conformity of the executive with the law. While legal and institutional structures provide sufficient instruments to struggle against corruption or clientelism, poverty and lack of leadership feed corrupt acts in the administration.

Since 1960s, the family has been neglected by state policies but has become recently of interest in social policy. Despite a constitutional requirement (Article 41), family policy instruments are either insufficient or too complex, and they lack unity in forming a comprehensive policy.

Although the costs of providing security have been substantial for Turkey, Turkish security forces have been able on the whole to protect citizens against

security risks and safeguard the national interest. Turkey is the only candidate country which has a customs union with the European Union before its accession to the union. But Turkey was excluded from the European Security and Defense Policy (ESDP). Turkey's military capacity and its contribution to the peacekeeping efforts of NATO cannot be overlooked.

Following the 2007 early parliamentary elections, the Justice and Development Party (JDP) now governs Turkey as a single-party government. Strategic planning has become a component part of all ministerial structures, but is still ineffective. Governments may randomly set "scientific committees" to prepare a draft report or a "justification" paper for their policy implementation. The prime ministry (PM) and the prime ministry's office (PMO) is the sole coordinating and responsible authority in governmental activities, including legislation and implementation. All actions are conducted in a hierarchical manner in each ministry and in general coordination efforts. A regulatory impact assessment (RIA) has not been implemented effectively due to its restrictive scope.

The economic and social council, a continuous and permanent consultation body, was formed to further dialogue and compromise on a cooperation platform between the government and social groups on economic and social issues. But it convenes rather rarely. The government spokesman makes official announcements, but sometimes some of the ministers may make contradictory announcements.

In the unicameral Turkish parliament, government-sponsored bills have a greater chance to become law. The former President Ahmed Necdet Sezer vetoed almost 25 percent of government sponsored bills which were adopted by Parliament. The Constitutional Court partially annulled three out of 250 bills.

The government initiated several macro and micro policies, especially in economic life where many indicators have been successful. The single-party government of the JDP did not leave a free area for ministers' individual expectations, and the prime minister's office closely monitored and controlled government agencies.

Despite legal improvements, local administrations lack the financial resources to perform services and need standards to cope with national and international developments. The central administration is still not ready to decentralize. The Turkish government has undertaken a program aimed at the reform and

modernization of the local administrations in the country, a process begun between 2004 and 2005. The government has put in a great effort to collaborate with international actors, mainly the EU Commission, the OECD and the World Bank.

Monitoring and reporting on the deficiencies of governing have been regularly maintained by a well-structured administration in Turkey. However, the strategic capacity for institutional reform faces obstacles, such as the administrative culture.

Citizens are not well informed about policy objectives or policy-making and implementation; they do not effectively take part in these processes.

The Turkish Grand National Assembly is composed of 550 deputies and 17 permanent professional committees, in parallel to the ministerial structure. The committees have the right to obtain information from relevant sources and may call ministers and experts to meetings. Parliament has its own internal audit committee but no parliamentary ombudsman.

Because of media ownership structures and media's relations with the government, in-depth news analyses are rare. In the current Parliament, there are five political parties. The Turkish party system has been a type of cartel, and it catches all types in recent decades. Associational life is not democratic, pluralist or financially equal. Only business associations and trade unions can exercise pressure and offer input in decision-making.

On the economic front, much has been achieved by Turkey in recent years, including progress on implementing a customs union, implementing reforms in the agriculture, services and network industries and introducing policies to stabilize the economy. However, clearly much remains to be done on both macroeconomic and microeconomic levels. Accession to the European Union will require Turkey to adopt and implement the whole body of EU legislation in all areas, yet the *Acquis Communautaire* has been and will continue to be a challenge for the economic bureaucracy in Turkey.

## Strategic Outlook

Turkey has passed through a series of political and economic reform processes to improve the quality of its democracy and to effectively integrate the country into the global economy. The Copenhagen criteria of the European Union as well as IMF requirements have been the driving forces behind the country's continuous and successful attempts. In this process, Turkey has rapidly improved its reform capacity. However, both domestic (a young, fast-growing and active population; regional economic disparities; the threat of terrorism; a lack of sufficient resources; inefficient bureaucracy) and external (northern Iraq, Cyprus and general European Union relations) factors have led to a slowdown of the reform process.

Nomination and electoral campaign processes could be made more democratic, participatory and competitive through the amendment of the anti-democratic, centralized and unfair elements of political party rules and election laws. Parties and candidates should have fair and equal access to broadcast media during the elections, at the very least. The electoral registry needs to be renewed to stop disputes. The supreme board of radio and television represents partisan tendencies due to its selection procedures. It has to take legal action to prevent oligopolistic tendencies in media ownership and "unfair" and "impartial" broadcasting. The scope of access to government information should be expanded, and government offices need to be equipped with sufficient infrastructure. The government must comply with the decisions of the administrative courts properly. The office of the public controller (ombudsman) should be opened as soon as the Constitutional Court's decision is taken, and the necessary legal changes should be made accordingly. Especially executive and judicial officials need to incorporate fully the fundamentals of recent relevant reforms into their minds and practices. In this respect, Turkish and European joint training efforts should continue. On top of everything, the government should develop effective policies to fight gender discrimination, child abuse and religious or sectarian discrimination in society.

In the absence of a separation of powers and insufficient checks and balances, it is up to the will and self-control of the government to prevent corruption. In this respect, corruption combating mechanisms must be independent from

government influence, and voluntary associations that deal with corruption should be strengthened to monitor and make government accountable.

Achieving a relatively high but sustainable GDP growth rate over the foreseeable future is one of Turkey's main policy objectives. Here we note that the requirements for a high and sustainable GDP growth rate can be summarized by three main points: establishing and maintaining monetary and financial stability; enhancing domestic and international competition; and empowering people to participate. Price stability is indispensable for sustainable economic growth, as it fosters investment and saving. Fiscal discipline is equally important, and the domestic financial sector must be able to withstand economic shocks without giving rise to systemic problems which impair the allocation of savings to investment opportunities and the processing of payments in the economy. On the other hand, competition is the driving force of economic growth because it fosters efficiency and stimulates innovation; global trade liberalization is an essential instrument to promote growth by channeling resources to their most productive uses. Furthermore, flexible labor market conditions are crucial cornerstones in achieving high employment levels and the broad participation of the labor force. Finally, a favorable overall investment climate, including the adequate infrastructure, will support domestic capital accumulation and also be attractive for foreign direct investment. Regarding the last point, mobilizing all productive forces of a society requires empowering individuals and enhancing economic participation, a process that broadly based access to a wide range of financial services and reducing impediments to small businesses, such as the time to start a business, is of crucial importance, as it fosters entrepreneurial capacities and facilitates the integration of people into the formal economy. While employment is the first and best safeguard against social exclusion, social safety nets are needed to cushion the effects of unemployment. But the pursuit of all of these policies should not jeopardize the sustainability of fiscal policy nor the sustainability of the current account. These are the challenges facing the Turkish economy in the foreseeable future.

Considering the multiple roles played by the family in society, many policies should be coordinated with family-focused priorities. In this respect, the state ministry in charge of women and family may take a coordinating function between and among other ministries.

Security always has been a number one priority of Turkey, due to both domestic and external factors. In parallel to NATO enlargement, Turkey's

inclusion in the European Security and Defense Policy (ESDP) may facilitate the EU's foreign-policy actor role and its integration with Turkey. Modernization of the Turkish armed forces to cope with security challenges and to increase its cooperation with allies will be a major task. A balance between national interests and international requirements should be set in defining Turkey's future security strategy. It is evident that Turkey needs international collaboration with its allies in the region as well as the world. In improving its strategic capacity, the Turkish government urgently needs more effective coordination between and among the relevant governmental units, including interministerial collaboration as well as expert opinions. A cost-effective approach is a must in developing strategic plans.

Public administration reform should be reconsidered urgently. The devolution of power, public participation, central supervision and accountability should be considered together and proportionally. Capacity building is the major priority before establishing an efficient and effective administration.

Legislative efficiency may be measured by the extent and how effectively laws adopted by Parliament are implemented. Since the judicial review of administrative actions takes time, the ombuds office will definitely solve disputes between citizens and the state faster. As long as they are based on logical and legal reasons, both the presidential veto and the constitutional review of laws play a significant check-and-balance mechanism for the executive in Turkey. These mechanisms will be more vital in the years to come.

Local administrations are financially weak and have low standards of services. The government should improve the financial capacity and service standards of the local administrations through international cooperation with the World Bank and the European Union. In this respect, devolution of powers can be introduced in proportion to the capacity of local administrations.

Since 2001 the Turkish government has passed many reforms. However, there are still substantive problems in fully adapting these reforms nationwide. This requires well-coordinated action on the part of the government in collaboration with EU offices. A screening process may partially help. Effective monitoring is essential to measure the level of adaptation and adaptive capacity. It shouldn't be forgotten that organizational reform can only be possible when administrators have a strong commitment and dedication to objectives. The capacity for reform can be thus enriched also by psychological motives.

Policy making and implementation processes must be more open and participatory. Consultation of social and economic groups should be regular and effective, and media reports on government activities should inform rather than “justify” or “manipulate.” In this respect, the council of the press, the association of journalist and of newspaper owners, the supreme board of radio and television and other relevant organizations should closely supervise the conduct of ethical standards governing the relations between the government and media owners.

Parliament has to be equipped with qualified experts in parallel to the structural reforms in the government. Political parties and associations need more democratic structures and facilitate citizen participation in political life.

## Status Index

### I. Status of democracy

#### Electoral process

*Fair electoral process*

*Score: 8*

Political parties are established upon the submission of the required documents to the Ministry of Interior Affairs by at least 30 eligible Turkish citizens without prior supervision (according to the Political Parties Act (PPA), Article 8). However, the office of the chief public prosecutor may examine the constitutionality of the foundation and activities of a political party at any time after its establishment. Political parties may determine the candidates in elections according to the rules defined in their statutes. The methods of selecting candidates include pre-election (primary) selection or by a list, determined by the party central executive committee (PPA, Article 37). However, in practice the central party organization, which is a small group of party elites, determines the candidate list. Therefore, the nomination process is rather centralized, antidemocratic and exclusionary. Eligible citizens (1982 Turkish Constitution, Article 76) can also participate in an election as independent candidates (PPA Article, 21). Except for in certain circumstances, it is rare for an independent candidate to be elected in general or local elections.

Annotation:

Omer Faruk Genckaya, "Turkey," Parties and Democracy, KAS Democracy Report, (Bonn: Bouvier Verl., 2007)

*Fair electoral campaign*

*Score: 5*

According to the April 20, 1994 law on the establishment of radio and television enterprises and broadcasts (paragraph "N," Article 4, No. 3984), "the equality of opportunity shall be established among the political parties and democratic groups; the broadcasts shall not be biased or partial; the broadcasts

shall not violate the principles on the election bans which are determined at election times.” The law covering the fundamental principles of elections and electoral registry (Article 52, Law No. 298 of April 26, 1961), which regulates radio and television propaganda during an election period, defines more airtime for the government party or parties on state or private channels. Space provided for opposition or minor parties in print media varies from newspaper to newspaper, but media coverage reserves a greater voice and more images for the government party, which controls the agenda together with the leading media organs.

Annotation:

Omer Faruk Genckaya, “Turkey,” Parties and Democracy, KAS Democracy Report, (Bonn: Bouvier Verl., 2007)

*Inclusive  
electoral process*

*Score: 8*

The supreme board of election is the sole authority in the administration of the elections in Turkey (Article 10, Law No. 298). The general directorate of electoral registry is entitled to prepare, maintain and renew the electoral registry nationwide. The electoral registry is not healthy and reliable. There are still complaints about the electoral registry, and some considerable number of citizens is not registered. Despite the constitutional requirement (in Article 67), methods regarding how Turkish nationals abroad will vote is not yet regulated by law.

Annotation:

Omer Faruk Genckaya, “Turkey,” Parties and Democracy, KAS Democracy Report, (Bonn: Bouvier Verl., 2007)

### **Access to information**

*Media freedom*

*Score: 5*

According to Articles 28, 29 and 30, the Turkish media is free and independent. Freedom of the press can only be restricted by law. Despite Article 29 of Law No. 3984, which restricts the shareholder status of media owners, owners have substantive investments in other sectors, including the energy sector. Such economic and financial relations between the government and media owners through privatization, public procurement, concessions, privileges and royalties deter the full practice of media independence. Due to the selection procedures of its members by the Grand National Assembly, the supreme board of radio and television is far from being effective in exercising the provisions of Law No. 3984 in securing “impartial” and “fair” broadcasting. Additionally, the government appoints the general director of the country’s public broadcast

institution, the radio and television institution of Turkey (Law No. 2954). Therefore the government is able to exercise relative tutelage over the administration of the public media.

Annotation:

Vedat Demir, “Turkiye’de Medya Siyaset Iliskileri” (Beta Basim Yayim, 2007)

Omer Faruk Genckaya, “Political Finance, Conflict of Interest and Accountability in Turkey: Implications for Turkey,” Octopus Interface Conference, Strasbourg: Nov. 20-21, 2006

Web site (accessed September 2007): [http://www.coe.int/.../3\\_technical\\_cooperation/octopus/2006/143%20\\_2006\\_-if-rep%20genckaya.pdf](http://www.coe.int/.../3_technical_cooperation/octopus/2006/143%20_2006_-if-rep%20genckaya.pdf)

*Media pluralism*

*Score: 5*

Input costs, distribution and sale of print media nationwide and the unfinished frequency distribution in electronic media has led to a recent cartelization and oligopolistic practices in the Turkish media. Additionally, shares of some leading Turkish media companies were sold to global media giants. Despite the legal provisions promoting pluralism in media, the ownership structure leads to the dominance of certain ideas and opinions in broadcast in practical terms.

Annotation:

L. Dogan Tilic, “Media Ownership Structure in Turkey,” (Ankara: Progressive Journalists Association, 2000)

Gulseren Adakli, “Turkiye’de Medya Endustrisi,” (Utopya Yayınevi, 2006)

*Access to government information*

*Score: 7*

The right to petition to the Grand National Assembly of Turkey was guaranteed by the 1961 Constitution and regulated by Law No. 140 of Dec. 26, 1962 (then replaced by Law No. 3071 of Nov. 1, 1984), and it is still in effect. The parliamentary petition commission reviews applications, but it is not effective in resolving the problems of citizens with the bureaucracy. Moreover, Law No. 4982 of Oct. 9, 2003 on access to information was put into effect on April 24, 2004. By the end of 2006, the number of applicants requesting information from public institutions practically doubled to reach 864,616. However, many public records are beyond the scope of access to information, such as state secrets (confidential information), intelligence, issues of national interest, issues of individual privacy and privacy of communication. Almost all relevant public offices have a unit which deals with such applications nationwide, as well as electronically. Recourse to judicial review is also available against all actions and acts of administration (Article 125 of the 1982 Constitution). Administrative review is one of the established and effective judicial institutions in the Turkish legal system. The institution of the public controller, which is affiliated with the Grand National Assembly of Turkey, was established by Law No. 5521 of June 15, 2006. However, the Constitutional

Court decided a stay of execution on various articles of the law upon the appeal by the former president and the Republican People's Party, the main opposition party in October 2006. Therefore the institution is not organized yet and as such is inactive.

Annotation:

Tugba Asrak Hasdemir, "Kamusal Alanda Bilgi Edinme Hakkı" ("Freedom of Information in Public Sphere"), (Istanbul: Dipnot Yayinlari, 2007)

### Civil rights

*Civil rights  
protection*

*Score: 5*

The respect for the fundamental rights and freedoms by government officials increased during the EU candidacy period. However, independent organizations report rights violations and the torture and considerable ill-treatment of state officers. Public broadcasts in other local languages have begun. The wearing of headscarves continues to be a issue at the university level and in society at large. Violence of varying types against women is reported widely and frequently. The situation of illegal immigrants and asylum seekers constitutes another issue area. The judicial system has been strengthened by the adoption of structural reforms and significant progress was made with the entry into force on June 1, 2005 of the penal code, the code of criminal procedure, the law on enforcement of sentences and the law on the establishment of the regional courts of appeal. In incorporating these rules into the Turkish system, judges and prosecutors will play a considerable role. Therefore the training of judges, prosecutors and lawyers in particular, as regards to their duties and obligations to respect international and European conventions in the area of human rights and fundamental freedoms as required under Article 90 of the Turkish Constitution, has crucial importance. Prosecution and trial processes are not fully independent and open.

Annotation:

Zehra F. Kabasakal, ed., Human Rights in Turkey, (Penn Press, 2007)

"Algilar, Zihniyet Yapilari ve Kurumlar: Yargi Kurumu" ("Perceptions, Mindsets and Institutions: Judicial Institution"), accessed December 2007:

[http://www.tesev.org.tr/etkinlik/algilar\\_zihniyetler\\_raporkasim\\_2007.pdf](http://www.tesev.org.tr/etkinlik/algilar_zihniyetler_raporkasim_2007.pdf)

*Non-  
discrimination*

*Score: 5*

Article 10 of the Turkish Constitution guarantees that "all individuals are equal without any discrimination before the law, irrespective of language, race, color, sex, political opinion, philosophical belief, religion and sect, or any such considerations." Although Turkey does not have a separate act on combating

all forms of discrimination, provisions to tackle discrimination are included in a number of laws, such as the labor law, the law on disabled persons and the penal code and so on. There is little progress in terms of improving the status of disadvantaged groups in Turkey, which consist mainly of women and children. Gender discrimination in the workplace is still a major issue. Street children have been a special agenda point for the state ministry in charge of women and families. The situation of Alevis and Romany as well as some religious minorities officially accepted (Greek, Armenian and Jews) have been repeatedly underlined by EU progress reports. The Turkish legal system does not accept any special representation or autonomy rights.

Annotation:

Margarita Ilieva, et al., "Equality, Diversity and Enlargement: Report on Measures to Combat Discrimination in Acceding and Candidate Countries," (Luxembourg: Office for Official Publications of the European Community, 2003)

Filiz Kardam and Gülay Toksoz, "Gender Based Discrimination at Work in Turkey: A Cross-Sectoral Overview," accessed September 2007:

<http://kasaum.ankara.edu.tr/gorsel/dosya/1113984206sbfdergi.doc>

### Rule of law

*Legal certainty*

*Score: 6*

According to the Turkish Constitution (Article 123) the administration forms a whole with regard to its structure and functions, and is regulated by law. All administrative procedures and actions must comply with the constitution and legal principles and are subject to administrative review (Article 125). However, the government may exercise a considerable amount of discretion in the implementation process through decrees which have force of the law (1982 Constitution, Article 87), circulars and statutes. It is equally important that there are still double standards in the implementation of laws. Bureaucratic malpractices are sometimes neglected by the higher authorities and are not subject to legal investigation; the prosecution of ill-treatment by the bureaucracy is inconclusive. The number of appeals to the European Court of Human Rights (ECHR) against the Turkish state is another piece of evidence of administrative malpractice. In 2005, the ECHR ruled in 269 out of 290 cases against Turkey.

Annotation:

Tugrul Ansay and D. Wallace, Introduction to Turkish Law, (Ankara: Turhan Kitabevi, 2007)

For the Court's judgments, see: <http://www.echr.coe.int/echr/>

*Judicial review**Score: 5*

The composition of the Supreme Council of Judges and Prosecutors, to which the minister of justice and the undersecretary of the ministry are natural members, stands as the major obstacle against the independence of the courts (Article 2, Law No. 2461 on the Supreme Council of Judges and Prosecutors). The question of the independence of courts has also been stated by the head of the Court of Cassation (higher court of appeal) recently. Therefore, the courts can hardly control the conformity of executive actions with the law. It was observed that some of the prosecutors and judges were appointed by the Ministry of Justice to other court districts while they were prosecuting or reviewing important cases. On the other hand, the appointment procedure of judges of higher courts in which the president has strong powers, including the Constitutional Court, has also been disputed in Turkey.

It is expected that the single-party government of the JDP with sufficient parliamentary support and a facilitating president who came from the same party may create a fusion of powers, which can be considered as a major threat to rule of law. In such a triple unification (the same party controlling a majority of Parliament, the cabinet and the presidential office) the discretion of the government is likely to increase. In this respect, the independence of the judiciary gains greater importance for checks and balances as well as for the fair and impartial distribution of justice in society. However, a recent draft bill that amends the law on judges and prosecutors and which is supported by the government party seems to deeply harm the independence of court system.

## Annotation:

Vahit Bicak and Zuhtu Arslan, *Constitutional Law*, (The Hague: Cambridge: Kluwer Law International, 2004)

Tugrul Ansay and D. Wallace, *Introduction to Turkish Law*, (Ankara: Turhan Kitabevi, 2007)

*Corruption prevention**Score: 5*

Turkey has a sufficient legal framework to combat corrupt acts committed by officers, both elected and appointed. Article 82 of the Constitution and Law No. 3069 regulate the activities incompatible with membership in Parliament. Law No. 3628, which addresses asset declaration and the struggle against bribery and corruption (April 19, 1990), requires regular controls over the illegal enrichment of public officials. However, clientelistic relations, general poverty and a lack of leadership hinder the effectiveness of such efforts to combat corruption. There is a high level of public perception of anti-corruption efforts but the scope and extent of corruption has recently increased. While the globalization of markets requires transparency, openness and accountability of public officials, privatization, public procurements and similar processes have

caused corrupt practices to widen. Corruption has increased considerably in local administrations and municipalities. Work to combat corruption is held at the discretion of higher officials and government members. Parliamentary control of the executive branch has turned out to be a political threat mechanism for political opponents, and has eventually functioned as a means of “washing” for corrupt ministers.

Annotation:

Omer Faruk Genckaya, “Political Finance: Conflict of Interest and Accountability in Turkey: Implications for Turkey,” Octopus Interface Conference, Strasbourg: Nov. 21-22, 2006: [http://www.coe.int/.../3\\_technical\\_cooperation/octopus/2006/143%20\\_2006\\_if-rep%20genckaya.pdf](http://www.coe.int/.../3_technical_cooperation/octopus/2006/143%20_2006_if-rep%20genckaya.pdf)

“TBMM Yolsuzluklari Arastirma Komisyonu Raporu” (2003): [http://www.tbmm.gov.tr/komisyon/yolsuzluk\\_arastirma/](http://www.tbmm.gov.tr/komisyon/yolsuzluk_arastirma/)

## II. Economic and policy-specific performance

<i>Basic socioeconomic parameters</i>	<i>score</i>	<i>value</i>	<i>year</i>
GDP p.c.	1	7711 \$	2005
Potential growth	7.86	5.3 %	2008
Unemployment rate	4.08	10.1 %	2006
Labor force growth	4.52	3.7 %	2007-2008
Gini coefficient	2.76	0.439	2002
Foreign trade	2.53	-15.11	2005
Inflation rate	1	8.6 %	2007
Real interest rates	1	9.1 %	2007

## A Economy and employment

### Labor market policy

*Score: 3*

Turkey, with a population of 70 million and a labor force participation rate in 2006 of 48 percent, has created jobs for about 22.3 million people. The unemployment rate in 2006 was 9.9 percent. The low level of participation is mainly because of the insufficient participation of women in the labor force. To increase employment opportunities over time, Turkey has to preserve the flexibility of the labor market and achieve a relatively high but sustainable GDP growth rate over the next decades. Over time, Turkey has sustained the flexibility of its labor market through the lax enforcement of laws on taxation and social security. But this policy is not sustainable. The country has to attack the root of the problem, which is the large wedge between labor costs and workers' disposable income, due to high labor taxes and the quality of the legal system. The challenge facing Turkey is to reduce on one hand high labor taxes without increasing fiscal deficits, while on the other hand improve the quality of the legal system. To achieve the first objective, the country has to introduce tax reforms that will lower personal income and social security taxes, while broadening the tax base through, for example, the introduction of a relatively low flat tax and simultaneously modernizing the tax administration and improving tax compliance.

Annotation:

Economic Research Forum (ERF) and Institut de la Mediterraness (2005), "Turkey Country Profile: The Road Ahead for Turkey," Cairo

State Planning Organization (2006), "Pre-Accession Economic Program 2006," Ankara

State Planning Organization (2006), "Ninth Development Plan 2007-2013," Ankara

### Enterprise policy

*Score: 5*

Turkey over the last few decades has used intensively three different tools of industrial policy. These tools are the investment incentives, export incentives and the policy regarding state-owned enterprises. In each case, the government tried to obtain a preferred allocation of resources through the use of various measures. An investment incentive scheme has been used extensively at times when there was no specific legislation or policies over competition enforced in

the country. To promote competition within the country Turkey during the 1980s eliminated quantitative restrictions in foreign trade and substantially decreased the levels of nominal and effective protection rates. With the formation of the customs union with the European Union in 1995, all tariff barriers on imports of industrial commodities from the European Union were eliminated. On the export side Turkey, during the 1980s, had used various export incentive measures. But in 1985, the country agreed to eliminate export subsidies by 1989. By 1989 Turkey has eliminated most of the export incentives, introduced GATT legal subsidies and reduced substantially its nominal and effective export subsidy rates. But the reduction of nominal and effective protection and subsidy rates was not sufficient to ensure the proper functioning of markets. In June 1989, Turkey adopted a law named, "On the Prevention of Unfair Competition in Importation," which contained both antidumping and anti-subsidy provisions. Turkey adopted its competition policy in December 1994, with the "Law on the Protection of Competition." The key provisions of competition law are based on EU competition law, including provisions on agreements, decisions and concerted practices in constraint of competition, abuse of dominant positions, and mergers and acquisitions. The statute contains not only rules concerning forbidden practices and provisions against the abuse of a dominant market position, but also regulations over acquisitions and mergers. Thus, considerable progress has been achieved in the fields of investment and export incentives to align the scheme to international rules. But similar progress could not be achieved in the case of public enterprises. Although privatization since 1983 has been a prominent part of the Turkish structural adjustment program, privatization has not gained momentum until recently. Lately Turkey has started to privatize, and indeed it has privatized some major state economic enterprises. In this context, the state completely withdrew from the fertilizer and mining sectors (electro-metallurgy, chromium, aluminum, salt, silver and copper), iron-steel and oil refinery between 2004 and 2006, and the state transferred its leading position in the telecommunications market to the private sector. The state is intending to privatize the public banks, and has already partially privatized Halkbank, a public bank. Recognizing innovation as an important factor in contributing to competitiveness, support is given to activities in technology development zones and technology centers. Companies in technology development zones are exempt from corporate and value-added taxes until the end of 2013, and exemption from all kinds of taxes is also provided for researchers working in these zones. Some 40 percent of R&D expenditures of companies that reside outside of region are deducted from base income and corporate taxes.

**Annotation:**

State Planning Organization (2006), "Pre-Accession Economic Program 2006," Ankara  
State Planning Organization (2006), "Ninth Development Plan 2007-2013," Ankara

**Tax policy**

*Score: 4*

Turkey is an upper-middle income country, with per capita income falling at the lower end amid countries in this group. A comparison of central government tax revenues of Turkey with those of other countries reveals that Turkey has a relatively high tax burden in its per capita income group. A comparison of the composition of tax revenues in Turkey and the European Union reveals that the EU countries obtain a significantly larger percentage of tax revenues from social security and payroll taxes when compared to Turkey. In Turkey, the share of taxes on goods and services is higher than the similar share in the European Union. A comparison of the personal tax, corporate tax, and VAT systems of Turkey and EU countries reveals that the average income tax and social security contribution rate on gross labor income in Turkey is much higher than the similar tax rates in Ireland and the United Kingdom. The tax burden on corporate earnings was 44.1 percent, whereas it was only 16 percent in Ireland and 30 percent in United Kingdom a few years ago. By contrast, VAT rate in Turkey was 18 percent, while it was 15 percent in Luxembourg and 16 percent in Germany and Spain. Hence, tax rates in general are very high in Turkey. With such high tax rates, Turkey should have achieved a much higher total tax-to-GNP ratio than the realized value. But Turkey could not achieve such a high total tax-to-GNP ratio. The problem is due to the narrow tax base.

Turkey realizes that it has to introduce tax reforms that will aim to lower personal income and social security taxes, while broadening the tax base through lower tax rates and modernizing tax administration. In this context, Turkey in 2006 reduced the corporate income tax rate from 30 percent to 20 percent. Simultaneously, it reduced the number of revenue tariffs from five to four, and income tax rates imposed on the taxpayers other than wage earners were reduced by five percentage points. Turkey intends to reduce income tax rates further and will also reduce further the number of revenue tariffs.

**Annotation:****References**

Economic Research Forum (ERF) and Institut de la Mediterraness (2005): "Turkey Country

Profile: The Road Ahead for Turkey," Cairo

State Planning Organization (2006), "Pre-Accession Economic Program 2006," Ankara

State Planning Organization (2006), "Ninth Development Plan 2007-2013," Ankara

### **Budgetary policy**

*Score: 8*

The evolution of gross public debt between 1996 to 2001 reveals that total gross debt more than doubled in terms of the debt-to-GDP ratio, reaching 117.7 percent at the end of 2001. Fiscal policy was not sustainable. As a result, Turkey faced a debt crisis in 2001. During the pre-2001 crisis period, governments contributed to debt accumulation through five main channels: by maintaining a level of "core" expenditures over revenue flow, or by maintaining over the period under consideration substantial primary deficits; by failing to reduce uncertainty and gain credibility, and therefore having to pay exorbitant real interest rates in excess of the growth rate of real GDP; by pursuing a non-transparent financing of duty-losses, pushing state banks to borrow overnight, and generating liquidity risks, which in the end materialized at a great cost, and; by creating contingent liabilities through forbearance and lax supervision of an unsound banking sector in an environment of macroeconomic instability, notably large foreign exchange positions.

In 2001 Turkey introduced stabilization measures that were supported by the IMF. In this context the country has been committed to a primary surplus target of about 6.5 percent of GNP. The ratio of public sector borrowing requirements to GDP of 11.9 percent in 2000 and 16.3 in 2001 turned into 0.4 percent surplus by the end of 2005 and to a surplus of 3.1 percent by the end of 2006. On the other hand, the domestic real interest rate declined from 38.2 percent in 2002 to 16.6 percent in 2004 and then further to 11 percent in 2006. All of these factors contributed substantially to the decrease in debt-to-GDP ratio. While these are positive developments, it is still too early to determine to what extent the rebound reflects a transition to sustainable fiscal policies. There are still substantial risks. Even if the country attains a primary surplus of 6.5 percent of GDP over time, there are additional risks. First, the real appreciation of the exchange rate over the last few years has contributed substantially to the reduction in the debt-to-GDP ratio. But this policy is not sustainable in the long run, because the real appreciation of the currency will lead to problems of sustainability in the current account. Second, EU accession will entail costs for Turkey that must be identified and financed. From a budgetary perspective, the fiscal costs of EU accession in other accession countries have been estimated to

be over 3 percent of GNP annually. This situation implies either a reduction in the primary surplus-to-GDP ratio by the same amount or further increases in the revenues of the public sector. Third, there will be strong pressures for additional spending in social security, health, education, justice and infrastructure in less-developed regions. Fourth, contingent liabilities flowing from government support for infrastructure developments will be a major threat to fiscal stability. Fifth, the government's desire to achieve a primary surplus target of at least 6.5 percent of GNP over the next few years will constrain its use of fiscal policy for decreasing the unemployment rate in the economy, which was running at 9.9 percent in 2006.

Annotation:

References

Basci, E., S. Togan and J. von Hagen (eds) (2007): "Macroeconomic Policies for EU Accession," Edward Elgar Publishing Limited, Cheltenham

Economic Research Forum (ERF) and Institut de la Mediterraness (2005): "Turkey Country Profile: The Road Ahead for Turkey," Cairo

State Planning Organization (2006), "Pre-Accession Economic Program 2006," Ankara

State Planning Organization (2006), "Ninth Development Plan 2007-2013," Ankara

## **B Social affairs**

### **Health policy**

*Score: 5*

In Turkey, while the number of persons per doctor was 792 in 2000, it declined to 715 in 2005 – however, it is still below the EU average of 288. Furthermore, imbalances exist in the provision of health services at regional and urban-rural levels. Total health expenditures, which accounted for 6.6 percent of GDP in 2000 reached 7.6 percent in 2005. Insufficiency in infrastructure, personnel and quality in primary-level health services and an inefficient referral system cause patients to prefer using secondary and tertiary level health services with higher service costs, and the resulting overflow decreases the quality of services in hospitals.

In 2006, Turkey introduced Law No. 5510 regarding social insurance and universal health insurance. Establishing universal health insurance, strengthening the institutional capacity of the social security system and establishing health and social security infrastructures are the main components of the reforms. With the law, health services are to be provided with a common

standard, and the compulsory Universal Health Insurance system will cover the whole population. According to the law, premiums are to be collected according to a citizen's ability to pay, and health insurance premiums of citizens who cannot pay will be paid by the government. With the aim of improving the health indicators of the poor in the field of public health, programs such as the general immunization program, the program for controlling diarrheal diseases, the program for controlling acute respiratory infections, the national program on the screening of newborns, the promotion of breastfeeding and baby-friendly hospitals and the sexual health and reproductive health programs are carried out by the Ministry of Health.

Annotation:

References

State Planning Organization (2006), "Pre-Accession Economic Program 2006," Ankara

State Planning Organization (2006), "Ninth Development Plan 2007-2013," Ankara

### **Social cohesion**

*Score: 5*

In 2001, Turkey experienced a financial crisis resulting in substantial decreases in GDP and an increase in the unemployment rate. But with the implementation of stabilization measures, the country achieved high growth rates after 2001. Per capita national income increased and improvements in the indicators for income distribution, inequality and poverty, were observed. Furthermore, during the post-2001 period the share of social expenditures in GDP increased. As a result, the incomes of the retired, disabled, widows, orphans and students, as well as those of poor families, increased. When the figures concerning poverty are examined in Turkey, it is observed that food poverty is low, just 1.29 percent of the population in 2004. However, food and non-food poverty is still very high, totaling 25.6 percent of the population. Studies reveal that poverty is most widespread among people working in the agricultural sector, people working temporarily or without social security, the uneducated, women, children, the elderly and the disabled.

Since 1994, improvements have been observed in the indicators of income distribution. While the Gini coefficient was 0.49 in 1994, it declined to 0.4 in 2004. While the share of the first quintile, which receives the smallest share from total income, was 4.9 percent in 1994, it rose to 6 percent in 2004. The share of the fifth quintile, which receives the largest share from total income, dropped from 54.9 percent in 1994 to 46.2 percent in 2004. Turkey experiences

large migrations from rural to urban areas. Those who migrate to urban areas as a result of the structural change in agriculture are deprived of a regular income and experience social adaptation problems because they have in general low levels of education and are unskilled workers. Furthermore, while the employment rate for women is 22.3 percent, it is 64.8 percent for men. Women, who are employed as unpaid family workers in rural areas, leave the labor force when they migrate to urban areas and become exposed to the risks of poverty and social exclusion by remaining outside economic life because of their lack of qualifications for urban jobs and the social pressures imposed by a different environment. As a matter of fact, labor force participation rate for women is 19.3 percent.

Facilitating the access for the poor to basic public services and the social security system is considered as very important in fighting poverty. The poor is generally supported through social services and assistance rather than social insurance, within the context of accessing health services and social security.

Annotation:

State Planning Organization (2006), "Pre-Accession Economic Program 2006," Ankara

State Planning Organization (2006), "Ninth Development Plan 2007-2013," Ankara

### **Family policy**

*Score: 5*

Since the 1980s, Turkey has experienced significant socio-cultural transformations, such as rapid internal migration, urban poverty, housing problems, unemployment and communitarian developments. In this process the family structure has been the most negatively affected social unit. An increasing number of nuclear families or families without a child, a rising divorce rate, a larger number of separated families or extramarital couples have been some of the major observations in recent years. These can be considered as major factors in the dissolution of social relations and will definitely affect the demographic structure in Turkey. Post-1980 economic and social policies further deteriorated the income distribution in Turkey. Since the 1960s, the family has been neglected by state policies but it has become again recently an interest of social policy. Protecting family and children and the situation of working women are major issues to be tackled. Despite the constitutional requirement (found in Article 41) family policy instruments are either insufficient or too complex and lack unity for a comprehensive policy. Family plays an important and crucial role in various processes, including poverty

eradication, elimination of gender discrimination, improvement of the life standards of the elderly, equality of opportunity between citizens, combating crime and so on. The general directorate of family and social research affiliated with the prime ministry was established by Law No. 5226 on Nov. 13, 2004, to develop family-focused policies. Family consultation centers (20 centers nationwide) offer services to families since 1983, but are not very effective. Compared to EU member states, in Turkey social protections and social aid instruments of a social insurance policy are insufficient. Unemployment and raising children are not fully covered by the social security system in Turkey. Turkey did not yet sign the ILO Conventions Nos. 156 and 183.

Annotation:

Ismet Galip Yolcuoglu, Aile: <http://www.sosyalhizmetuzmani.org/ailearastirma1.htm>

Institution of Family and Social Research, Web page (accessed September 2007): <http://www.aile.gov.tr/tr/?Sayfa=BasiliYayinlar>

### **Pension policy**

*Score: 5*

The most important problem of social security institutions in Turkey is that their revenues cannot meet their expenditures. While the ratio of transfers from the budget to social security institutions to GDP was 2.6 percent in 2000, this ratio increased to 4.8 percent in 2005.

With the aim of ensuring financial sustainability and achieving long-term actuarial balances of the retirement system, amendments were made in basic parameters related to retirement, with Law No. 5510 introduced in 2006. For those who start work after Jan. 1, 2007, a number of changes went into effect. The retirement age was increased on a gradual basis, replacement rates were reduced, retirement salaries were linked to the premiums paid, all income elements were included in the premium base (especially for civil servants), the number of premium payment days for workers was increased from 7,000 days to 9,000 days on a gradual basis following a transition period of 20 years, and in the calculation of the premium base for the self-employed and farmers, consideration of the income statement rather than income levels was introduced. In addition, the principle of government contribution to disability, old age and death insurance premiums and health insurance premiums was established.

Annotation:

References

Economic Research Forum (ERF) and Institut de la Mediterraness (2005): "Turkey Country Profile: The Road Ahead for Turkey," Cairo.

State Planning Organization (2006), "Pre-Accession Economic Program 2006," Ankara

State Planning Organization (2006), "Ninth Development Plan 2007-2013," Ankara

## C Security and integration policy

### Security policy

#### *External security*

*Score: 8*

As a bridge between Asia and Europe, with straits connecting the Black Sea with the Mediterranean and its geopolitical situation at a point where the central Asian, Caucasian and Middle Eastern natural energy sources intersect, Turkey draws the attention of the entire world. It is surrounded by Georgia, Armenia, Azerbaijan, Iran, Iraq, Syria, Greece and Bulgaria. Currently there is armed conflict in Iraq, and armed conflict with PKK guerillas in southeastern part of Turkey. The region is a very difficult one, it has been and still is and most probably will be in armed conflict for some time in the future. Although the costs of providing security have been substantial for Turkey, it should be emphasized that Turkish security forces have been able on the whole to protect citizens against security risks and safeguard the national interest. On the other hand, Turkey is a founding member of NATO and the Turkish armed forces joined peacekeeping operations in Bosnia, Somalia and Afghanistan under the ISAF multinational force. Despite these demanding conditions, the ratio of defense expenditures (with the Ministry of National Defense) to general consolidated budget in the year 2006 was below 10 percent.

Annotation:

[http://www.tsk.mil.tr/eng/genel\\_konular/index.htm](http://www.tsk.mil.tr/eng/genel_konular/index.htm)

<http://www.muhasabat.gov.tr/mbulten/E4-1-15.xls>

TESEV-DCAF: Almanac Turkey 2005: Security Sector and Democratic Oversight, (Istanbul: TESEV. 2006)

#### *Internal security*

*Score: 7*

The major responsibility of providing internal security is given to the Ministry of Internal Affairs. The general directorate of security, the gendarmerie general command, the coast guard command and the general directorate of civil defense are the basic functional units of internal security. For years the major problem concerning intelligence has been the fact that the gendarmerie has its own intelligence unit in addition to the national intelligence organization, which is affiliated with the prime ministry. The field duty for police and

gendarmerie is clearly defined but sometimes a coordination conflict or no duty policy may occur. According to 2006 figures, the share of internal security expenditures including the national intelligence organization was about 4.9 percent. As expressed earlier, Turkey is a transition country in terms of social and economic structures as well as a transit country of international of goods and humans. Therefore the internal security regime of Turkey is easily affected by all of these factors. It is hard to say that the current security status is sufficient, but Turkey is considered to be a safe country by Intelligent Risk Systems and Control Risks Group. The relevant security authorities in Turkey engage in international cooperation, such as INTERPOL. Especially security experts argue that the harmonization with the EU Acquis Communautaire weakened the power and authority of the security forces and caused more security risks. The ratio of the allocation to the Ministry of Interior Affairs, to which the police and gendarmerie belong as the major security forces, to the total government allocations is 0,006. However, it is argued that Turkey is among the safest countries in Europe according to a recent European Crime and Safety Survey (EU ICS).

Annotation:

[http://www.icisleri.gov.tr/\\_Icisleri/Web/Gozlem2.aspx?sayfaNo=638](http://www.icisleri.gov.tr/_Icisleri/Web/Gozlem2.aspx?sayfaNo=638)

<http://www.mu.hasebat.gov.tr/mbulten/E4-1-15.xls>

Law No. 5565 on the central government budget, accessed December 2007:

[http://www.maliye.gov.tr/mm/yozeatdef\\_muh\\_md/duyurular/20061229M1-1.butce.htm](http://www.maliye.gov.tr/mm/yozeatdef_muh_md/duyurular/20061229M1-1.butce.htm)

TESEV-DCAF: Almanac Turkey 2005: Security Sector and Democratic Oversight, (Istanbul: TESEV. 2006).

Mehmet Ozcan, "Avrupa ve Turkiye'deki Suc Istatistikleri ve Suclardaki Artis" ("Crime Statistics and Increase in Crimes in Europe and Turkey"), accessed November 2007: <http://www.turkishweekly.net/turkce/yorum.php?id=388>

*New security policy*

*Score: 7*

Turkey is fast-growing state, in terms of population and economics. Regional disparities in development, internal and external migration, geopolitical location and its borders with the potential and real conflict areas increase the importance of security considerations domestically and externally. Although Turkey and Greece are members in NATO and Turkey is a candidate country in the European Union, mainly due to the Cyprus crisis and air corridor and sea shelf disputes between these countries, both Greece and southern Cyprus constitute a western dimension of Turkey's security matters.

Considering domestic security dimensions, mainly separatist pro-Kurdish activities, Turkey needs and has to appropriate more development aid to the southeast and other underdeveloped regions. Considering Turkey as the only stable country with a democratic political system in the region, international

donors also revalue their development aid to Turkey's (infrastructural, educational and health especially) specific regions. Development through political stability must be one of the major factors in developing new security strategies from the perspective of donor countries, mainly the European Union and the United States, too.

Turkey is the only candidate country that has maintained a custom union with the European Union since 1995. On the economic front, Turkey is integrated to the European Union to a large extent, but not politically and militarily. Political integration of Turkey to the European Union may take time due to technicalities in administration and economics, but it seems that new European Security and Defense Policy (ESDP) can hardly be effective without Turkey's full participation. In fact, untimely membership of southern Cyprus in the European Union may be a major risk or obstacle for a common security and defense policy. Turkey's membership in NATO seems to be a safeguard in preventing a real crisis in the region. Inclusion of Turkey in the ESDP may eliminate potential risks and may help a political solution in Cyprus, too. Otherwise Turkey may make a recalculation of the costs and benefits of a customs union with the European Union.

Modernization of the Turkish armed forces has been a major task for years but has been subject to budgetary limitations and support from NATO sources. It seems that Turkey is among few leading countries in the region in terms of rapid response forces for crisis management and that has competitive air and sea lift capabilities. The major weakness is the technological advancement of C4ISTAR capabilities. It shouldn't be forgotten that Turkey has been an effective partner of international peacekeeping efforts.

Annotation:

Ali L. Karaosmanoğlu and Seyfi Taşhan, eds. (2004), "The Europeanization of Turkey's security policy: Prospects and pitfalls," Ankara: Foreign Policy Institute

Esra Cayhan (2003), "Towards a European Security and Defense Policy? With or Without Turkey," *Turkish Studies*, 4 (1)

### **Integration policy**

*Score: 5*

According to official data, there are about 202,000 foreigners living in Turkey. This number refers to the number of people with official residence permits. But there are also a large number of people living in Turkey with no residence permits. Although they come to Turkey on tourist visas for a period of three

months, most of them are employed in the country. At the end of three months they go out of the country, enter Turkey with tourist visa again and carry on with their employment for another three months. It is rather difficult to find out about the exact number of these people. The number can only be guessed.

The ill-treatment of asylum seekers at security units is another issue. During the first Gulf Crisis, about 1 million Kurdish Iraqis temporarily settled in the southern part of Turkey. Moreover, after the collapse of the socialist regime in Bulgaria and the civil war in ex-Yugoslavia, Turkey received thousands of Turkish-Muslim asylum seekers from these regions. In other words Turkish society is as familiar with foreigners and asylum seekers in the present as it was in the past. The Department of Foreigners, Border and Asylum which is affiliated with the General Directorate of Security is the official authority in fulfilling the relevant duties. The UNHCR has an office in Turkey, and there is a voluntary organization, namely Association for Solidarity with Asylum Seekers and Migrants, in Ankara.

Cultural, educational and social policies of the country on the whole do not focus on integrating these people into society. But it should be emphasized that there is, compared to some EU countries, relatively little bias against foreigners living in Turkey. Foreigners living in Turkey do not have the right to vote.

Annotation:

<http://www.egm.gov.tr/daire.yabancilar.asp>

ASAM Web page: [http://www.asam.8k.com/asam\\_ahome\\_tr.html](http://www.asam.8k.com/asam_ahome_tr.html)

## **D Sustainability**

### **Environmental policy**

*Score: 4*

Environmental protection presents challenges for Turkey. Within the EU harmonization process, even though progress has been achieved regarding waste management, nature protection and noise and environmental impact assessment, many regulations need to be adopted and applied effectively. As of 2004, according to the statistics obtained from 1,911 of 3,225 municipalities among the population living in municipality boundaries, the ratio of those having sewage services, wastewater treatment facilities, water for drinking and daily use, and drinking water treatment facility services have reached respectively 80 percent, 47 percent, 93 percent and 42 percent. According to

one estimate, the cost of adjusting to the EU environmental Acquis Communautaire will range between €28 billion and €9 billion. According to the OECD, Turkey's capital spending on the environment is around 0.5 percent of GDP. Thus with accession this would have to double, or more likely increase by a factor of three or four. In addition, a much higher level of current spending would also be required.

Annotation:

References

Markandya, A. (2005), "Turkey on the Path to EU Accession: The Environmental Acquis," in B. Hoekman and S. Togan eds., "Turkey: Economic Reform and Accession to the European Union," The World Bank and Center for Economic Policy Research, Washington, D.C.

State Planning Organization (2006), "Pre-Accession Economic Program 2006," Ankara

State Planning Organization (2006), "Ninth Development Plan 2007-2013," Ankara

### Research and innovation policy

*Score: 5*

The share of R&D expenditures in GDP, which was 0.67 percent as of 2002, is quite low when compared to countries advanced in the field of science and technology. Even though public resources allocated to science and technology have been significantly increased since 2005, the share of R&D expenditures in GDP is still lower than 1 percent. The number of full-time equivalent research personnel per 10,000 labor force in Turkey was 13.6 in 2002, which is well below the OECD average of 66.6. In addition, while 73.1 percent of researchers in Turkey work in higher education institutions, 70 percent of researchers in developed countries are employed in the private sector.

Companies in technology development zones are exempt from corporate and value-added taxes until the end of 2013 and exemption from all kinds of taxes is also provided for researchers working in these zones. Some 40 percent of R&D expenditures of companies, which remain outside of this region, are deducted from income and corporate tax bases.

Annotation:

State Planning Organization (2006), "Pre-Accession Economic Program 2006," Ankara

State Planning Organization (2006), "Ninth Development Plan 2007-2013," Ankara

### **Education policy**

*Score: 4*

To increase the quality of education, there is the continual requirement to improve physical infrastructure and equipment as well as the qualifications of teachers, use resources allocated for education more effectively and in harmony with the renewed curriculum programs and teaching methods. The structure of education that focuses on examinations results in the inability to reach the general objectives expected from education and dedicates a significant amount of expenditures on the preparation for examinations, which causes an inefficient use of resources and the emergence of financial, social and psychological problems for students and their families.

Annotation:

State Planning Organization (2006), "Pre-Accession Economic Program 2006," Ankara

State Planning Organization (2006), "Ninth Development Plan 2007-2013," Ankara

## Management Index

### I. Executive Capacity

<i>Cabinet composition</i>	<i>Prime minister</i>	<i>Parties in government</i>	<i>Type</i>	<i>Mode of termination *</i>	<i>Duration</i>
	Recep Tayyip Erdogan	Justice and Development Party (AKP)	Single party government	1	03/03-07/ 07

*\* The following modes of termination should be distinguished: elections = 1; voluntary resignation of the prime minister = 2; resignation of prime minister due to health reasons = 3; dissension within cabinet (coalition breaks up) = 4; lack of parliamentary support = 5; intervention by head of state = 6; broadening of the coalition = 7.*

#### A Steering capability: preparing and formulating policies

##### Strategic capacity

*Strategic planning*  
*Score: 7*

The under-secretariat of the state planning organization was established in 1960 as the major consulting body to the prime ministry in relation to sector planning and development. Planning is a part of the constitutional prerequisites (Article 41 on protection of the family; Article 45 on protection of agriculture, animal husbandry, and of persons engaged in these activities; Article 56 on health services and conservation of the environment; and Article 166 on planning). Recently all ministerial bodies also designated a separate department for developing strategy and coordination. However, they are not sufficiently functional.

Annotation:

European Commission, Screening Report: Turkey: key documents:

[http://ec.europa.eu/enlargement/turkey/screening\\_reports\\_en.htm](http://ec.europa.eu/enlargement/turkey/screening_reports_en.htm)

Orhan Güvener, "Türkiye'nin orta ve uzun dönem stratejik hedefleri: TC2007-15 TC2017-9 genel yorumlar," (Ankara: T.C.Başbakanlık Devlet Planlama Teşkilatı, 1999)

*Scientific advice**Score: 5*

There is no structured mechanisms through which government and non-governmental academic experts come together for consultation on social matters. Governments may randomly set some “scientific committees” to prepare a draft report or a “justification” paper for their policy implementation. A recent example of this was the composition of a “scientific council” for drafting a new constitution for Turkey. Formation and composition of this “scientific” council received a great deal of opposition from the academic circles rightly. Such councils are not representative of the principle of pluralism.

**Inter-ministerial coordination***GO expertise**Score: 7*

The prime minister, as chairman of the Council of Ministers, ensures cooperation among the ministries, and supervises the implementation of the government’s general policy. The under-secretariat of the prime ministry maintains coordination and cooperation among and between the ministries. The general directorate of laws and resolutions of the prime ministry examines the congruity of draft bills, decrees, statutes, regulations and the resolutions of the Council of Ministers to the constitution, laws, the general principles of law, development plans and programs and government programs. This unit is the superior entity in drafting and coordinating all legal regulations. It is hard to say that all draft bills are the final outcome of expert knowledge.

Annotation:

Article 112 of the 1982 Constitution, Law Nos. 3056 and 6459.

*GO gatekeeping**Score: 9*

This is the major duty of the prime minister’s office. According to Article 2 of Law No. 3056 on the establishment of the organization of prime ministry, the prime minister’s office steers the cooperation between the ministries, supervises the execution of the governmental policies and takes the necessary measures to accomplish the duties assigned by the constitution and the laws. In this respect, the prime minister’s office examines the constitutionality and the legality of government drafts, decrees, regulations, statutes and individual bills and runs the relations of the cabinet with Parliament. In other words, the office has the right to stop or require changes in an initiative coming from a line ministry. The undersecretary of the prime ministry is in charge of fulfilling these functions. The department of laws and resolutions of the prime ministry provides technical support.

Annotation:

Law No. 3056,

<http://mevzuat.basbakanlik.gov.tr/mevzuat/metinx.asp?MevzuatKod=1.5.3056>.

*Line ministries*

*Score: 9*

The major duty of the prime minister is to coordinate the activities of the ministries. The Council of Ministers convenes regularly and exchanges views on policies developed by individual ministries or collectively. Sometimes inter-ministerial coordination can be set up for special purposes.

*Cabinet committees*

*Score: 5*

There is no legal requirement to form a cabinet committee and a permanent cabinet committee system in Turkey. However, both the coalition governments and the single party government of the JDP formed cabinet committees to work on draft bills or governmental issues in order to prepare a draft document for the whole cabinet when and if needed. For instance, in the preparation of penal trial code, a cabinet committee was formed by the former cabinet of the JDP.

Annotation:

Bakanlar Kurulu'nda ikinci revizyon (second revision in the cabinet),

<http://webarsiv.hurriyet.com.tr/2003/01/25/239717.asp>

*Senior ministry officials*

*Score: 9*

This is the major task of the senior bureaucrats including the undersecretaries, deputy undersecretaries and general directors.

*Line ministry civil servants*

*Score: 8*

Coordination is achieved by ad hoc committees composed of civil servants from various ministries.

### **Regulatory impact assessments**

*RIA application*

*Score: 2*

Regulatory impact assessments are required by Article 24 of Regulation No. 4821 on the procedure and principles of preparing legislation, which was dated Dec. 12, 2005, with a resolution of the Council of Ministers and published in the official gazette on Feb. 17, 2006 (No. 26083) for all legislation (laws, decrees and other regulatory procedures) having a financial impact of at least 10 million new Turkish lira, excluding issues relating to national security, the draft budget and final accounts, which will be prepared starting from Feb. 17, 2007. The prime ministry also issued a circular on practices of regulatory impact assessment on April 3, 2007, providing a guide on how to prepare an assessment.

Annotation:

Nahit Yuksel, “Yeni Kamu Mali Yonetim Sistemi ve Duzenleyici Etki Analizi (DEA)”: [www.butce.org/dokumanlar/nyuksel2.pdf](http://www.butce.org/dokumanlar/nyuksel2.pdf)

*Needs analysis*

A RIA is rarely done.

*Score: 1*

*Alternative options*

A RIA is rarely done.

*Score: 1*

### **Societal consultation**

*Mobilizing public support*

The law on the establishment, the principles and methods of work of economic and social council was adopted by the Grand National Assembly of Turkey on April 11, 2001, and published in the official gazette on April 21, 2001. The major objective of the law was to establish a continuous and permanent consultation body and to form a dialogue, compromise and cooperation platform on economic and social issues. However, the council has convened rarely (on general matters, tax and social security bills) since then and did not take an effective initiative in law making. The incumbent government declared in its emergency action plan that it would consult civil society regularly, but it did also fail to fulfill this promising objective. In short, the government’s consultations with the non-governmental institutions are rare, insufficient and ineffective in the process of policy-making.

*Score: 5*

Annotation:

“Ekonomik ve Sosyal Konsey”: <http://www.dpt.gov.tr/esk/>

### **Policy communication**

*Coherent communication*

There is a spokesman for the Council of Ministers who makes public declarations on behalf of the council. However, it was evident that some of the important ministers make contradictory private public statements to other members of the government. A spokesmen office was established for the prime minister, which caused further complications for the coordination of one-voice communication in the government.

*Score: 8*

## **B Resource efficiency: implementing policies**

*Total Share*

*Legislative efficiency*

Bills envisaged in the government's work program	346	
--	-----	--

Government-sponsored bills adopted	346	100 %
------------------------------------	-----	-------

*Veto players*

Second chamber vetos	-	- %
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Head of state vetos	61	17.63 %
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Court vetos	12	3.47 %
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**Effective implementation***Government efficiency**Score: 7*

The principle of an analytical budget on the one hand and the requirements of the European Union process on the other make the incumbent government to implement its own policies difficult. The 58th and 59th governments declared an emergency action plan, but legislated only 60 percent of them, many of which were in fact the requirements of the international circles such as the European Union, the IMF and the OECD. More importantly, many of the adopted laws were not put into effect because of a lack of financial or technical details. The government initiated several macro and micro policies especially in economic life, where many of the indicators have been successful. Another area of government policy objectives has been to appoint sympathizers to all strategic positions in state administration. Moreover, several symbolic policies have been introduced by the government and municipal governments under the government party's control, such as food aid, solidarity and health services.

*Ministerial compliance**Score: 9*

This is directly dependent upon the type of government, either single-party or a coalition government. A single-party government with a strong party leadership and the high demand for ministerial positions among the peers may definitely provide strong incentives for the promotion of government program. In the case of a coalition government, a minister primarily promotes his own electoral chances.

*Monitoring line ministries**Score: 8*

The prime minister is principally responsible for government activities. The prime minister's office has to coordinate and closely supervise the success or failure of the ministerial performance. The requirements of the international financial authorities also provide a second monitoring mechanism.

*Monitoring agencies**Score: 7*

Although the organizational structure of the ministries provides a hierarchical monitoring mechanism, the effectiveness of the work of these mechanisms heavily depends upon personal experience and attitudes of the agents.

*Task funding**Score: 5*

Local administrations, mainly municipal governments, have no sufficient financial resources to finance the tasks assigned to them by law. Many administrations went into bankruptcy, and their borrowings constitute a great share in the total borrowing of Turkey in the medium and long term. In short, the central administration (mainly through the bank of provinces) is still the major funding source for local administrations. As of June 2007, the total debt of the municipal governments to the national treasury is about 12.9 billion new Turkish lira. In this respect, partisan attitudes of the incumbent government towards the municipal governments controlled by opposition parties have been frequently raised. Financial decentralization has been a major agenda point.

*Annotation:*

Serap Bindebir, "Intergovernmental Finance and Local Government System in Turkey: Experiences and Lessons Learned from Poland":

<http://www1.worldbank.org/wbiep/decentralization/ecalib/final%20ecomod%20report.pdf>

*Constitutional discretion**Score: 5*

According to Article 127 of the constitution, local administrative bodies are public corporate entities that are established to meet the common, local needs of the inhabitants of provinces, municipal districts and villages, whose decision-making organs are elected by the electorate as described by law, and whose principles of structure are also determined by law. However, the central administration has the power of administrative trusteeship over local governments in the framework of principles and procedures set forth by law with the objective of ensuring the functioning of local services, in conformity with the principle of the integral unity of the administration, securing uniform public services, safeguarding the public interest and meeting local needs in an appropriate manner. Although the constitution says that municipalities are allocated financial resources in proportion to their functions, they lack resources. In addition, they need the approval of the central government on many issues.

*Annotation:*

<http://www.mahalli-idareler.gov.tr/Home/Home.aspx>

*National standards**Score: 8*

Through the local agencies of the central government and administrative trusteeship, the central government (the Ministry of Interior Affairs practically) closely monitors the structure and quality of the services of municipal governments. The union of municipalities of Turkey also offers training and technical support for municipalities in this respect. It is hard to say that these standards are the same everywhere, but they are improving gradually by region. Major issues in standardizing public services at the local level are financial, technical and personnel.

Annotation:

<http://www.yerelnet.org.tr/yyeb.php>**C International cooperation: incorporating reform impulses****Domestic adaptability***Domestic adaptability**Score: 6*

In the process of administrative structural reform, to align it with European Union standards and to strengthen administrative capacities for future EU membership, the Turkish government has undertaken a program aimed at the reform and modernization of the local administrations in the country.

The program was launched between 2004 and 2005 through the adoption of new, primary legislation on municipalities, metropolitan municipalities, special provincial administrations and unions of local authorities, as well as through a new law on public financial management and control that was adopted in December 2003 (and which also applies to local administrations). A new law on municipal revenues will be adopted soon. These new laws encompass a wide number of reforms, in all aspects of local administration and management, with the final purpose of enabling local authorities to provide better public services, carry out the more efficient management of financial resources and enhance their capacity for a more active engagement in policy-making with national authorities as well as in creating partnerships with other local authorities in European Union member countries. Almost all public entities have a unit for EU affairs. As expressed earlier, strategic planning units are included in all ministries. Some pilot studies have been conducted in the public administration, including the municipal governments under the supervision of the department of strategic planning of the state planning organization. Transparency and

accountability were included in the administrative culture, at least conceptually.

Annotation:

<http://www.lar.gov.tr/index.html>

<http://www.sp.gov.tr/pilot.html>

### External adaptability

*International  
coordination  
activities*

*Score: 7*

In the process of Turkey's EU candidacy, there has been some legislative progress in public administration reform. The government has put forth great efforts to collaborate with international actors, mainly the EU Commission, the OECD, and the World Bank, in further administrative reforms, such as the framework law on public administration, the law on civil servants, and laws on associations and foundations.

*Exporting  
reforms*

*Score: 6*

From time to time, Turkey has been regarded as a success story for structural reforms. Turkey has bilateral relations with several other countries for mutual exchange and aid, but there is no data to assess whether Turkey effectively uses its policy priorities.

## D Institutional learning: structures of self-monitoring and -reform

### Organizational reform capacity

*Self-monitoring*

*Score: 6*

In addition to formal and regular inspections of the ministerial activities, the office of the president has a state supervisory council to monitor the practices of state institutions. The prime ministry has also a high supervisory council of state and inspectors to fulfill such duties. Interministerial committees may also assess institutional arrangements. In preparing development plans or strategic plans, sector sub-committees prepare reports on effectiveness and efficiency of governing.

Annotation:

[http://humanity.ankara.edu.tr/~odemirci/fo/Kamu\\_yon\\_yap\\_ve\\_isleyisi\\_alt\\_kom\\_calismalari.pdf](http://humanity.ankara.edu.tr/~odemirci/fo/Kamu_yon_yap_ve_isleyisi_alt_kom_calismalari.pdf)

*Institutional  
reform*

*Score: 6*

Changing institutional arrangements may seem an easy task, but it is difficult to practice such arrangements in the short term. Strategic capacities require full inventory, expert knowledge, budget and participatory approach. Adopting a strategic approach seems also time-consuming for some countries such as

Turkey, where the needs are big and urgent, but resources limited. One cannot practice a strategic approach, but rather respond demands urgently. However, there is good will and an effort to develop a strategic capacity in public administration in the long run.

Annotation:

<http://www.sp.gov.tr/default.asp>

## II. Executive accountability

### E Citizens: evaluative and participatory competencies

#### Knowledge of government policy and political attitudes

*Policy  
knowledge  
Score: 5*

In general it is hard to say that the government informs citizens satisfactorily about the content and development of its policies. Government officials always highlight policies as a promising objective initially, but do not provide follow-up announcements. There is no survey on how citizens get informed about government policy-making, but it is evident that policy-making is not transparent, participatory or interactive. Many of the policies were learned by the public after the implementation process had started. The level of public knowledge of government is as low as the level of satisfaction, but people do not complain about this. This is the major deficiency of policy-making in Turkey.

Annotation:

Muhammet Kosecik and Isa Sagbas, "Public Attitudes to Local Government in Turkey: Research on Knowledge, Satisfaction and Complaints," *Local Government Studies* 30 (2004): 360-383.

## F Parliament: information and control resources

### Structures and resources of parliament, committees, parliamentary parties and deputies

Number of deputies	550
Number of parliamentary committees	17
Average number of committee members	25
Average number of subcommittee members	14
Pro-government committee chairs appointed	17
Deputy expert staff size	1
Total parliamentary group expert support staff	5
Total parliamentary expert support staff	90

#### *Obtaining documents*

Score: 9

According to Article 41 of the rules of procedure, the parliamentary commissions can ask the ministries to provide any information relevant to their duties. However, one member of the parliamentary inquiry committee on unknown murders was unable to collect information from the security forces in the past.

#### Annotation:

Rules of procedure of the Grand National Assembly:

<http://www.tbmm.gov.tr/ictuzuk/ictuzuk.htm>

#### *Summoning ministers*

Score: 8

According to Article 30 of the rules of procedure, the prime minister or a minister can attend committee meetings as the representative of the government without invitation and may address subject matter. However, the prime minister or minister may entitle a higher civil servant to represent his office at the committee meeting. Moreover, all parliamentarians and members of the Council of Ministers can also attend committee meetings and talk at committee meetings, but they do not have the right to submit an amendment motion or vote on the subject matter. If relevant, of course, the committee may ask a minister to explain the disputes but he may not necessarily comply with this invitation if there is no legal obligation.

Annotation:

Rules of procedure of the Grand National Assembly:

<http://www.tbmm.gov.tr/ictuzuk/ictuzuk.htm>

*Summoning  
experts*

*Score: 10*

*Task area  
coincidence*

*Score: 6*

According to Article 30 of the rules of procedure, committees may call an expert to their meetings.

Parliamentary committees are designed in parallel to ministerial structures but do not effectively monitor the ministries independently. The major function of the committees is to examine draft bills. In the process of discussions, committees may also supervise the activities of the ministries indirectly. Committees are not equipped with sufficient personnel to monitor the ministries regularly. Monitoring the activities of ministries can only be done through debates on annual budget and final accounts of the ministries and other relevant public entities. This is an ex-post facto control, and as such is ineffective. The planning and budget committee is the strongest in monitoring ministries, simply because all bills that deal with finances arrive at this committee. Although Articles 26 and 34 of the rules of procedure of the Grand National Assembly enable committees to make their own agendas, and if and when necessary, to express their views on various issues, Article 35 says that “committees cannot tackle issues other than ones which are assigned to them by the Speakership.” The Assembly needs to be reorganized in accordance with the law on public financial management and control, which was adopted in 2003.

Annotation:

Source: Interviews with the parliamentary experts and relevant Assembly committees.

*Audit office*

*Score: 8*

The council of speakership drafts the annual budget of the Assembly. There is a parliamentary final accounts committee which reviews its own accounts annually. However, the adoption of Law No. 5018 over public financial management and control was made void, in practical terms, by the committee. Currently the department of financial services, which belongs to the general secretariat of the Grand National Assembly, is entitled to fulfill the functions of budgeting, strategic planning, and monitoring for and on behalf of Parliament. Especially the last two are not effectively conducted. The board of strategic planning is not yet formed. There is no external auditing. The audit court, which supervises the accounts of public entities on behalf of the Assembly, does not control of the accounts of the Assembly.

Annotation:

Rules of procedure, Articles 176-180.

*Ombuds office*

*Score: 1*

Parliament adopted a law that established an ombudsman (office of public controller). The ombudsman will handle petitions from natural and legal persons in relation to administrative acts. This is a priority of the accession partnership and an important step forward, as it creates an institutional framework for the monitoring of public administration by Turkish citizens. The Constitutional Court decided on a stay of execution of some important articles of this law. Therefore it is not formally established yet. There is no ombuds office in Parliament, but a parliamentary petition committee reviews the citizens' petitions.

Annotation:

Mahir Isıkay, "Ombudsmanlık Kurumunun Avrupa Birliği ve Türkiyedeki Konumu," accessed September 2007: <http://www.jura.uni-sb.de/turkish/MIsikay.html>

## **G Intermediary organizations: professional and advisory capacities**

### **Media, parties and interest associations**

*Media reporting*

*Score: 6*

Very few radio and TV broadcasts offer in-depth analyses of government policies or their follow-up. This is basically because of government tutelage over state-run stations and the rating objectives of private channels. More in-depth political analyses may result in private media being included on the "black list" of the government. The style of media reporting is also determined by media ownership and by the relations between government and private media stations, as explained earlier. News and news analyses can be used frequently for manipulative purposes.

Annotation:

Vedat Demir, "Türkiye'de Medya Siyaset İlişkisi," Beta Basım yayım: 2007

*Fragmentation*

## Parliamentary election results as of 11/3/2002

<i>Name of party</i>	<i>Acronym</i>	<i>% of votes</i>	<i>% of mandates</i>
Justice and Development Party	AKP	34.28	66.00
Republican People's Party	CHP	19.40	32.36
Independents (9)		1.0	1.64
True Path Party	DYP	9.5	0
Nationalist Action Party	MHP	8.4	0
Young Party	GP	7.2	0
Democratic People's Party	DHP	6.2	0
Motherland Party	ANAP	5.1	0
Felicity Party	SP	2.5	0
Democratic Left Party	DSP	1.2	0
Others		5.1	0

*Party**competence**Score: 5*

Due to the provisions of the political parties act (PPA), which require a uniform party organization for almost all political parties, they can hardly develop identical policy alternatives for societal issues. In the meantime political parties get closer and look similar on the political spectrum. The cartelization of the party system and centripetal attitudes of the public can lead to catch-all tendencies among political parties. Global trends also influence all mainstream political parties to cope with trendy matters such as privatization, issues of a minimal state, lifting protections and so on. Therefore political parties develop almost similar economic, foreign policy and social policies. People vote for leaders rather than programs.

## Annotation:

Ergun Ozbudun, *Contemporary Turkish Politics: Challenges to Democratic Consolidation*, (Boulder, Co.: Lynne Rienner Publishers, 2000)

*Association  
competence*

*Score: 5*

Associational life is not developed well or is financially autonomous. The most influential associations are employers' associations, trade unions and leading business associations. From time to time, these groups present reports, proposals and positions on certain issues such as education, health, security and the constitution, but these efforts are rather monopolized by few organizations.

**Annotation:**

Ergun Ozbudun, *Contemporary Turkish Politics: Challenges to Democratic Consolidation*, (Boulder, Co.: Lynne Rienner Publishers, 2000)

*Association  
relevance*

*Score: 5*

These groups may communicate with the government through various channels, but have little effect in the final outcome of governmental work.

**Annotation:**

Ergun Ozbudun, *Contemporary Turkish Politics: Challenges to Democratic Consolidation*, (Boulder, Co.: Lynne Rienner Publishers, 2000)

This expert report is part of the Sustainable Governance Indicators 2009 project, which assesses and compares the reform capacities of the OECD member states. SGI expert reports solely reflect the opinion of their authors and should not be regarded as statements of the Bertelsmann Stiftung.

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