

LOCAL INSTITUTIONAL CAPACITY  
AND  
DECENTRALIZATION OF POWER

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Approval of the Graduate School of Social Science

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## ABSTRACT

### LOCAL INSTITUTIONAL CAPACITY AND DECENTRALIZATION OF POWER

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The aim of this thesis is to examine the relationship between the success of the decentralization schemes and the local capacity by concentrating on the case of Metropolitan Municipality of Diyarbakır. The Local Government Reform in Turkey was built on the argument that local authorities, compared to the central government, are better in providing services in a more efficient and more participatory manner. This thesis argues that such an argument is valid only in an environment where there is a strong local institutional and societal capacity to carry out the given responsibilities and to provide the necessary participatory framework. These issues are investigated with reference to the case of Diyarbakır Metropolitan Municipality, which is located at one of the least developed regions in Turkey (Southern Eastern Anatolia).

Key words: local scale, local government, institutional capacity

## ÖZ

### YEREL KURUMSAL KAPASİTE VE ERKİN DESANTRALİZASYONU

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Bu tezin amacı desantralizasyon projelerinin başarısı ve yerel kapasite arasındaki ilişkiyi Diyarbakır Büyükşehir Belediyesi örneği üzerinden araştırmaktır. Türkiye'deki Yerel Yönetim Reformu, hizmetlerin sağlanmasında yerel otoritelerin, merkezi yönetime kıyasla daha verimli ve katılımcı olduğu tartışmasına dayanmaktadır. Bu tez ise, söz konusu tartışmanın, yerelde, yüklenen yetki ve sorumlulukları taşıyabilecek ve gerekli katılımcı çerçeveyi sağlayabilecek güçte bir kurumsal ve toplumsal kapasitenin var olduğu durumlar için geçerli olduğunu savunmaktadır. Bu konular Türkiye'nin en az gelişmiş bölgelerinden birinde yer alan (Güneydoğu Anadolu Bölgesi) Diyarbakır Büyükşehir Belediyesi'ne referansla araştırılmaktadır.

Anahtar kelimeler: yerel ölçek, yerel yönetim, kurumsal kapasite

**To my family**

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## ABBREVIATIONS

AKP: Justice and Development Party

ANAP: Motherland Party

CEMR: Council of European Municipalities and Regions

CP: Capacity Problem

DİSKİ: Diyarbakır- Administration of Water and Sewer System

DLA 21: Diyarbakır Local Agenda 21

DPT: State Planning Organization

DTP: Democratic Society Party

ECDPM: European Centre for Development Policy Management

EPSU: European Federation of Public Service Unions

EU: European Union

GAP: Southern Eastern Anatolia Project

IMF: International Monetary Fund

KAYA: Research Project on Public Administration

LA 21: Local Agenda 21

MDP: Municipal Development Program

MEHTAP: Research Project on Organization of Central Government

MMD: Metropolitan Municipality of Diyarbakır

MMD-PO: Metropolitan Municipality of Diyarbakır, Planning Office, Households Survey

NGO: Non-Governmental Organization

ROACH: Results Oriented Approach

RPC: Research, Planning and Coordination

SHP: People's Social Democrat Party

SIS: State Institute of Statistics

TBD: Association of Turkish Municipalities

TBMM: Turkey Grand National Assembly

WB: World Bank

TODAİE / YYAEM: Turkey and Central East Public Administration Institute / Research and Training Center for Local Governments

UNDP: United Nations Development Program

WTO: World Trade Organization

## **CHAPTER**

### **INTRODUCTION**

The aim of this study is to evaluate the relationship between decentralization schemes and local institutional capacity. It is assumed that success of decentralization schemes depends, to a large extent, on the institutional capacity of the local authorities where power is devolved. To this aim, Metropolitan Municipality of Diyarbakır is taken as a case study. It is found that due to some factors decentralization schemes may not result in the expected success levels in every local government.

This thesis contributes to the current literature in two ways; firstly, it develops a theoretical framework through which the question of institutional capacity is understood. Current literature on the subject matter is generally composed of capacity development projects and programs which take the question as a practical issue. Theoretical framework in this thesis is developed through defining approaches with reference to points of emphasis and intervention logics in different capacity development studies. Secondly, it introduces an alternative approach which highlights the missing points of current approaches. Within this approach, institutional capacity of local government is conceptualized and analyzed with reference to three dimensions of local government; organizational structure, financial basis and participatory mechanisms. In other words, a local authority is expected to successfully handle the devolved power when it is organizationally competent, financially sound and participatory in decision making processes. Although the thesis define these three areas with respect to the analysis of institutional capacity, it will only concentrate on organizational structure and financial basis of local authorities by leaving the participatory mechanisms out because of the fact that it requires a detailed analysis on its own right. Likewise, there are considerable number of studies which question the relationship between decentralization and democracy and participation.

Field of inquiry of this thesis is the possible consequences of recent decentralization act in Turkey. Although there is no disagreement in the insufficient structure of previous local

government system, current form of decentralization comes along with many problems, deriving from the uneven development and internal dimensions of underdeveloped regions, which seem to continue and deepen at least in the medium term. The most obvious and current problems with local governments in Turkey in terms of capacity are the lack of adequate financial resources, lack of competent human resources, and insufficient level of participation practices. At current situation, where local governments are attached with new roles, functions and responsibilities, without having equipped with corresponding requirements, incompetent local governments are unlikely to succeed the expected development.

Another dimension related to success of localities, which is the competition between localities, is likely to be destructive for those that have little opportunities for development. It is with the globalization process that local economies have gained importance. This process has brought the notions of competitive localities and innovation. Local governments in the new division of labor among the scales are seeking ways to develop their local characteristics and advertise their unique features to attract capital investment to achieve economic development. Those who can attract capital, specifically global capital, utilize local resources, and generate knowledge and skills, are expected to have advantages over other localities (TÜSİAD, 2005). For today, the advantageous localities are almost certain: the more developed cities with more local resources and higher capacities. However, those localities in the least developed regions with few capabilities, resources and opportunities to attract capital, with more constraints on enjoying democratic participation processes are likely to fail. Considering the fact that current decentralization schema does not pay attention to disadvantages of under developed localities and that it proposes homogenous formats for local governments nation-state wide, the competition surely will not be realized among the equals (Şengül, 2001).

Local institutional capacity development issue, at the first glance, seems to be a practical problem. Problem is set out clearly in this respect. Local governments lack adequate financial, human and physical resources to perform their actions. They can not operate the participation mechanisms at the expected success level to achieve democracy. They, in addition, can not accomplish adaptation to wider contextual changes of globalization and transition to managerial model etc. However, the problem has some different dimensions which require going beyond the merely practical solutions.



In search for these problems, firstly, a theoretical discussion will be made on the subject matter. One of the theoretical discussions will include various local state theories in order to identify the role and meaning of local state in social formations. This discussion will also provide the background for an understanding of the new relationship between the society and the state.

Another discussion to construct a theoretical framework will include the shift which has been institutionalized throughout the world in two fields of restructuring process. These two fields are the restructuring of state and restructuring of public administration. These discussions will provide a background for the current contextual position of local scale and the local government as the main concern of this thesis. In addition, discussions will show that, the re-scaling of scales identifies the re-formation of social formations.

Subsequently, a discussion over institutional capacity building will be held. This section will provide a perspective for an analysis of institutional capacity building and a critique of the current capacity development projects and programs. It is also in this section that an alternative approach for comprehensive capacity analysis will be introduced.

Second chapter evaluates the question of local capacity in case of Turkish municipalities. Question of local institutional capacity building will be discussed in order to find out in which aspects and by which components existing situation of *any* local government can be analyzed to be (in)capable of tackling with the problems it is possibly on the way to confront.

Thirdly, specific case of Metropolitan Municipality of Diyarbakır is examined in terms of administrative and financial capacities to carry out the functions and roles attached with the local government reform package in the contemporary global context. Current approaches in institutional capacity are also briefly re-discussed and practically tested in this section in order to find out which is the most appropriate for the case of Diyarbakır. Capacity analysis of metropolitan municipality is built on two types of evaluation. One is the comparison of items related to capacity in Metropolitan Municipality of Diyarbakır with other metropolitan municipalities in Turkey. There are six types of municipalities in Turkey where metropolitan municipalities differ from the other five categories according to scope and legal frameworks. The other type of evaluation is the process observation where the author of this thesis has

been the direct participant in many municipal works by working in the municipality as a city planner for approximately two years.

Analysis of local institutional capacity of Metropolitan Municipality of Diyarbakır in relation with decentralization schema is made by focusing on key notions of the current schema. For instance, while local governments are designed as enabling authorities, their contracting out and tendering abilities are examined through sample issues. One of these issues studied as a process of contracting-out is the work of Urban Development Plan. Another key notion of current local government schema is the project management and project-oriented skills. Project Office is evaluated in this respect and also for an analysis of institutional relations and communication. Other dimensions such as personnel capacity, financial capacity, infrastructural capacity etc are analyzed through comparison of Metropolitan Municipality of Diyarbakır with other metropolitan municipalities.

Finally, the findings and potential problems regarding the institutional capacity issue will be addressed and evaluated not only for further but also for current policy proposals. Actually, decentralization and discussions over it continue with current legislations in Turkey, which require both a posteriori as well as synchronous studies.

## **CHAPTER 1**

### **THEORETICAL FRAMEWORK**

#### **1.1. STATE THEORY**

It is open to argument that a general and agreed concept, definition and theory of state have not yet been developed in social and political sciences. Theories and approaches related to state are useful in a limited case, particularly in understanding the nature of state and providing some perspective for further studies related to state. Despite many attempts to theorize state in the history of social and political sciences, and very large literature collected in the subject matter, state will be a never-completed and concrete phenomenon for theorizing as long as the society continues changing.

This endless story on state debate can be recognized in its irregular historical evolution. Generally it is assumed that such theoretical discussions are cumulative in the sense that negative sides of previous approaches are left aside, and positive sides are integrated to following studies. However, especially in social and political sciences, ideological and traditional constraints prevent such progressive growth. State debate is a typical example for this situation. For instance, having early roots in John Locke and Adam Smith, pluralist perspective to state, to be briefly discussed below, is still the dominant one in contemporary world, just like its philosophical background (liberalism).

The conceptual frameworks and approaches to state built so far are helpful in understanding the relationship between the local state and central state, and nature of internal and external dynamics of (local) state. It should also be noted that main concern of this study is not the theorization of (local) state. Current section of thesis has been prepared to search for and adapt a corresponding perspective on the subject matter.

The specific reason for the analysis of state theory is to find out some possible clues about institutional capacity issue under different perspectives of state. It is clear that recent attempts to reorganize state have a particular world view, a particular conception of state,

and a particular understanding of society. Thus the problem requires broad conceptualization of the subject in order to introduce possible and proper policy proposals.

Some points regarding this thesis is worth mentioning before the following discussion. The anarchistic theory which theoretically in no means justifies the existence of any formal institutional formation, including the state, will not be discussed. One reason for this disregard is that, anarchist theory has not been popular and satisfactory enough to have impact on social and political discussions. Second reason is that, final output of anarchist approach to state is already decided as rejection of all institutional formations. This highly radical view seems to be out of realization for current as well as long-term politics. There is the state living and there are no signs for its disappearance in the long term. Last reason is that, case study of this thesis, Diyarbakır, does not have such kind of a radical dimension. One more point to mention is that, (local) state mentioned here is the capitalist state. To fit in the subject matter, exceptional forms of state: the authoritarian, monarchist and etc. are not taken into consideration. This second disregard does not imply that those kinds of state forms are out of date, but this is just on purpose of filtering for the subject matter. In addition, the capitalist state mentioned here does not correspond directly to the “modern” but to the “contemporary” world, in other words to the state in the so-called-post modern era.

Jessop (1990) puts the fact that attempting to establish a single macro definition of state comprehending the whole determinations will resort in reductionism in any kind. No matter it may be reductionism, some very general characteristics of state can be described just before the discussion about theoretical approaches. According to Barry (1989), there are three peculiarities of state. First is that its rules are naturally public, thus homogeneous and homogenizing. Second, its authority is centralized, and devolution of power is also in the hands of this central authority. Third, the state has a spatial dimension which means that it is also geographically and territorially defined (Barry, 1989). State in general is an institutional ensemble of forms of representation, internal organization and intervention which implies that the form of state and regime type can vary in terms of differential articulation of these three (Jessop, 1984: 228).

Theoretical approaches to state not only differ within their arguments, but also in categorization of existing approaches. In this study, categories of approaches are borrowed from Friedland and Alford (1992), and Şengül (2001): Liberal (pluralist) approach, Weberian

(managerial) approach and Marxist (class - capital theoretical) approach. Next section discusses the state phenomenon with regard to these approaches.

### **1.1.1. PLURALIST APPROACHES**

Pluralism is one of the principal concepts in liberal political philosophy. Starting point of pluralist idea is the rejection of monism of one body in any social formation, particularly of state monism. According to pluralists, no one body should have absolute or monistic power (Dunleavy and O'Leary, 1981). This is due to two reasons. Firstly, the centralization of power threatens the opportunity for democratization. Secondly, societies in the contemporary world are becoming increasingly complex and differentiated, specialized and diversified. Thus, interests and goals of different social groups have gained importance over common goals (Dunleavy and O'Leary, 1981).

According to pluralist approach, society is composed of different groups with different interests. Power is diffused among these social groups. Each and every social group has different levels of pressure mechanisms to realize their own interests. This implies a 'spread' of power among social groups rather than 'concentration' of power in the hands of a single group or the state itself. (Dunleavy and O'Leary, 1981). This differentiation of interests and diffusion of power constitute the pluralist nature of society and define the role of state.

#### **1.1.1.1. CLASSICAL PLURALIST APPROACH**

Pluralist approaches are recently the most popular approaches onto local state. This popularity lies in its emphasis on relation between participation and local government. It is claimed by pluralists that local state scale is the optimum and most operational scale to realize interests of different groups in the society in order to realize democracy. Thus, pluralists pay great importance on decentralization and local state.

Another assumption for the legitimacy of decentralization is that it is the local level where true and trustful knowledge of local dynamics is closer to obtain and observe. Generally, policies taken by central government are unrealistic and inappropriate (Ünsal, 2004) to implement regarding the local dynamics. It is assumed that decentralization of political

power will create opportunity for more realistic policies and decisions to be made which would base on true knowledge.

Another assumption is that sustainable development can only be achieved through interactive participation of social groups (Ünsal, 2004). Local level is represented to be the optimal locus for participation processes. According to liberal view and its pluralist perspective, decentralization is necessary because it provides access and ability of pressure and control over policy-making processes for the sake of different groups in society. That is to say, it is the local government scale where participation, access and responsiveness are more effective than the central state (Dunleavy and O'Leary, 1981).

Local state is described as a mediator with neutral sense towards all interest groups. Chilcote (1981) describes the pluralist state in two aspects that, on the one hand there is the neutrality of state which mediates the conflict between different groups in the society and on the other hand there is the main autonomous function of state based on its political power outside and above the society. Decisions taken by the state are functions of political bargaining among social groups. The role of state in this bargaining process is to neutrally mediate groups and execute the outcome. These forces or pressure groups are neither hierarchical nor dominant. Whenever there exist some kind of inequality among groups, the disadvantageous group, or the suffered one in other words develops some kind of struggle to create pressure on local politics on behalf of its own interest (Şengül, 2001; UPL, 2003). Actually, in such situations, it is not the state that takes action in order to provide balance among groups. Unless the suffered group generates some pressure on state, the state will not respond. Yet, it is assumed that if a group cannot realize its interests, then red-tapes may occur in some other policy processes which may block the overall process. Local scale is utilizing in this respect according to pluralists. Groups are more obvious to be observed by the local state. They are closer to local state to create pressure on and they influence policies more directly in comparison to central state. (Chilcote, 1981)

Pluralist approach is criticized for its assumption about groupings in the society. Actually, there are those who are not organized and have no mechanisms and means of pressure to perform their own interests. Pluralism takes the organized groups into consideration where the unorganized interests are excluded from processes of policy-making (Dunleavy and O'Leary, 1981).

Individualistic or corporate interests can damage public good, especially in a situation of deformed civil consciousness where interests of groups become much important for the related group, and results in losing its public sense. Policy-making processes in public agendas may be distorted on behalf of realizing pluralist democracy. This may be due to paying excessive attention on the will of certain groups and thus causing some incremental policies. These contradictions and problems within the pluralist society are seen as natural dilemmas which cannot be overcome by any means (Dunleavy and O'Leary, 1981). According to Dunleavy and O'Leary (1981: 42) the pluralist perspective provides a theory of society rather than a theory of state, mostly due to lack of an organizational analysis of state in this perspective.

#### **1.1.1.2. CORPORATIST APPROACH**

Corporatist theory, on the very close theoretical background with pluralism, can be defined as the regular and close involvement of organized interests of certain groups having certain levels and means of power within the public bureaucracy in policy making processes. Corporatist state is defined as an autonomous institutional organization constrained by dominant social forces, especially in economic policy-making processes (Williamson, 1989). Emphasis on economic policy making processes is crucial in explaining the nature of corporatism. Corporatism, almost in all cases, enables the privately owned businesses to corporately involve in the decision making processes, other than individuals or social groups. Such involvement has essences of classical pluralist approach that business class may influence policies having certain power and pressure mechanisms (Williamson, 1989).

In many studies corporatist view is considered as a challenge to pluralist approach. According to corporatist approach, the interest groups are represented in the decision making processes through their elected leaders. Thus their interests may lay under manipulation of their representatives.

In addition, these representatives are located under control of state. It is assumed by the corporatist approach that leaders of social groups do not manipulate but directly advocate interests. Manipulation is a possible threat but it is assumed not to occur in ideal form (Williamson, 1989).

Corporatist view is based on an institutional structure which restricts competition among organized interests. Local state is not open to all organized interests where there are limitations of access to state. In contrast, pluralist view assumes that there is perfect competition environment for different groups. Another distinctive point between pluralism and corporatism in terms of expressing the relations with economic processes is that, while pluralism is the expression of competitive market system of pressure groups, corporatism is the expression of state-licensed monopoly (Williamson, 1989: 11).

Carnoy describes the role of the state in corporatist theory as being essential to rationalizing the market economy rather than interfering (Carnoy, 1984: 250). Here, state is not an object, but a subject of power, and a class-neutral one. State and society are interdependent through cooperation and with tensions around different interests (Friedland and Alford, 1992). Corporatist theory of state focuses upon the state rather than government as an opposition to pluralist theory in that, decisions of democratically elected governments can not solely mediate the state institutions such as bureaucracy, public enterprises and law enforcement agencies (Williamson, 1989: 121). On the contrary, local governments are constrained by the overall state system.

### **1.1.2. WEBERIAN APPROACHES**

Weberian approaches focus on the internal dynamics of organizations. Fundamental components common in all sub-approaches in Weberian tradition are the agents and actors, organizational schema of the institution, and decisive role of rules and regulations. Political and economic spheres are separated in each perspective. Three sub-approaches in this tradition are identified in this section, though there may be some other sub-approaches or revision of these approaches to be added. These three sub-approaches discussed below are those having direct connection with the local scale, especially with urban space.

#### **1.1.2.1. INSTITUTIONAL APPROACH**

Opposing the pluralist perspective and its disregard on organizational analysis, Weberian approach starts with the analysis of institutional structure of state. It puts emphasis on the peculiarity of state being the single and only institution holding the legitimate power. This power shows itself especially in use of violence, where state legitimizes itself by law.



Power resides in the state, rather than among the groups in the society (UPL, 2003). This power is exercised by state actors and through policy processes. Here, politicians and bureaucrats are key actors. Politicians are those who carry society inside the state, while bureaucrats are the actors of state. This separation creates the contrast between bureaucracy and democracy in Weberian analysis. Bureaucracy is the fundamental political form in modern societies which provides the independency of state from the class struggles.

Organizational analysis of state simply describes the state as a set of governmental institutions. Government is the process of making rules, controlling, guidance and regulation, performed by the elected ministers having authority and power in departmental division of labor within the state organization (Dunleavy and O'Leary, 1987).

Local state is an organized form of overall state organization located in the hierarchical order of state in institutional approach. Principles of bureaucracy are valid in each level of state and local state. Institutional approach puts emphasis on agents in local government institution in connection with policy making and execution processes, but independent from economic processes (UPL, 2003).

#### **1.1.2.2. URBAN MANAGERS APPROACH**

Having roots in Weberian theory, and starting with criticism of classical urban sociology, Urban Managers approach puts emphasis on the key actors of resource distribution systems in urban areas.

Urban managerialist approach has three implications. Firstly, there are spatial constraints on equal distribution of resources which make this distribution inevitably unequal.

Secondly, distribution decisions are in the hands of a series of individuals who occupy strategic locations in the allocation and distribution processes, including actors such as local government bureaucrats, council members, building society members, real estate agents, property owners, planners and technicians and other actors controlling access to urban facilities (Keskinok, 1997: 16).

Thirdly, tension between the managers and the managed results in unequal distribution of resources (UPL, 2003). There is a distinction between actors of local state and actors of private sector. The urban managers category is composed of those actors in the local state. In addition, related to the question of autonomy and regarding bureaucrats as a form of urban managers, it is assumed that they are not independent of processes which are also determined by some constraints deriving from their relations with private sector and government. Political power and technocrat features of urban managers provide a sphere independent from class-oriented and political pressures (UPL, 2003).

### **1.1.2.3. ELITE THEORY**

Another theory on local state within the broad context of Weberian approach is the Elite Theory. Elite theory starts from the criticism of pluralist perspective. According to Mills, C. W. (1956)<sup>1</sup> pluralist perspective is a romanticized distortion of truth. Power of interest groups in the society is secondary compared to power of elites in local as well as in national and international scales. In addition there are unorganized groups that constitute a third category.

Elite Theory puts emphasis on the role of individuals. There are small groups of individuals in the city called elites who influence decision making processes and shape local politics. Elites are those at the highest positions in the executive branch of state. Yet, what is different from the urban managerist approach is that Elite Theory promotes these actors in that they are able to manage the complexity of modern societies (Mills, C.W. 1956). These actors may be technocrats, leaders of some social groups, land owners and such actors with some power.

Elite theory is criticized in many aspects. One criticism is directed from the structuralists that this approach is voluntarist in the sense that it does not take the wider context of external dynamics into consideration. There are also some constraints on these so-called elites to make the best decisions. Another criticism is about the issue of democracy. It is assumed that representative democracy depends on the ability of those elites which is subject to manipulation (UPL, 2003).

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<sup>1</sup> <http://www.marxists.org/subject/humanism/mills-c-wright/power-elite.htm> (on 16.08.2006)

### **1.1.3. MARXIST APPROACHES**

Marxist approaches provide one of the richest conceptions of local state. However, there are different and conflicting approaches within the Marxist paradigm. There are for instance those who place great deal of emphasis on the structural factors as well as determining effect of supra-local processes and forces on the local processes and institutions. For others, crucial issue revolves around the actors and their articulation at different scales. Further, some approaches reject an overall conception of the state and therefore local state as in the case of uneven development approach.

Before discussing these approaches, putting the general points of the wide context and content of Marxist theory may be explanatory for the appearance of the mentioned differentiations within the theory. Restricting overall Marxist theory to the Marxist theorization of state, and using the very brief explanations of Jessop (1990), it is possible to say that peculiarity of capitalist state in classical Marxist studies is founded on the specific qualities of capitalism as a mode of production. This shows the use of a method deriving from the practical rather than ideal issues, observed in capitalist societies. Next, the relation between the politic and the economic spheres in Marxist analysis puts the class struggle into the center of processes of capital accumulation being the main space of action. Third, the dialectical relationship among different modes of social realities in Marxist theory makes a possible establishment of relations between the political and economic features of society without reducing one to the other or treating them as totally independent and autonomous. Fourth, Marxist approach does not take the superstructure as a uniform and universal reality, but rather together with the geographical, historical, cultural and other potential differences, in other words, together with the internal dimensions of various social formations. Therefore, it allows such differentiations to effect the forms and functions of the state in capitalist societies. Finally, despite the reductionist character of some theories within wide contexts which highlight some actors, especially the capitalist class, Marxist perspective actually allows influence of non-capitalist classes and non-class forces on the nature of state and exercise of state power (Jessop, 1990).

No matter there are conflicting and various approaches in the Marxist paradigm<sup>2</sup>, all Marxist approaches are common in two fundamental points. First, local state in capitalist societies is a complementary part of the overall state apparatus. Second, the role of the (local) state is to provide the basic preconditions for capital accumulation processes. These preconditions are two sided. On the one side, state provides the legal, infrastructural and economical background for production, and on the other side it sustains the social order through subsidies and intervention to prevent class conflict.

### **1.1.3.1. INSTRUMENTALIST APPROACH**

In an absolute rejection of pluralist as well as institutionalist ideologies, according to instrumentalist approach, power is not diffused among social groups or is not concentrated in those having position in state organization. Power is enjoyed by the dominant class, which is the bourgeoisie in capitalist societies. Essence of their power is founded at their class positions.

According to instrumentalist perspective in general, the state is an instrument of the ruling class. It is directly or indirectly controlled by the capitalist monopolization of political and economic power, with relative autonomy.

Marx and Engels have described the state and its function in the social relations as:

“The executive of the modern State is but a committee for managing the common affairs of the whole bourgeoisie.” (Manifesto of the Communist Party)

The whole bourgeoisie refers not only to the national bourgeoisie, but in the contemporary world, also to international. Global requirements for the capitalist accumulation processes may destroy capitalist interests in one single nation state in order to sustain the whole picture (Barker, 1991).

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<sup>2</sup> Almost all Marxist state theorists agree that Marx and Engels did not develop some systematic analysis of the state. According to Carnoy (1984) driving force of the capitalist societies resided in entrepreneurial production until the 1930s. Thus, it was the private sector economy rather than the state to be the fundamental locus of social change to be analyzed for theorists like Ricardo, Marx, Weber, Durkheim and Marshall.

Cockburn's attempt is an application of the basic determinations of instrumentalist perspective onto local state (UPL, 2003). According to Cockburn, there is no unique feature of local state other than the overall nation state. (Local) state is a direct instrument of capitalist class. Cockburn says that there are conflicting interests of capitalist classes. State, due to its dependency on capitalist accumulation processes, takes care of the overall interest of capitalism. According to UPL (2003) Cockburn is relatively instrumentalist or uses instrumentalist approach in an eclectic way, and comes closer to a structural perspective. Cockburn's study is criticized for ignoring the tension between central and local state and the uni-directional determination from central to local state. It is claimed that if local state was the pure reflection of central state then there would be no tension between the two. However, the relation between the central and the local state shows that there are some internal dynamics which prevent construction of a complete correspondence between them.

### **1.1.3.2. STRUCTURALIST APPROACH**

According to structural perspective the function of state is constrained by mode of production, and the state acts not in total accordance with each and every interest of capitalist class, but rather in accordance with the general and long run interests of capitalism (Chilcote, 1981). Relative autonomy of state comes from the situation that it secures the general interests of capital for sustainable accumulation but is also cautious in protecting particular interests of society as a whole.

According to Poulantzas (in: Jessop, 1990), state is neither conceptualized as a direct subordinate to the logic of capital, nor as a simple instrument of class forces. Through his introduction of terms "structural selectivity" and "constitution of class forces" he comes to a definition of state "as a social relation" which is derived from analytics of power of social forces activating in and through the state (Jessop, 1990). By strategic (or structural) selectivity, function of state to reflect and modify the balance of class forces is highlighted. By constitution of class forces, issues as the self-identification, organization and mobilization of different class forces and interaction on the terrain constituted by the state system are pointed. This relational view focuses on the interaction between state structures and political forces in a dialectical sense. According to Poulantzas, state is not a mere instrument of dominant class but rather the main guarantee for maintaining dominant mode of production. State has ability to reduce cohesion in society (Jessop, 1984; Clark, 1991).

Castells' (1977) studies on urban politics, unlike previous structuralist approaches, attribute some uniqueness to local state. Local in Castells' analysis refers to the moment of reproduction of labor power through a series of processes of mass consumption goods. Local state is the actor responsible for provision of these collective consumption goods. The struggle around the means of reproduction of labor power is peculiar to urban space. Castells define these struggles as 'urban social movements' with distinct features from the traditional class struggle. Traditional inequalities internal to capitalist mode of production which is defined in terms of income inequalities, has widened to another type of inequality which is defined in terms of accessibility to some collective goods such as education, health, transportation, housing services etc. (Castells, 1997) This type of social movements confronts the provider of these services: the local state. In other words, the sides are not defined as the capitalist class and the proletariat in this struggle, although the provision of goods is organized by the capitalist mode of urbanization.

Accordingly, what is peculiar to urban and the local scale is not only in terms of economic and social (re)production processes. Urban politics has also internal dimensions. Local state corresponds to a unique set of social relations. In a wide range from decision making processes to mechanisms of representation, local state has distinct features than central state.

"The political parties that run in national elections are not necessarily the same ones as those that should run in local elections. City politics is not a scaled-down carbon copy of national political patterns or even of the traditional culture of parties". (Castells and Borja, 1997)

Structuralist perspective pays attention to structure – agent correlation in opposition with the uni-directional determinism of instrumentalist view. However structuralism is criticized for paying little attention to differentiations. Castells' theoretical perspective well fits into the welfare state but it is less appropriate for current structure of state and model of service provision.

### **1.1.3.3. UNEVEN DEVELOPMENT THEORY**

Uneven development theory is not a theory of local state but it rather is a criticism towards the homogenizing feature of previous theories and their missing points in understanding

capitalist accumulation processes. According to uneven development theories, capitalism, besides the general inequalities structurally and naturally included in it, also creates geographical inequalities among different spaces. And besides this geographical and structurally built unevenness, there are different internal factors in different localities that create variations. Local conditions such as civil consciousness and political behavior, local economy, gender relations, geographical features, cultural assets etc have significant role in this respect.

Uneven development theories search for the reason of how and why behavioral variations among different local state institutions within a national state system emerge. Some policies, which are nationally standardized, do not result in similar and expected consequences in some localities. For instance the extreme examples such as Red Bologna in Italy, Porto Allegre in Brasil, Fatsa in Turkey are different reactions to national policies at local scale.

At first sight, the explanation seems to be simple. Different local state institutions behave different due to different social, political, economic and geographical contexts. Yet, this determination is not sufficiently explanatory (Duncan, Goodwin and Halford. 1987). According to Marxist theory of uneven development, socio-economic processes create unevenness which is a structural feature of capitalism. This point is crucial for the uneven development theories. Despite the disregard of spatial sphere in most Marxist studies, uneven development theories place spatial sphere at a central position in capitalist accumulation processes.

The homogenous spread of capitalism comes across with contingent affects in different spaces. Pre-existing social and political variations will react in different ways and result in different consequences in different locations. In addition, capitalist development itself creates geographical variation, and not necessarily bounded within nation state borders.

Some empirical studies have shown that political culture, local economy, social consciousness, gender relations and such factors have decisive effects on variations among different local institutions. (Duncan, Goodwin and Halford. 1987)

In case of the British coal miner's strike, in 1984-85, responses of South Yorkshire and South Nottinghamshire were different, although these two cities were 50 miles close to each other. These different responses are explained due to differences in political cultures. While political character of workers in South Yorkshire was oppositional and collective, the latter

was more paternalistic and hierarchical. Actually there are not only the top-down processes that designate variation. Another example has shown that some localities can resist the centrally ordered reforms and propose new forms, and in this way can vary from other localities. In case of Glasgow's shipbuilding industry, engineering workers' strike shook the central state and led to fundamental changes in housing policy in general (Duncan, Goodwin and Halford. 1987).

In a comparative study observing the effects of municipal welfare provisions in three factory towns of Lancashire (Nelson, Preston and Lancaster), it was found that both the strength of the party in power and the strength of women organizations in city are decisive in service provisions. Local Labor Party in Lancaster was weak and paid little attention to municipal welfare issues. In addition majority of women worked at home, and those working outside were employed in small scale and unqualified works. They had insignificant role in local politics. In Preston, women worked in less favored and less paid jobs, but there was active women's movement. Nevertheless, economic power of women was inefficient for political success. In contrast, in case of Nelson, position of women on jobs was more or less at the same level with men. They had crucial role in setting local politics and relatively successful results were achieved (Duncan, Goodwin and Halford, 1987).

These empirical studies show that social and economic context, as well as internal dynamics, have significant role in uneven development patterns in terms of adaptation and resistance to changes. The problem with globalization – localization process which seems to be a homogenizing process, actually requires taking local conditions into account. Slogan of competitive localities, hopefulness in developing linkages with global economy, and freedom from the guardianship of nation-state are all incentives of this homogenizing approach. It is assumed that every locality will enjoy some role in this development. As it is described above, local conditions are various and variable for the supposed role, as well as their varying capacities for adaptation and resistance are.

“Clearly, not all localities will be able to play the same dynamic and successful role. Just as uneven development creates the possibility of some being actively defined and redefined as those where development will take place, so it creates the likelihood (indeed the certainty) that others will be the places bypassed the growth. The notion of “place marketing suggests that all places will be forced to play the same game, but it does not imply that all places will be equally successful. On the contrary, the success of some will imply the failure or stagnation of others (Cochrane, 1995:269).”



Uneven development is not only represented by economic terms. Power relations in different localities also differ. Despite the general belief in the direct relationship between decentralization and democracy, enlarging the autonomy of local government is not sufficient for democratization. Democracy comes from the Greek words of demos (citizen body) and cracy (the rule of) which makes the combination of “the rule of citizen body” and opposed to the rule of aristocracy and monarchy (Dunleavy and O’Leary, 1987: 4). According to Marxist approaches to state, the ruler is not merely the capitalist class, but it has significant hegemony and power over political decisions. The rule of citizen body is not the actual practice where power is not diffused among citizens but rather concentrated in a specific class, such as land owners, land developers, business class and politicians in the city. With these highlighted points (power relations, internal dynamics, contextual relations, spatial variations) uneven development theory points to the fundamental issues for an understanding of local state in under developed regions.

## **1.2. RESTRUCTURING OF STATE AND PUBLIC ADMINISTRATION**

The last 30 years have come along with radical changes in all spheres of social context. These changes are under various theoretical and empirical inquiries seeking to produce explanatory facts, clarify fundamentals of change and determine the possible future consequences. “The shrinking of time and space”, “think global, act local”, “a world without boundaries” are the main slogans of this change.

According to a view, it is the global capitalism and the power of international corporations that reshape the world at each scale. Güler (2005) claims that at the top of these corporations are the World Bank, considered as the “Big Brother”, UNDP, EU, WTO, IMF and other international organizations.

These organizations are the policy-makers for the whole world. Bounded by rules and orders given by these policy-makers, firms and states are not as free as they were once, and can not make policy decisions without considering the international rules taken by international organizations. According to this view, neither the restructuring of nation state, nor the increased importance of local government is derived from their internal dynamics. It is the global capitalism which requires those changes for the survival of its accumulation

processes. The new right ideology, with direct correlation with this process, completes the operation by legitimizing the restructuring model in ideological and political spheres.

This view has shown strong evidences in Turkish case. General goals and aims of national development have been planned by 5-Year Development Plans by the State Institute of Planning since 1963. However, the 9<sup>th</sup> Development Plan has been prepared in a different manner. It has been prepared as the main document of strategies to contribute the process of EU membership. Thus, Planning Period has been determined as a 7-year period of 2007-2013, different than the previous 5-year periodical plans, so that it will be coherent to EU Financial Calendar. In addition, introduction of the new plan to Grand National Assembly has been postponed for one year and was decided to start at 2007, although the paper has been finished by the end of 2005. (Official Gazette, 1 July 2006, volume: 2615)

The politics of scale approach is suspicious for this rigid explanation about direct manipulation of international organizations. Scale politics approach defines the changes claiming that three scales are being rearranged in this period: nation state scale, local scale and global scale<sup>3</sup> (Şengül, 2001; Harvey, 2000).

“A common error of both analytical understanding and political action arises because we all too often lock ourselves into one and only one scale of thinking, treating the differences at that scale as the fundamental line of political cleavage... It erroneously holds that everything is fundamentally determined at the global scale... Different actors and agents often operate (sometimes craftily) across different scales (Harvey, 2000: 79).”

What happens between these three scales is that there are some unique issues contained at each scale at a definite period of time. Each scale and relations between scales are geographically and historically identifiable, though not strictly. In this context, it is the power relations that define the relationship between the scales at definite periods of time. (Şengül, 2001) Nation-state scale was the main scale in global organization of political, economical, social and intellectual realms in the modern world. It was the city scale during the city-state ages etc.

The recent re-scaling of scales then becomes clarified. The mentioned power in one scale at a definite period of time did not disappear, but some part of it is shifted to other scales at the

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<sup>3</sup> Politics of scale is more complicated in methodology as it starts with the body scale and ends up with the global scale. Here, the mentioned three scales are taken into consideration to fit in subject matter.

current period of time. Now, for the last 30 years, global and local scales are in forefront. This front side also resulted in local and global scales to come closer to each other.

### 1.2.1. RESTRUCTURING STATE

The shift from the welfare state to post welfare state is the part of a wide conjectural change. It comprises political, economic, cultural, social, technological and intellectual spheres in a network of distant locations in the world. This change is defined as a paradigm shift from fordism to post-fordism. Stoker draws the main characters of these two paradigms.

Table 1. The Fordist / post-Fordist paradigm

	<b>The Fordist / post-Fordist paradigm</b>	
	<b>Characteristics of Fordism</b>	<b>Signposts to post-Fordism</b>
Leading forms and sites of commodity production	-Mass production of consumer goods -Great industrial regions with associated urban centres	-Growth of small-batch production, computer-aided flexible automation, retailing (demand-led) production, expansion of service sector, high-technology industries -New industrial spaces -Renewal in older urban areas
The use of technology	-Assembly-line techniques -Machine-paced work	-Robotics, computers, new information technology, telecommunications
Dominant form of business organization	-Leading role of large companies -Hierarchical and integrated organization -Management approach: centralized, detailed planning and virtues of scale	-New roles for small businesses. Processes of concentration and decentralization in large firms. Increased use of franchising and subcontracting -Management approach: strategic central control, tactical decentralization
Mode of consumption	-Mass consumption of consumer goods supported through availability of credit and promotion through advertising	-Greater recognition of 'differentiated' consumers -Use of marketing and linking products to specific lifestyles -Consumers more demanding over quality and 'tailoring' of product
Systems of labour organization	-Universalization of wage relation -Organization of labour through routinization of work -Collectivized bargaining -Prominent role for organized, national trade unions	-Increased distinction between 'core' and 'peripheral' workforce -Collectivized bargaining and trade unions weakened -Growth of localized bargaining
State role and activities	-Key role in economic management and welfare support	-Existing economic and social roles challenged -Key role in securing transition

Source: Stoker (1990: 244)

Regulationist theory describes the shift from fordism to post-fordism in relation to some interconnected processes: over production in fordism which disturbed the balance between production and consumption; the employment of unskilled workers and high cost of workers in public service compared to private sector together with the oil prices crisis and stagnation in economies in 1970s which resulted in deindustrialization, factory closures and large scale

unemployment. These crises have led the way to another type of social mechanism called as post-fordism with characters related to high use of technology, flexible production and staffing, decentralization of units, specialization in work and work force with high skilled and specialized workers (Stoker, 1989).

Güler (2005) claims that, restructuring of state is not derived from the internal dimensions of nation states, but from the pressures of international capital. According to similar views, neo-liberal ideology spread and leaded by supranational organizations such as IMF, WB and UNDP. This view opposes the idea that public services will be performed more efficiently and effectively by local governments only if they are released from the intervention and hegemony of central state (Ünsal, 2004).

According to pluralist perspective, following the general ideology of neo-liberalism, power resides in individual members of a community and is expected to be exercised through successful pursuit of individual and collective goals (Mohan and Stokke, 2000: 249). The top-down strategy for institutional reform is therefore not problematic, in that it is the good intention and effort, given start by the central state. In other words, although the way reforms are presented is top-down, it will awaken the already existing power within the social groups and non-governmental organizations to achieve efficiency. Opposing this view stands the Marxist critique. According to this critique, in order to challenge the hegemonic interests within the state and the market, social mobilization and collaboration needs to be formulated in a bottom-up direction (Mohan and Stokke, 2000: 249).

Liberalist view claims that there is also bottom to top demand for the restructuring of state. It is the increase in demand for more democracy where nation state is seen as a barrier. Local state, on the other side, seems to be a more utilizing locus for realization of democracy. In real, most of arguments around local state turn around the direct link between participation opportunity and local government.<sup>4</sup>

According to general view, nation state scale is too small to control and direct the global flows of power, capital, knowledge, wealth and etc, and too big to represent the plural interests of society and cultural identities (Castells, and Borja. 1997). Local scale compared to national scale has two important advantages regarding the nation state and local state. First

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<sup>4</sup> [www.capacity.undp.org](http://www.capacity.undp.org)

is the opportunity for better representativeness which is one of the main claims of liberal thought saying that the closer to human scale the more representation of interests of different groups. Second is about the scope of local state which is claimed to be more flexible and and adaptable to global changes compared to nation state.

However, the crisis of local government is part of a wider context. Local governments in the fordist era played large part of the whole governmental role. In England there had been a fourfold increase in local authority spending between 1930 and 1975. Between 1952 and 1972, at the heydays of welfare state, local full time employees increased by %50, and part-time employees by %200 (Stoker, 1989: 149). In this 20 year period, local governments in England took on responsibilities of most of the public services, including key services such as education and housing. Local authorities were major employers, landowners and resource allocators. After the crisis, which forced nation state to reduce public expenditures, and to tighten local authorities responsibilities, local government has been transformed as the enabling but not direct service providing authority, sharing its responsibilities with a wide range of public, private and voluntary organizations to provide public services (Stoker, 1989; Stewart, 1989).

Stoker and Stewart (1989; 1995) describe the general consequences of British experience in local government reform. Changes have brought fragmentation in and out of local authorities. Elected local authorities had to share their service delivery, regulatory and strategic responsibilities with external actors. Changes also brought competitive tendering as the model of service provision. The responsibility for a service is separated from the act of providing the service. Private sector, voluntary associations and individual entrepreneurs had greater scope for service provision. A business-like management model was replacing the traditional model of administrative service provision, with its ethos of commercialism, and other complementary issue such as business development plan, marketing skills, and disciplined cost centers. The administration part constitutes the space of the second restructuring process which is discussed in the following section.

### **1.2.2. RESTRUCTURING PUBLIC ADMINISTRATION**

“Restructuring public administration is in the agenda of every country through out the world independent of development level of these countries” (DPT 2517 – 535).

The other sphere where the paradigm shift from fordism to post-fordism had direct influence on is public administration discipline and practice. By 1970s, traditional model of public administration began to be criticized and a new paradigm, managerialism, has been introduced to replace it.

Main features of traditional model of public administration are based on principles of bureaucracy illustrated by Max Weber. In a bureaucratic organization, it is the written and documented rules and laws that determine the authority and power. Authority is systematically diffused among hierarchically organized staff who has pre-determined qualifications. Politics and administration are separate spheres. This dichotomy was put as a fundamental issue by Woodrow Wilson. Politicians and bureaucrats were defined in a concrete division of labor scene. In this division of labor, administration was defined as a profession, held by administrators and which is nothing more than the execution of political decisions. Politicians are responsible for policy making processes, and bureaucrats are responsible for execution of these policies. While politicians act in accordance with values and norms, bureaucrats act neutrally. (Üstüner, 2001)

Traditional model of administration is characterized by neutrality of administrators; strict hierarchical model of bureaucracy; permanency and motivation by public interest; execution of political decisions rather than taking and implementing; rigidity; process and procedure orientation rather than outcomes and results orientation of policies and such. In fact, there were always some attempts to revise public administration.

Since 1920s, when the basic principles were formed, there have been considerable changes in theoretical and practical structure of public administration. Frederick Taylor's scientific management theory was one of these revision attempts. Scientific management was based on two main points: one best way of working and controlling of work. The former implies a standardized work. The latter implies accountability and maintenance of predetermined standards. Some other components of this positivist approach are mechanisms such as time and motion studies, wage-incentive systems, and functional organizations.

Taylor's approach provided public administration an industrious organization schema (Hughes, 1998: 34). Human relations theory by Mayo, on the other hand, opposed the scientific management approach. According to Mayo, social context has crucial role in

efficiency of public administration, besides systematic and operational mechanisms. Mayo introduced concepts such as team work, cooperation and supportive social environment into public administration debate as them being the basic human needs in the working environment. Utilizing these concepts would, according to Mayo, increase efficiency and effectiveness of the administration mechanism (Hughes, 1998). These two contributions were associated with the slogan of POSDCORB (Planning, Organizing, Staffing, Directing, Coordinating, Reporting, Budgeting) (Hughes, 1998: 38).

To sum up, there were always attempts to improve public administration within the boundary of basic principles. However, despite the strong and established form of traditional model of public administration, there were severe problems with it. By the 1970s, with the increased importance of concepts such as flexible production, vertical organization and democratization, criticisms were directed towards public administration. It was asserted that:

- hierarchy was not the ideal type for an organization, and bureaucracy was not the ideal type for management.

- the political / administrative separation was not realistic. Practices have shown that, bureaucrats tend to incorporate the political decision making processes. Therefore, politics cannot be separated from administration. The politics/administration dichotomy is broken with the term bureaucratic politician assuming that managers are not outside of the decision making mechanisms. It is argued that, what traditional model of public administration tried to de-politicize was, in fact, naturally political.

- bureaucratic organization was rigid, strict, formally rational and not transparent. Therefore bureaucracy can not contribute to democracy. In addition, it restricts the rapid flow of works because of formalities and procedures which reduce efficiency.

- public choice critique claimed that government bureaucracy restricts freedom of individual. Pluralist nature of society has right to intervene policy making processes and choose the best for its own interest. Therefore, the processes of provision and production of goods and services should take public choice into consideration. In relation to this critique, it was claimed that market intervention is more sensitive to public choice issues with regard to the economical demand-supply logic through which markets operate. (Hughes, 1998)

These critiques in accordance with the propositions of new right ideology and being complementary to the paradigm shift from Keynesian welfare state to Schumpeterian Welfare State, justified the current change in public administration. It was claimed that public administration should recover changes in public sector. Competitiveness is increasing

in both national and international levels. Globalization on the other hand makes a strong national economy necessary as well as a strong international economy worldwide. Therefore, public service and national economies should be re-formed according to global economic competitiveness. Rapid shifts and changes in global and competitive world highlight the need for a competent government. The traditional model is criticized for being too rigid and stable in terms of its adaptability to change (Üstüner, 2001). Stoker draws an essential chart on the shift from traditional public administration to the new management type:

Table 2. New-wave management. The '4' S Model

	<b>'Traditional management'</b>	<b>'New-wave management'</b>
Structures	Bureaucratic Hierarchical Centralized	Small core Broad, flat periphery Decentralized
Systems	Central 'hands-on' control Detailed oversight exercised through multiple tiers	Performance targets Cost centres, tasks and teams Internal markets/trading, 'hands-off' control
Staffing	Large staff corps Fixed, permanent Centralized bargaining	Small core Flexible, large periphery Localized bargaining
Super ordinate culture	Sound administration, legal and financial probity, professional, quantity in service delivery	Flexible management, measuring output, managerial, customer-oriented, quality in service delivery

Source: Stoker (1990: 258)

The new model is based on corresponding characteristics and principles of the post-fordist era. New wave management approach was introduced to replace the traditional model of public administration. It is characterized as:

- a) attention paid to achievement of results and personal responsibility of managers
- b) more flexible organization schemes
- c) clearly set objectives of organization
- d) political intervention and cooperation of the public managers
- e) use of market-based economic means such as contracting-out mechanisms, market tests, performance measurements etc
- f) reducing size and role of government and defining the role of state as 'steering rather than rowing'

Gray (1995), one of the contemporary political liberals, opposes the classical liberal thought which claims that state should be a minimum state. Actually, functions of state which are reduced to protection of rights and upholding of justice are not what were proposed.



Classical liberal theory, according to Gray, advocates the limited government, rather than the minimum state. Limits upon the government ensure the rights to be protected steadily. Because the elected local governments and majorities on power are temporary, basic liberties and property rights may be subject to revision. Within this perspective, Gray claims that minimum liberal requirements may fall into unsatisfying levels. Thus, it is not the minimum size of state but the limitations and constraints on government that guarantee liberal order (Gray, 1995: 71)

Capitalism is becoming more dependent on state subsidies in direct and indirect forms, where the amount of subsidies provided by the state is much larger than the direct and indirect taxes paid by the corporations Carnoy (1984: 246). The same process is declared by the World Bank with no reference to dynamics of capitalism as follows: Minimum size of state does not imply that the state is ineffective. Without an effective state, says The World Bank, sustainable economic and social development is not easy to accomplish (World Bank 1997, in: Günalp and Gür. 2002).

There are some negative unintended consequences concerning accountability of economic efficiency and public ethic with the new public management model. The radical shift from the understanding of public as a group of (local) people to whom public services are delivered on behalf of public good, to an understanding of customers to deliver goods on behalf of themselves has two important negative dimensions. Firstly, the ethos of commercialism does not correspond to public ethic. In some cases public interest can not be measured in economical efficiency. Local society which is defined in terms of citizenship in national and local scale is to be defined as customers in economical terms (DPT 2538 – 554). With the introduction of ‘business values’ into public sector, private sector ethos replaces public good criterion (Harding, 2000). This replacement may result in deprivation of services regarding large poverty groups. Secondly, this shift changes the relationship between the local society and local government. Main role attached to (local) state in the sphere of production with neo-liberal policies is limited to contracting-out. Local government, which is defined as the ‘enabling authority’, is proposed to perform public services not by itself but through private sector. Notion of enabling authority has its roots in the market-based approaches to the delivery of local services.

Main role assigned to local governments in this model is to contract-out the business on to other agencies, namely the private sector initiatives (Cochrane, 1993: 69). The slogan of “let

the one who is best do” requires a well-working control mechanism to be established in local governments. Main claim for this kind of division of power is for achieving economic efficiency.

Walsh (1989) points to recent trend that almost every public service that local authority provides is potential subject for competitive tendering. This trend is due to two initiatives that introduce market disciplines to local government: competitive tendering and internal trading. Trend also seems to establish an ethos of commercialism in the local government behavior. What Walsh has pointed in the late 1980s’ British local government system to realize in the future is on practice today in most countries that local government is being constructed as a set of contracts, a network of internal and external trading.

Belief in efficacy of markets and superiority of market to public sector are the reasons that promoted competitive tendering. Competitive tendering reduces power of local authorities and trade unions. In economical terms, private sector has some advantages over public sector. Accordingly, the first and most expected impact of competitive tendering is that private sector firms will win the contracts. This is because local authorities are not compatible with private sector companies in many cases. In the first round, says Walsh (1989), local authorities are likely to be very successful, because the private sector is not very extensive in the field of public services or is not yet prepared to take on large amounts of public service work that will be put out to tender.

Private sector, characteristically, in aim of reducing production costs, pays lower wages and with worse conditions of employment (Walsh, 1989). Service purchasing and competitive tendering legislation, as occurred in England experience, is intended to have major effect on the power and influence of trade unions. Private sector employs workers with fewer wage compared to local authorities and with less working conditions such as holidays, sick pay, superannuation and bonus payments. (Walsh, 1990)

Problem with contracting-out is that local government is responsible for the control of business. In order to have effective control over the business, local government should ensure that it has skilled and experienced technicians in the subject. Otherwise, the private firm will have a large space of freedom, without necessary control mechanism on it, and result of business may be problematic. In addition, it is not clear who will be the responsible for the service delivery in terms of accountability. According to Walsh (1990: 45), the

separation of client and contractor certainly clarifies roles at one level, but at another it divides accountability. Doing the work, specifying the work and monitoring the work are three main steps of any service delivery, where in case of any failure it is not clear who should be held to account (Walsh, 1990).

To overcome this problem of accountability, local authorities have to clarify their policies and to specify the expected outcomes from the services that they put out to contract (Stewart, 1989). Because of the fact that local authorities are not the providers of the services but the responsible bodies to secure the quality of services, they also need to develop their ability to control and monitor the work of contractor (Stewart, 1989)

### **1.3. LOCAL INSTITUTIONAL CAPACITY**

So far, conjectural changes in the globalizing era with respect to local state and service provision in local state have been discussed. In the following section, local institutional capacity will be discussed on a theoretical basis. The question of whether local government will be successful within this new framework, its new role and meaning will be evaluated in sample case section with regard to this theoretical basis.

#### **1.3.1. SOME DEFINITIONS OF CAPACITY AND DEVELOPMENT**

Institutional capacity development issue is generally recognized as practical rather than theoretical. Concepts used such as capacity, institution, development, enhancement and etc may simply be associated with mechanical or operational regulations. In this thesis, the institution, as the main concern, is local government which is defined as a mode of social relations. Within this perspective, capacity development issue points to a broad area which has direct relationship with societal capacity. Thus, the concept of capacity building does not merely point to practical solutions like training municipal staff, fulfilling the equipment necessary for public works, buying one more computer, employing highly specialized professionals in the municipality etc. What is meant with institutional capacity development requires sophisticated use of concepts and taking relations between the structure and agents into consideration in order to increase the capacity of each agent and the total structure as well.

Actually, promoters of recent radical contextual changes have described core terms related to capacity according to their vision and methodologies. In addition, the vast amount of work, not only reports but also programmes and projects on capacity building, have been prepared in this manner. Definition of capacity according to these actors puts emphasis on the fashionable terms of the last 20 years of neo-liberal thought.

“Capacity is defined as the ability of individuals and organizations or organizational units to perform functions effectively, efficiently and sustainably”. (UNDP, 1997a)

“Capacity development is a concept which is broader than organizational development since it includes an emphasis on the overall system, environment or context within which individuals, organizations and societies operate and interact (and not simply a single organization)”. (UNDP, 1997b)

The most recent definition of UNDP is:

“the ability of individuals, institutions and societies to perform functions, solve problems, and set and achieve objectives in a sustainable manner.”(UNDP, 2006)

Another definition of capacity building puts emphasis on internal dynamics and external processes enhanced by an outsider group. The outsider group improves the lacking functions and abilities of components of the incapable subject (Brown, LaFond, and Macintyre, 2001).

Besides the very commonly accepted definitions of capacity building produced by UNDP, there are other definitions by some international non-governmental organizations working in field of institutional development such as Capacity.org. Capacity.org is an organization set up by European Centre for Development Policy Management (ECDPM) as a tool for researchers in subject matter, using a website and newsletter.<sup>5</sup> There are numerous similar definitions of the term capacity made by this organization which commonly take the problem in a comprehensive sense, but in all cases emphasizing on participation and joint action.

“Institutional development is a process aiming to strengthen the capacity of societies. Institutional development does not only focus on (project) organizations, but also on the political, social, economic, legal and cultural structure determining the function of organizations. Institutional development does not only concern government, but also private sector and civil society (Nwobodo).”

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<sup>5</sup> Website: [www.capacity.org](http://www.capacity.org). The organization publishes the newsletter called Capacity.org.

It is common in most studies made by Capacity.org that capacity development should begin with capabilities of individuals, but it was highlighted that this is not sufficient. Specific development strategies like equipping staff with skills and knowledge should be articulated with the development of organizational structure, effective business processes, and functioning systems (Teskey)

Decentralization is not just an organizational movement where some roles and functions of one organization (the central state) are transmitted to another organization (the local state). Despite the fact that Marxist approach to state does not generate practical solutions on the capacity building problem, its enormous effect on the subject is the emphasis on conceptualization of the (local) state as a set of relations. State is neither a neutral object of social interests nor a single organization. As being a set of social relations, (local) state and the capacity building scenario drawn on it, would require putting equal emphasis on organizational, social and economic capacity building processes. These three dimensions are in relation with each other to the extent that any transformation or effect on one of these will create some kind of direct or indirect effect on the other. Structure of social organizations requires a more relational approach both for the understanding of and changing it. If capacity development can be understood as a change in structure, and as a progress, then the process of change will include relational dimensions.

### **1.3.2. THE QUESTION OF INSTITUTIONAL CAPACITY**

“Within a conjectural frame identified with radical changes in economic and social realms, together with the changing structure of the state, the issues of capacity building and learning have come to the forefront of policy concerns as key points to secure long-term changes (De Magalhaes, 2004: 35).”

Central governments almost all over the world are devolving some critical responsibilities of them to local governments. In addition, these responsibilities are decentralized with pre-condition of establishing mechanisms for participation and collaboration with non-governmental bodies, particularly the private sector<sup>6</sup>. This decentralization movement, nevertheless, has put in practice without the necessary infrastructural conditions are established, especially for under developed regions. In each and every country experiencing

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<sup>6</sup> World Bank, frankly speaking, declares who are devolved power through decentralization are lower-level governments and the private sector (World Bank, 1998)

decentralization, principles of the movement is homogenized through out the country, which results in ignoring uneven development patterns and unique features of different localities.

It is not questioned enough before the implementation of decentralization acts whether capacities of local governments are competent with the attached responsibilities. It is also not questioned whether devolution of responsibilities will result in equally successful consequences in every local formation. Furthermore, it is not questioned whether local governments are capable of dealing with their current few responsibilities. Decentralization has been served to local governments with heroic stories and attractive words. The complexity of the process and readiness of underdeveloped localities especially in underdeveloped countries seem to bring greater problems than in the past with this decentralization act.

Decentralization process does not only define a new relation between the nation and local scales. It also defines a relation with another scale which is the global scale. Castells and Borja (1993) are in this respect cautious for the unquestioned acquiescence of decentralization. Although they do not directly call municipalities when they refer to local institutions, for the current phase, municipalities<sup>7</sup> are subject to cautious behavior in this wide relationship. What is proposed to overcome the problems is the institutional capacity building and cooperation.

“It is true that ill-conceived localism may lead to excessive, destructive competition between various places and regions. Yet, it is also to be hoped that cities and regions will be able to build networks in cooperation and solidarity with each other in order to negotiate constructively with companies with a view to reaching agreements of mutual interest... the potential of the local governments to be agile forms for managing the global, with the cooperation of their guardian institutions at the national and international level, can be developed through enhancing the skills of their staff, modernizing their management technology, and increasing their financial resources, and their areas of authority (Castells and Borja, 1993: 6).”

Castells and Borja’s analysis of global trends in urban management, in general, corresponds to large cities, where technological capacities, linkages to global economy, resource generation opportunities are at high level. Intervention of national guardians as well as

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<sup>7</sup> The broad conceptualization of urban in Castells and Borja’s analysis downplays the role of municipalities in the contemporary mode of administrative units. Municipality is described as being dominated at best by disinformation and bureaucracy, and at worst by local bigwigs and corruption (pp: 6). This view is so similar to Engels’(1992: 69) description of local governments (municipalities) as the locus of corruption, clientelism, and deception.

international guardians, therefore, is valid for few localities in underdeveloped countries. The perception and proposition above, beside its emphasis on capacity building, highlights the problems which are inherent to the existing situation.

First of all, there needs to be some sort of social capital in the regional scale which can disregard the individual interests in the short run and look for better development opportunities for society in the long run. Building networks for mutual interests is an opportunity, but the notion of competitive localities challenges mutual trust. It is reflected to local politics in the same level of conflict, which pluralist view ignores. Actually a harder competition is expected among different localities in global scale, as well as among different power groups in the city.

Second highlighted problem is the local differences related to capacities and resource generation abilities of localities. In actual relations, despite the proposal that regional disparities and inequalities are going to be lessened, developed regions are still promoted to become more compatible in global scale. This promotion of already developed localities may result in worse decline of already underdeveloped localities.

Peculiar to developing countries, governments play important roles in securing economic sustainability. A recent comparative study in search for the relation between the government size and economic growth and performance in developing countries<sup>8</sup> has found that, there is positive association between the size of government and economic growth (Güenalp and Gür. 2002). The reasons for this positive association are summarized as:

- greater vulnerability of developing countries to any external shock and crisis
- unequal income distribution and high rates of poverty shakes higher percentage of population
- imperfect information and greater incidence of monopolistic practices result in unexpected market failures
- lack of appropriate incentives for private sector to operate in terms of competitive advantage, regulatory framework and judicial system.

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<sup>8</sup> The research was composed of 34 middle income level developing countries in Asia, Latin America and Africa, including Turkey

World Bank is one of the main actors and promoters of the contemporary decentralization movement. Just like UNDP, World Bank has developed a huge literature on subject matter, being aware of the problem with local institutional capacity and the possibility of unintended consequences. However, dynamics of uneven development and the contextual peculiarities of developing countries in comparison with industrial countries is an obstacle on appropriate policies to be developed. The need for different and coherent policy proposals are in World Bank's agenda for a few years.

“Much of the literature on decentralization, normative and empirical, is based on industrial countries. Developing nations, however, have very different institutional frameworks. Given that the World Bank's work is exclusively in developing countries, it must carefully consider what unintended consequences these institutional differences might have on decentralization policies and what the implications are for project design and policy dialogue (World Bank, 1998).”

UNDP and World Bank are aware of the problem of institutional capacity in developing countries. However, the problem is described as internal to these developing countries, and not in relation with the wider dynamics of capitalism. Thus, any proposal and advice introduced by these supra national organizations fell into empiricism and is limited to technical solutions. In its recent studies, UNDP (2006) admits that capacity building is the work of a wider approach. The most recent studies of UNDP are based on systems approach.

The next section will discuss the most early and recent approaches to the question of capacity development. Issues subjected to capacity development in this section will provide the basis on which a capacity analysis and evaluation will be built on.

### **1.3.3. APPROACHES IN INSTITUTIONAL CAPACITY DEVELOPMENT**

Approaches to be discussed in this section are defined according to their intervention logics on local capacity development issue. This section attempts to categorize these proposals according to their emphasis. Morgan<sup>9</sup>, a UNDP consultant, describes four approaches in capacity building issue: technical and organizational approach, the systems and network approach, the social approach and the political approach.

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<sup>9</sup> <http://www.gdrc.org/uem/undp-capacity.html> (article with title: Background Paper on Capacity Development and Public Private Partnerships)



- Technical and organizational approach sees the organization as a self sufficient structure. Method of this approach is to break the organization down into its components and improve particular themes. It is supposed that this way the overall performance will be increased. Most of the recommendations within this approach deal with developing staff capacity through technical assistance and training, financial strengthening and strategic planning.
- Systems and networking approach has been developed by the 1980s. It is claimed that governments could not afford to monopolize public services, because new actors, who are more effective in public service delivery have emerged. In addition, external and contextual dynamics have effects on performance of an organization. This approach came up with the idea that capacity development should include construction of networks, and coordination among different bodies such as NGOs, private sector agencies, research institutes, international organizations etc. This approach is criticized in that collaboration and coordination of these bodies is difficult in case of absence of hierarchy. In addition, generally the network between public and private sector is well constructed but linkages with non governmental organizations are still to be developed.
- Social approach puts emphasis on social values, attitudes and behavior. It assumes that a social network is possible at local community level, which may have more influence on the capacity and performance of an organization than technical issues. One of the fundamental concepts highlighted in this approach is the social capital.
- Political approach pays attention to the power of various organizations to question and make pressure on the governmental organization to respond their needs. However, it seems a long term project that first of all a political change in the state and society is needed to generate these implications.

Morgan does not describe in his article from what practices and samples these categories are derived. In addition, many recent studies are very comprehensive and dealing with many dimensions of the issue. In this thesis another type of categorization is built on these theoretical, practical and conceptual studies. For instance, what is called as networking approach, almost in all cases includes the notion of social capital even if private sector is considered. The starting point of introducing categories below in this section is practical studies in capacity assessment:

- 1- Systems approach, which is promoted by the same promoters of contemporary mode of decentralization, draws the action chart on three interrelated levels: enabling environment, the organization and the individual.

- 2- Networking approach which is based on learning through networking and linkages among different actors.
- 3- Intra organizational approach, whose roots are found in the Weberian approach, puts emphasis on the internal and technical structure of an organization.
- 4- Results oriented approach, which focuses on outputs of organizations in capacity analysis
- 5- The relational approach, on the other hand, provides a criticism of the previous approaches and pays attention to local processes and different dimensions of the problem.

### **1.3.3.1. SYSTEMS APPROACH**

Many countries are under influence of world wide structural changes. Local governments are key actors in this process. Countries in order to adapt these changes and articulate with the global economies have restructured their general politics, economies and models of administration. Restructuring schemas are drawn upon proposals of and agreements with international organizations such as IMF, World Bank and UNDP. These proposals and agreements determine the way that local governments, as well as other components of the nation-state formations in developing countries, can increase their capacity. Systems approach, in the very early studies, was based upon these pre-determined aims and strategies to be implemented (UNDP, 1996). According to this approach, low capacity of local state can be increased by changing its structural components in accordance with the national development goals which are identified by the National Development Programmes proposed by International Organizations, recently on the Millennium Development Goals.

Development goals are the main strategies to catch up with advanced countries in terms of economical and societal level. This top-down approach claims that to generate capacity development, local governments should reshape their organizational structures in accordance with the pre-determined goals. The development programmes identify standard indexes and criteria of development for nation-state wide local governments.

Systems approach to capacity development is developed in the most recent studies of UNDP (2006). Accordingly, governmental organizations at each level, central, regional and local, have no monopolistic power and ability to perform public services. Changing role of state and plurality of actors in society require a networking and collaboration for policy making processes and provision of public services. Main actors in this manner are NGOs in policy

making processes and private sector in service provision processes. In order to increase capacity according to this approach, external and internal factors to influence capacity of any organization should be taken into consideration under the umbrella of the broad context.

UNDP's capacity assessment strategy has three dimensions: points of entry, core issues and cross cutting functional capacities. Points of entry are the levels that capacity resides on. There are three levels in this manner. First is the enabling environment or the broad system in other words, second is the organization level and third is the individual level. Core issues are the fields subject to development strategies: leadership, policy and legal framework, accountability, public engagement, human resources, financial resources, physical resources and environmental resources. Cross-cutting functional capacities address to Capacity Building Process. First step is the engagement of partners and building of consensus, second step is the analysis of existing situation, identification of inadequacies and creation of future vision, third step is formulation of capacity development strategies, fourth step is the implementation of strategies and final step monitoring and evaluation processes, and re-starting with the first step (UNDP, 2006).

Systems approach was criticized for disregarding internal factors and inequalities of different regions. Standard development paths may not fit in every social formation. Most of development programmes and capacity building strategies were built on systems approach, and thus could not succeed sufficiently (ADB, 2006). Recently, UNDP has changed its strategy built a more comprehensive framework for capacity development. Despite it is still an adaptation strategy, it pays some attention on internal dynamics of different localities.

Emphasis of systems approach on the relationships between different levels and among components nevertheless does not go beyond determination of an existing relation. Systems approach separates the components of a system from each other, then applies capacity development projects on each one, and lastly re-combines these components in the same system. This mechanical operation may not be coherent in many aspects that some social processes, which are highly ignored in systems approach, may not be improved rapidly (North, 1992).

In addition, any point about unequal geographical development is not inherent to systems approach. Unequal development in systems approach is only taken into consideration at global level, defining strategies for developing countries. Uneven development within

developing countries is examined in a very limited sense. Most case studies are separated from their domestic nation-state scale and studied separately or in comparison with local governments in other developing or developed countries.

### **1.3.3.2. NETWORKING APPROACH**

Capacity building projects in networking approach have two dimensions to build network: Public and private sector linkages in provision of public services, and community networks in decision making processes.

It is claimed that local governments do not have enough capabilities to tackle with urban issues in contemporary world. Especially in terms of service provision, private sector has become more efficient than public sector (UNDP, 1996). Networking approach puts emphasis on social capital and the utilitarian function of external components in developing the capacity of local government. External components constitute the overall schema of governance, consisting of public and private bodies outside the governmental organization, civil society and the central state organization. Practical concerns of networking approach are sorts of local government capacity development programmes and plans which focus on collaboration and partnership issues.

Role of the state in the new context is to reduce conflict among different groups and sectors in the society and coordinate these activists to perform their actions. Local capacity, in this manner, is related to the capacity of local government to manage relationships and interactions between public and private bodies. At this point, social capital appears as a crucial concept. This point of emphasis is found in vast amount of programmes operated and documents prepared by UNDP, WB and other similar international organizations.

The term “social capital” has been introduced into literature together with the rise of participation paradigm. It is both a result and means of participation. That means, existence of some high level of social capital is a great opportunity for active and efficient participation, and that, participation practices support the growth of social capital. Social capital refers to “features of social organization, such as networks, norms, and trust that facilitate coordination and cooperation for mutual benefit” (by Putnam, cited in Mohan and Stokke, 2000: 255). Social capital is well associated with local and regional scale, at

communal level. It is one of the factors that explain different degrees of success in response to the macro-policy environment (Mohan and Stokke, 2000) where the growth and democratization are directly related to level of social capital.

Social capital theory is built on the importance of relations and communication networks in the society. Membership in communication networks and common values are core terms in social capital discussions (Field, 2006). Successful response to democratization and creation of a civil society is highly dependent on the existing civic traditional patterns in a society (Field, 2006). Putnam has come to this determinism through a long term empirical and comparative analysis of North and South Regional Governments in Italy. Despite the homogenous institutional and organizational structure of local governments throughout the whole Italy, Putnam says that there is a gap between the success levels of regional governments. This gap is described in relation with historical and regional patterns of each locality. Putnam's study starts with asking the possible reasons for different success levels of realizing democracy. He introduces some indicators to find out the relationship between the performance of governmental institutions and affects of civic tradition. One sort of indicators are related to political behavior of civil society. He found out that in North Italy people had higher level of participation and interest in politics, and higher level of associability in social or private organizations. Another sort of indicators is related to satisfaction of society with government and of actors within government. Putnam requested from the governments the same kind of information and observed how long it took to get the response. The Northern regional governments have responded earlier than in Southern governments. The satisfaction level of people from the government in the North was higher than those in the South.

Putnam also asked the satisfaction level of actors in governments and found the same higher level of satisfaction in Northern governments. Putnam looked back to the historical evolution of these localities, and found out that South Italy has long time experienced 'amoral familism' which is described as patron-client type and authoritarian relations. North Italy, on the other hand has enjoyed more participatory, egalitarian and democratic practices. This historical context has influence on success level of institutions as they are historically shaped and path dependent. At this point, Putnam puts emphasis on the utilizing function of social capital.

Putnam is criticized for falling into cultural determinism and ambiguity (Field, 2006) However, his emphasis on social engagement, trust and reciprocity are significant in understanding social relations.

Generally, social capital arguments rely on the pre-supposition that in each and every situation, harmony is available among different social groups. Social capital is not the only essence for social agreement. Different groups in the society have different and even conflicting interests. According to Castells (1997), “agreement is only possible for agreeable interests”. Taking social capital as absolute good for social agreement may not result in progressive outcomes ever. In addition, it is not easy for practical operation of participation, no matter how developed participation techniques are in progress, where local society has not developed some level of social capital.

Competition among localities in global economy requires these localities to integrate and restructure their local societies accordingly. Restructuring includes democratized political mechanisms based on administrative decentralization and participation of citizens in municipal management (Castells and Borja, 1997). Such a restructuring necessitates a nucleus of social capital. Social capital is a critical issue in this sense that the traditional behavior within a territorial unity can resist to or utilize such social changes.

Within the general framework of neo-liberal decentralization programme where economic development and social justice is supposed to be obtained, it is disregarded that especially in underdeveloped countries and less developed regions in any country, local opportunities, together with organizational capacity of civil society, are not well developed (Ünsal, 2004). In other words, there is the lack of social capital in these disadvantageous localities.

The findings of Putnam in Italian case, in this respect, seem to be valid or potential in many localities. While some localities may enjoy democratization through their capitalized practices of participation and social trust, some may fail.

Literature on social capital is too fresh yet and needs to be developed in more sophisticated analyses. Arguments around the term are also not critical. It is taken for granted in most studies as an asset which leads to promotion of voluntarist actions in society to develop social capital. Mohan and Stokke (2000: 255) show some basic necessary connections to be set up for issues of class, gender, ethnicity, power and social capital. Problem with social

capital is about methodology that, unless these connections are set the term will stay ambiguous and out of measurement.

Social capital discourse is also weak in the sense that it takes social capital as an internal factor constituting a community. This view ignores the role of different factors and actors, such as state, local power groups and etc in developing, enabling or destroying social capital (Mohan and Stokke, 2000). According to some view, social capital theory is a reactionary discussion and is open to further researches. It is considered to be a reaction through the excessive individualist politics of neo-liberal governments of early 1980s (Field, 2006). However, it is no danger to pronounce the agreed view that, social capital, in the general sense, is a key factor for local social development to be improved.

There is a general tendency in understanding of social capital as an affirmative resource in societies. According to Field, there may be some negative consequences and impacts of social capital. There is the probability that social capital may consolidate inequalities in the society. This inequality results from the unequal opportunities to reach different networks (Field, 2000). There may also some anti-social behaviors emerge in case of some social groups exclude others from their social network or these social groups act in accordance with their specific common goals other than general and common goals of the whole society. Shortly social capital and capacity development through networks is a multi dimensional problem.

Recently, there emerged a great amount of studies and projects in the field of capacity building which put emphasis on networks and mechanisms of collaboration between public, private and community actors. These studies and projects are mostly proposed by UNDP, World Bank and other international organizations who are the leader promoters of current decentralization acts and policies. Almost all of these studies focus on local governments in developing countries. Having roots in the same ideological background and being promoted by the same actors of local government reforms, capacity development is assumed to be achieved by project management formula. The projects for institutional capacity mentioned below provide supplementary actions in the process of transformation from administration to managerialism, with concrete studies in contracting-out issues, skills management, disciplined budgeting techniques, project management and strategic planning, which are in a way means of reproduction of the proposed ideological framework.

Capacity Development through developing networks has been in the agenda of UNDP and World Bank for a long time. The first interests in the issue were on national scale, such as the Capacity 21<sup>10</sup> programme, to help increase capacity through participatory processes especially in sustainable environmental management. It was the whole public sector in this concern to be developed. Local institutional capacity building on the other hand is a new context, but very related to the first interest area. Transformation of traditional nation state and its role in developing countries into post-fordist state has been realized by the policies of UNDP, EU, World Bank and other international organizations under the facet of a kind of national capacity building. The second interest area, the local scale, is recently under research. Various studies and reports on capacity building have created a mass of literature on the subject. However, these studies are homogenous in terms of methodology, ideology, terminology and activity.

One of the very recent documents on the issue was prepared by the UNDP following the World Summit 2005 where all developing countries made an agreement on Millennium Development Goals. Final output is the activation document titled Capacity 2015. Capacity 2015 is the reviewed version of Capacity 21 programme<sup>11</sup>. Capacity 2015 focuses on creation of partnership links between the local as well as global bodies, on knowledge sharing, on networking and on public advisory support. The subject is not prepared specifically for strengthening local government, but rather for development at community level in a more comprehensive manner. Related concern with the local government is the objective to facilitate capacity investments through a series of activities:

- strengthening capacities of local administrations to provide proper monitoring and oversight of local procurement and service delivery
- training of local public servants, municipal and district councils on strategies, institutional and legal frameworks to support informal sector, income generating activities and access to credit
- facilitating local level coordination mechanisms for integrated planning, management and service delivery

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<sup>10</sup> UNDP (1995) Capacity 21 Monitoring and Reporting Strategy. New York.

<sup>11</sup> <http://www.capacity.undp.org>



Another strategy within this approach is the use of consultancy and professional support to local governments. International Centre For Municipal Development<sup>12</sup> is a typical organization to help this sort of support. The aim of this organization is to help local governments around the world to develop their capacity to deliver basic services, promote economic growth and encourage participation. According to proposed actions, municipalities are comprised of two entities: municipal government and community. As well as these two, there are external constraints and opportunities such as national and international rules and regulations. Strategy of the centre is to provide links between the community and municipal government, and between public and private sectors to become competitive cities in global competition.

Competitive regions require some factors to be developed. Castells and Borja (1997) point to three factors in this respect: connectivity, innovation and institutional flexibility. Increasing connectivity provides the city being linked to circuits of communication, telecommunication and information systems in upper scales. Innovation capacity provides the city with obtaining and processing strategic information and generating new knowledge so becoming advantageous over other competitors. Increased institutional flexibility, on the other hand, provides the ability to get articulated with supra local spheres. In addition, another requirement to fulfill the frame is to integrate and structure local society through democratized political mechanisms, based on administrative decentralization and participation of citizens in municipal management.

Technology and knowledge capacity are key factors in macro-economies. Traditional types of partnership networks and diffusion of knowledge are claimed to be out of date in all reports related to issue. Thus, collective action is proposed to help activate participation of actors in all kinds of institutional positions, as well as actors out of the institutions. These linkages in addition are not only at the local level. According to Castells and Borja (1997) cities in order to be productive and successful should be well connected to the regional, national and global networks, in terms of communication, telecommunication and information. By the innovation factor, the capacity to generate new knowledge and obtain information especially for economic activity is implied. In order to achieve this capacity, cities should have adequate and qualified human resources. Internal flexibility, on the other hand, is the internal capacity and external autonomy of local institutions in the process of

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<sup>12</sup> [www.fcm.ca](http://www.fcm.ca) ; <http://www.icmd-cidm.ca/>

negotiation with companies and institutions that operate in supra-local spheres (Castells and Borja, 1997).

Another dimension which networking approach puts emphasis is the workplace relations. This dimension has not been developed in a comprehensive manner yet, however it is possible to define some key aspects. Workplace relations have influence on overall performance and success of professional departments. It is claimed that vertical hierarchy and bureaucratic relations prevent good communication opportunities.

“The senior positions in departments have been held by those drawn from the dominant professions in that department and professional boundaries have been the basis on which departmental territories have been defended. Professionalism has brought the strengths of expertise, commitment and accepted standards but it has meant that concerns of expertise and knowledge beyond the profession have lacked access or leverage (Stewart, 1989: 174).”

Stewart (1989) notes that local authorities in the post-fordist era are becoming more fragmented both as local authority in general and the single organizations of local authority specifically. The problems in different units may be easy to overcome through incremental operations, but as local government becomes a series of separate units having particular tasks in the process, the overall effect may be critical. Critical points of failure are in a wide range from losing a community perspective, blocking its means of learning, missing flexibility and adaptability, weakening of public accountability and abandoning public ethic (Stewart, 1989: 179).

In the traditional form of public administration, generally due to bureaucratic organization, common work practices and internal communication networks are not developed within the institutions. The communication gaps among different units, inter-personal relations and conflicts among local managers and politicians affect the performance of the institution. Thus, communicative development within the institution is a crucial issue. Mostly, legal frameworks of institutions create conflict and their areas of action are intersected. It is the Networking Approach that pays attention to communication skills among different actors and bodies. Yet, it does not take actors, other than subject of capacity development, into consideration. Internal dynamics of these actors are also critical for the possibility of constructing networks.

### 1.3.3.3. INTRA ORGANIZATIONAL APPROACH

Intra organizational approach focuses on the internal components of local government institution. Problem of capacity development is defined in relation with poor organizational structure and low staff skills. Capacity development issue in this perspective includes use of high technology, reduced bureaucratic procedures, reduced formalities, high quality human resources, high quality physical resources and adequate financial resources.

According to Municipal Development Program (MDP) which was launched in 1991 with support and agency of World Bank, capacity problem in municipalities is a result of social and economic development. It was asserted that:

“While there continue to be numerous initiatives, often NGO-sponsored, those seek the direct involvement of people at the local level as prime initiators, actors and beneficiaries; these tend to be heavily dependent on external funding and do not, for the most part, address the issue of local government capacity”<sup>13</sup>

Suggestion of the Program is to provide financial support, consultancy, workshops on various issues and personnel training. According to Program, an advocacy strategy on financial, fiscal, legal and political aspects of decentralization helps in understanding the relationship between local and central government, and building analytic capacity. Training strategy which is drawn on workshops and seminars provides technical competency with practical issues. Direct financial support is necessary because of the insufficient resources of local governments. In addition, associations of local authorities have to be strengthened.

Silva draws a chart for organizational capacity based on resource management, shown below. It is proposed that resources and management skills are the priory addresses for capacity development activities.

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<sup>13</sup> [www.worldbank.org/afr/findings/english/find15.htm](http://www.worldbank.org/afr/findings/english/find15.htm) (on 10.05.2006)

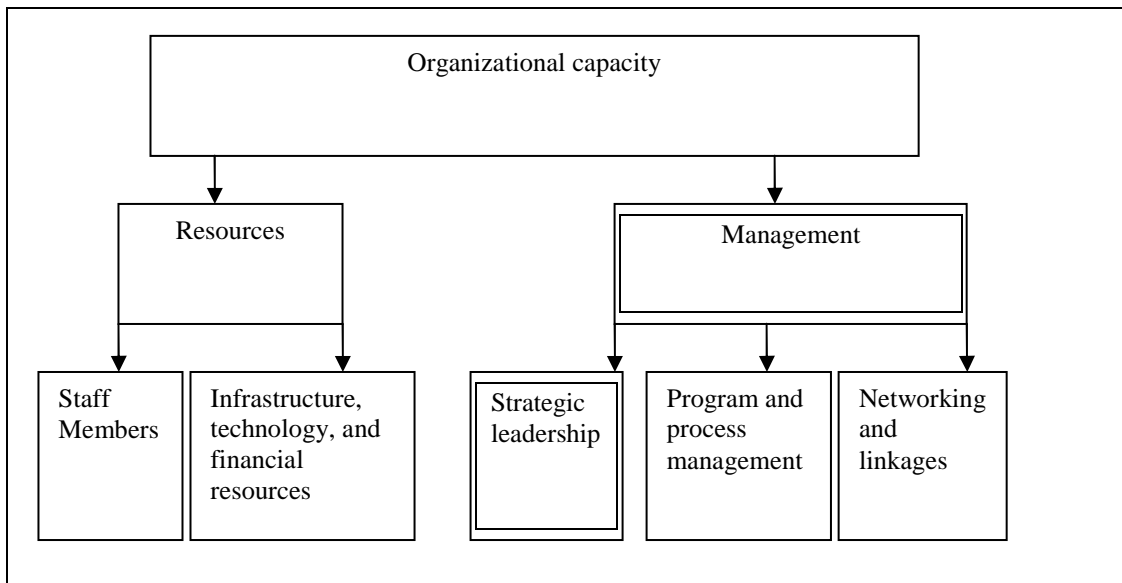


Figure 1. Components of an Organization's Total Capacity

The new role attached to state by the public administration model requires detaching from production sphere and operating in regulation and control of market forces. The type of production activities left to local governments in this process is possible through privatization of public works. Local government itself is also considered as an identical firm-type organization. So, local governments are expected to adapt a managerial manner. The shift from administration to management is one dimension of this new role. It is supposed that local governments which improve themselves on management skills will be successful.

Management skills to be developed are related to project management capabilities and adaptation to project based work planning. What is critical for local managers in this shift from traditional type of government to a business-like model is that, local managers are actually not aware of what is happening. They are told that reform will bring power and responsibility, as well as financial resources. In fact, power and responsibilities are removed from local governments, and redistributed to other private agencies (Cochrane, 1993).

In case of municipalities, Mayor, Municipal Council and Head Officers in Municipality are the key actors of strategic leadership who make decisions and at the final stage determine the vision of local government. Of course, the capacity of these key actors, alone, is not sufficient, because they need competent technical personnel and sufficient amount of labor power to execute decisions and realize "the vision" through municipal activities. Although capacities of these actors are vital for a high performance municipality, they are not totally

free to use their capacities. At the top comes the restriction bounding the mayor. Municipalities are political organizations which are governed by members of political parties and independent politicians. Other than political constraints, they need to improve leadership skills and management capabilities.

The organization of extended state requires highly specialized expertise of occupational groups. This necessity for developing organization and staff formation of state has three main reasons. Firstly, the emphasis on “learning on the job” in classical public administration model is replaced by the emphasis on the substitution of technically skilled staff. Secondly, the consciousness of consumers has risen and gained a legitimate position to question actions and behaviors of professionals and technocrats. Thirdly, specialization enables the professionals to add themselves more powers (Dunleavy and O’Leary, 1981).

Some UNDP studies in intra-organizational approach have described three components of good urban management: institutional development, organizational development and human resources development (UNDP, 1999). The first refers to review and redistribution of roles and responsibilities of different levels of government to improve operations. Second refers to effective and efficient internal organizational building. Last refers to improvement of skills and knowledge of staff in the institution (UNDP, 2006). Effective, efficient and frequent performance of public administration is initially dependent on the existence of qualified personnel and the improvement of these personnel to catch up the recent changes in the world frame (DPT 2507 – 527).

Another kind of study on capacity building held by UNDP was based on operational view. Mizrahi’s (2004) study attempts to identify the indicators of capacity and capacity enhancement<sup>14</sup>. Having produced one of the most contributory materials in UNDP literature on capacity development, Mizrahi criticizes that much of the previous literature and studies have failed because they were not operational, due to the lack of appropriate indicators.

Measuring capacity and development level is a difficult business. Mizrahi describes three difficulties in measuring capacity enhancements. These difficulties are also related to the

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<sup>14</sup> Mizrahi uses the term enhancement instead of development, building and strengthening. Capacity is a more conceptual term involving more than strengthening skills and abilities. Mizrahi makes emphasis on the time dimension in capacity development processes and claims that the term enhancement involves being operational along a low to high capacity continuum during a period.

difference between performance measurement and capacity measurement. First of all, capacity enhancement is a process rather than an outcome. Different responses may be given to the same capacity enhancement projects in different localities. This view takes different levels of existing capacity and different factors affecting capacity into consideration. Secondly, some components of capacity are qualitative in nature, such as learning, adaptation level and etc. Lastly, capacity and performance are not synonymous in that high capacity may not always produce high performance. Thus, performance indicators, generally used in the same manner with capacity indicators, are not appropriate for the field of capacity. For instance, personnel of an organization may have high qualified skills but cannot reveal that capacity, so shows low performance. Performance measurement looks at the final outputs, but there is need for some further analysis of the actions in order to understand what aspects of capacity are responsible for high or low performances.

In accordance with the time-related nature of capacity building, there is emphasis on sustainability and process monitoring. The most used method in capacity building, in terms of developing staff skills is the technical assistance and training. Despite the initial positive impact on performance results, as soon as the funding of technical assistance ends, performance indicators may deteriorate (Mizrahi, 2004). In that complexity of capacity enhancement process, there are three dimensions of operational (technical) capacity building. One is the functional capacity at the individual level, other is the organizational capacity of bureaucracies, and the last is the fiscal capacity of institutions (Mizrahi, 2004). There are also key actors having important role in capacity building processes.

“... a necessary precondition for enhancing the capacity of governments, public or private organizations, or firms, is the willingness and commitment of key actors within this institutions... An organization may have the technical capacity to accomplish a particular task, yet without a strong commitment of this organization’s leadership, this organization may lack the adequate resources...(Mizrahi, 2004: 6).”

Besides the theoretical and empirical studies on the issue, there is one marginal and even radical attempt, which introduced a computer aided capacity building program (CAPBUILD). Glovinsky (1994), an expert in UNDP, had prepared a software program built on related qualitative and quantitative variables such as factors, techniques, constraints, principles, themes, objects and components of institutions. CAPBUILD was designed to work on a simple operating system. Hopkins (1994) claims that CAPBUILD is not only practical but also it is flexible, country-specific and relevant to future technology.

Being one of the very early recognitions of capacity development problem, intra-organizational approach pays limited attention to external processes and networks. Morgan<sup>15</sup> criticizes intra organizational approach and its practices as being inductive in the sense that local government is seen as a self-sufficient mechanism. Solutions provided in this perspective are staff training, technical assistance, administrative development, total quality management, performance measurement etc. which are some kind of work for organizational engineering. However, local government is not that kind of a mechanical structure.

It is possible to criticize this view in the sense that despite its relatively complicated understanding of capacity, what is missing in this analysis is that, like all other institutionalist views, it takes the organization distinct from the society. Practices of this view would possibly promote skills development for professionals to better understand the nature of society through a series of activities, but actors in society in relation with the institution have enormous affect on the performance and capacity of institutions.

#### **1.3.3.4. RESULTS ORIENTED APPROACH**

Starting with a critical position, Results Oriented Approach (abbreviated in original texts as ROACH) claims that most of the capacity development projects were not able to achieve the desired and needed outputs (Boesen and Therkildsen, 2005). The reason for this failure is the fact that what is needed and desired was not identified. Distinctive character of ROACH from other studies in systems approach is at this point. While capacity development studies of UNDP and World Bank focus on people, institutions and societies to perform functions, solve problems, and set and achieve objectives; ROACH pays attention to abilities of organizations (networks of organizations and individual units of organizations) to produce appropriate outputs. Focusing on outputs provides identification of target groups who are subjects of capacity development, and are under effects of relevant contextual factors. According to ROACH, organizations are not close systems. Contextual factors provide the drivers and constraints of capacity change. Therefore it is not just the internal factors that determine an organizations capacity. An analysis of organizational capacity should also articulate with contextual factors.

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<sup>15</sup> <http://www.gdrc.org/uem/capacity.html>

According to this approach, any change in outputs may be considered as an effect of capacity change. It is claimed that a result oriented approach does not rely simply on performance issues. In addition, what is meant with output targets does not correspond to narrow and ambitious results. This is due to the fact that although outputs of a unit in a totality may be successful, the overall output may not be. In such situations, individual actors having partial roles within the totality do not undertake any responsibilities of overall failure (Boesen and Therkildsen, 2005).

ROACH is critical in using the terms lacking and appropriate. It is claimed that translating policies and strategies into “appropriate” is a political and a technical issue that sometimes technical improvements alone may not work. Most of the analysis in capacity problem refers to “lack of” inputs. This reference is seen as valid but to a limited extent. Inputs (such as staff, funds, infrastructure, equipment, raw materials...) are fundamentals of any production process, however there are some additional issues to take into consideration. Firstly, in case of lack of funds, the overall available funds should be analyzed. Secondly, salary expenses take great part in expenses compared to other operational expenses. By that, ROACH suggests having appropriate number of personnel in an organization. Thirdly, high level of uncertainty of available inputs in a definite time may reduce work planning and task assignments. By that, ROACH suggests clearly set objectives and time schedules. Lastly, the amount of budget has great importance, but the source of funds and budget has also significant effect on behavior of organizations.

According to ROACH, open systems approach has very well suited into capacity development issues. However, there are still missing points in field of organizational capacity and internal dynamics to be discussed. Open systems approach pays attention to interacting and interdependent elements of external and internal dynamics. These elements are put into a model by Boesen and Therkildsen (2005:10) called six box model, below.



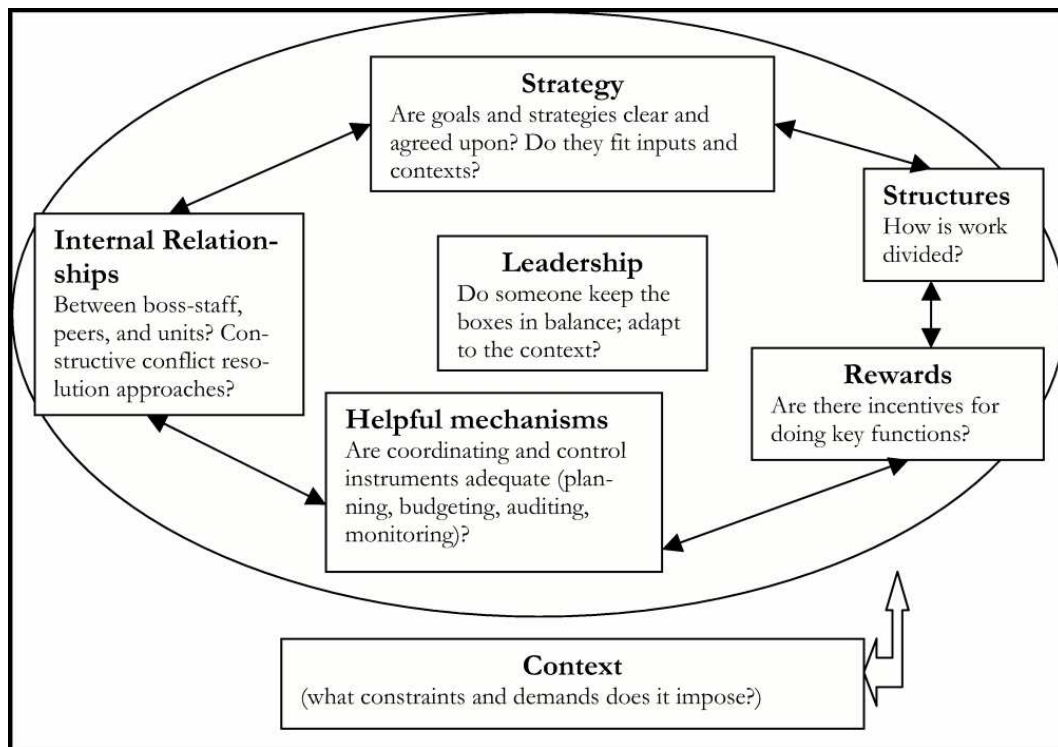


Figure 2. The six-box model of ROACH

The success level of outputs for economies depends on the inputs (capital). Stock of capital, both physical and human capital, is means of economic efficiency. Local governments need adequate amount of means of work for their operations. These tools are in a wide range from computer technology to office space, from engineering machines to daily stationery. The widespread and effective existence and use of computer infrastructure and technology is one of the indicators of local institutional capacity. There is no categorical framework on the quantity and quality of material resources that local governments should have in order to perform their actions efficiently and effectively. It is generally assumed that, as many means of work as local governments have; they are closer to provide services efficiently and effectively. The point is that, local governments should be equipped with the necessary technical equipment in accordance with their service area, population and other conditions.

One of the affirmative points which ROACH differ from other approaches is the emphasis and meaning given to bureaucracy and politics. Politics of bureaucracy is an important issue in the sense that, there are always some informal norms and rules that should interact with formal ones, and there is determining affect of power relations.

“The ‘politics of bureaucracy’ is therefore an inseparable element of life in public-sector organisations. Incentives both to compete and to cooperate are present between public-sector organisations as well as inside each organisation. Failing to grasp the politics of power and the power of politics – thus being unable to take these issues into account in an informed manner – is one of the most obvious weaknesses in current donor approaches to capacity development and capacity development support” (Boesen and Therkildsen, 2005:13).

ROACH is neither a theoretical approach to organizational capacity, nor a method for capacity measurement and assessment. It actually is a strategy in capacity improvement which relies on outputs. In addition, it is possible to criticize ROACH for not going beyond the use of “context” as an object of analysis and a set of external data. This situation derives from the understanding of organizations as systems rather than sets of social relations.

#### **1.3.3.5. RELATIONAL APPROACH**

Relational approach provides both a criticism towards the missing points in the previous approaches, and a relational understanding of local government. In this perspective, local government is seen as a set of relations, so its capacity is not dependent on only its own components. Common projects to be evaluated under the heading of relational approach in this section provide more comprehensive frameworks with less pragmatic solutions.

North (1992) examines the nature of institutions and consequences of institutions for economic and societal performance in his related study. His definition of institutions is that they are the humanly devised constraints that shape human interaction. This definition takes both formal (such as rules that human beings devise) and informal (such as conventions and codes of behavior) institutions into account. Institutions may be created (like the Constitution), or may simply be evolved over time (like common law). Organization, on the other hand, points to a rather concrete form. Organizations include actors such as political bodies, economic bodies, social bodies and educational bodies. Each and every body is a composition of individuals bound by some common purpose to achieve its own ends. For the players, in North’s saying, it is not adequate just to have their objectives, but they should also choose the correct way to reach them. In order to perform their objectives, these bodies should ensure having some kind of coordination and production capabilities determined by motivation of players, complexity of environment, and ability of players to decipher and order the environment.

Success of this performance is quite related to subjective engagement. Relationship between the institution and organization is not uni-linear. Organizational structure is influenced by the institutional framework, and in turn, institutional framework is influenced by organizational structure.

Institutionalization requires developing institutional framework and corresponding societal development. Institutionalization, even in highly modern societies comprises some kind of informal constraints (North, 1992). Those informal constraints have roots in socially transmitted information which can be considered as culture in wider sense. Similar to Modernization Theory, here lies a unidirectional development route from the informal social formations and types of relations to formal social formations. On the past edge of this line there are taboos, customs, traditions and such primitive assets, and on the future edge there are professionalized assets such as written constitutions and specialized division of labor.

Informal constraints are culturally derived. They do not change immediately in reaction to formal rules (North, 1992). The slow and minimal changeable character of informal constraints develops an ongoing tension between new formal rules and informal constraints, especially in underdeveloped societies and localities. This point is also a critique by North directed to Marxist theory. According to North, Marxist theory entails a fundamental change in human behavior to achieve its results, but there is no possibility for such radical change in the short term.

It is no doubt that institutional framework has substantial role in performance of economy. Recent economic restructuring programmes held by governments on action in most developed and developing countries, including Turkey, seem to have such kind of attempts to develop institutional framework. Holding this intention on the one side, critical point is that, investments in human capital and physical capital tend to be complementary. North pays great attention to the fact that there is no guarantee for some natural development of human capital by the growth of physical capital. This simulation, no matter the objective of this study is local governments and not the firms or economic organizations, should not be evaluated as inappropriate considering the suggested role of state in capitalist societies. In economical terms and especially for the economic organizations, output is determined by the physical and human stock of capital, and not by only one of these two.

Another study within this approach is an empirical study by Painter and Goodwin (2000), which asserted that British local governance system lacks the capacity to fulfill the required functions it is expected to operate, especially due to uneven spatial development. They propose the term “local regulatory capacity” in order to address the complementary role of local scale as being one part of the whole picture and to imply the ability of state to realize its functions depending on conditions at different spatial scales. Findings of the study clarify some deficits in local regulatory capacity that nation states have still important roles and justified intervention areas. Nation state is the key actor to determine the framework of power devolved to localities. It also prescribes policies through which local authorities operate. In addition, inadequate attention was paid on spatial scale at which various functions of governance are carried out, which result in the continuity of uneven development. So, this study also addresses to another relationship other than local scale. Nation-state scale is still effective in local state policies and operations. Previous approaches, whilst identifying the linkages between local government, local partners (public and private) and global scale partners, do not pay enough attention to central state factor (Painter and Goodwin. 2000).

One other advantage of relational approach is the methodological continuity of components at each level of capacity developing process. As North points to the inseparable nature of formal and informal constraints, they are both valid in the organizational as well as societal spheres. In addition, some issues which are generally supposed to be technical may be affected by external and informal factors. However, relational approach has produced limited operational policy proposals. North’s study provides an analysis of institutions but the capacity development action is not defined.

De Magalhaes’ (2004) work is one of those few and sophisticated studies in the field of institutional capacity development. Besides De Magalhaes’ approach includes networking issues and pays attention to social dimension of the local government, his emphasis is on organizational and professional development. Focusing on the notion of “Centres of Excellence” in urban regeneration issue, De Magalhaes discusses the knowledge, experience and skills of actors involved in urban regeneration, and ways and tools they are to be developed. Within the narrow but concrete framework of urban regeneration processes, this study is beneficial not only for its focus area (urban regeneration policies) but also for urban management in general. Questions around types of knowledge, knowledge resources (and creation), (institutional) capacity development, learning and skills generation appear to be critical points.

One of the main contributions of De Magalhaes in problem of capacity building is the recognition of problem. It is always known and pronounced that capacity of local governments should be increased. De Magalhaes highlights the ways of provision of training, the importance of local expertise, the ways in supporting the needed and required skill and knowledge, the ways of generating and transmitting knowledge and the types of learning practices.

De Magalhaes points to three fields of institutional development: community work, economic development and project management. Regarding the last field, there are some deficiencies in municipalities because of their unfamiliarity with the subject. There is the scarcity of project related skills, project conception and management, as well as the prerequisite of partnership work as a component of project management.

There are three fundamental issues about the existing capacity of local governments in De Magalhaes' work, available to be modified for most urban issues beyond the limited urban regeneration issue.

First is that, existing knowledge and experience is fragmented along professionals and organizational lines (De Magalhaes, 2004: 35). This fragmentation is valid in local government bodies. Bureaucratic structure and legal rights of local actors enable them to have great monopoly of knowledge and rights to diffuse it. Despite the laws in most local government systems about informing the related actors in all kinds of works of local government, local actors have some opportunities to enjoy the disallowance of official and unofficial information. In most cases about participation processes, local government actors share the knowledge and information with public bodies in a limited sense. They enjoy the opportunity of hiding critical points of information, manipulating knowledge or misinforming others. Another dimension of fragmented knowledge is that, not only public bodies but also other units in the same organization have fragmented knowledge. Fragmented knowledge at the last stage results in missing knowledge that affects the quality, performance and success of work. Second is the importance of quality of knowledge (De Magalhaes, 2004: 35). Local government actors generally bound themselves with the legal framework. However, in many cases, existing information and knowledge about the subject is insufficient for qualified work. The negative notion associated with municipalism is related to seeing the existing knowledge adequate.

Another is that long term changes require active and knowledgeable involvement of social actors with a stake in process (De Magalhaes, 2004: 35). Generally participation principle is not well defined, and participation methods are not well designed in local governments. Practically, participatory platforms in any session about an urban service delivery or urban project are limited to responsible and knowledgeable actors in the organization. Social actors, on the other hand, especially local people, generally gain information by speculative ways which are generally misleading.

Institutional structure and network within municipal organizations are also problematic in formation, dissemination and exchange of skills and types of knowledge. Know-how capacities and strategic action plans are not yet developed in municipal level. There are also gaps in the stock of knowledge and skills (De Magalhaes, 2004). Local governments collect and produce data and information and hold the knowledge, but professionals and staff should have the required level of skills to use this stock. Unless skills are generated, use of stock will inevitably result in low performance. There are also obstacles both organizationally and legally for the flow of knowledge among the key players as stated above. Existing mechanisms both formal and informal, of knowledge creation, development and diffusion are not enough for high performance, therefore there is need to invest in generating and reshaping “knowledge resources” (De Magalhaes, 2004).

Skills of professionals and practitioners in local governments may be categorized as abilities to deal with issues of income generation, costing, project appraisal, management and implementation; abilities in designing and operations, and gaining experience by analyzing best practices. Defining deficits, action for capacity building is much clearer. Skills in capacity building, skills in entrepreneurialism and skills in partnership and joined-up work are the action areas (De Magalhaes, 2004). Entrepreneurial skills have two important dimensions: leadership skills and visioning skills. Collective skills also have two critical dimensions. One is improving the abilities to work with other sectors and the society. The other is the ‘functional’ separation of government and community (De Magalhaes, 2004).

Networking between the institutions and within the institution is also a critical point for capacity building. Institutions should create mechanisms of sharing, shifting and delivering their practices and policy programmes to those who have role in action or potentially will be affected by the results. This requires creation of environments for mutual learning and exchange of experiences (De Magalhaes, 2004).

At this point, two formations have gained importance. One is the universities and other higher education institutions which have emerged as key partners. The other is the emergence of consultancy firms in various sectors. These formations are regarded as main contributors to wider access to knowledge, infrastructural development in service delivery and provision.

With the problem of staff skills, De Magalhaes (2004: 45) argues that conventional university education might not be the solution. He claims that universities should also change their ways of operating if they are to meet practitioners' needs. This is a wider but not distinct problem which is related to theory-practice relationship. It is normatively clear that academy does not have strong relations with actual life, and municipalities have insufficient theoretical background under their actions. The cross-disciplinary skills development is one other fundamental need in this aspect, that practitioners should have technical skills not only in their profession but also in related fields such as sociology, social psychology and urban policy. This provides value adding and quality increasing to urban service delivery.

One of the fundamentals of a relational approach is the attention paid on power relations. Although there are many theoretical but few practical studies in local power relations and capacity issue in a relational manner, the problem is evident. Power is diffused in the society, and it is also diffused between central and local government. Financial dependency is one of the most important sources of power relations between the local and central state. In the existing situation, local governments already comply about their financial constraints, and do not want further powers, obligations and responsibilities, but rather more resources for their existing and expanding responsibilities (Pinar, 2001). The functions and responsibilities of local government are not provided by responsive resources in most cases (Castells, and Borja, 1993). It is possible to say that fiscal problems that local governments are facing will increase when they are attached new functions and roles unless they have corresponding financial resources.

According to results of a study dealing also with power relations between the central and local government (Pinar, 2001) assumptions of public choice theory do not fit well in Turkish local government system. The mentioned study was based on a standard public choice model of demand for goods provided by local government.

Two sets of variables were inserted into the model. First set of variables were composed of some socio-economic characteristics of localities such as income level, unit cost of local services, population, level of central grants and education level. Second set of variables were composed of some political characteristics of localities such as level of participation in local elections, fragmentation of votes and party in power. The political variables were found to be insignificant which could be explained by the high dependence of the local governments on the central government in terms of financial resources and hence the lack of local accountability. The most remarkable finding was that local politicians in Turkey prefer dependence on central government finance rather than local financial revenue sources like local taxation in order to avoid political risks. Additionally, it was seen that the effect of party in power did not have any significant explanatory influence on public spending behavior, in contrast to the expectations, which requires further analysis. The study was concluded that public choice approaches hardly make contribution in explaining the local government behavior in Turkey, unless a proper fiscal decentralization is inserted (Pinar, 2001: 213).

Mohan and Stokke (2000) are cautious about the notion of decentralization. They claim that decentralization movement have been essentialized and romanticized. This romanticism created some reductionism. Local social inequalities and power relations which are key factors are downplayed or blurred due to this unquestioned reception. Another threat is the isolation of local dynamics from broad structures of economics and politics (Mohan and Stokke, 2000). This downplay ignores the relational organization at different scales.

Consequently, all of these multi dimensional studies in a relational manner, pay attention to each and every component of local capacity without separating one from other. These components are in a wide range consisting administrative, technical, organizational, financial and representational capacity. The affirmative side of a relational approach is the networks it constructs between these components and their sub-components within itself. Identification of components is also problematic in organizational and systems approach in the sense that generally a positivist approach is accepted. Very concrete objects are generally selected to build capacity on, because only this way performance changes and improvements are possible to follow and evaluate (Mizrahi, 2004). However, once a relational approach is chosen and local government is perceived as a set of relations, such positivist points of inquiry will not be satisfactory. Thus, an analysis like North's (1992) analysis of formal and informal institutions may be useful to make an introductory break down of concrete and abstract components of capacity.



Administrative capacity simply includes the organizational structure, competency of local administrators / personnel, technical knowledge of professionals / technicians, management skills of governmental actors, communication skills within the institution, and also the material means of service delivery, model of service provision and organizational schema. Financial capacity, on the other hand, includes budget, resource creation and generation capacities, and all financial constraints and opportunities.

Finally, representational capacity includes participation modes, presence of community work, concept of social capital, and democracy and power relations at the local arena of societal groups, and etc. As stated before representational capacity is a broad study area with distinct features, and thus is not studied in this thesis. On the other hand, the importance of representational capacity remains valid and requires further studies.

## **CHAPTER 2**

### **LOCAL INSTITUTIONAL CAPACITY PROBLEM IN TURKEY**

So far, this thesis has discussed various approaches about the question of institutional capacity and its relation with the new structure of local governments. Following chapter will focus on these problems and proposals in case of Turkish local government system.

#### **2.1. LOCAL GOVERNMENT SYSTEM**

Principles of administration system in Turkey are determined by The Constitution. Principle of “unity of administration” is determined by the Article 123, and principle of “subsidiarity” is determined by the Article 127, which are the two main principles of Turkish public administration system.

Local Government System in Turkey is composed of three public administration bodies: Municipalities, Special Provincial Administrations and Villages. Municipalities are generally the main focus for studies concerning democratization, decentralization, and globalization.

There are 81 provinces, and 3225 municipalities in Turkey. Legal framework for each administrative body is built on the principle determined by the Constitution and the related law on the administrative body.

Special Provincial Administrations are responsible for local services at province level, most for rural areas, such as construction of rural roads, infrastructure and schools, as well as some specific services in municipal borders. Special Provincial Administrations are governed by an elected provincial council, whose chairman is the governor appointed by the central government.

Villages are the rural local government organizations at small communities scale, governed by an elected council and lead by the elected muhtar.

What is peculiar for municipalities is that, there are two points of diversification in municipalities, in contrast to uniform structure of Villages and Special Provincial Administrations. First type of diversification is the separate laws for Metropolitan Municipalities and other municipalities. The framework of Metropolitan Municipalities is drawn by the law 5216. Other municipalities (3209 units) are covered by the law 5393. Second type of diversification is a categorization regarding the population and location characteristics of municipalities. There are six types of municipalities in Turkey<sup>16</sup>.

- 1) Metropolitan Municipalities: 16 Metropolitan Municipalities governed by the law of 5216.
- 2) Metropolitan sub-Municipalities: 283 Metropolitan sub-Municipalities located in territories of 16 Metropolitan Municipalities.
- 3) District Municipalities: 751 District Municipalities in the territory of provinces.
- 4) Town municipalities: 2009 small Town Municipalities spread in provinces most of them having rural characters.
- 5) Provincial Municipalities: 65 Municipalities, one in each province established at the central district of province, except for 16 provinces with metropolitan municipalities.
- 6) Metropolitan District Municipalities: 101 Metropolitan District Municipalities, those despite being located in the metropolitan territory of a metropolitan municipality, are not under metropolitan sub-municipality category.

The law numbered 5216 draws legal framework for Metropolitan Municipalities, and division of labor between Metropolitan Municipalities and Metropolitan sub-Municipalities. The law 5393 draws legal framework for the other five categories of municipalities, including Metropolitan sub-Municipalities. Metropolitan Municipalities are responsible for the services in the whole city. Metropolitan sub-Municipalities on the other hand are responsible for municipal services at lower scales. Sometimes there emerge conflicts in legal framework between Metropolitan Municipalities and Metropolitan sub-Municipalities. For instance, despite the same legal framework for Metropolitan sub-Municipalities and other four categories of municipalities, some roles and functions of Metropolitan sub-Municipalities are transmitted to Metropolitan Municipalities by the law numbered 5216. Size and type of municipalities differ within the country. Most of the municipalities (78,4%) in Turkey have less than 10.000 population. Despite the fact that minimum population for

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<sup>16</sup> Norm cadre in Municipalities (Information Note) Appendix-1. Classification Table for Municipalities, Their Related Organizations and Local Administration Unions

municipalities was 2.000 people in the previous law on municipalities (numbered 1580) and is 5.000 people in the current law on municipalities (numbered 5339), 9,6% of municipalities have less than 2.000 inhabitants actually, and 61,3% have less than 5.000 inhabitants. Average population living in municipalities is 16.840<sup>17</sup>.

Table 3. Number and percentage of municipalities according to population

Population Range	Metropolitan Mun.	Metropolitan Sub-Mun.	District Mun.	Town Mun.	Provincial Mun.	Metropolitan District Mun.	Total
0-1.999		13 4,6%	14 1,9%	281 14,0%			308 9,6%
2000-4999		110 38,9%	157 20,9%	1399 69,6%			1666 51,7%
5000-9999		76 26,9%	225 30,0%	277 13,8%		5 5,0%	583 17,1%
10.000-19.999		39 13,8%	177 23,6%	45 2,2%	1 1,5%	16 15,8%	278 8,6%
20.000-49.999		22 7,8%	126 16,8%	7 0,3%	8 12,3%	19 18,8%	182 5,6%
50.000-99.999		7 2,5%	43 5,7%		26 40,0%	11 10,9%	87 2,7%
100.000-499.999	3 18,8%	16 5,7%	9 1,2%		30 46,2%	40 39,6%	98 3,0%
500.000-999.999	7 43,8%					10 9,9%	17 0,5%
Over 1.000.000	6 37,6%						6 0,2%
<b>Total</b>	16 100,0%	283 100,0%	751 100,0%	2009 100,0%	65 100,0%	101 100,0%	3225 100,0%

%51,7 of municipalities in Turkey have population between 2000-4999. Most of these municipalities represent rural character in their spatial and physical structures. Economy of these small size municipalities is generally led by agricultural sector.

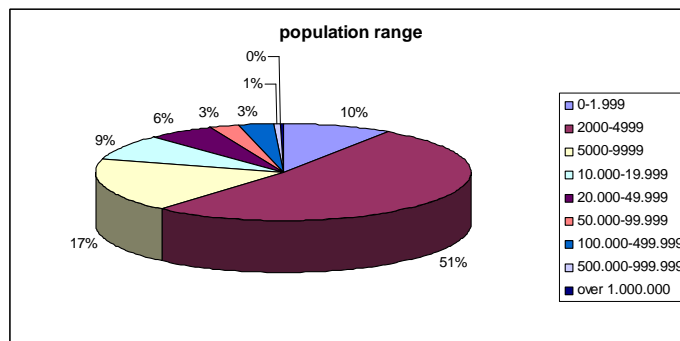


Figure 3. Percentage of municipalities according to population

<sup>17</sup> Calculated from the data provided in: Norm cadre in Municipalities (Information Note) Appendix-1. Classification Table for Municipalities, Their Related Organizations and Local Administration Unions

There are three positions in personnel employment for local governments, and for public sector in general (except for elected members such as mayor and municipal council): public servants, workers<sup>18</sup> (temporary and permanent) and contractual personnel.

Public servants: Law on Public servants (Law no: 657) determined the conditions for public servants in the related Article 4/A and described public servants as those who are responsible and authorized for administration, control, programming, planning, research and general policy making in institutions, and who officially execute actual and continuous services for public institutions according to principles of general administration.

Workers: Temporary workers are being preferred by local governments in comparison to (permanent) workers having cadre and enjoying higher social security opportunities and stable positions.

Temporary workers: Temporary workers are not officially defined by law, but temporary work is defined. It is written on the Article 8 of Law on Work that maximum 30 day long works are temporary works, and longer works are permanent works. This Article refers to works but not workers. Recently, temporary worker employment in municipalities has increased due to the relatively low costs and some relatively easy procedures of temporary worker employment. Central government has control and ruling authority over public servants and workers (permanent) and their employment conditions. On the other hand, procedures for employing temporary workers are flexible for municipalities. Public servants' employment is possible through central exams, and dismissing is possible only through some other procedures defined by law. Another reason why temporary workers are favored is the wages. Wages of public servants is determined by central governments, while temporary workers may be employed at minimum wages which decrease personnel expenditure for municipalities.

Contractual personnel: Contractual personnel category is used by municipalities at approximately %0,4 proportion among all employees. Especially town municipalities currently employ contractual personnel at relatively higher rates. Contractual personnel

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<sup>18</sup> Workers in general refers to permanent or standard workers.

category allow municipalities to recruit staff quickly in times of need, which include part-time employment of lawyers, doctors and such fields of expertise (ECOTEC, 2005)<sup>19</sup>.

Table 4. Changes in number of public servants and ratio of public servants/personnel in municipal and general administrations in Turkey

	municipality			general administration		
	public servants	public servants / population	population	public servants	public servants / population	population
1950	17.870	0,31	5.768.665	213.022	1,02	20.947.188
1960	41.943	0,42	9.994.644	401.179	1,45	27.754.820
1970	50.096	0,30	16.753.979	655.737	1,84	35.605.176
1980	57.356	0,22	25.523.604	1.312.243	2,93	44.736.957
1990	69.438	0,18	37.884.455	1.330.393	2,36	56.473.035
1995	90.250	0,19	48.206.422	1.499.330	2,38	62.865.574

Source: [www.mahalli-idareler.gov.tr](http://www.mahalli-idareler.gov.tr)

Table above may be interpreted as centralization of administration in Turkey. It is seen that while municipal staff per population has randomly decreased from 0,31 in 1950 to 0,19 in 1995, ratio has increased gradually from 1,02 in 1950 to 2,38 in 1995 at the general administration units. These ratios may lead to two interpretations. First is that, urbanization has grown between these years. Migration movement has increased population of cities, but administrative units in cities did not develop accordingly. Quantity of municipal personnel did not increase in direct proportion with the increase in population of cities where municipalities provided services. Second is that, many roles and functions of local state have been undertaken by the organs of central government and personnel structure of these central government units are developed in accordance with these roles and functions. Both of the situations represent an increase in centralization of functions and development of general administration, and a decrease in the strength and capacity of local governments in contrast.

According to results of a survey made by Ministry of Public Works and Settlement in 1994, total number of personnel in municipalities is 250.000. %90 of these personnel (225.000) has education at primary and secondary school level. %4 (10.000) has university degree and % 6 has high school degree. In total personnel, 15.000 are technical staff. Only 5.000 (33%) of technical staff have university degree and the rest are graduated from technical high schools. (Ünal, 2001)

<sup>19</sup> ECOTEC is a Research and Consulting Limited which has prepared the referenced report on behalf of EPSU (European Federation of Public Service Unions) and CEMR (Council of European Municipalities and Regions)

Table 5. Municipal and general administration employee positions in Turkey in 1995-1996

<b>municipal and general administration employee positions</b>	<b>municipalities</b>	<b>%</b>	<b>general administration</b>	<b>%</b>
public servants	90.250	40,29	1.499.330	64,61
Workers	93.098	41,56	634.721	27,35
temporary worker	61.481	27,45	-	0
contractual personnel	834	0,37	186.582	8,04
Total	224.010	100	2.320.633	100

Source: (www.mahalli-idareler.gov.tr)

Temporary worker position is not defined by law but temporary work is. Municipalities enjoy the deficit in law by employing temporary workers, while it is seen that general administration units enjoy contractual personnel more.

Table 6. Employment positions in municipalities according to selected years.

<b>employment positions in municipalities (actual)</b>	<b>1996</b>	<b>%</b>	<b>1999</b>	<b>%</b>	<b>2003</b>	<b>%</b>	<b>2005</b>	<b>%</b>
public servants	95.139	36,05	95.182	34,4	83.835	32,5	80.541	32,8
Worker	94.050	35,63	83.460	30,2	59.025	22,9	57.312	23,3
temporary workers	73.761	27,95	97.151	35,1	114.265	44,3	106.843	43,5
contractual personnel	994	0,38	735	0,3	1.078	0,4	1.013	0,4
Total	263.944	100,00	276.528	100,0	258.203	100,0	245.709	100,0

Source: SIS (2005)

Conditions of job security may cause political favoritism and exploitation. Employment policies in municipalities in some cases are not objective. According to ECOTEC (2005) mayors of local authorities employ their partisans in some positions. Especially contractual personnel opportunity allows this employment preference at some critical positions such as consultancy of mayor. Increased use of temporary workers may also have negative effects on working environment due to corruption of principle of equal payment to equal work (DPT – 2538 – 554), and may cause de-motivation.

It is seen on the table that permanent positions in municipalities are in a decrease, and the use of temporary workers is increasing. The easier procedures for temporary worker employment in municipalities is one of the reasons for this change. Yet, it does not mean that municipalities would not prefer permanent positions.

Personnel training methods in Turkish municipal system is on public servants' training. Training has two modes: Pre-service training and in-service training. Pre-Service training is held before the starting of job.

Universities and General Education Institutions are the schools for personnel training. In-Service Training is legislated by the Law No:657 on Public Servants. Provision of in-service training by public administrations is compulsory. According to Article 215 of the Law, every public administration constitutes a department with the task of personnel training activities.

In Turkish system, various organizations provide in-service training but it is insufficient. According to a survey on in-service training, 13% of municipalities are given training by TODAİE/YYAEM<sup>20</sup>, 6% by Local Administration Associations, 6% by TBD/Konrad Adenauer<sup>21</sup>, 4% by Ministry of Interior, 3% by Ministry of Public Works and Settlements, 2% by State Personnel Administration, 1% by Bank of Provinces, 1% by Universities and 0,5 by Private Companies<sup>22</sup>. Among these institutions, Ministry of Interior's training activities generally consist of Mayors, Municipal Police and Accountants. State Personnel Administration does not provide systematic training courses but courses are generally in fields of personnel rights and procedures. Ministry of Public Works and Settlements provide technical courses for municipal personnel. Applicants are selected according to some criteria. Courses by TODAİE are in a wide range. The most comprehensive training system is based on seminars. The results of the survey found out that municipalities have problems with this fragmented system and 96% of municipalities demanded a central training institution ([www.yerelnet.org.tr](http://www.yerelnet.org.tr)).

Table 7. Sufficiency of municipal personnel

Sufficiency of municipal personnel	Frequency	(% )
Insufficient in both quality and quantity	199	36.9
Sufficient quantity, insufficient quality	312	26.5
Sufficient quality, insufficient quantity	215	18.3
Sufficient in both quality and quantity	199	16.9
No responses	17	1.4
Total	1178	100.0

Source: ([www.yerelnet.org.tr](http://www.yerelnet.org.tr))

<sup>20</sup> TODAİE/YYAEM is the Local Governments Research and Training Centre in the Institute of Turkey Central East Public Administration.

<sup>21</sup> TBD is the Association of Turkish Municipalities

<sup>22</sup> [www.yerelnet.org.tr](http://www.yerelnet.org.tr)



One of the findings of the mentioned survey is the sufficiency of municipal personnel in quality and quantity. It was asserted that as population of municipalities increase, problem with quality of personnel gain importance. It was also noted that 60% of municipalities with population more than 100.000 have problem of personnel quality. This means a need for improving personnel skills through in-service training or employing qualified personnel.

Table 8. Necessary training issues in municipal services

Rank	Training Issues	# out of 1178 municipalities	%
1	Construction and Public Works	728	61.80
2	Financial Accounts	611	51.87
3	Municipal Police Service	581	49.32
4	Computer Usage	551	46.77
5	Personnel Services	514	43.63
6	Fire Services	469	39.81
7	Documentation	420	35.65
8	Efficiency	353	29.97
9	Water and Sewerage Techniques	332	28.18
10	Public Relations	331	28.10
11	Parks and Green Areas Issues	238	20.20
12	Control and Inspection Issues	187	15.87
13	Social Rights	162	13.75
14	No Need for Training	33	2.80
15	Other Fields of Training	29	2.46
	Total Municipalities	1178	-

Source: (www.yerelnet.org.tr)

It was noted that 54% of municipalities do not have systematic in-service training mechanisms, and 19% have no in-service training department. Only 4% of municipalities have a training department, most of them being metropolitan, metropolitan district and district municipality. Table above represents the necessary issues for training called in 1997. In case of a similar survey in Southern Eastern Anatolia Region which is represented further has shown that issues have changed and became adapted to conjunctural changes.

Local governments have three sources of revenues: local revenues; share of grants from general budget and transfers from central government. Local governments have full control of collecting, accounting, budgeting and spending domestic revenues. Local government grants from the central government budget and transfers on the other hand are determined and controlled by the central government.

%10,95 of Total General Budget Tax Revenues are transferred to local administrations in a share of:

- % 6 to municipalities according to population
- % 1,14 to Fund of Special Provincial Administrations
- % 3 to Fund of Municipalities
- % 0.25 to Fund of General Directorate of Local Administrations
- %0.28 to Fund of Special Provincial Administrations

The amount transferred to Fund of Local Administrations ( $\%0.25 + \%0.28 = \%0.53$ ) is also shared between the Fund of General Directorate of Local Administrations of Ministry of Interior and the Fund of General Directorate of Local Administrations of Ministry of Public Works and Settlement. It is argued that %10,95 proportion allocated to local governments is not sufficient for local governments to carry out their responsibilities. Only %6 of this amount is directly transferred to local governments. (DPT – 2538 – 554)

Metropolitan Municipalities are given additional payments of % 5 of the General Budget Tax Revenues collected in provinces of Metropolitan Municipalities. (DPT – 2538 – 554) Transfer of taxes from central government to municipalities count to about 2% of GDP and represent approximately 50% of municipal revenues. It is claimed that transfer system is simple, stable and predictable, and it also results in a modest form of equalization (World Bank, 2004).

Table 9. Municipal Revenues and Expenditures in Turkey between 1999 -2003

<b>Municipal Revenues and Expenditures (final accounts) %</b>	<b>1999 %</b>	<b>2000 %</b>	<b>2001 %</b>	<b>2002 %</b>	<b>2003 %</b>
tax revenues	62,32	64,44	65,16	64,82	64,09
revenues other than taxes	34,28	32,52	32,14	32,31	34,17
special aids and funds	3,40	3,04	3,79	2,87	1,73
<b>Revenues</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>
current expenditures	51,36	51,21	50,95	50,73	52,41
investment expenditures	26,40	28,08	26,51	25,18	26,95
transfer expenditures	22,24	20,70	22,55	24,09	20,64
<b>Expenditures</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>

Source: SIS (2003)

Municipal domestic revenues (revenues raised locally) are about 35-40% of total municipal revenues despite the fact that tax rates and fees are almost centrally determined. In addition, tax collection rates are low and proliferation of local taxes and fees are costly for municipalities (World Bank, 2004).

Municipal expenditures are current expenditures, investments and transfers. Generally there is one dominant sort of expenditure in each type of expenditure. This is personnel expenditures in current, construction and building expenditures in investment and debt payments in transfer expenditures. (DPT – 2538 – 554).

It is claimed that, although the law rules that personnel expenditures should not exceed 30% of total budget, it is excessively high in municipalities. The table below shows the ratio of personnel expenditure / municipal total budget between 1965 and 1993.

Table 10. Personnel Expenditures / Total Budget in Municipalities, 1965-1993

Years	Personnel Expenditures	Total Budget	%
1965	400.441	1.156.418	34,63
1966	451.684	1.402.763	32,20
1967	529.548	1.487.285	35,61
1968	634.964	1.683.780	37,71
1969	725.376	1.853.474	39,14
1970	922.535	2.025.740	45,54
1971-1979	No final accounts		
1980	37.162.918	52.171.727	71,23
1981	40.111.624	76.798.702	52,23
1982	46.943.482	91.281.935	51,43
1983	79.907.584	144.195.758	55,42
1984	98.941.249	242.587.911	40,79
1985	160.401.393	547.427.620	29,30
1986	234.060.748	1.128.332.978	20,74
1987	381.872.833	1.622.106.892	23,54
1988	641.257.669	2.573.188.432	24,92
1989	1.341.358.000	3.567.517.000	37,60
1990	3.230.308.000	6.471.517.000	49,92
1991	5.870.609.000	11.512.389.000	50,99
1992	11.282.637.000	21.834.309.000	51,67
1993	23.265.648.000	48.569.090.000	47,90

Source: (www.mahalli-idareler.gov.tr)

There is no final account between the years 1971 and 1979 which are the years of economic crisis throughout the world. Except for 1980, when a military act happened in Turkey, average ratio has been about 30-40 %. It even decreased below the upper limit of 30% at the second half of 1980s (www.mahalli-idareler.gov.tr). It should be noted that the limit of personnel expenditure for municipalities with population less than 10.000 is 40% of last

year's budget. These municipalities constitute 78,4% of total municipalities. So, the limit on the table above should be taken as a percentage between 30% and 40 percent, and even close to 40%.

According to State Personnel Administration, the relation between personnel expenditures and municipal revenues is not a function of structure of municipalities. High ratio of personnel expenditures does not always mean an excessive employment in municipalities or high wage levels for personnel at municipalities. Information about high wage levels is not produced from the data of personnel expenditure/municipal revenues but from the data of national revenue and indexes of living. There may be some other possible explanations such as restrictions and cuts on central transfers. In addition, despite the increased urbanization level in Turkey, ratio of municipal employees has never been higher than 10% of total public sector employment ([www.mahalli-idareler.gov.tr](http://www.mahalli-idareler.gov.tr)).

Recent trend in budgeting and accounts methodology is the Strategic Planning approach. Strategic Plan provides many operational development opportunities for institutions. Attention paid on participation mechanisms such as definition of internal and external stakeholders provide institutions to recognize the common work patterns. Vision and mission determination provide a route for identifying rational and operational activities. It is also built up on accountability that citizens are informed about the activities to be held by the institution in the long run. Besides, the main notion of Strategic Planning lies in the heart of economic development. Strategic Plan is also the interval mechanism for the "Analytic Budgeting". Traditional model of local government budgeting is a routine accounting which in most of the cases is not realized. There emerge great gaps between the estimated budget and the realized budget in the existing local government budgeting system.

Table 11. Budget estimation and realization of budget in municipalities

<b>Trillion TL.</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>Avg.</b>
<b>Budget estimation</b>	110	229	399	765	1770	3482	5560	7300	10081	-
<b>Budget realized</b>	93	178	362	789	1496	2304	3762	5696	7529	-
<b>Deviation %</b>	-14,9	-22,4	-9,2	-3,1	-15,5	-33,8	-32,3	-22,0	-25,3	19,1

Source: Yılmaz and Kerimoğlu, 2005a:23

The table above shows budget estimation and budget realization for municipalities in Turkey. The problem with the budget estimation and realization is that, there have always been great gaps between the two. The high deviation rates in 1999 and 2000 can explained

and justified by national economic crisis. Nevertheless, it is seen that for the last few years, nearly one quarter of budget have been false accounted. But it should be noted that this high deviation rate is not because of the incapable accountants in municipalities.

The share of central budget tax income for municipalities is not stable in Turkey. The share of Metropolitan Municipalities in 2001 was %5, in 2002 %4.1, in 2003 %3.5 and in 2004 %4.1. In these annual differentiations, income estimation and budget generation will inevitably deviate (Yılmaz and Kerimoğlu, 2005b:39). As a matter of fact, it is not possible to talk about autonomy of local governments unless they have fix and adequate financial resources.

There is considerable control of central government over local government in Turkey. This highly centralized control aims at ensuring compliance with law, rules and procedures. Control and oversight by central government is exercised through requirements of local acts, decisions, local and regional plans, budgets and financial statements (World Bank, 2004). There are three fields of control and oversight of central government: administrative, budget and financial. Administrative control is made for measuring compliance with law. Budget control is also made for compliance of elements of the budget with law. Financial control, on the other hand is made through the respective municipality, inspectors from Ministry of Interior and through self-control by municipal inspection unit (World Bank, 2004).

According to World Bank (2004) number of municipalities have increased too much that central government has difficulties in managing more than 3200 municipalities, thus, central government financial support should be decreased and local revenue generation and control of taxes and duties by municipalities should be increased.

Transfer mechanism in budget system provides some sort of equalization among municipalities. Most of the taxes in the country are collected from areas with higher GDP level and redistributed to municipalities according to population. Poorer municipalities and metropolitan municipalities benefit from transfer mechanism (World Bank, 2004). Table below represents the beneficiaries of transfer system in Turkey.

Table 12. Equalization of central government transfers, 2000

Equalization	Contributors: 24 richest provinces	Recipients 1: The 20 second richest provinces	Recipients2: The 20 second poorest provinces	Recipients 3: The 17 poorest provinces	Total
Population (million)	33,7	13,7	12,5	7,9	67,8
Paid in (US\$ million)	2.831	530	344	111	3.816
Received (US\$ million)	2.398	609	520	289	3.816
Net received (US\$ million)	-433	+79	+176	+178	0
Net received (US\$ / capita)	-13	+6	+14	+23	n.a.
Net received as percent of GDP in province	-0.4%	+0.2%	+0.8%	+2.2%	n.a.

Source: World Bank, 2000

World Bank claims that the distributive effect of this mechanism is regressive for bigger cities that have higher GDP level, on the contrary poorer municipalities benefit more. It is seen on the table that while municipalities in 24 richest provinces get -13US\$/capita than they paid, the 17 poorest provinces enjoyed +23US\$/capita then they paid. World Bank claims that this modest impact of equalization is advantageous for poorer municipalities. However equalization element is not sufficient regarding the high regional inequality in Turkey. The table below represents the uneven development degree of different countries within their national territories according to GDP distribution. It is seen that Turkey has one of the highest variety in terms of GDP distribution. This variation has the biggest gap between the east and west of the country. It was calculated that, in order to mach up with the OECD level (0,31) until 2013, developing regions should have annual growth rates %35 higher than the developed regions (TÜSİAD, 2005).

Table 13. OECD Countries and GDP Variation Coefficients

COUNTRIES	GDP VARIATION COEFFICIENTS	COUNTRIES	GDP VARIATION COEFFICIENTS
MEXICO	56	GERMANY	26
UNITED KINGDOM	46	IRELAND	24
FRANCE	45	POLAND	24
<b>TURKEY</b>	<b>43</b>	BELGIUM	23
HUNGARY	36	FINLAND	23
NORWAY	33	SPAIN	22
CZECH REPUBLIC	33	USA	20
PORTUGAL	32	AUSTRALIA	19
AUSTRIA	31	CANADA	14
OECD	31	SWITZERLAND	14
JAPAN	30	GREECE	13
DENMARK	27	NETHERLAND	11
ITALY	27	SWEDEN	11

Source: TÜSİAD, 2005: 32

Local governments are forced to increase their local revenues. However there are some constraints especially regarding developing regions. Uneven income distribution and high poverty are constraints on local revenue generation and creation for local administrations in less developed regions. Municipalities in developed regions, especially Western cities in Turkey, have higher opportunities to generate local revenues and improve their public services. So it is possible to say that the practical reflection of increasing local revenues causes the gap between developed and less developed localities to deepen. (DPT – 2538 – 554)

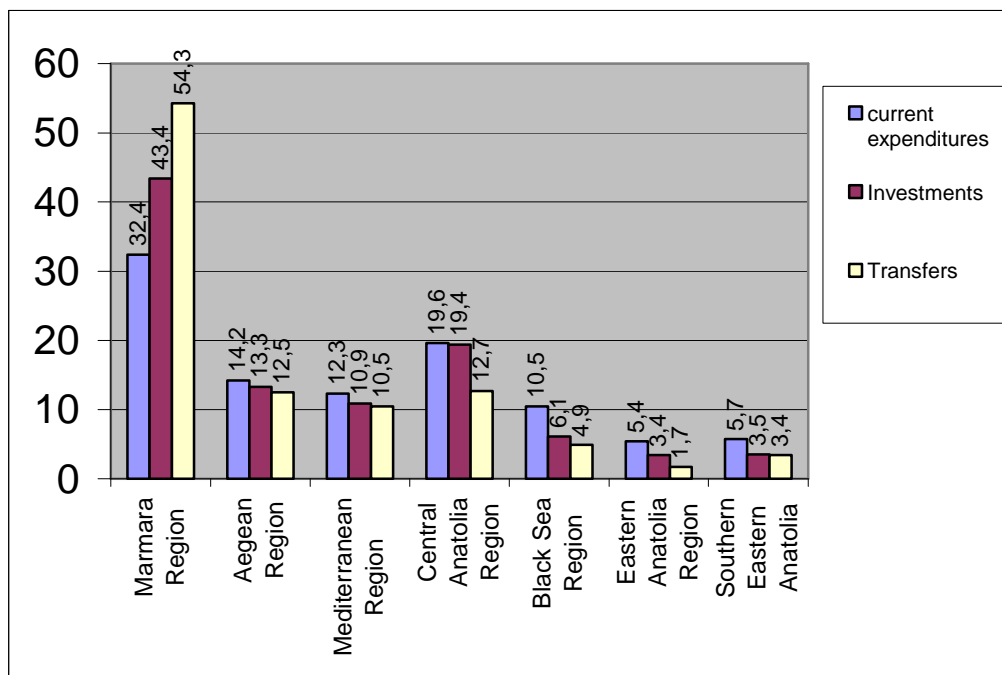


Figure 4. Regional distribution of municipal expenditures in 2002<sup>23</sup>

The table above shows two differentiations in municipal expenditures. One differentiation is the regional inequality. Approximately 40,5% of total municipal expenditures are generated in the Marmara Region (Istanbul and regional industrial development level of region are the main factors). Second comes the Central Anatolia Region (Ankara as capital city is the main factor) carrying approximately 17,8 of total expenditures. As seen, Eastern and Southern Eastern Anatolia regions have very little share in municipal expenditures with rates of 4% and 4,5% related to their municipal income levels. The other differentiation is in terms of types of expenditures. While transfers and investments are at the highest share in developed regions, it is seen that municipalities in the less and least developed regions reserves much

<sup>23</sup> Yılmaz and Kerimoğlu, 2005a :24

on current expenditures, which include wages and salaries. The share of personnel expenditures in total budget represented in SIS's data is about 30-35% of total expenditures, but in most municipalities, personnel expenditures are shifted to some other accounts or to external institutions (Yılmaz and Kerimoğlu, 2005a: 34).

According to results of a study on municipal revenues (Ersoy, 2000) increased dependence on locally raised revenues may create greater problems considering the uneven regional development and inefficient local revenue system. It was found that; local taxes are vulnerable to high inflation rates in Turkey; most of the local taxes left to local governments are inefficient and cost of collecting those taxes are more costly than the expected revenue; charges have insignificant contribution to local revenues and municipalities are not free to rule upper and lower limits to charges; and there is strong positive association between the municipal revenues and GDP of settlements (Ersoy, 2000).

Despite the high regional inequalities and the ever-criticized method of budget allocation, local government reform is away from developing proper solutions. Although there is objectivity in budget allocation, in some regions, especially in Southern and Southern Eastern Regions, local governments have limited opportunities for resource creation and generation. It is possible to design new criteria such as education level, industrialization degree, priority of some regions for development etc (Yılmaz and Kerimoğlu, 2005b: 39).

## **2.2. LOCAL GOVERNMENT REFORMS AND THE PROBLEM OF CAPACITY**

The current local government system in Turkey was summarized above. Up to current situation, there have been many regulations and legislations to improve local government system. These attempts have been transformed into capacity development projects recently which point to current and potential problems with local government. Next section discusses local government reforms and regulations in Turkish experience.

### **2.2.1. BRIEF HISTORY OF LOCAL GOVERNMENT REFORMS IN TURKEY**

The first reform regarding the public administration in the planned period of Turkey is MEHTAP (Research Project on Organization of Central Government), prepared in 1962, which concentrated on central government. MEHTAP was prepared in accordance with the



principles of Weberian state theory. Although main concern of the Project was central administration, there are some points to be underlined in terms of capacity building. It was claimed that any rational organizational division of power has limited utility unless harmony is provided between the units which is possible through coordination (MEHTAP, 1966: 56). In addition, the Project put emphasis on competency and quality of personnel at the administration, which should be fulfilled with mental readiness to public work, and with assistance of some specific training on public service provision business (MEHTAP, 1966: 82, 83).

A comprehensive local government research in Turkey was made firstly between the years 1964 and 1966. Besides MEHTAP, State Personnel Administration had prepared a report on then-current problems, status and training of state personnel (DPT 2507 – 527).

Another study on governmental reform was KAYA Project (Research Project on Public Administration) which was carried out by DPT in 1988, and reported by TODAİE in 1991, on purpose of achieving frequent, economic, efficient and qualified service delivery. This project was prepared in order to improve public institutions in terms of organizational structure, personnel system, and division of labor, financial resources, legal frameworks, public relations and communication skills (DPT 2507 – 527).

KAYA Report (TODAİE, 1991) described three fundamental reasons why local government system needs restructuring:

- Existing local government system is not democratic and transparent at the expected level. This insufficiency of democratic practices generally results from limited opportunities for citizen participation.
- Local government institutions are not powerful enough. Insufficient authority results from limited responsibilities and functions that local governments have, from the authority of central government over local government in terms of control and approval of some basic services and roles, from authority on personnel regime, and from insufficient financial resources and resource generation opportunities. Objective allocation of central government grants was also a problem for then-current system.
- Organizational structure and division of labor between different levels of government is also problematic. Problem with organizational structure has many dimensions such as insufficient use of modern administration methods, lack of good leadership skills, lack of coordination, lack of performance measurement systems, inadequate human resources, and

poor financial discipline. Problem with division of labor is exercised in especially legal framework for Metropolitan Municipalities and Metropolitan sub-Municipalities.

Although KAYA was a comprehensive research based on various types of data and methods, it was criticized for not being applied to Eastern and Southern-Eastern cities, and thus disregarding the regional inequalities (UPL, 2003: 337).

First decentralization movements in liberal line go back to early 1980s. The first neo-liberal government in Turkey (ANAP-1983) had proposed decentralization of central administration in the same manner as it currently is. It is after this proposal that local governments enjoyed higher ratio of grants from central government assigned to them compared to previous situation. It is also with this movement that physical planning responsibilities were devolved to local governments. In addition, some central government approval procedures were demolished. However, these regulations were not sufficient solutions (TODAİE, 1991).

Following 1990s, every government in charge and every political party have designed decentralization reforms about local government system. However the most serious and comprehensive attempt and implementation has started by current government in charge- AKP. Under the umbrella of Public Administration Reform, Local Government Reform is currently being implemented by several laws and regulations in Turkey. Laws directly constitute the current local government reform are: The Law No: 5216 on Metropolitan Municipalities (10.07.2004); The Law No: 5302 on Special Provincial Administrations (04.03.2005); The Law No: 5335 on Local Government Associations (11.06.2005); The Law No: 5393 on Municipalities (13.07.2005). In addition, Law no: 5018 on Public Financial Management and Control was legislated on 10.12.2003 which will be fully implemented from 2008 onwards. Following these fundamental laws, laws on regulation of personnel structure and financial resources of local administrations are currently under public discussion.

Major functions, roles and responsibilities of local governments have been extended with these regulations. Rules have changed the pattern about establishment of municipalities and their territories, provided an impetus for participation, determined employee status and number of employees, increased items of revenue and budget, increased opportunities of borrowing and entrepreneurship, introduced strategic planning and analytic budgeting techniques, enabled establishing commercial companies and firms, authorized municipalities

in urban regeneration and conservation issues. Generally laws have rearranged the general division of power between the central and local government that any local service which is not assigned to any other public institution by any other law is under responsibility of local government. It has also assigned some services which had been traditionally carried out by central government organizations such as activities in culture, sports and arts; issues and precautions in social service provision for women, youth and children; organization of supplementary courses for job opportunities; active foreign relations; provision of medical services; educational responsibilities; establishment of geographical and urban information systems; environmental health protection and waste collection and management. This rapid introduction of laws and regulations together with increase in functions and responsibilities have created extra problems beyond the general problems deriving from the liberal line in local government system.

“The functions and roles of local government are increased by the reform. However, such a wide authority shift needs some transition period for the necessary structural and infrastructural precautions to be taken” (Yılmaz and Kerimoğlu, 2005a:16).

9<sup>th</sup> Development Plan has also pointed to the problem of local government capacity in the same manner. Plan asserted that (p: 95) before the transmission of roles and authorities has been established, precautions should be taken for financial and administrative capacity. However, according to the quotation above, these precautions have not been taken before. It is the reason for current problematic relationship between the local governments and reform. According to Plan (p:47-48) laws on Special Provincial Administrations, Municipalities, Local Administration Associations and Metropolitan Municipalities have increased roles and responsibilities of local governments. Together with this increase, the need for developing capacity of local governments and increasing their financial resources have gained importance. Capacity development is very important especially for those in under developed regions. Subjects for capacity development also include administrative, and personnel dimensions (p: 50). It was also emphasized by the 9<sup>th</sup> Development Plan (p: 93) that local governments should be equipped with adequate number of skilled personnel and equipment and with skills of project management. Next section discusses the problems with local institutional capacity in Turkish experience.

## **2.2.2. LOCAL GOVERNMENT CAPACITY PROBLEM IN TURKEY**

It is no doubt that local government system in Turkey needs restructuring. On the other hand, request for a better local government system in Turkey did not originate only from the crisis of local government system but also from the larger area of other crisis ranging from economical to political adaptation to globalization processes. This adaptation process covers micro and macro scale regulations. Essence of recent local government reform in Turkey has roots in the regulatory orders of international organizations such as IMF, EU, World Bank and UNDP (Güler, 2005).

“The government recognizes the importance of providing good quality municipal services and to start preparations to meet EU directives. To this end, it is pursuing activities related to municipal reform so that municipalities and their utilities have more resources, follow prudent financial management practices, and report on performance and financial matters to the central government on a regular basis” (World Bank-Report No: 32451-TR. p: 3).

Expectations of these external factors, together with some internal inadequacies may not correspond to each other. In other words, internal dynamics of local governments in Turkey may challenge the proposed form of imported regulations. This challenge may also go beyond a challenge and be destructive in many terms.

Inappropriate distribution of functions between central government and local authorities; insufficient financial resources; insufficient organization and personnel; unnecessary practice of trusteeship by central administration; lack of transparency and participation; over-dependence on central government are all pre-determined subjects to restructure (OECD, 2002). Relation between central government and local government go beyond over dependence. Local governments feel excessive pressure and control of central government politically and financially which restricts their action, even actions which are totally under responsibilities of local government such as urban planning (Göymen, 1997). However, recent model of local government reform is far from producing solutions to the existing problems. On the contrary, recent reforms seem to create new and greater problems for local governments. (Planlama, 2004/1)

It was proposed by the Eighth 5-Year Development Plan that public administrators should by all means given training in fields of management and business psychology, and especially those who could not succeed in business psychology tests should not be employed in high status positions in high scale institutions (DPT. 2507 - 527).

Actually, local politics, due to time limit of elections for 5 years of responsibility in Turkey, tend to be practical. The long-term and sophisticated problems are in most cases disregarded. Operational knowledge is thus more associated with the notion of municipality than sophisticated knowledge. Many actions of local politicians are meaningfully short term and practically implemental regarding the political investment for the next elections. At this point, local leaders appear as the key actors.

Approximately %80 of municipalities in Turkey does not have the necessary technical personnel. Existence of only one technician, no matter of what title, is seen as a great opportunity in small municipalities. The municipal councils are also in the same situation that there are no architects or engineers, in %90 of municipal councils, who may inform other members of council in technical terms. (Ünal, 2001)

One of the most important problems with the municipalities is related to knowledge about legal frameworks. Especially in the field of land use and urban development issues, there is a huge and intersecting set of laws. There are about 30 laws about urban development plans and institutions responsible for their applications. In addition, there are many court decisions which are equal to power of law<sup>24</sup>. Few of technical personnel in local governments have adequate knowledge of laws, and they too often make applications corresponding to one law but in contrast to some other laws (Ünal, 2001).

According to a view, lack of qualified personnel in municipalities is because of the financial constraints. Municipalities in Turkey pay minimum wages to qualified personnel compared to private sector, which is the main factor for not preferring working at municipalities (Ünal, 2001). Since municipalities have difficulties in employing highly qualified personnel with moderate wages, they use temporary worker positions instead.

Privatization has become a major problem for the workers in municipalities. Reform on public administration and the structural change in the role of state have enabled privatization of public services and public service provision. Municipalities have decreased the amount of workers in privatized services or have transferred many employees to other departments. In

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<sup>24</sup> Ministry of Public Works and Settlement had asked to Council of State which law to be at the first place in Bosphorus, where there are many laws (Laws on Historical and Urban Conservation Sites, Law on Bosphorus, Law of Metropolitan Municipalities, Law of Tourism Centers etc). The question was not answered (Ünal, 2001).

case of Ankara, 250 municipal employees have been transferred to committees linked to Ministry of Education only in a 4 month period (ECOTEC, 2005).

Municipalities do not own all the necessary and required equipment. This problem is so widespread and chronic. In many cases, specifically on some special works such as metropolitan urban planning or similar big projects, municipalities provide the work with extra conditions, extra support and equipment. For instance, Planning Unit in Metropolitan Municipality of Ankara at 1978 was first established at the building of municipality but later moved to another building. The reason for this move was not described as the uniqueness of planning work in terms of secrecy. It was the need for necessary supportive equipment such as typing and plotting processes, copying machines and material (Göymen, 1997).

Local government reform enables the municipalities at all levels to set up public enterprises or associations to provide any public service<sup>25</sup>. The missing control and supervision mechanisms over these enterprises are likely to create some problems, such as misuse of authority, unlawful action and clientelism, and operating like a private firm on purpose of profit making rather than as a public institution on purpose of public interest.

Financial capacity issue is regarded as the fundamental problem area for the local governments in decentralization process. Main arguments sum up with the conclusion that “local governments should be equipped with financial resources in proportion with their functions”.

Heavier for small municipalities, but valid for all of them in general, there are some financial constraints: insufficient public finance in terms of central transfers and public credits; high interest rates of domestic and foreign credits; low income level of local people causing insufficient local revenue generation opportunities; lack of necessary workforce and infrastructure for entrepreneurship and management. (DPT – 2538 – 554) It is not clear how municipalities will be able to perform new roles and functions with their insufficient financial resources. This problem is expected to be handled by introduction of laws on local

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<sup>25</sup> Actually this is not a new situation. In 7.7.1994, The Ministry of Interior (Nahit Menteşe) had posted a printed notice to every municipality in order to warn them about the problematic situation of municipal enterprises. The printed notice says that these municipal enterprises should be disciplined especially because of their negative impact on public opinion. (TBMM, 2004) However, the same model, with lesser control and supervision mechanisms, is institutionalized with the reform package again.

government finance. (Irmak, 2006) Actually financial capacity of local governments is not the only subject in central government budgeting. An increase in central government grants which is the main financial source for the local governments may lessen the monetary problems in the short run. However, economic development and sustainability of local governments does not solely rely on the central government share. The central government budget share, sources of domestic revenues, creation and generation of sources of domestic revenues, and mechanisms to enjoy these resources efficiently are all key issues for development of financial capacity.

Approximately %85 of local-character services in Turkey are took on by the central government. Local governments' share in total public expenditures in Turkey has generally been about %15. These proportions show the weight of central government in local public services and the long continuation of this situation shows that central government had never promoted decentralization in Turkey. Local government expenditures and status of local governments in developing and developed regions quite differ. For instance, in European Union countries, approximately 15% of GDP is composed of local government expenditure, where this ratio is approximately 4% in Turkey (Yılmaz and Kerimoğlu, 2005a:34), which prevents a direct comparison between these two.

This dependency on central government varies in different forms and in a wide range as direct and indirect control mechanisms, partial and full decision rights on its own, de jure and de facto interventions in broad terms (Tekeli, 2004). Besides intervention of central government to financial processes, some political structure of Turkish local governments creates another type of tension. Tekeli (2004) explains a form of political domination over municipal system in Turkey which is among the elected local party members, the mayor of municipality and the members of national assembly. In Turkish system, mayors of municipality are not allowed to be the leader of local party. Some kind of tension arises when local party members attempts to use municipality as a means of its politics where mayor is responsible for urban politics.

However, claiming that autonomy and democratization of local governments can be achieved only in situation of adequate local revenues is not a valid argument. (DPT – 2538 – 554) Recently, approximately 3000 out of 3225 municipalities in Turkey are indebted to Secretariat of Treasury. The revenues of municipalities in debt are cut off by %40 by the

Secretariat. It is said that the situation is not possible for most of these municipalities to pay back in the short run (Birgün, daily newspaper: 20.03.2006).

There are great gaps among local governments in Turkey especially deriving from the regional inequality, such as differences in terms of resource creation and income generation; differences in terms of development levels of NGOs; differences in terms of relations with global economy. Geographical differentiation is among factors which may affect the successful decentralization processes. According to DPT Report on Regional Development, it is not appropriate to implement a uniform development strategy for every locality in Turkey. Some necessary factors should be taken into consideration regarding the features of different localities, such as natural and material resources, institutional infrastructure, domestic capital, capacity of productivity, efficient use of resources, existence of sufficient internal demand, availability of qualified and unqualified labor power, development level of local entrepreneurship, characteristics of local technocrats and politicians as well as professionals, and factors such as unexpected and unforeseen events (DPT 2507-523).

Ünsal (2004) points to two main constraints on successful decentralization in Turkey. One is the uncertainty in legal division of responsibilities and authorities among different levels of administration. There is huge and even conflicting mass of laws dispersed to many authorities in Turkey. Second is the uneven development among regions where especially in Southern Eastern Turkey is very disadvantageous in terms of its traditional background and lack of infrastructure for decentralization. At this point, Ünsal (2004) suggests establishing some kind of regional formations which may act as para-mechanisms for decentralization.

The package is imported directly and prepared in accordance with the principles of neo-liberalism which are privatization of public service delivery, managerialism and logic of market mechanisms. These principles are on the way to replace public service delivery ethic of public institutions, administration model and primal principle of public interest. The new role attached to (local) state within the recent framework of public administration and the respective local government reforms in Turkey is “steering rather than rowing”. Local governments are expected to enable other actors, private and voluntary sectors to act in public service delivery and carry out public works. The model proposed and even made compulsory for local governments to efficiently perform local service delivery is competitive tendering or contracting out. However, there are some difficulties in contracting out mechanisms regarding the capacities of local governments. At the top of these difficulties is



the control of business. Unless there is competent staff in the municipality to follow and control the work of contractor, the quality of work may not be at the expected level.

The reform package is criticized for its incomplete structure. It is claimed that unless necessary infrastructural conditions established, the reform package will create new problems. The reform should first introduce the basic infrastructures to local governments such as adequate human resources, qualified staff, financial support, institutional capacity building and adequate material means of work. It is only then after that new roles and responsibilities of local governments should be identified (Planlama 2004/1; Yılmaz and Kerimoğlu, 2005a; Yılmaz and Kerimoğlu, 2005b).

Second type of criticism is directed towards the emphasis of reform on participation that representation of unorganized interests is still a very critical problem to be solved (Şengül, 2001; Planlama 2004/1). Another relevant criticism in this manner is the lack of modeling for representation. The reform texts pronounce the importance of participatory processes but do not provide any mechanisms to realize it.

There are only two legislations about capacity evaluation inside the municipal system. According to By-Law on Annual Activity Reports of Public Administrations (published in Official Gazette numbered 26111 on 17.03.2006), annual activity reports should include an internal analysis of institutional capacity and competency. Organizational structure and talents, technology and personnel capacities are all subjects of this analysis. The other capacity evaluation process is the SWOT analysis as an integral part of Strategic Planning process which requires identifying strong and weak sides of the municipality, opportunities and threats that may affect the service provision practices. These two documents are the only systematic processes of self evaluation, other than the routine and random inter-departmental meetings. These two documents are also open to public and thus may provide public accountability and define channels of criticism. However, annual reports are generally designed as a representation of last year's 'succeeded' municipal services and activities. Strategic Plan, on the other hand, is a very new model for municipalities, by which they have started to plan their activities for the medium-term. Strategic Plan is beneficial in one more aspect that municipalities have prepared this document themselves. The process of preparing a common and comprehensive plan by municipal actors is an asset in itself. Yet, many

strategic plans which have been produced for the first time do not fit in framework of strategic planning<sup>26</sup>.

To sum up, the mentioned current problems in Turkish local government system and potential problems considering the reforms have five fundamental dimensions. One is the question of administrative roles and abilities. The division of power between the central and local government creates tension between these two bodies. Secondly, the new module of public administration, which is the managerial approach, requires a change in understanding of public service delivery. According to Stewart (1989: 174), the culture of local authorities has been a professional culture. Classical understanding of local authorities has organized local government for the direct provision of public services at the local level (Stewart, 1989). The new understanding of local government requires a shift from classical administrative organization which aims at direct service provision to an organization which is assumed to enable other actors to do. The organizational structure and procedures are subject to a re-design aiming at control rather than action where local governments are described as enabling others to do (Borja and Castells, 1993). But there seems to emerge an unintended consequence during this shift. The ethos of public good is challenged by the ethos of commercialism. Third is the question of competency in terms of service provision. Local governments do not seem to carry out their responsibilities and functions unless they are equipped and supported with necessary material, financial and human resources, as well as the control and supervision of these inputs of public service production. Fourth is the question of representational capacity in which local governance practices in Turkey are facing with problems. Fifth is the problem with uneven development that, the homogeneous structure of reforms may not result in the expected success level in every locality.

In order to increase capacity of local governments and strengthen public administration in general some projects and programs have been introduced in Turkey. Recently there emerged many projects and funded projects in this issue, which are discussed in the following section.

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<sup>26</sup> For instance, Strategic Plan of Metropolitan Municipality of Eskişehir represents a form of annual report rather than an action plan document.

### **2.2.3. LOCAL GOVERNMENT CAPACITY DEVELOPMENT PROJECTS IN TURKEY**

Although it is criticized that local government reforms did not take the capacity problem into consideration during the Act, there had been some early attempts to strengthen capacities of local governments in Turkey. Most of these attempts are project based interventions which aim at improving particular elements of local government organization. It was only after and during the implementation of local government reform that problems are widely recognized and some more specific and comprehensive projects have been introduced.

In the year 2001, European Commission introduced a project titled “Strengthening Local Governments: Design and Public Administration Reform Programme”<sup>27</sup> as a one year project. General aim of the project was described as to support Turkish Government in modernizing its public administration so as to strengthen its efficiency, professionalism, integrity and its general capacity to design and implement policy reforms related to European Union accession process.

In the year 2005, Ministry of Interior has introduced a project with the title “Support to Local Administration Reform Programme”<sup>28</sup>. Statement of the project is that, necessary legal framework has been established with laws introduced in the field of local government system, but it is critical to strengthen the capacity of local governments to carry out these reforms. The project is funded by MEDA Fund and UNDP Turkey Branch is the executive organ<sup>29</sup>. The project is composed of three parts.

- A- To strengthen the capacity for local administration reform which aims at capacity building for the municipal unions via Ministry of Interior and for municipalities via sister city models. The project composed of actions in development strategies to establish local government reforms and training programs for the personnel of Ministry of Interior and municipal unions.

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<sup>27</sup> [http://www.gfa-group.de/gfa-consulting-groupprojects/gfa\\_home\\_firmenprojekte\\_druck\\_1054187.html](http://www.gfa-group.de/gfa-consulting-groupprojects/gfa_home_firmenprojekte_druck_1054187.html)

<sup>28</sup> <http://www.mahalli-idareler.gov.tr/YERELYONETIM%20REFORMU.doc>

<sup>29</sup> Original text (EuropeAid/114738/C/SV/TR) of the project, “The Terms of Reference” in EU words, have some different remarks. Number of pilot projects are determined to be at least six. European Union Delegation to Turkey is the contracting authority and TODAIE has important role in the project. UNDP Turkey Branch has been awarded the service contract in July 2005.

- B- To improve budgetary procedures and service performance in selected pilot administrations, which aims at developing local governments for efficient use of existing financial resources.
- C- Improving efficiency and efficacy of human resources, which includes training programs for local government personnel in Fiscal Management and Service Delivery Issues.

Like other EU funded projects<sup>30</sup>, this one is time-limited. Six pilot local government units would carry out these projects. It was assumed that experiences and outputs gained by the project will prepare the background for appropriate actions spread through the whole local governments. There are in fact some critical obligations in the project proposal. Firstly, projects will be managed on the principles of international “project cycle management”. Second, each organization will work in coordination with a technical assistance team from UNDP Turkey Office, and employ a project manager preferably experienced and English literate. Each organization will constitute a Project Coordination Unit, equip it with necessary material (telephone, fax, computer...), provide necessary logistic and infrastructural support, and facilitate for procedures. These pre-conditions are not suitable for existing situations of most municipalities.

Capacity development issue is included in the 2006 – 2010 agenda of UNDP (UNDP, 2005). The second Country Cooperation Framework for Turkey focused on reduction of disparities and governance decentralization. Decentralization of governance has been realized to some extent, yet UNDP’s aim to achieve good governance and local democracy has still some constraints. Establishment of Local Agenda 21 programme in this respect is the main instrument for realizing local democracy. The 2006 – 2010 programme is proposed to focus on three issues: capacity development for democratic governance, advocacy and action for poverty reduction, and environmental management. UNDP, in this programme, aims at building capacity for local governance by strengthening civic participation in municipal decision-making through LA 21 initiative and previous experiences gained from it. Additionally, the 2006 – 2010 programme puts the private sector as one of the target groups. Private sector capacity is proposed to be increased in terms of support and capacity to corporate governance. Based on project management strategies, the capacity development programme is expected to increase individual, collective and institutional capacity for

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<sup>30</sup> <http://www.deltur.cec.eu.int>

participation at all levels of decision-making. There are four related outputs to be achieved by the 2006 – 2010 programme:

- 1- Municipal and provincial capacity development for decentralized local governance and improvement in service delivery through training and networking in a select number of geographic regions.
- 2- Enhancing access to information and participation through effective utilization and diffusion of information communication technologies<sup>31</sup>.
- 3- Strengthening and increasing number of City Councils with platforms of action for women, youth and children and enhancing civil society and public participation for realizing Government's 2004 Millennium Development Goal and follow-up to the World Summit on Sustainable Development
- 4- Strengthening women's political empowerment and mainstreaming gender issues through follow-up to the Convention on the Elimination of All Forms of Discrimination Towards Women

Another regulation which has come up with the reform packages is the norm cadre regulation. Norm cadre regulation is in agenda of central government for about 6 years. The first studies<sup>32</sup> began by The Council of Minister's governmental decision numbered 2006/1658 on 30 January 2000 regulating the principles and procedures about the norm cadre studies that public institutions and organizations would follow. It was followed by the 2001/39 numbered governmental decision of Prime Ministry on 11 July 2001; articles 48 and 49 of 5393 numbered Law on Municipalities passed in the year 2005; and article 23 of 5437 numbered Law on Central Government Budgetary in the year 2006. Lastly the 2006 / 9809<sup>33</sup> numbered governmental decision in 22 April 2006 determined the statements about principles and rules of the norm cadre that bound municipalities, their related organizations and local administration associations. The mentioned decision defines the principles of norm cadre for municipalities considering some variables such as population, status (type) of municipality and sectoral characteristics. Ironically, the statement that local government managers and technical staff have limited knowledge about the legal framework and law, the

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<sup>31</sup> This enhancement strategy uses LA 21 e-governance portal as a tool for participation

<sup>32</sup> These are the first implemented studies. Previously, The 8<sup>th</sup> 5-Year Development Plan (DPT 2507-527) not long before the first governmental decision on the subject, had proposed the implementation of norm cadre regulation.

<sup>33</sup> 2006 / 10265 numbered governmental decision determines the norm cadre principles about Special Provincial Administrations.

same statement is valid for the central government. The case for the by-law about norm cadre shows this validity. The decision of Council of Ministers numbered 2006/9809, which was published in Official Gazette dated 22.04.2006 had stated the execution of norm cadre regulation. Municipalities, their related association and special provincial administrations have changed their organization schemes according to this regulation. However, Council of State has ceased the execution at 16.11.2006 declaring that it is not the Council of Ministers but the Ministry of Interior that has the authority to legislate the execution of norm cadre regulations<sup>34</sup>.

Despite the decision of Council of State, norm cadre regulation is in the agenda of local governments and almost all of them have reorganized their staff and organization schemas accordingly.

There are two rules about staffing determined by the norm cadre regulation. First is that personnel expenditures should not exceed %30 of previous years total budget revenues<sup>35</sup>. Second rule is that any municipality can not employ more staff than what is regulated in the Tables. If total personnel in the related category exceed the determined number, new personnel will not be employed until the positions fall down the limit. So, the municipalities are able to enjoy the positions if personnel expenditure is below or at the determined level.

Secondly, governmental decisions describe municipal positions. Contractual personnel are employed by annual contracts and Ministry of Interior has any right to put limitations on the number of personnel according to their titles. Temporary worker positions can not exceed %40 of total norm cadre. Those services which are not obliged to officials are to be carried out through “service purchasing”.<sup>36</sup>

It is seen that although recently there are attempts to capacitate local governments, these are not adequate. For instance, because they are mostly project oriented, it is not taken into consideration that most of the municipalities lack project management skills and project

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<sup>34</sup> Probably the regulation will continue as it is currently after the decision to be taken.

<sup>35</sup> Ruled by 5393 numbered Law on Municipalities. This proportion is %40 for municipalities with population less than 10.000.

<sup>36</sup> governmental decision numbered 2006/9809.

cycle management knowledge. There are very few number of municipalities that has established a project management unit.

So far, this thesis has discussed the changing context of (local) state and the meaning of administration. It is asserted that a neo-liberal is the conventional force of this radical change. Turkish administration system is also under direct effect of this wave. However, there seem many problems in this process in terms of adaptation, rejection, legislation, implementation and activation. The case study in the next chapter will focus on these current and potential problems by examining the Metropolitan Municipality of Diyarbakır.

## CHAPTER 3

### CASE STUDY: METROPOLITAN MUNICIPALITY OF DIYARBAKIR

#### 3.1. INTRODUCTION

In this chapter, Metropolitan Municipality of Diyarbakır is taken as the sample case for an analysis of local institutional capacity and current decentralization schema in Turkey. Firstly, a brief introduction of the province and city will be made; next, the institutional capacity problem in case of Metropolitan Municipality will be discussed with reference to theoretical discussions above; finally some critical dimensions regarding the process will be pointed.

##### 3.1.1. DIYARBAKIR PROVINCE

Diyarbakır is located at the Southern Eastern Anatolia Region which is one of the least developed regions in Turkey. The Region covers an area of 75.308km<sup>2</sup>, where Adıyaman, Batman, Diyarbakır, Gaziantep, Kilis, Mardin, Siirt, Şanlıurfa and Şırnak provinces are located. The history of Metropolitan City of Diyarbakır goes back to 3000BC. Suriçi is the historical core of the city surrounded by magnificent city walls 5,5km in length, located at western side of The Tigris River.

Tablo 14. Comparative urban population growth and indexes

Population (* 1.000)	1960	1965	1970	1975	1980	1985	1990	2000
Turkey	27755	31391	35605	40348	44737	50664	56473	67845
<i>Index Turkey</i>	<i>100</i>	<i>113</i>	<i>128</i>	<i>145</i>	<i>161</i>	<i>183</i>	<i>203</i>	<i>244</i>
Southern Eastern Anatolia Region	2053	2368	2803	3212	3578	4104	5157	6604
<i>Index Southern Eastern Anatolia Region</i>	<i>100</i>	<i>115</i>	<i>137</i>	<i>156</i>	<i>174</i>	<i>200</i>	<i>251</i>	<i>322</i>
Province of Diyarbakır	402	476	581	651	778	935	1096	1363
<i>Index Province of Diyarbakır</i>	<i>100</i>	<i>118</i>	<i>145</i>	<i>162</i>	<i>194</i>	<i>233</i>	<i>273</i>	<i>339</i>
Metropolitan Municipality of Diyarbakır	100	127	177	203	274	354	460	685
<i>Index Metropolitan Municipality of Diyarbakır</i>	<i>100</i>	<i>127</i>	<i>177</i>	<i>202</i>	<i>272</i>	<i>353</i>	<i>459</i>	<i>683</i>

Source: MMD, 2005



Population growth of the city is seen on the table above. Population growth rate of Diyarbakır urban area has always been above the region and country. In addition to general migration movements from rural areas to urban areas, rural displacements starting in 1990s due to political unrest have created massive waves of forced migration from rural areas to city center of Diyarbakır. These two migration movements have articulated, and population of Diyarbakır has increased at excessively high rates. Population growth together with the lack of competent financial resources given to municipality to carry out necessary services for the population caused massive unemployment, poverty, and problems about urbanization such as formation of massive squatter settlements in the city center. Approximately 30% of labor power is unemployed in Diyarbakır city. In spite of rapid population growth, the city could not generate necessary employment conditions for population. Industrial sector is weak in the city. Approximately 50% of production by industrial firms is made for local market. Percentage of industrial firms that can produce for international marketing is only 2%.<sup>37</sup>

Tablo 15. Socio-Economic Development Levels of Districts of Diyarbakır

District	Socio-Economic Development Level among 872 Districts in Turkey	Development Index
Metropolitan Municipality	70	139.749
Bismil	771	-0.86110
Çüngüş	786	-0.91268
Lice	804	-104.093
Çermik	808	-107.902
Silvan	810	-108.285
Kocaköy	835	-126.800
Kulp	840	-130.528
Hani	846	-138.357
Çınar	848	-139.761
Dicle	852	-142.443
Hazro	853	-143.118
Eğil	854	-144.322

Source: DPT, 2004

There are 13 districts in Diyarbakır Province. Table above shows the socio-economic development levels of these districts. It is seen that, except for the central city, all of the districts in province are at the least developed levels.

<sup>37</sup> MMD, Report on Transition to Urban Planning, September, 2006

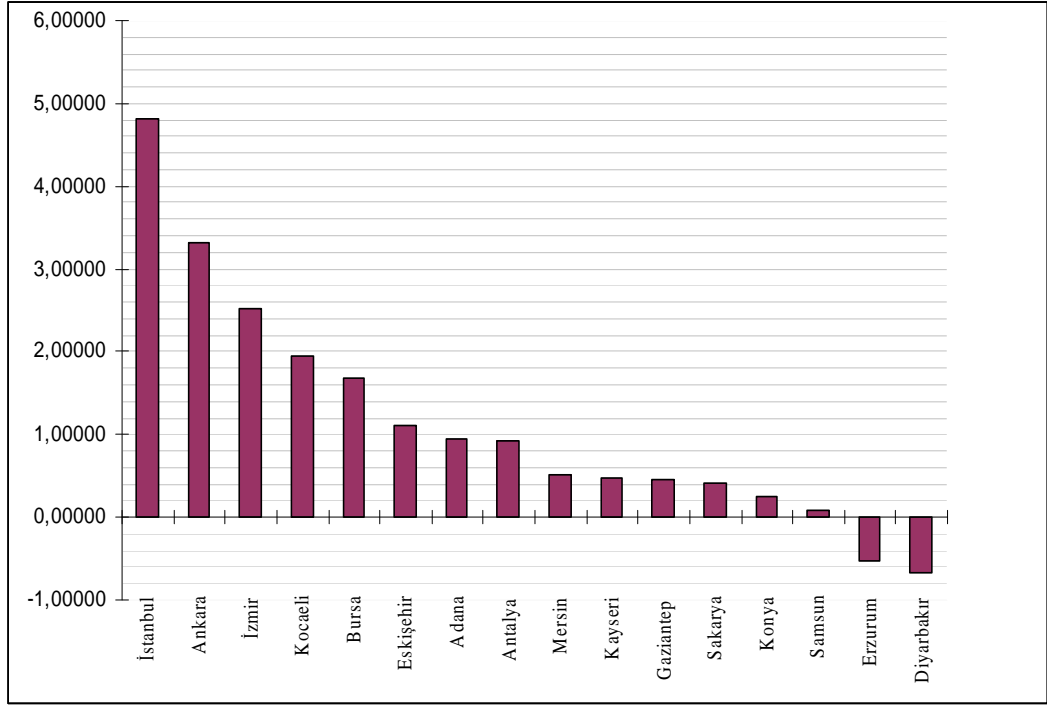


Figure 5. Socio-Economic Development Levels of Provinces with Metropolitan Municipalities<sup>38</sup>

These selected 16 provinces are those whose central district is a metropolitan municipality. Diyarbakır Province is the least developed one among other provinces having a city center with metropolitan municipality status.

Table also shows the developmental differentiation between the eastern and western regions of Turkey. 3 (Gaziantep, Erzurum, Diyarbakır Provinces) out of 16 metropolitan municipalities are located at the East Anatolia and Southern Eastern Anatolia Regions, which are the least developed regions. These three Provinces are ranked at 11<sup>th</sup>, 15<sup>th</sup> and 16<sup>th</sup> provincial socio-economic development levels.

### 3.1.2. METROPOLITAN MUNICIPALITY OF DIYARBAKIR

Diyarbakır Municipality was transformed to Metropolitan Municipality status by the decision of the Council of Ministries (21.12.1993 date and 93/5130 number). Metropolitan sub-Municipalities of Bağlar, Sur and Yenişehir were established in this framework. According to the Law of Metropolitan Municipality (23.07.2004 date and 5216 number)

<sup>38</sup> DPT, 2003

territorial area of Metropolitan Municipality has enlarged from 26.000ha to 125.600ha, including three other municipalities (Kayapınar, Bağışvar and Çarıklı) and transforming them into Metropolitan sub-Municipality status.

The same law transformed 97 villages in this territory into neighborhood status<sup>39</sup>. Population of the city in 2005 to whom Metropolitan Municipality of Diyarbakır (MMD) and Metropolitan sub-Municipalities provide services is shown on table below:

Table 16. Populations of Metropolitan sub-Municipalities<sup>40</sup>

Metropolitan sub-Municipality	Urban Population	Rural population	Total population
BAĞLAR	320.672	14.885	335.557
YENİŞEHİR	188.483	23.087	211.570
SUR	96.384	17.429	113.813
KAYAPINAR	131.552	8.904	140.456
ÇARIKLI	4.935	3.300	8.235
BAĞIVAR	16.960	4.180	21.140
<b>Total Metropolitan Area Population</b>	<b>758.986</b>	<b>71.785</b>	<b>830.771</b>

Metropolitan Municipal Council is the decision making organ of Metropolitan Municipality. Mayor is the head of council. Mayors of Metropolitan sub-Municipalities are the natural members of Metropolitan Municipal Council. Municipal Council's procedures are determined by the law. Municipal Council discusses and approves the Strategic Plan, Municipal Budget, Development Plans, staffing processes and projects concerning the city. There are 32 members of Council including the Mayors, 18 members from Democratic Society Party (DTP), 9 from Justice and Development Party (AKP), 3 from People's Social Democrat Party (SHP), and 2 independents.

Standing Committee is composed of 10 members; 5 selected by Municipal Council and 5 appointed by Mayor. Standing Committee is responsible for the execution of Council decisions and consultancy. Metropolitan Municipal Council has 5 commissions of expertise. Commissions are the bodies where some issues of argumentation and inspection at the Council are assigned to for further inquiry. Commissions of expertise in MMD and its members are below:

<sup>39</sup> 12 of neighborhoods have re-stated into village status and joined back to Municipality of Çınar (Ministry of Interior, 03.07.2006 dated approval. (MMD, 02.08.2006 date and 2567 numbered official paper)

<sup>40</sup> MMD, Diyarbakır Urban Development Plan Research Report, 2005

Table 17. Commissions at Municipal Council of MMD

No	Title of Commission	Number of members
1	Urban development commission	9
2	Education, culture, youth and sports commission	7
3	Environment and Health Commission	7
4	Transportation commission	8
5	Commission of Plan and Budget	7

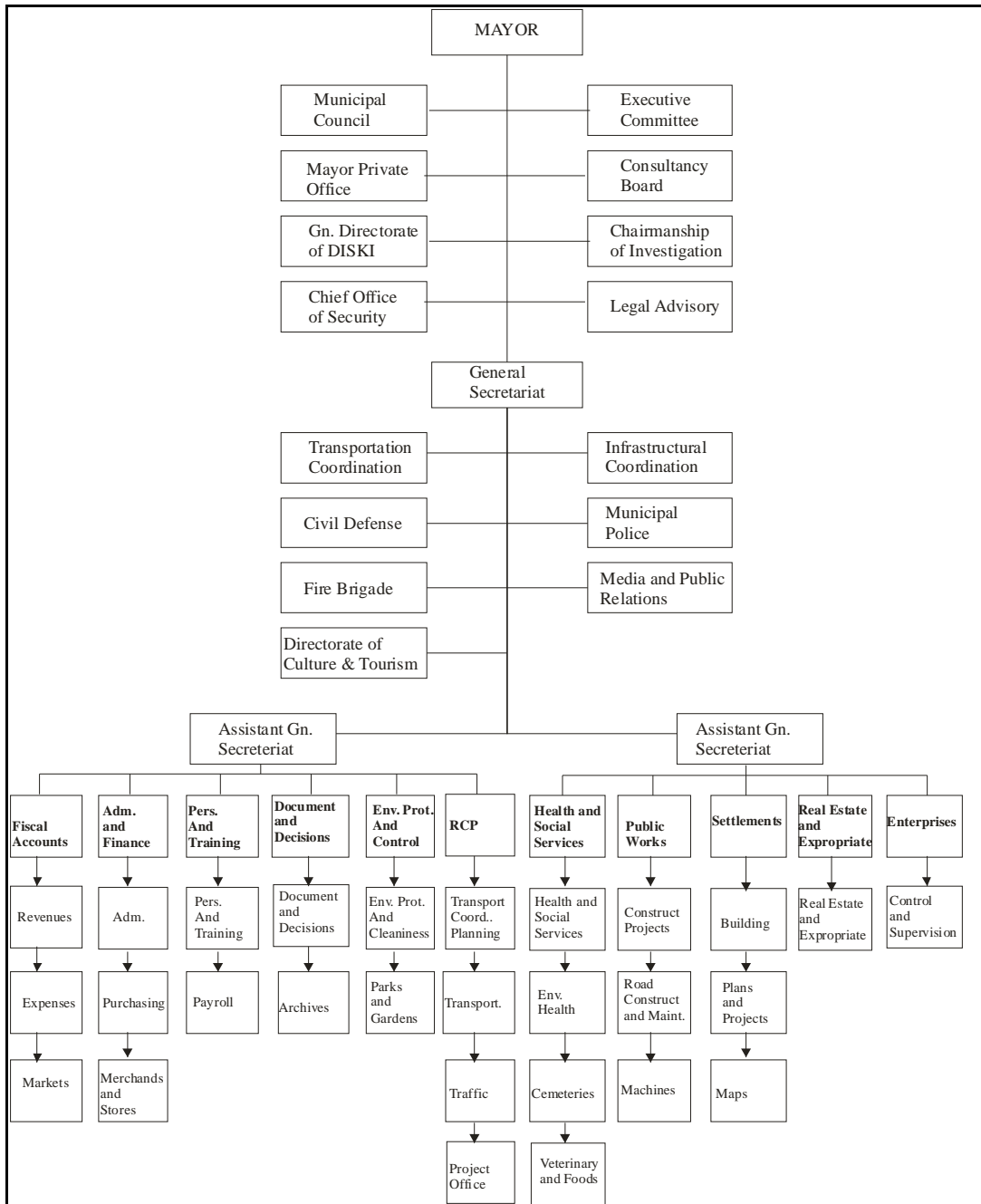


Figure 6. Organizational Chart of MMD, May 2006

Organizational charts of municipalities have been rearranged according to the norm cadre regulation. Regulation does not determine the links and hierarchy of departments. It determines number and profession of personnel, number and title of departments in municipalities. Table above represents the chart before the application of regulation.

There are 827 employees working in the municipality. Analysis of municipal personnel will be studied in the related section. According to norm cadre regulation, total number of personnel for metropolitan cities having population between 500.000 and 999.999 including MMD is 2179<sup>41</sup>. Table below shows the actual organizational structure and the schema arranged by the regulation.

Table 18. Organizational positions and personnel structure<sup>42</sup>

<b>Administrative Staff</b>		
Mayor	1	
Municipal Council	32 members	
Standing Committee	10 members	
Vice Mayor	1	
General Secretary	1	
Assistant General Secretary	2	(3)
Head Officer of Inquiry	1	
Legal Adviser	1	
Head Offices	11	(14)
Directorates	28	(56)
<b>Municipal companies</b>	<b>2</b>	
<b>Personnel</b>	<b>827</b>	<b>(2179)</b>
Officers	172	(1362)
Workers	54	(817)
Temporary workers	601	(0)

Total revenues of municipality in 2005 is 74.447.537,38 YTL and total expenses is 77.009.371,27 YTL. Central budget tax revenues constitute the greatest proportion (75,42%) in revenues. For expenditures, Personnel (29,59%) and Buildings, Installations and Large Repairs (27,15%) constitute the greatest proportion. Analysis of financial capacity will be studied in the related section.

Administration of Water and Sewer System (DİSKİ) has been established in 1995 as an Associate General Directorate of MMD. DİSKİ is a public judicial body with separate budget and separate personnel from Metropolitan Municipality. General Director is the

<sup>41</sup> Norm cadre in Municipalities (Information Note) Appendix-1. Classification Table for Municipalities, Their Related Organizations and Local Administration Unions

<sup>42</sup> Personnel list is built on data provided by the Head Office of Personnel and Training on 14.08.2006. Numbers in parenthesis show the number of personnel according to norm cadre regulation.

chairman of DİSKİ. DİSKİ General Committee is the prime decision making authority which is the Municipal Council. DİSKİ is responsible for water and sewerage services in the metropolitan municipality.

Tablo 19. DİSKİ and MMD, education level of total personnel

Education level / positions	DİSKİ		MMD		Total	
	Frequency	%	Frequency	%	Frequency	%
Literate	19	3,75	23	2,8	42	3,2
Primary School	154	30,43	309	37,4	463	34,7
Secondary School	67	13,24	99	12	166	12,5
High School	159	31,42	231	27,9	390	29,3
University (2 year)	36	7,11	50	6,0	86	6,5
University (4 year)	71	14,03	115	13,9	186	14,0
<b>Total</b>	<b>506</b>	<b>100,00</b>	<b>827</b>	<b>100</b>	<b>1333</b>	<b>100,0</b>

Source: DİSKİ 2006; MMD (personnel list)

Out of 506 personnel, 77,8% are temporary workers, while 17,2% are public servants and 4,5% are permanent workers at DİSKİ. There are also 2 contractual personnel. Total number of employees in two semi-separate bodies is 1333.

Local government is not a closed system. As discussed in theoretical approaches, it is a set of social relations. Social actors in the network of city have rights and responsibilities to intervene the governing process. Literature on governance is built on these rights and responsibilities. On this purpose, Local Agenda 21 (LA21) organizations have been established in local governments by the end of 1997. Diyarbakır Local Agenda 21 (DLA 21) could have been performing systematic and continuous activities since 2003. Centre of organization is located in a historical building which had gone under restoration for this purpose. Council of City Consultancy in DLA21 process has 376 members who are representatives of public institutions, local governments, NGOs and voluntary citizens. Council of City Consultancy is the prime decision making and consultancy unit in the organization. Coordination Committee which has 42 members is responsible for coordination and execution of activities. Project Coordinator of DLA 21 is the Mayor of MMD. Project Coordinator is also the chairman of Council of City Consultancy (DLA 21, 2005).

There are five Work Groups in DLA21:

- History, Culture, Urbanization Main Work Group (68 members)
- Women and Children Main Work Group (51 members)
- Environment and Health Main Work Group (38 members)
- Youth Main Work Group (20 members)
- Struggle Against Hunger and Poverty Main Work Group (35 members)

According to Statutes of Council of City Consultancy local governments in Diyarbakır, before all else, take the DLA 21 Program into account in budget planning and activities. It is written in the Statutes that it is the local governments who are responsible for creating mechanisms for participation opportunities (DLA 21, 2005: 22).

This section was prepared as a brief introduction to MMD. In the following section, points on capacity which were shortly mentioned in this section and additional points about local institutional capacity will be analyzed in detail.

### **3.2. TOWARDS THE LOCAL INSTITUTIONAL CAPACITY ASSESSMENT OF METROPOLITAN MUNICIPALITY OF DIYARBAKIR**

In this section, starting point will be the problems with institutional capacity which were defined by Head Officers at MMD. These problems, of course, do not contain all of the potential problems but are the evaluations of officers about the problems they currently face. In the following section, a broad analysis of institutional capacity problem will be studied. This section attempts to test which approach to local institutional capacity previously discussed will be more beneficial and appropriate for such an analysis.

#### **3.2.1. CRITICISM OF APPROACHES ON LOCAL INSTITUTIONAL CAPACITY BY PRACTICES**

Head Office of Research, Planning and Coordination, which is responsible for preparation of Strategic Plan of MMD, asked every department in the municipality by an official paper, numbered 215 and dated 17.04.2006 to fill in the questionnaire about Strategic Plan attached as appendix. The questionnaire asked the departmental vision and mission, problems of the department, activities and services which are planned to be carried out in the next 3 years, and what strengths, weaknesses, opportunities and threats (SWOT analysis) are seen in the related field of services. Below are the replies of departments about institutional problems which are classified according to problem areas.

Capacity Problem (CP) defined by various departments in MMD:

*- CP.1. Issues related to administrative staff capacity*

CP.1.1. Administrative staff, except for technical professionalism, is not competent enough to lead his team in motivating personnel, providing coordination, generating consciousness of work and allowing personnel to take on responsibility

CP.1.2. Administrative staff can not facilitate citizen participation in decision making processes sufficiently

CP.1.3. Administrative staff cannot generate coordination with political leaders and NGOs sufficiently

*- CP.2. Issues related to technical personnel capacity*

CP.2.1. Insufficient number of personnel

CP.2.2. Vacant manager positions

CP.2.3. Lack of qualified personnel in terms of education level, project-oriented working skills, use of technology, process management skills

CP.2.4. Low personnel performance

CP.2.5. Low personnel motivation

CP.2.6. Need for in-service training

CP.2.7. Need for improving in-service training methods

CP.2.8. Low performance of Municipal Police due to stressful work conditions

*- CP.3. Issues related to technical equipment sufficiency*

CP.3.1. Insufficient technological infrastructure

CP.3.2. Lack of Information Systems, systematic databases, internet and automation systems

CP.3.3. Lack of necessary technical equipment

CP.3.4. Worn-out compulsory technical equipment

CP.3.5. Poor physical conditions of departments at other outsider buildings

CP.3.6. Need for some necessary licensed software

CP.3.7. Need for organization or construction of some absent but necessary units

CP.3.8. Lack of a social and training center

CP.3.9. Bureaucratic and time consuming procedures of office-material purchasing

*- CP.4. Issues related to efficacy of organizational structure*

CP.4.1. Ineffective organizational chart



- CP.4.2. Unclear identification of responsibilities and titles
- CP.4.3. Problems with institutionalization and organization of the departments
- CP.4.4. Highly bureaucratic procedures in expropriation processes
- CP.4.5. Ineffective controlling and supervising in business
- CP.4.6. Lack of good archiving system for the whole municipal data

*- CP.5. Issues related to financial capacity*

- CP.5.1. Inadequate municipal budget
- CP.5.2. Very few amount of real estate and land owned by the municipality
- CP.5.3. Lack of necessary financial resources
- CP.5.4. Inadequacy of laws and regulations for effective financial management
- CP.5.5. Unsuccessful income forecasting and expense planning at departments
- CP.5.6. Need for financial discipline for departmental units
- CP.5.7. Insufficient budget allocated to departments
- CP.5.8. Low efficiency of municipal enterprises
- CP.5.9. Products marketed are limited to local and regional areas

*- CP.6. Issues related to participation and representation processes*

- CP.6.1. Lack of necessary coordination and partnership with central government institutions
- CP.6.2. Many public institutions avoid collaboration
- CP.6.3. Disinformation and lack of harmony in decision making processes between public institutions and municipality
- CP.6.4. Coordination, communication and participation problems with Metropolitan sub-Municipalities, public institutions, Local Agenda 21 organization and NGOs
- CP.6.5. Poor coordination and harmony between administrative and technical departments
- CP.6.6. Lack of coordination among departments
- CP.6.7. Poor communication among personnel in the department
- CP.6.8. NGOs do not prepare any projects and researches

*- CP.7. Issues related to external factors*

- CP.7.1. Conflicting and unclear legal framework
- CP.7.2. Excessive migration, poverty and unemployment conditions of city
- CP.7.3. Poor urban technical and social infrastructure
- CP.7.4. Poor environmental quality of the city

CP.7.5. Cumulative problems deriving from the transition period from municipality status to metropolitan municipality status

CP.7.6. Unawareness of public organizations about the critical problems of municipality

Theoretical approaches to capacity development which were discussed in the previous chapters have unique explanations and intervention logics for these problems.

An analysis of Systems Approach would probably start with putting forward the expected level of capacity whose standard indexes and criteria of development were pre-determined by the National Development Programme and the Millennium Development Goals. However, as discussed above, internal dynamics of certain localities do not fit in the homogenous goals and aims. While it is more possible for developed regions to increase capacity and reach at the pre-determined level, the less developed regions will face many more problems and require a long jump to arrive at the same level.

An analysis of Networking Approach would probably pay attention to potential contributions of private sector and public sector agencies, who are currently having poor relations with municipality. However, as Ünsal,F. (2004) argues, there are many problems about participation practices and power relations in less developed regions. The most possible consequence of strengthening network between these actors without taking any pre-cautions will be the hegemony of some groups on decisions of public authority, and manipulation of these decisions on behalf of their particular interests.

An analysis of Intra-Organizational Approach would probably break down the organs of municipality into components and identify particular treatment methods for the determined problem areas. These treatments may or may not have internal connections in each organ, and each organ would have limited connection with the other organs. Then problems in each organ would be analyzed and some development strategies would be introduced separately. Finally, the improved parts would be re-connected to form the capacitated totality. However, as seen above, for instance, unless departments coordinate and communicate with each other (CP.6.6.) in organizing their activities, and get agreement on the administrative staff (CP.6.5.), any training on budget estimation (CP.5.5.) may be wasted. Thus, these single problems should be taken into consideration in relation with each other.

An analysis of Results Oriented Approach would start with analyzing outputs and probably would compare the previous outputs to see what activities contributed to development in any particular activity. It would probably take unawareness and uninterested structure of public institutions (CP.7.6.) for granted. However, this will bring an understanding of these actors as unchangeable. So, if there is nothing to do with these external actors, then local government will not be able to solve the problem of coordination and participation. Thus, an approach which will also introduce some opportunities to change the external factors is needed.

Next section will attempt to show why a relational approach is needed to build a comprehensive capacity assessment strategy and for an effective development proposal. Any problem defined above may be both a problem in itself and a result of another problem, and even a cause of another problem<sup>43</sup>. Sample relations below attempt to show that relations and connections among problem areas above are complicated and cause-effect linearity is not very clear in all cases.

According to Directorate of Municipal Police, coordination problems (CP.6.4.) derive from multi central organization of municipal police services. Both the Metropolitan Municipality and Metropolitan-sub Municipalities have departments of municipal police. This problem may be defined as a problem of division of legal responsibilities between two municipalities or a problem of coordination between two municipalities. In the former definition a broad problem which is the conflicting legal framework (CP.7.1.) emerges as the core problem. In the latter, participation and collaboration issues are highlighted (CP.6.4.). So, it is possible to say that problem has roots in another or some other problems or the problem has many dimensions to deal with rather than one particular point of intervention.

Similarly, Directorate of Municipal Police asserts that insufficient controlling performance (CP.4.5.) is due to insufficiency in quality and quantity of municipal police personnel. Additionally, CP.4.5. is also due to stressful working conditions of personnel according to Directorate. Yet, Directorate points to need of social activities for increasing motivation of personnel which was put forward as another problem by various departments (CP.2.5.). In

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<sup>43</sup> It may be criticized that problem statements made by departments are not comprehensive and complicated enough which result in ignoring different dimensions. This criticism is valid in a limited sense that previously discussed approaches in capacity building deal with single issues as defined above, without correlating them with each other.

addition, Head Office of Personnel and Training asserted that there was no social and training centre for municipal personnel (CP. 3.8.) where necessary activities would be made. Head Office also stated that administrative staff has certain incompetent leadership skills to motivate personnel (CP.1.1.).

Almost all of the departments stated that they needed qualified personnel (CP.2.3.) and in-service training (CP.2.6.). These problems, at first glance seem to be solved by employing personnel with competent skills and organizing training courses for the existing personnel. However, Head Office of Personnel and Training notifies that existing training methods are not sufficient (CP. 2.7.) and there is need of a center for training activities (CP.3.8.). Head Office of Finance adds that municipal budget is not adequate for employing more personnel and constructing any middle size centers (CP.5.1.). Even in case of all these are succeeded, law restricts municipalities to employ personnel when the personnel expenditures exceed 30% of municipal budget.

Head Offices of Public Works, Construction and Building, and Research, Planning and coordination stated that laws are too conflicting and complicated (CP.7.1.). However, Department of Legal Advisory asserts that departments responsible for Building, Public Services and Real Estate have not enough communication with the Advisory (CP.6.6.) where legal frameworks are the profession of this department. At first sight, the problem stated by these three departments may be solved by organizing training courses, but it is possible to say that developing communication with Department of Advisory may lessen this problem.

Communication and participation problems, between different levels of municipality and between other organizations (CP.6.), were expressed by all of the departments. However, participation and representation problem is not a one-sided issue that the only actor to improve and generate participatory practices is the municipality. During preparation of Strategic Plan of MMD, very few contributions from outsider actors were made. Strategic Plan was sent to various actors and partners in the city in two stages in order to provide participatory planning principles. At the first stage, Strategic Plan Draft Document No:1 was sent to 50 partners, including Local Agenda 21 organization, public institutions, various chambers of occupations, metropolitan-sub municipalities, and some NGOs. However, only 7 of these have responded. At the second stage, Strategic Plan Draft Document No:2 was sent to over 70 partners via e-mail by municipal paper numbered 378 and dated 26.06.2006, however only 14 of them have responded.

This situation shows that in case of positive attitude of local government to perform participatory practices, external organizations may not be at the expected readiness for participation (CP.7). It is obvious that the more contribution by external organizations is provided in decision making processes, the more legitimate and reliable decisions are to be taken. Local government performance is not only a function of its own performance but also and in many cases, a function of the groups in relation with it.

Head Office of Research, Planning and Coordination (RPC) stated that there was disinformation and lack of harmony in decisions due to lack of coordination between institutions and municipality (CP.6.3.). For instance, RPC had decided to implement a system which was called Green Wave system at an inner city road of approximately 3km in length with 6 crossroads. The system would allow vehicles to by-pass traffic signals in 3 minutes if driven at a constant speed of 60 km/h. However, Provincial Directorate of Safety did not allow this system, because of the inner city speed limit of 50km/h. This example may point to the lack of technical knowledge (CP.2.3.), or the lack of coordination between the organs of central and local government (CP.6.1.), or both which are subject to different interventions.

Head Office of RPC stated that division of authority and responsibilities in transportation services between the central and local government is not well designed (CP.7.1.) that local government has limited responsibility in management of transportation systems and traffic system management. However, the Office added that in case of transferring all responsibilities about urban transportation to local governments, municipality would face many difficulties due to lack of necessary infrastructure in terms of both technological infrastructure (CP3) and personnel competency (CP.2.) of which problems have relation with financial inadequacy.

These problems and their connection with other problems may constitute long lists. Surely, it is important to dig the underlying mechanisms where the branches of main problems lay on, and to identify the correct moments for intervention. It is seen that Systems Approach, Networking Approach, Intra-Organizational Approach and Results Oriented Approach do not consider the wide and inter-connected structure of the capacity question sufficiently. The relations between the questions and the ambiguity of cause-effect linearity require a more relational approach. However, as stated in theoretical approaches chapter, Relational Approach is weak in offering practical solutions to capacity problem. Next section will

attempt to introduce an analytical method on the capacity factors which constitute a local government.

### **3.2.2. AN ALTERNATIVE FRAMEWORK FOR LOCAL GOVERNMENT CAPACITY**

The majority of arguments about institutional capacity are fashioned over financial and technical capacity building of local governments. This limited frame of arguments makes emphasis on the adequate financial resources necessary for meeting their routine public works and extra financial resources for the new roles and functions attached to them by the local government reforms. Beside, organizational approach puts emphasis on the lack of profoundly competent staff to handle legal framework. Especially during the processes of comprehensive reforms regarding local governments, the problem of lack of technical knowledge arises. These two main arguments are crucial but insufficient. The problem of institutional capacity is more comprehensive and relational.

The theoretical framework of this thesis starts from the identification of components of local capacity which includes the capacity of local government, local state, local institutions and local people, and their relations with each other as well. Following the Marxist theoretical framework on state, the problem of local capacity can be identified in correspondence with a local state which is perceived as a set of social relations. Within this perception, local institutional capacity, which corresponds to the local government in the very narrow sense, may have three inter and intra related components.

- 1) Administrative Capacity
- 2) Financial Capacity
- 3) Representational Capacity

These three components are not separate from each other. On the contrary, they are the indispensable and natural components for an institutional formation. In order to test whether some local governments will succeed with the new local government system and adapt with the conjectural changes proposed by Local Government Act, these components are main moments of inquiry. These three fields of capacity do not only correspond to concrete and

practical issues but they also refer to social processes in which new social relations are defined.

In addition, for building local capacity, it is not sufficient to strengthen only one of these components on its own. For instance, in an environment where financial resources are insufficient and participation of social groups is problematic, no matter how professional and capable the administrative staff is, there may emerge some other problems. A good administration may efficiently use scarce monetary resources but social groups may not be satisfied with the results due to their unawareness of the decision-making processes. The same kind of defection is valid for financial development. Unless participation of social groups is provided and unless the administrative capacity is built, large amount of budget may not be the solution for effective service provision. On the contrary, financial development may result in greater problems. In front part of these problems is the inefficient use of resources. Another potential problem is valid especially in underdeveloped localities where clientelist type of relations and special personal treatment are present. It is obvious that developing only the representational capacity is not sufficient for local development. In an environment where effective representation and participation of social groups are well-done, capacity and ability of local government actors, as well as the amount of financial resources may not be sufficient enough for realization of common decisions. In addition to these, unless management capacity of local government actors is sufficient to resist some power groups, platforms of representation may be a tool for power groups to manipulate decision making processes on their own behalf. Thus, capacity building scenarios should consider these three components, and their sub-components in relation with each other.

Categorical framework introduced in this section is built on a temporary separation of administrative, financial and representational capacity. There are also sub-components of these categorical issues. These sub-components are the moments for intervention and subject to capacity assessment and development strategies. Organizational approach, as well as the systems approach focus on these sub-components and define development strategies for each. This focusing is practical but does not pay attention to links and relations exist among them. Thus, before introducing any policies for capacity development, it is crucial to identify the relations between each component.

In addition to these components, Metropolitan sub-Municipalities are subject to evaluation. Division of labor and power between Metropolitan Municipality and sub-Municipalities

require sufficient capacity levels for both. For instance, while Metropolitan Municipality is responsible for preparation of city master plans and development plans, sub-municipalities are responsible for the preparation of implementation plans. Thus, for the successful results of such continuous works, sub-Municipalities should be compatible with the Metropolitan Municipality.

### **3.3. ANALYSIS OF CAPACITY FOR METROPOLITAN MUNICIPALITY OF DIYARBAKIR**

In this section, the break down of components built above will be used. Components also have some sub-components in them with relation to some other components. Thus, discussion under a title may refer to another or some other component(s) at some critical points as necessary. The distinctive feature of this analysis from a systems approach is that, these components will not be studied free from each other. At many points junctions and intersections will be highlighted.

#### **3.3.1. ADMINISTRATIVE CAPACITY**

Administrative capacity refers to the necessary organizational level of an institution together with its each and every component, in order to perform its institutional mission. The components of an administration and the related capacity indicators are evaluated below. Administrative capacity includes the ability and competency of administrative and technical personnel, functionality of organizational scheme, clearly defined vision and mission of the organization, efficacy of model of service provision, clearly defined job titles and corresponding fields of work, and dynamics that affect decision making, planning, implementing and monitoring processes.

##### **3.3.1.1. HUMAN RESOURCES CAPACITY**

One of the critical issues about local government system in Turkey which is the capacity, knowledge and competency of local leaders and managers at different levels of administration, and staff under various tasks, is at the core of this study.



Table 20. Education level of administrative personnel including General Secretariats, Head Offices and Independent Directorates

Education level	frequency	%
university (4 year)	14	66,7
university (2 year)	4	19,0
high school	3	14,3
Total	21	100,0

Including the Mayor, General Secretaries, Head Officers and Independent Directors of various departments, educational level of these are listed above. Leaders and Heads of departments in the municipality seem to have competent skills for urban management. For instance, in terms of leadership skills, the Mayor has experience in team leading coming from Assistant Presidency of Human Rights Association of Diyarbakır, and the chairmanship of an NGO<sup>44</sup> acting on poverty reduction at the same time. He is a lawyer, and actually the Prime Minister of Union of Southern Eastern Anatolian Municipalities.

General secretariat is executed by one Geology Engineer and one City Planner of which professions are directly related to urban issues. Most head officers are at proper positions according to their professions. Head of Public Works is a Civil Engineer, Head of Settlements is a Mapping Engineer, Head of Environmental Protection is a Forestry Engineer, Head of Health and Social Services is a Veterinarian, Head of RPC is a graduate of Management, Head of Real Estate and Expropriation is a graduate of Education, Directorate of Media and Public Relations is a graduate of Journalism. Only three of these administrative personnel are high school graduates. Rest of the administrative personnel has university degrees. This situation makes sense of adequate competency for administrative positions. Of course there are some other factors that effect administrative skills such as business psychology, and necessary training in public administration which were discussed in theoretical framework. None of these staff have gone under any similar training on these issues before.

Technical personnel are those who carry out decisions of administration. Thus, there is continuity in any process of a municipal work. Sufficient amount of skilled and unskilled personnel is compulsory to carry out works effectively and efficiently.

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<sup>44</sup> Title of this NGO is SARMAŞIK

Table 21. Total Municipal /1000 pop according to years and in comparison with Metropolitan Municipalities

	2002		2003		2004	
	Metropolitan Municipality	Total Personnel / 1000 pop.	Metropolitan Municipality	Total Personnel / 1000 pop.	Metropolitan Municipality	Total Personnel / 1000 pop.
1	KONYA	1,41	ESKİŞEHİR	2,34	BURSA	2,94
2	ESKİŞEHİR	2,28	KONYA	2,49	DİYARBAKIR	2,98 <sup>45</sup>
3	GAZİANTEP	2,36	ANTALYA	3,08	ANTALYA	3,06
4	ANTALYA	3,6	ERZURUM	3,5	GAZİANTEP	3,15
5	ERZURUM	3,73	GAZİANTEP	3,53	ANKARA	3,18
6	İSTANBUL	3,79	ADANA	3,71	MERSİN	3,2
7	ANKARA	4,59	İSTANBUL	3,79	İSTANBUL	3,51
8	KAYSERİ	4,66	KAYSERİ	4,15	İZMİR	3,57
9	ADANA	4,78	ANKARA	4,27	ERZURUM	3,6
10	MERSİN	4,82	İZMİR	4,57	KAYSERİ	3,78
11	İZMİR	5,17	MERSİN	4,88	SAMSUN	4,14
12	ADAPAZARI	5,62	ADAPAZARI	4,93	ADANA	4,21
13	BURSA	5,88	BURSA	5,98	KONYA	4,28
14	SAMSUN	7,89	SAMSUN	6,69	ESKİŞEHİR	4,45
15	DİYARBAKIR	9,19	DİYARBAKIR	6,89	ADAPAZARI	5,63
16	KOCAELİ	11,58	KOCAELİ	11,93	KOCAELİ	24,03
	<b>Average</b>	<b>5</b>	<b>Average</b>	<b>4,7</b>	<b>Average</b>	<b>4,9</b>

Source: www.beper.gov.tr

Table above represents total municipal personnel in comparison to other metropolitan municipalities<sup>46</sup>. It is supposed that the lower ratio means higher performance. However, this interpretation pre-accepts that outputs are at the same quality and quantity with the same amount of personnel. In fact, the list may be interpreted in full contrast to the interpretation of Directorate of Local Administrations. Fewer amounts of personnel per population may mean insufficiency. For instance, a municipality with only one personnel would have the best performance according to Directorate of Local Administrations, which has no possibility. Thus, Beper Project's assumption is problematic in this analysis. Below is another table which represents the existing situation and the norm cadre regulation. Norm cadre regulation has determined number of municipal personnel according to population ranges. Table is prepared in search for a comparison between maximum and minimum limits for amount of personnel, the actual personnel situation in municipalities and the difference

<sup>45</sup> By the year 2004, Municipalities of Kayapınar, Çarıklı and Bağıvar have transformed into sub-Metropolitan Municipality status by law numbered 5216. Thus population living in those municipalities is added to metropolitan population.

<sup>46</sup> Comparative analysis is based on comparison of similar types of municipalities. Otherwise it would not be appropriate to compare a Metropolitan Municipality and a small town municipality, who have different roles and organizational schemas, with smaller scope.

between the actual and regulated situation. It also provides a comparison with other Metropolitan Municipalities.

Table 22. Actual staffing<sup>47</sup> and norm cadre propositions in Metropolitan Municipalities<sup>48</sup>

Metropolitan municipality	Population series	Actual pop 2000	Municipal personnel according to norm cadre	Population/ municipal personnel according to norm cadre Min < - < Max	Population (2000)/ Actual personnel	Actual personnel
Antalya	500.000 – 999.999	680.242	2179	229< - <458	528	1287
Diyarbakır	500.000 – 999.999	685.714	2179	229< - <458	829 / 1004	827
Kayseri	500.000 – 999.999	693.677	2179	229< - <458	622	1115
Bursa	1.000.000 – 2.499.999	1.448.541	3737	267< - < 669	694	2086
İzmir	2.500.000 – 7.499.999	2.769.606	6707	372< - < 1118	716	3867
Ankara	2.500.000 – 7.499.999	3.567.874	6707	372< - < 1118	717	4973
İstanbul	7.500.000 -	10.018.735	14934	502 < -	806	12424

The calculated population (830.771) and number of personnel (827) in MMD are of the year 2005. For other metropolitan municipalities, population is of the year 2000, and number of personnel is of the year 2005. For case of Diyarbakır, if population in 2000 is divided to number of personnel in 2005, the result is 1004. If population of 2005 is divided to actual personnel in 2005, the result is 829. In every division, MMD has higher population/ personnel ratio. In addition, the difference between the actual number of personnel and the available number of personnel in MMD is at the highest levels. Other than three greatest municipalities (İzmir, Ankara, İstanbul), none of the municipalities currently have the optimum population / personnel ratio. Results of the survey by Directorate of Local Administrations, which asserted that greater municipalities are lacking quality of personnel rather than quantity of personnel, can also be derived from the table above. On the contrary, smaller municipalities lack both quality and quantity for necessary personnel.

<sup>47</sup> Actual staff of other metropolitan municipalities is taken from Strategic Plans of these municipalities and from official web sites. There left 9 municipalities in no way data about personnel number could have been obtained.

<sup>48</sup> Calculated from 1) Norm cadre in Municipalities (Information Note) Appendix-1. Classification Table for Municipalities, Their Related Organizations and Local Administration Unions; 2) Strategic Plan Documents of municipalities

Table 23. Service delivery indicators according to years and in comparison with average of Metropolitan Municipalities

SERVICE DELIVERY INDICATORS	2002		2003		2004	
	Result MMD	Average of Metropolitan Municipalities	Result MMD	Average of Metropolitan Municipalities	Result MMD	Average of Metropolitan Municipalities
Administrative staff / 1000pop	1,35	1,4	1,37	1,2	1,3	1,3
Administrative works / 1000pop	55,44	41,3	49,06	58,8	43,3	51,9
Municipal Police / 1000pop	0,1	0,1	0,11	No value	0,06	No value
Fire Brigade / 1000pop	0,13	0,1	0,01	0,1	0,11	0,2

Source: www.beper.gov.tr

Administrative staff, municipal police and fire brigade staff in MMD do not differ among other metropolitan municipalities. In addition, annual changes in performance indicators and average of municipalities make it difficult for strong interpretations. Below is another type of evaluation for sufficiency of these departments.

Table 24. Problem with municipal police according to citizens

Problem with municipal police service	Frequency	%
Insufficient control by municipal police	133	59,1
Low education level of personnel	9	4,0
Unable to prevent informal sector	19	8,5
Bad attitude of personnel	23	10,2
Service area is not spread equally	23	10,2
Other	18	8,0
Total	225	100,0

Source: MMD-PO, 2005

The other evaluation method for sufficiency of personnel and services is the views of beneficiaries. Insufficient control is probably related to the current authority and power of municipal police to intervene. It is seen that municipal police has limited power or ability to control urban illegality. In addition, low education level and bad attitude are seen as problems. These two are common in a way that they may be developed through training. However, training is not the only solution if appropriate conditions are provided. In case of municipal police these conditions are power and legal authority.

Table 25. Problem with fire service according to citizens

Problem with fire service	Frequency	%
Does not arrive on time	36	32,4
Can not reach buildings in narrow streets	54	48,6
Poor service quality	6	5,4
Other	15	13,5
Total	111	100,0

Source: MMD-PO, 2005

In case of fire service, the conditions are different. It may be said that increasing technological capacity and service quality may improve fire service. These improvements may include training activities, too. However, being unable to reach buildings in narrow streets is a distinct problem. In Diyarbakır, urban pattern of Central Bağlar District and Suriçi Historical City Centre are characterized with narrow streets of about 2 and 3 m. wide where any vehicles can not go inside. These areas cover an area of approximately 600 ha with more than 300.000 inhabitants. The situation represents that fire service department, even the personnel is trained and equipped adequately, will never be effective unless urban pattern of these areas allow vehicles. So, it is the physical conditions of the city that also have influence on service capacity.

Number of personnel is not the only criteria for capacity of human resources. A municipality may employ hundreds of unskilled workers, but with the lack of sufficient skills and competencies, it will not be able to produce high quality (or even any standard) work. Technical personnel in MMD are listed below.

Table 26. Architects, engineers, technicians and city planners in MMD as technical personnel – 2006 May

<b>Profession</b>	<b>Number of personnel</b>
Architect	6
Civil engineer	11
Mapping Engineer	1
Agriculture Engineer	3
Mechanical Engineer	4
Food Engineer	1
Environmental Engineer	1
Industrial Engineer	1
Electrics and Electronics Engineer	3
City Planner	6
Mapping Technician	6
Electricity Technician	3
Civil Technician	6
Cadastral Technician	1
Laboratory Technician	1
Mechanical Technician	1
Health Technician	1
Ore Technician	1
Food Technician	1
<b>Total</b>	<b>60</b>

Source: MMD, personnel list

It is not quite appropriate to make a comparison of technical personnel with other municipalities. Position and location of technical personnel is also an important factor. There

may be many technical personnel, but appropriate positions for their professions and motivation level may influence their performance.

To discuss the technical personnel capacity and sufficiency, two of the most technical departments in MMD are analyzed. 12 of technical personnel are employed at Head Office of Public Works. There are 2 electric and electronics engineers, 1 mechanical engineer, 1 electricity technician, 2 civil technicians and 6 civil engineers in this unit. All of the engineers are field-work engineers with no expertise in any specific branch of civil engineering. According to Manager of Road Construction and Maintenance<sup>49</sup>, because there are no civil engineers having engineering project design education, even the simple project preparation work is made through tendering which costs higher than a self-prepared project. In addition, the only work carried out by the existing technical personnel is the routine work, such as maintenance of roads, asphaltting, rural road construction. According to Manager, this routine leads to de-motivation of personnel.

It is seen on the table that MMD has been employing 6 city planners. Actually, 2005 was the year that Metropolitan Municipality decided to revise the City Master Plan. In order to handle this work 5 technical staff were employed in temporary worker position. Four of them were city planners and 1 one them was architect. Until that time, there were only 3 city planners at the municipality, 2 of them as technical personnel, and the other at administrative position. In case of urban planning work which can be considered as one of the fundamental services of a municipality, the number can be considered as sufficient. At the same times, like most of cities in Turkey, Metropolitan Municipality of İstanbul was also preparing an urban master plan. İstanbul Metropolitan Planning Bureau employed about 450 planners for the planning work. Although it may not be just to make a comparison between Diyarbakır and İstanbul due to scope of the cities, a great gap between the numbers of planners is clear. In addition, city planning is not the work only of Metropolitan Municipality. Metropolitan sub-Municipalities have important roles and functions in city planning, such as preparing or having prepared the implementation plans. However, out of six Metropolitan sub-Municipalities, only one (Yenişehir) had only one city planner employed. At other sub-Municipalities, Mapping technicians or engineers dealt with urban issues. This situation has sometimes created conflicts and professional collaboration problems among municipalities within the process.

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<sup>49</sup> Interview with the Manager of Road Construction on 02.05.2006

Table 27. Education Level of Personnel According to Entrance Year in MMD

Education level	Before 1980		1980- 1989		1990- 1999		After 2000	
	Frequency	%	Frequency	%	Frequency	%	Frequency	%
Literate	2	6,5	8	5,8	12	2,3	2	1,5
primary school	6	19,4	59	43,1	223	42,9	21	15,7
secondary school	7	22,6	15	10,9	69	13,3	8	6,0
high school	7	22,6	36	26,3	144	27,7	42	31,3
university 2 year	3	9,7	6	4,4	29	5,6	15	11,2
university 4 year	6	19,4	13	9,5	43	8,3	46	34,3
<b>Total</b>	<b>31</b>	<b>100</b>	<b>137</b>	<b>100</b>	<b>520</b>	<b>100</b>	<b>134</b>	<b>100</b>

Source: MMD, personnel list

Table above represents the actual personnel, among which retired or quitted personnel are not included. It is seen that there is a slightly gradual increase in education level of personnel employed in MMD according to years. It is possible to say that especially after 2000, those who are employed in municipality have higher education levels.

Table 28. Education Level of Personnel According to Employee Conditions in MMD

Education level	public servants		temporary workers		permanent workers		Total	
	Frequency	%	Frequency	%	Frequency	%	Frequency	%
Literate	0	0	18	3	6	11,1	24	2,90
primary school	5	2,9	278	46,3	26	48,1	309	37,36
secondary school	16	9,3	76	12,6	7	13	99	11,97
high school	82	47,7	139	23,1	9	16,7	230	27,81
university 2 year	18	10,5	34	5,7	1	1,9	53	6,41
university 4 year	51	29,7	56	9,3	5	9,3	112	13,54
<b>Total</b>	<b>172</b>	<b>100</b>	<b>601</b>	<b>100</b>	<b>54</b>	<b>100</b>	<b>827</b>	<b>100</b>

Source: MMD, personnel list

Other than technical personnel competencies, education level of total personnel is a factor of capacity. It is seen on the table above that only about 20% of total municipal personnel are graduates of universities. Public servants are those having higher education levels. This is due to the legal framework that defines public servants. Their appointment preconditions also require definite educational competence. Table above also represents the positions of personnel. It is seen that there is no clear correlation between education level and positions. The random distribution of proportions is mostly because of the temporary worker position. Flexible structure of this position allows municipalities to employ any kind of personnel, skilled or unskilled, according to need. Positions are also subjected to capacity analysis in the next section.

With the lack of qualified personnel, municipal services naturally decline and result in inefficiency. Education level of personnel in municipalities is generally lower than the public institutions personnel, due to the fact that municipalities are more politicized in comparison to other public institutions. Pressure of power groups and local relations may force municipal administrators to employ relatives having no necessary qualifications for municipal positions (Kayan,A). Most of municipal personnel, as in Diyarbakır case with a proportion of 37.4% are primary school graduates. It is compulsory for any public administration to establish a responsible unit in order to provide improvement opportunities to its personnel. Activity schedule of this unit, which is the Head Office of Personnel and Training (renamed as Head Office of Human Resources by the norm care regulation) in MMD, is prepared in accordance with priorities and needs. According to a research study carried out by GAP Regional Development Office (GAP, 2004), issues that municipalities in the region need training are determined below. Issues in the list were presented by the municipalities, not by the Office.

Table 29. Priority of training issues defined by municipalities

Rank	Issues of training	Out of 100 points
1	Rural Development Policies and Contribution of Local Governments to Regional Politics with regard to EU integration process	71,3
2	Project management	70,1
3	Disinfection and environmental health control	67,9
4	Reporting techniques <sup>50</sup>	66,7
5	Reading, preparing and approval of land use plans	63,1
6	Water consumption and disposition	61,7
7	Protection methods from flies and mosquito	61,2
8	Solid waste collection techniques	61,2
9	Effective presentation techniques	59,7
10	Human resources management	57,3
11	Urban and environmental laws	56,9
12	Cooperatives	55,3
13	Participation and Community Work	54,7
14	Social services for disabled	54,5
15	Leadership	54,5
16	Social services for children living in streets	54,3
17	Municipalism and social service delivery	54,2
18	Social Aids	54,1
19	Financial and Economical Project Analysis	53,3
20	Water, sewer system and garbage services and organizational models	53,3
21	Communication and public relations	53,2
22	Team Work	52,3
23	Conflict management	51,4
24	Social Services for Women <sup>51</sup>	43,4

Source: GAP, 2004

<sup>50</sup> It was noted that municipalities in Province of Kilis appointed too high points for General Knowledge and Skills issues, and municipalities in Province of Siirt demanded only reporting technique training. The list should thus be evaluated regarding these defections.

<sup>51</sup> It was truly noted by the report that regional traditional social relations could be the explanation of the very little importance paid on women issues.



As it was discussed in the related section, municipal personnel training system and methods are not effective in Turkey. In case of Diyarbakır, Head Office of Personnel and Training has provided courses and lectures on Environmental Health, Legal Issues on Municipal Police, Law on Contracts, and Law on State Personnel in 2004. In 2005, the lectures and courses were on Law on State Personnel, Effective Communication and Public Relations, Principles of Official Writing, Archiving Systems, e-municipality, Management-Organization, and Diction.

The teaching technique used at these courses has been through lectures by which it is difficult to follow and take necessary notes. Head Officer assented that this technique was not effective enough, and some other methods were needed. It is seen that issues subjected to training in MMD do not correspond to needs defined by other municipalities in the Region. For instance, MMD did not organize any courses in relation with EU accession processes and Project Management issues which were at the highest rank for others. One of the main reasons for this is that MMD has established a Project Office and doing well with it, and staff at the unit of Foreign Relations are qualified. However, these units were already relatively knowledgeable in these issues. Because of the fact that these kind of training courses are provided for the personnel at specific positions, personnel at other less relevant units can not benefit.

Highly qualified personnel do not prefer working at municipalities, especially because of the notion of municipalism. Municipalism is associated with routine and hierarchically rigid form of work space. Conversations made with the municipal personnel by the author of this thesis during the employment period have shown that most of the qualified personnel are in search for jobs at works other than the municipality. There are many reasons for the will of job change such as the mentioned notion of municipalism, low wages and positions.

Working at temporary positions is very influential in this sense. 72,7% of personnel in MMD are at temporary worker position. Temporary worker position does not allow any rise in municipal positions. So, stability in terms of authority and title causes a different kind of motivation for those personnel.

Table 30. Actual Personnel in Municipalities by Regions

actual staff 2005	public servants	workers	Temp workers	contractual workers	<->	Male %	Female %
Turkey	32,8	23,3	43,5	0,4	100	89,3	10,7
Istanbul	42,9	36,7	20,2	0,2	100	81,6	18,3
West Marmara	36,6	11,3	51,7	3,0	100	88,7	11,2
Aegean	35,2	20,1	44,2	0,6	100	87,9	12,0
East Marmara	29,3	15,7	54,2	0,8	100	87,5	12,5
West Anatolia	40,6	27,3	31,9	0,2	100	88,0	12,0
Mediterranean	25,4	19,9	54,3	0,4	100	89,4	10,6
Central Anatolia	34,6	25,2	39,7	0,5	100	91,0	8,9
West Black Sea	27,8	22,9	48,9	0,3	100	92,3	7,6
East Black Sea	28,7	22,9	48,0	0,4	100	92,8	7,1
Northeast Anatolia	23,3	20,0	56,3	0,4	100	95,3	4,6
Central East Anatolia	35,0	18,6	45,7	0,7	100	97,4	2,6
Southern Eastern Anatolia	23,0	26,9	49,7	0,4	100	95,8	4,2
MMD	20,8	6,5	72,7	0	100	90,0	10,0

Source: SIS, 2005

Number of public servants in municipalities is generally low in eastern municipalities, and the ratio is at the bottom for MMD. So there is the problem of permanent positions in the municipality. Table below shows the starting date and position of personnel in MMD. It is seen that since 1980s employing temporary staff has gradually gained weight, while public servants and workers gradually decreased. In other words, use of permanent positions decline and temporary positions rise gradually and rapidly. This situation is an extreme sample in MMD in comparison to general situation in municipalities in Turkey. As it was shown on Table 6, temporary workers in 1996 have risen from 27.95% to 43.5% in 2005.

Actual personnel who have been employed according to periods are seen below. Total ratio of temporary workers, 72.7% is likely to increase as a result of temporary worker employment. This is also due to the fact that public servant employment is determined by the central government procedures. Another dimension about temporary workers in case of MMD is that there are those working in temporary position for more than 20 years. Although temporary work is short term, 20 years is a very long period.

Table 31. Entrance Year of Personnel in MMD

Entrance year	Before 1980		1980-1989		1990-1999		After 2000	
	Frequency	%	Frequency	%	Frequency	%	Frequency	%
temporary worker	2	6,5	58	42,3	420	80,8	121	90,3
worker	6	19,4	37	27	11	2,1	0	0
public servants	23	74,2	42	30,7	89	17,1	13	9,7
Total	31	100	137	100	520	100	134	100

Source: MMD, personnel list

One other dimension about temporary workers is that their positions are not defined by any legislation like public servants. Administrative staff is free to employ these personnel in any position at any time. This mobility has both negative and positive aspects. Positive part is that, some works which necessitate a specific competency may not be fulfilled by existing personnel at the department, and if a temporary worker who has been working at another department has the necessary qualifications can be mobilized to carry out that work. This sample has been realized in MMD in preparation of Strategic Plan. Two city planners who were employed in temporary worker position in the Planning Office were mobilized to RPC to carry out preparation of Strategic Plan, and without any task regulation which is necessary for permanent workers.

One negative aspect of temporary workers is that, temporary workers are not preferred by the municipality to give training. This preferring is not very definite in MMD, because sometimes temporary workers were given with technical courses<sup>52</sup>. Another potential negative aspect of temporary position is task appointment is not up to the will of the worker.

Many personnel in municipalities are employed at works other than their professional positions (DPT – 2538 – 554). This rotation movement has become prevalent mostly because of the flexibility of temporary workers. Stability of personnel positions has some effects on performance and skills generating issues. In case of MMD, approximately %61 of workers (both permanent and temporary workers) is employed in different units than original cadre. Only 255 workers are employed in the same unit of their cadre. The ratios do not differ between the (permanent) workers and temporary workers. Out of 54 permanent workers, 33 are on different duties than their positions. Out of 601 temporary workers, 372 were on duty

<sup>52</sup> For instance, 10 personnel employed in departments of settlements in MMD and Bağlar Metropolitan sub-Municipality were given Mapinfo Basic Course. Only 3 of all were at permanent positions. In addition, two temporary workers were provided courses on Computer Aided Design Programmes.

at other units than their original positions (personnel list). The problem with permanent positions is very similar in Metropolitan sub-Municipalities.

Table 32. Employment positions of personnel in Metropolitan sub-Municipalities

<b>Personnel of Metropolitan sub-Municipalities</b>					
<b>Municipality</b>	<b>Public servants</b>	<b>Temporary Worker</b>	<b>Worker</b>	<b>Contractual Personnel</b>	<b>Total</b>
Kayapınar	28	94			122
Sur	39	258	37		334
Yenişehir	40	527	29		596
Bağlar	52	413	53	6	524
Çarıklı	3	15			18
Bağıvar	4	30			34

It is seen that about 90% of personnel in each Metropolitan sub-Municipality are employed at temporary positions. Discussions made above around the problem of temporary positions and contextual shift from permanent through temporary positions are valid in these municipalities, too. Norm cadre regulation has been introduced to overcome these problems by replacing temporary positions with permanent positions. However, its relationship with limit on budget and the very high ratio of temporary workers creates problems for MMD to realize the legislation.

### **3.3.1.2. MATERIAL MEANS OF SERVICE PROVISION**

Listing of machines and equipment, and comparing to other municipalities is not a true evaluation method for sufficiency of means of production. Quality of machines, strength, conditions, models etc are very changeable. Thus a listing of machines and equipment is avoided for an analysis. In addition, these equipments may be thorn but sufficient in quantity. Determining their effective usage is a technically professional issue. In addition, local governments do not have to own these machines and vehicles. They can rent the necessary ones periodically as necessary. Renting machines and vehicles also reduce the cost of maintenance. Geographical features of various localities also require different kinds of machines to be used, so any possible comparative analysis is difficult to be made. Despite the fact that machines are such unsuitable objects for analysis, one of the most important and general means of service provision with respect to municipalities is the land owned by municipality. Local government reform allows municipalities to establish social housing. However, in any case, this service is dependent on the available land reserves.

Municipalities, on the contrary, in order to obtain financial resources in the short run tend to sell their urban lands to private sector or persons.

As discussed in theoretical approaches, according to ROACH, there are inputs of public service provision. Land is one of the basic inputs of production process in economies. It is seen that publicly owned land is very few in comparison to privately owned land in metropolitan territory. Land owned by municipalities (264 ha), is not only of MMD but total land together with land owned by sub-municipalities. There are opportunities and legislations for assigning land of Treasury to municipality on determined purposes. However, the total land owned by public is very few. In addition, public institutions generally prefer privatization rather than commonly use the potential of real estates.

Table 33. Land ownership in territory of MMD<sup>53</sup>

Land Ownership	Ha	%
Land in status of Pasture	9400	7,48
Land Owned by State Treasury	5367	4,27
Land Owned by Foundations	310	0,25
Land Owned by Municipalities	264	0,21
<i>Sub-total Land Owned by Public</i>	<i>15341</i>	<i>12,21</i>
Private Ownership	110259	87,79
<b>Total</b>	<b>125600</b>	<b>100,00</b>

Source: MMD, Report on Transition to Planning, September, 2006

MMD owns 625 real estate units. 319 of these are pieces of land at various locations, 27 are schools, 52 are pieces of green fields, 10 are vehicle parks, 3 are medical centers, 11 are mosques, 80 are agricultural lands, 56 are commercial units, 8 are graveyards, 2 are cultural centers, 8 are stores, 6 are gardens, and 43 are various properties. Reserve land of municipalities is only 86 ha. These lands are composed of 628 parcels, which count to an average of 0,42ha/parcel.<sup>54</sup> In addition, approximately 20 ha of urban land owned by the municipality are invaded by squatter settlements. Law on Metropolitan Municipalities gave authority to municipalities to establish social housing, but with the limited budget and limited land resources, any social housing project is very difficult to implement.

Regarding the existing roles and functions of municipality, and the new responsibilities attached to it with the new legal framework, municipalities still lack the necessary equipment. The most important of these is the availability and use of technology.

<sup>53</sup> Lands greater than 1000m<sup>2</sup> is taken into calculation.

<sup>54</sup> Metropolitan Municipality of Diyarbakır, Report on Transition to Planning, September, 2006

Tablo 34. Computerization ratio in comparison with average of Metropolitan Municipalities

SERVICE DELIVERY INDICATORS	2002		2003	
	Result MMD	Average of Metropolitan Municipalities	Result MMD	Average of Metropolitan Municipalities
Computerization ratio	4	14,7	4	24,4

Source: www.beper.gov.tr

It is seen that computerization ratio of MMD is far below the average of other metropolitan municipalities. Municipalities have been responsible for establishing Geographical and Urban Information Systems. However, this responsibility requires advanced technological background and computerization to realize and generate the mentioned systems.

### 3.3.1.3. EFFECTIVENESS OF ORGANIZATIONAL STRUCTURE

Suggesting an effective organization schema is far beyond the profession of this thesis. One of the problems with organizational chart defined in this thesis is that they change frequently. In case of MMD, the organization chart has changed four times within almost one year. Finally, the norm cadre regulation has fixed the positions and departments. Departments and organizational positions came up with this regulation are also problematic. In order to employ the full positions, MMD will need higher budget, because there is a legal restriction of personnel expenditures that it should not exceed 30% of previous year's budget. Unless these personnel are employed, the optimum schema will not be completed. As determined departments established, they will necessitate appropriate personnel. As departments are not established, some services will be overloaded to existing departments which are not expert in fields. Otherwise these services will not be provided.

The reason for frequent changes in organizational schema in case of MMD was mainly because of the structures of two specific departments: Project Office and Foreign Relations Unit. Project Office was a sub-unit of Head Office of Research, Planning and Coordination (RPC), however work of the unit was totally different from the Head Office. Although its responsibilities were wider, RPC was concentrated on transportation issues. For instance, RPC was responsible for preparation of Transportation Master Plan of the city, but not the Construction and Urban Planning Units. The place of Project Office in the organization chart, for that reason, was not appropriate, because the Office was definitely working on externally funded projects.

To be discussed below, the case of Project Office reveals the problem of improper places of units. The case of Foreign Relations Unit, on the other hand, shows the need for titles of work. There were three qualified personnel, having advanced level of foreign language and graduate degrees, working at this unit. However, the role of the department was not defined well and personnel were utilized through their qualifications, especially about foreign language, in various jobs.

Problem with organization chart with regard to these two departments points to the need for definition of titles. Definition of titles and jobs of departments are left to municipalities, but it is seen that conjectural changes has changed the fields of work. While classical organization charts were appropriate for classical administrative division of labor, new style of municipal charts is expected to be appropriate for new works such as project management, foreign relations etc. Norm cadre regulation repeats the same system.

#### **3.3.1.4. MODEL OF SERVICE PROVISION**

The notion of enabling authority is legislated by the model of service provision through contracting out and tendering processes. The problem in this model is that, in order to control the quality of work, municipality should have competency and expertise in the issue not less than the private company which undertakes the business. The possible consequences of contracting out model are evaluated in this section in case of a recent and major urban planning work at MMD.

In the year 2005, Administration of MMD decided to revise the existing Urban Development Master Plan due to some reasons<sup>55</sup>:

- 1- The gradual relations between different scales of city plan were upset
- 2- The urban development was mediated not through the plan decisions but through local plan changes at single parcel scale
- 3- The territorial area of Metropolitan Municipality has increased from 26.000ha to 125.600 ha with the introduction of Law on Metropolitan Municipalities (10 July 2004, numbered 5216).

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<sup>55</sup> MMD, Diyarbakır Urban Development Plan Research Report, August 2005

- 4- The same law compelled Metropolitan Municipalities to prepare the Urban Development Plans at 1/25.000 plan scale at most in a two year period
- 5- One of the principles decided in “The First Draft of MMD Strategic Plan<sup>56</sup>” was “Planned Urban Development”

Decision of Master Plan required MMD to prepare or get some other agents prepared the plan<sup>57</sup> according to Law on Metropolitan Municipalities (5216) and Law on Municipalities (5393). In almost all municipalities in Turkey, urban development plans are prepared by private Planning Bureaus or through support of Bank of Provinces<sup>58</sup>. This is due to lack of competent city planners employed in municipalities, who are legally the responsible professionals to prepare urban development plans. In some municipalities where there are city planners, those planners do not have sufficient capacity and competence (to prepare master plan) determined by the law. Thus, most of the urban development plans are prepared by private sector companies through contracting out processes.

At the beginning of the work, there were three city planners in MMD: two employed as technical personnel and one as administrative staff. None of them had sufficient competencies determined by the law to prepare the plan. Actually, although they had sufficient competence; MMD would still lack the necessary organization schema in terms of assistant staff and necessary equipment to prepare the master plan.

The situation was not better in sub-Metropolitan municipalities. Among the six Metropolitan sub-Municipalities, only one, Yenişehir Metropolitan sub-Municipality employed one city planner. Urban development issues at other five sub-municipalities were handled by mapping technicians or engineers.

MMD contracted out the planning work. However, there followed a method different than any other municipality preparing urban development plans. MMD, although contracted the

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<sup>56</sup> The first draft was prepared in March 2005

<sup>57</sup> Metropolitan Municipality is responsible for preparation of plans in 1/25.000 and 1/5.000 scales. Metropolitan sub-municipalities are responsible for preparation of implementation plans in 1/1.000 scale, consistentt with the 1/25.000 and 1/5.000 plans.

<sup>58</sup> Bank of Provinces was established as a municipal bank in 1993 in order to support municipalities with financial resources and necessary technical assistance in infrastructural development. One other key function of the Bank is transferring central tax revenues to municipalities.



plan out to a private bureau, established a Planning Office by employing four city planners, an architect and a public administration expert (as a new unit under the Head Office of Urban Issues). The aim of establishing a Planning Office was not to prepare the plan but to provide local technical support to private planning bureau<sup>59</sup> and control the planning processes.

Planning Office was not composed of highly professional and experienced members. They were rather fresh graduates with enthusiasm, who were aware of their limited but critical role in the planning process. In addition, it was surely decided that Planning Office would work at the building of municipality. In some other planning experiences, due to the special structure of the work in terms of secrecy and provision of necessary physical and material equipment, planning offices were established at outside buildings (Göymen, 1997).

The hypothetic problems regarding contracting out issues were defined in the theoretical framework. At this point it is possible to concentrate on practical reflections in the case of Planning Office and Diyarbakır Master Plan.

- 1) The lack of adequate personnel and technical expert regarding the tendering issue in municipality provides the contractor a large room for maneuver with few pressure of technical control on.
- 2) The contractor, in most cases, does not go beyond the minimum standards determined in the contract.
- 3) The contractor has monopolistic freedom of sharing the information collected for the work. Contractor uses the raw material of information but informs the municipality with the processed format of data. So, the contractor, unless the raw type of information is obtained by the municipality, have great opportunity to cheat about the information.
- 4) The control of work in contracting-out businesses is a posteriori mechanism. Outputs or the final work are submitted to the institution on dates pre-determined by the contract. The contractor is not obliged to submit outputs at any stage and at any time other than what is written in the contract. The process and stages of work can be obtained by the municipality only at those pre-determined dates written on the contract.

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<sup>59</sup> The Office of the Private Planning Bureau which was awarded with the contract of planning work is established at Ankara.

- 5) In such situations that the contractor company is not located at the same location where the work is, or that the contractor did not build a branch in that location, some necessary data about the work may be missed. In most cases, a staff of the contractor firm visits the city, collects necessary data and moves the data to the planning bureau. In some cases, this staff may not be the same person who had gained experience in previous visits.
- 6) There may emergency meetings and discussions occur in municipalities, but the contractor is not obliged to take place in meetings other than those written in the contract paper. In addition, in cases where the bureau is located at another location, it is not possible for the contractor to take place in emergency meetings although he wills to.

Planning Office has been established to overcome these problems as the coordinator and controller mechanism, as well as a technical support group and facilitator for the well-being of work. In this respect, Planning Office contributed to and interfered with the work at some points and moments.

- 1) Planning Office acted both as a branch of the contractor firm and of the municipality. This two dimensional role created a coordination opportunity for other units in the municipality who have partial role in planning. Otherwise, the firm would collect necessary data separately from different units at once. Planning Office provided a pool of data for different units in the municipality as a collector and distributor.
- 2) Directly having role in the planning process, Planning Office contributed to plan decisions and notes. The contractor passed each step of the planning work to Planning Office by e-mail, cargo, or as hardcopies at their visits, and Planning Office's proposals and corrections were taken into consideration. This mutual work did not create extra work to the firm, on the contrary this kind of support lessened the work load.
- 3) The contractor, in most cases, collects necessary data from institutions not via municipality but its own attempts. In this situation, institutions may provide the contractor firm with the data minimum data at once, and does not necessarily inform directly the contractor in case of any change and revision about the data. Instead, if necessary, the municipality is informed by the institution about the revised data, and the municipality is expected to transmit that data to the contractor. In fact, collection

of data through municipal channels is more utilizing and provides better control over the work. Planning Office has provided logistic and strategic support to the contractor in collecting data related to planning work. This support created some opportunities. First is that, using municipal channels provided faster collection of data. Secondly, municipality had got the raw material of data which would be transmitted to the contractor firm's use, so that both organizations would have the same data, which enabled the municipality control the processed output data. Thirdly, and the most exciting part related to capacity building issue, is the creation of a large archive in the municipality about the subject matter.

- 4) In most municipalities archives are not sufficient and systematic. Contractor firm, naturally, deals with the existing data in the archive and the other necessary data to be collected and nothing more. Thus any data which is not institutionalized or de facto exists may be ignored or missed by the contractor. Specific to planning work in Diyarbakır, Planning Office has corrected some such kind of misleading information and avoided the deficient information to be used by the contractor<sup>60</sup>.
- 5) The contractor has to present outputs of the work at definite times determined by the contract to administration. The represented material is generally a completed work of the contractor. Planning Office, being in direct relations with the contractor in every stage of the work and having some partial role in preparing the plan created the availability of intervening in the process before the final outputs are prepared. In that way, revisions on the output called by the administration and possible mistakes to be corrected are minimized.
- 6) Planning Office at the same time dealt with the routine urban issues in the city. So, the most recent changes and developmental tendencies in the city are known and oriented by the office. This opportunity was beneficial in two points. First is that, Planning Office could immediately and frequently inform the contractor about the recent changes, whereas the contractor visits the city rarely and has limited knowledge about the city. The minimum city visit is a natural fact, because each visit accounts as a cost to firm. Secondly, the routine works of Planning Office, including changes in the existing plan could follow and maintain the basic principles

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<sup>60</sup> There are many examples for this kind of correction. For instance, documents of an implemented fuel oil plant that had legal license and other official documents were missing in the municipal archive. The planner is not expected to have true and full data every square meter of the city. Yet, nearly a road would be planned just on the fuel oil plant, which would bring high costs of compulsory expropriation or a decision of Municipal Council to change the plan.

of the plan in preparation. In other words, the possible conflicts between the routine planning issues and the master plan in preparation are minimized.

- 7) At the same time, Planning Office carried another project which was not in the contract but could contribute to the planning studies. The Office prepared and applied a questionnaire<sup>61</sup> with about 3.000 households (corresponding to approximately 18.000 people) in Diyarbakır. The results of this survey were regarded as new inputs for the planning work and the contractor utilized this new data.
- 8) The power of politicians may and does manipulate the decisions made by the planner. Politicians may change some planning decisions on behalf of themselves, on political purposes, or as a means of achieving other purposes. No matter how professional and technically right decisions are made in the planning document, political worry may change those decisions. Planning Office could justify the technically right decisions and act as a professional barrier against political interventions on behalf of planning ethics and principles. Private sector, on the other hand, does not necessarily take on any risk by not obeying the political wills, and can easily and directly implement the political decisions on the plan.
- 9) Planning Office, due to its direct participation in the preparation of plan and decision making processes, enjoyed technical discussions with the contractor firm. In lack of a Planning Office, the contractor would go in discussion with the administration and local politicians through the final outputs. Planning Office, in this respect, provided the firm by developing the justifying background for and minimizing the mistakes of output through professional discussions before it is discussed in the political platform.
- 10) In case of existence of professionals in the contract issue in the institution, controlling the work became much trustful and effective. Otherwise, for instance, mechanical engineers or mapping technicians would follow the planning work which is not their profession. This case is crucial in other terms, too. Manager of Road Construction and Maintenance<sup>62</sup> says that, he needs one more Mechanical Engineer

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<sup>61</sup> Generally planners are expected to apply questionnaire on citizens' view, however it is a highly expertise and costly work to do. Instead, in compulsory cases, they use the uniform questionnaire prepared by Bank of Provinces. Bank of Provinces's standard form of questionnaire is useful but disregards some local peculiarities and ignores some potentially beneficial information. In addition, no matter it might be a speculation, there is always some mistrust in filling out of questionnaires. Thus, the complete processing of questionnaires by the Office provided a trustful and locally convenient social data base for the planning studies.

in order to control the present one. The present Mechanical Engineer is the only authority in the department in his subject of profession, so any decision made by him can not be controlled and questioned by anyone else. Thus, similarly in case of lack of related professionals in any subject, contractor will enjoy great freedom.

One of the very crucial impacts of the existence of a core unit in the municipality about the mentioned contracted-out issue is that this process helped the less experienced staff to learn the job, as well as the other units to be aware of what is inside a specific profession.

The situation with contracting out and controlling is more problematic in smaller municipalities in the region. For instance, Municipality of Kızıltepe asked Metropolitan Municipality of Diyarbakır to help control their implementation plans on 14.07.2006 by an official paper. Paper noted that they had urban development plans and implementation plans a private planning bureau prepared, but they were not suspicious about the implementation plans. There were no city planners at the municipality and they needed technical assistance for the control of the work. Urban planning is one of the prime services of municipalities and they had no competent personnel employed at this subject. Most of the municipalities are in the same situation in the region.

### **3.3.1.5. ORGANIZATIONAL RELATIONS AND COMMUNICATION SKILLS**

Three sample cases are evaluated for organizational relations and communication skills in MMD. First two represent the level of inter-departmental relations. The other case is one of the key units with regard to the new model of service provision. Project Office has been one of the risen units in the municipality. This is much related to two factors. One is that EU funded projects constitute a considerable amount of service resources which are carried out by the Office. Second is that Project Office is under a distinct task by which it stands apart from other units in the municipality and thus cause some tension in terms of inter departmental relations.

Relations among units and personnel are some of the representatives of organizational relations and communication skills. Naturally, there is almost no single work in a municipality which starts and ends up within a single unit. There is continuity in service

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<sup>62</sup> Interview with the Manager of Road Construction on 02.05.2006

provision processes. For instance, when administrative staff takes decision for a construction work, Plan and Project Unit prepares the project. This unit uses any necessary archive in other departments. Department of Mapping prepares the current coordinated maps for the project layout. Department of Public Works implements the plan, according to the budget allocated by the Department of Finance. This small illustration can enlarge in more comprehensive works. Thus, it is important that departments have good communication and coordination links among each other.

Actually communication and coordination starts with inter organizational relations among different levels of government. Law on Settlements no: 3194, and some other laws with relation to urban planning issues define various central government organizations which have authority in urban planning issues other than the municipality. In case of MMD, problem of division of power is valid as it is in the whole country. In addition, political unrest in the region causes some extra problems in relations with central government organizations.

Intra-institutional communication level is observed at low levels in MMD in two cases. One is the lack of coordination and communication between various departments which had been recognized during the preparation of Strategic Plan. In draft papers, departments had sent their projects they planned to realize in the next 3 years. However, almost all of the departments had programmed their activities to start by 2006. For instance, Directorate of Fire Service proposed the construction of a Central Building of Fire Works in 2006. However, Head Officer of Finance rejected the idea that budget allocation for the mentioned Central Building was not arranged in the past year's final budget. In addition, Head Officer of Public Works explained that, preparation of the architectural project and tendering the construction work would not last before the second half of the next year, and the Centre would not be able to operate at best before 2008. So, preparation of Central Building Project was assigned to 2007, construction and operation was assigned to 2008-2009<sup>63</sup>.

The same time-arrangement problem occurred for the Department of Municipal Police, and exactly same schedule was prepared<sup>64</sup>. Similar re-arrangements for proposals of other departments were made during the meetings of Strategic Plan. These meetings were the very

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<sup>63</sup> MMD, Strategic Plan 2006-2009, Activity 5.

<sup>64</sup> MMD, Strategic Plan 2006-2009, Activity 6

first type of collaborative and medium-term decision making platforms. It was recognized that many departments had few communication with other departments.

The other case shows the consequences of poor relation and high tension between departments. Planning Office had prepared an urban land use plan for the area covering Tigris Valley. Main decisions were the conservation of natural structure of valley and making it accessible to whole citizens<sup>65</sup>. However, on September 2006, Head Office of Environmental Protection and Control had prepared a project on Tigris Valley with no consideration of planning decisions. After a long period of discussions, the administration has decided to organize a National Project Competition for the valley on the basis of Planning Decisions. The competition would be open to groups composed of urban planners, architects and landscape architects, rather than a monopoly of one occupation. The arguments have shown the effects of corrupted relations between different departments in the municipality.

These two cases represent the importance of intra-organizational social relations in service provision. Second case also shows that there are some insufficiencies in terms of legal framework knowledge. It was missed that any project should always match with the planning decisions.

The third case is the Project Office. Project Office had gone under a radical change within a year. Structurally, the Office is responsible for the EU or other foreign funded projects as it has been performing from the beginning. However, the personnel in this unit has totally been changed due to some reasons. Project Office is a key unit in the municipality because it provides some urban services through financial resources other than municipal budget. Some services and investments which Project Office has been on task are Gazi Street Rehabilitation Project with a fund of 650.000 Euro, Yenikapı Street Rehabilitation Project with a fund of 212.000 Euro, Kapari Project with a fund of 262.000 Euro, Forty Ships Development Project with a fund of 279.000 Euro, Migration Research Project with a fund of 189.000 Euro, Municipal Capacity Development Project with a fund of 199.000 Euro, Diyarbakır Urban Development Project with a fund of 6.000.000 Euro. Most of these projects have been given start by the year 2004, however the Office could not generated the expected performance.

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<sup>65</sup> MMD, Urban Development Plan Report of Tigris Valley Plan at 1/5000 scale, May 2006

Although it was a unit related to Head Office of Research, Planning and Coordination, it worked in direct relationship with the presidency. This distinctive character resulted in some tension between the members of the Office and other departments. Project Office was considered as a closed system with few relations with other units and behavior of members in the unit were criticized by other members of the unit. In addition, this close system was not controlled and supervised by any means. One of the reasons for this freedom was the lack of competent personnel at other departments with project management skills. Another reason was that, because the Office was nearly a closed system, few people had knowledge of whether projects were proceeding regularly or not.

The situation was recognized at the beginning of 2005 when the arrangements and meetings with the related organizations providing funds started to create problems. Within a few weeks, cadre of the Office has been changed. Two project coordinators with previous experiences in the field were employed. Two personnel from the Planning Office were shifted to Project Office in order to constitute a network and relation between these two departments and other units, and also to enrich the skills of Project Office by their own professions. New networks were established with various departments and DLA 21 organization. In addition, the Project Office's place in the organization chart has been reorganized so that its private space is defined. Recently, the Office has started to realize the mentioned projects above, in strong relations with other units in the department. The experience of Project Office has shown that relations with other units, room for maneuver, defined tasks and personal initiatives are very influential for success of any service provision.

This experience is a well suited example for what Stewart had meant with the quotation at Networking Approach section by the lack of access and leverage in case of concerns and knowledge beyond the profession. Project management skills were at the beginning considered to be a highly professionalized field of work, but this does not mean that any contribution can not be made to this profession from outside or members in this profession are always capable of dealing with issues.

These three sample cases have clarified that networking and communication skills are very influential in municipal service provision, and also voluntary behaviors are still very deterministic in success of service provision.



### 3.3.2. FINANCIAL CAPACITY

So far, problems with administrative capacity have been discussed. Some critical points have emerged in technical capacity, personnel capacity, and efficacy of organizational network. Hypothetically, in case of no problem with administrative capacity, local governments can face problems because of other factors. At top of these come financial problems. There may be highly qualified personnel, with necessary equipment in an effective organizational chart, but without the necessary resources, service provision may result in poor performance. Following section makes an analysis in terms of financial capacity. Financial capacity includes the total budget, types of items in budget system, local and regional economic wealth, available locally raised revenues, items of expenditure and system of accountancy.

#### 3.3.2.1. SUFFICIENCY OF BUDGET

MMD is very disadvantageous in terms of financial capacity. Despite the fact that İstanbul, Ankara and İzmir Metropolitan Municipalities have 50% of population out of total among 16 metropolitan municipalities, these three municipalities enjoyed 60% of total amount transferred to all metropolitan municipalities in 2003 (Yılmaz and Kerimoğlu, 2005b:40). Table below shows the real amount of municipal shares. It is seen that Province of Diyarbakır has the 2<sup>nd</sup> lowest share although its population is not the 2<sup>nd</sup> low.

Table 35. Distribution of Metropolitan Municipality tax shares

YTL	2000	%	2001	%	2002	%
<b>Bank of Provinces Total</b>	<b>2.436.132</b>	<b>100,00</b>	<b>3.847.700</b>	<b>100,00</b>	<b>1.449.230</b>	<b>100,00</b>
<b>Municipal share</b>	2.057.919	84,47	3.250.341	84,47	1.224.236	84,47
<b>Special Provincial Administration Total Share</b>	378.213	15,53	597.359	15,53	224.994	15,53
<b>Metropolitan Municipal Total Share</b>	<b>845.773</b>	<b>100,00</b>	<b>1.364.770</b>	<b>100,00</b>	<b>511.766</b>	<b>100,00</b>
<b>1. Adana</b>	14.124	1,67	19.094	1,40	10.489	2,05
<b>2. Ankara</b>	165.814	19,61	354.241	25,96	114.396	22,35
<b>3. Antalya</b>	7.953	0,94	13.738	1,01	5.366	1,05
<b>4. Bursa</b>	21.314	2,52	29.343	2,15	12.695	2,48
<b>5. Diyarbakır</b>	2.228	0,26	3.315	0,24	1.346	0,26
<b>6. Erzurum</b>	1.999	0,24	2.781	0,20	1.141	0,22
<b>7. Eskişehir</b>	6.354	0,75	9.358	0,69	4.319	0,84
<b>8. Gaziantep</b>	5.135	0,61	7.764	0,57	3.481	0,68
<b>9. İstanbul</b>	508.327	60,10	746.350	54,69	283.655	55,43
<b>10. İzmir</b>	63.765	7,54	95.800	7,02	37.089	7,25
<b>11. Kayseri</b>	6.455	0,76	9.757	0,71	4.359	0,85
<b>12. Kocaeli</b>	14.745	1,74	28.157	2,06	17.610	3,44
<b>13. Konya</b>	5.309	0,63	8.888	0,65	3.870	0,76
<b>14. Mersin</b>	14.650	1,73	23.371	1,71	8.112	1,59
<b>15. Sakarya</b>	1.589	0,19	3.580	0,26	?	?
<b>16. Samsun</b>	6.012	0,71	9.233	0,68	3.838	0,75
<b>Total</b>	<b>3.281.905</b>		<b>5.212.470</b>		<b>1.960.996</b>	

Source: www.mahalli-idareler.gov.tr

Below is the Central Tax Revenues per capita comparison in metropolitan municipalities. The way central taxes are distributed results in very few amount of budget allocated to MMD. It has the least per capita share by central government. In addition difference between average central tax/capita of metropolitan municipalities and MMD is increasing gradually.

Table 36. Comparison of Central Tax Share per capita for Metropolitan Municipalities

	2002		2003		2004	
	Metropolitan Municipality	Central Tax Share / capita	Metropolitan Municipality	Central Tax Share / capita	Metropolitan Municipality	Central Tax Share / capita
1	KOCAELİ	215	KOCAELİ	186	KOCAELİ	567,98
2	ANKARA	98	ANKARA	103	ANKARA	142,49
3	İSTANBUL	93	İSTANBUL	99	İSTANBUL	131
4	MERSİN	88	MERSİN	84	İZMİR	120
5	ADAPAZARI	82	İZMİR	82	MERSİN	101,93
6	ADANA	74	ANTALYA	79	BURSA	94,02
7	İZMİR	71	ADAPAZARI	77	KAYSERİ	89
8	SAMSUN	63	BURSA	71	SAMSUN	88
9	KAYSERİ	59	ADANA	69	ADAPAZARI	86
10	BURSA	58	KAYSERİ	69	ANTALYA	86
11	ANTALYA	55	KONYA	67	ESKİŞEHİR	85
12	KONYA	53	SAMSUN	66	ADANA	83,08
13	ESKİŞEHİR	52	ERZURUM	65	KONYA	76
14	DİYARBAKIR	50	GAZİANTEP	64	GAZİANTEP	73
15	ERZURUM	50	ESKİŞEHİR	61	ERZURUM	71
16	GAZİANTEP	34	DİYARBAKIR	55	DİYARBAKIR	68,76
	<b>Average</b>	<b>74,6</b>	<b>Average</b>	<b>81</b>	<b>Average</b>	<b>122,7</b>

Source: www.beper.gov.tr

Below is the urban expense per capita of MMD. One of the reasons of situation above is that budget of MMD is very dependent on central government grants. As it gets one of the least tax shares per capita, MMD can expend one of the least expenses per capita.

Table 37. Urban Expenses of Metropolitan Municipalities and Per Capita Expenses in 2004

Metropolitan Municipality	Expenses (YTL)	Rank	Per Capita Expenses (YTL)	Rank
Ankara	909.173.157	2	258,38	1
Antalya	175.571.649	4	258,09	2
Eskişehir	132.629.457	6	255,25	3
İstanbul	2.198.687.953	1	219,65	4
Mersin	103.761.166	9	150,00	5
Samsun	58.253.918	13	132,76	6
Adana	138.196.505	5	122,22	7
Konya	101.445.629	10	122,10	8
İzmir	349.252.636	3	121,85	9
Kocaeli	128.944.765	8	106,91	10
Gaziantep	92.155.066	11	103,75	11
Kayseri	72.287.860	12	103,66	12
Bursa	132.606.891	7	102,95	13
Sakarya	33.632.912	15	98,68	14
Diyarbakır	50.043.952	14	72,98	15
Erzurum	20.696.128	16	55,03	16

Source: MMD, 2006

The amount of per capita expenses may increase through two ways: increase in central government grants or increase in domestic revenues of MMD. However, as it will be shown later, the region and MMD has very few opportunities to increase domestic revenues. So, the only way is seen to be expecting increase in central government grants. Surely, this situation is directly related to an increase in national economy and the overall available resources for local governments.

The table is similar and even more critical for per capita revenues. Ersoy's research (2000) has shown that there is strong association between the municipal revenues and GDP of settlements. In addition, it was found that the ratio of the per capita municipal revenues to per capita GDP in the lowest income regions is almost four times higher than the highest income region in Turkey for the years 1993 and 1995. This situation shows that, people in less developed regions and small municipalities pay more for taxes relative to their income in comparison to people living in developed and larger municipalities (Ersoy, 2000). So another inequality emerges in terms of GDP and tax payments which are not directly related to municipal budget but to the local or regional economic development level.

Table below represents the items of municipal revenues. Share of payments is not regular in case of MMD. This is due to some facts that Bank of Provinces has some flexible allocation ratios of municipal share which was described in Turkish Local Government System section. In addition, some regulations on municipal budget caused such annual differentiations. Another reason is the general budget allocation coefficients such as GDP, budget program of municipality, general tax allocation etc.

It is seen that special aids and funds constitute very low amounts in revenues. Profits of enterprises have also declined gradually. Municipal taxes also are very limited sources of MMD. Tax revenues do not represent a steady situation for MMD. This randomness is due to the unsteadiness of general budget tax revenues, which is the dominant source of revenue ever. What are more stable among these items are the special aids and funds, but they constitute very little proportion in the total revenues.

Table 38.MMD, Revenues(2003, 2004, 2005)

MMD (Revenues)	2003		2004		2005	
	YTL	%	YTL	%	YTL	%
<b>tax revenues</b>	<b>31.126.178,05</b>	<b>59,55</b>	<b>44.862.597,53</b>	<b>83,69</b>	<b>56.343.069,80</b>	<b>76,71</b>
<i>share of the payments</i>						
<i>general budget tax revenues</i>	30.082.852,76	57,55	43.684.910,02	81,50	55.391.054,66	<b>75,42</b>
<i>municipal taxes</i>	749.644,38	1,43	792.201,21	1,48	359.115,77	<b>0,49</b>
real estate taxes						
environmental sanitation taxes						
other municipal taxes						
<i>municipal duties</i>	293.680,91	0,56	385.486,30	0,72	592.899,37	<b>0,81</b>
<b>revenues other than taxes</b>	<b>21.064.337,12</b>	<b>40,30</b>	<b>8.616.008,52</b>	<b>16,07</b>	<b>16.964.892,58</b>	<b>23,10</b>
contribution to expenses			146.510,00	0,27		<b>0,00</b>
other participation paid to municipality			70747,66	0,13	74.039,26	<b>0,10</b>
revenues of institutions and enterprises managed by municipalities	3.640.241,20	6,96	1.115.042,44	2,08	895.071,24	<b>1,22</b>
<i>profits of enterprises</i>						
revenues and properties of municipalities	4.695.390,13	8,98	1.027.288,00	1,92	1.292.974,63	<b>1,76</b>
wages	2.293.453,06	4,39	2.725.688,43	5,08	3.323.302,15	<b>4,52</b>
finances	1.684.589,28	3,22	137.202,32	0,26	125.475,41	<b>0,17</b>
<i>other revenues</i>	8.750.663,45	16,74	3.393.529,67	6,33	11.254.029,89	<b>15,32</b>
domestic borrowings						
external borrowings						
other kind of revenues						
<b>special aid and funds</b>	<b>82.510,00</b>	<b>0,16</b>	<b>125.260,00</b>	<b>0,23</b>	<b>139.575,00</b>	<b>0,19</b>
special aid	82.510,00	0,16	125.260,00	0,23	139.575,00	<b>0,19</b>
special funds						
<b>Total</b>	<b>52.273.025,17</b>	<b>100,00</b>	<b>53.603.866,05</b>	<b>100,00</b>	<b>73.447.537,38</b>	<b>100,00</b>

Table also represents the very limited contribution of municipal taxes under the main title of locally raised revenues. Revenues other than taxes are mostly composed of selling municipal immobles and real estate which provide short-term revenues but result in lack of means of service provision. For instance, selling municipally owned land causes lack of necessary urban land for social housing.

Below are the municipal expenditures of MMD. It is seen that personnel expenditures constitute the largest amount as in almost all municipalities in Turkey. Service purchasing has been increasing. It is likely to continue increasing regarding the support of local government reforms. This may lead to a decrease in investment expenditures and its items, as well as decrease in personnel expenditures. However, quality of services may decline in this process unless control, inspection and supervisory of work is sufficient.

Table 39. MMD, Expenditures. (2003, 2004, 2005)

MMD (Expenditures)	2003		2004		2005	
	YTL	%	YTL	%	YTL	%
<b>Total expenditures</b>	<b>63.189.703</b>	<b>100</b>	<b>50.043.951.762</b>	<b>100</b>	<b>77.009.371,22</b>	<b>100</b>
<b>current expenditures</b>	<b>30.434.155</b>	<b>48,16</b>	<b>30.826.179.527</b>	<b>61,60</b>	<b>40.717.995,09</b>	<b>52,87</b>
personnel	14.213.085	22,49	17.774.381.122	35,52	23.130.664,64	30,04
compensation	105.879	0,17	92.006.866	0,18	165.771,74	0,22
service purchasing	988.102	1,56	1.429.668.708	2,86	4.069.973,03	5,29
consumption goods and material	14.564.412	23,05	11.472.704.011	22,93	13.201.729,74	17,14
furnishings	562.675	0,89	57.418.820	0,11	149.855,94	0,19
<b>investment expenditures</b>	<b>20.979.725</b>	<b>33,2</b>	<b>13.735.272.463</b>	<b>27,45</b>	<b>26.285.096,67</b>	<b>34,13</b>
machinery, equipment and means of transportation	4.128.789	6,53	1.285.233.672	2,57	3.105.252,23	4,03
buildings, installations and large scale repairs	16.823.231	26,62	12.414.252.112	24,81	23.003.284,85	29,87
other payments	27.704	0,04	35.786.679	0,07	176.559,59	0,23
<b>transfers</b>	<b>11.775.823</b>	<b>18,64</b>	<b>5.482.499.772</b>	<b>10,96</b>	<b>10.006.279,46</b>	<b>12,99</b>

Source: MMD, Final Accounts

2003 is the last local government elections. It is seen on the table that current expenditures rise significantly from 48,16% to 61,60%. This is first of all because of an investment in personnel strategy. It is also in 2004 that law numbered 5216 is legislated and territory of Metropolitan Municipality is expanded together with increase in roles and responsibilities. It is seen that the increase in proportion is mostly because of the personnel expenditures. It is after 2004 that MMD has been expending more than the determined limit of 30% for personnel expenditures in order to carry out its works.

Below is the table of revenues of Metropolitan sub-municipalities. The situation is similar in these cases. The largest item of income for sub-municipalities is the Tax Revenues, which represents the dependency on central government. Municipal taxes constitute the second largest amount, but it is very limited. This is due to mostly the fact that most housing in MMD does not pay real estate taxes, because most of the housings are illegal, squatter settlements or without title and necessary permits.

It is also the same situation with MMD that, domestic revenues of sub-Municipalities is very low and at small amount which show that they have few opportunities for domestic income resources, or they can not generate the existing resources.

Table 40. Revenues of Metropolitan sub-Municipalities of<sup>66</sup> Diyarbakır in 2004

Type of Revenue 2004	BAĞLAR	%	KAYAPINAR	%	SUR	%	YENİŞEHİR	%
<b>Tax Revenues</b>	<b>14.991.343</b>	<b>94,09</b>	<b>5.872.474</b>	<b>85,53</b>	<b>5.313.946</b>	<b>89,96</b>	<b>8.999.795</b>	<b>91,80</b>
General Budget Tax Revenues	13.672.796	85,82	4.829.494	70,34	4.509.137	76,34	7.947.690	81,07
Municipal Taxes	1.168.015	7,33	778.706	11,34	609.905	10,33	993.452	10,13
Municipal Duties	150.533	0,94	264.274	3,85	194.904	3,30	58.653	0,60
<b>Revenues Other Than Taxes</b>	<b>739.174</b>	<b>4,64</b>	<b>993.829</b>	<b>14,47</b>	<b>308.079</b>	<b>5,22</b>	<b>482.197</b>	<b>4,92</b>
Contribution of Expenses	242.524	1,52	753.504	10,97	41.148	0,70	98.448	1,00
Other Participation Paid to Municipality	0	0,00	0	0,00	0	0,00	0	0,00
Revenues of Institutions and Enterprises Managed by Municipalities	0	0,00	32.820	0,48	0	0,00	0	0,00
Profits of Enterprises	0	0,00	0	0,00	0	0,00	0	0,00
Revenues of Properties of Municipalities	88.237	0,55	98.644	1,44	50.698	0,86	46.745	0,48
Wages	0	0,00	0	0,00	0	0,00	0	0,00
Fines	321.317	2,02	71.607	1,04	69.332	1,17	284.088	2,90
Other Revenues	87.096	0,55	37.254	0,54	146.901	2,49	52.916	0,54
<b>Special Aids and Funds</b>	<b>202.327</b>	<b>1,27</b>	<b>0</b>	<b>0,00</b>	<b>285.000</b>	<b>4,82</b>	<b>321.193</b>	<b>3,28</b>
Special Aids	202.327	1,27	0	0,00	285.000	4,82	321.193	3,28
Special Funds	0	0,00	0	0,00	0	0,00	0	0,00
<b>Total</b>	<b>15.932.844</b>	<b>100,00</b>	<b>6.866.303</b>	<b>100,00</b>	<b>5.907.025</b>	<b>100,00</b>	<b>9.803.185</b>	<b>100,00</b>

Table also represents that municipal taxes constitute a very limited amount of local revenues for Metropolitan sub-Municipalities as in the case of MMD. Kayapınar Municipality slightly differ from other municipalities, because its economic development is built mostly on housing construction sector. Suriçi Municipality is also different from other municipalities in special aids and funds that the historical city is under responsibility of both the municipality and the Ministry of Cultural Affairs.

Type of expenditures of sub-Municipalities shows that personnel expenditures generally have the largest proportion except for Kayapınar. Kayapınar has only 122 personnel while

<sup>66</sup> Budget accounts of Çarıklı and Bağınar municipalities are not inserted into the tables due to the reason that they are both small municipalities with a total population of 30.000, and their very limited budget should not be evaluated together with greater municipalities.

Sur has 334, Yenişehir has 596 and Bağlar has 524. Amount of personnel does not change the ratios. The difference is a result of construction and machinery works, where Kayapınar spent about 2 or 3 times more than other municipalities in 2004.

Table 41. Expenditures of Metropolitan sub-Municipalities of Diyarbakır in 2004

Type of Expenditure 2004	BAĞLAR	%	KAYAPINAR	%	SUR	%	YENİŞEHİR	%
Personnel	13.193.325	37,77	3.859.128	17,04	7.073.300	46,44	10.381.676	37,75
Compensation	111.000	0,32	85.000	0,38	48.000	0,32	171.000	0,62
Service	1.414.000	4,05	1.815.000	8,01	425.000	2,79	1.264.000	4,60
Consumption Goods and Material	2.668.000	7,64	1.425.000	6,29	464.000	3,05	1.062.000	3,86
Furnishings	251.000	0,72	140.000	0,62	113.000	0,74	228.000	0,83
Machinery, Equipment and Means of Transportation	2.220.000	6,36	2.150.000	9,49	1.290.000	8,47	1.462.000	5,32
Buildings, Installations and Large Repairs	4.250.000	12,17	6.952.475	30,70	625.000	4,10	4.000.000	14,55
Other Payments	40.000	0,11	145.000	0,64	49.000	0,32	39.000	0,14
Transfers	10.781.212	30,87	6.078.397	26,84	5.144.268	33,77	8.892.974	32,34
<b>TOTAL</b>	<b>34.928.537</b>	<b>100,00</b>	<b>22.650.000</b>	<b>100,00</b>	<b>15.231.568</b>	<b>100,00</b>	<b>27.500.650</b>	<b>100,00</b>

Table below is a brief representation of the fiscal indicators of MMD in comparison with other metropolitan municipalities.

Table 42. Fiscal indicators for Metropolitan Municipalities

FISCAL INDICATORS	2002		2003		2004	
	Result MMD	Average of Metropolitan Municipalities	Result MMD	Average of Metropolitan Municipalities	Result MMD	Average of Metropolitan Municipalities
<b>Final Budget/ capita. Realized Expenditures/capita</b>	49	122,8	116	162,3	80,03	188,5
<b>Central Tax Share / capita</b>	50	74,6	55	81	68,76	122,7
<b>Realization of Budget (%)</b>	-77,69	-21,8	-21,01	-20,9	-46,48	-20,4
<b>Distribution of Revenues in Fiscal Year %</b>						
Equity Creation Capacity	18,17	28,3	22,74	31,3	11,44	23,6
Revenues From Scheduled Services	2,09	6,6	7,09	7,9	2,22	7,3
Real Estate Revenues %	8,22	11,6	9,15	10,7	1,92	7
<b>Distribution of Spending %</b>						
Administration	7,24	9	16,85	10,2	32,86	9,9
Municipal Police and fire Brigade Expenditures	7,62	4,1	9,05	4,1	3,39	3,8
Social Aids and Health	2,81	3,4	1,76	3,6	2,72	3,4
Public Works	33,26	31,7	42,54	32,9	32,88	29
Education, Culture and Public Relations	0,81	2,2	1,48	2	3,47	2,2
Agriculture and Economic Development	10,01	5,9	7,62	7,2	9,63	8,9
Transfer Expenditures	34,34	27,8	18,64	25,4	10,78	27,1
<b>Economic Framework</b>						
Provincial GDP / National GDP %	86,14	128,5	61,19	119,3	61,18	101
Population Household	4,92	3,7	4,76	3,7	4,39	3,3
Workplace /1000 pop	17,04	39,1	18,51	37,7	50,46	39,1

Source: www.beper.gov.tr

It is seen on the table that financial indicators of MMD are very lower than other metropolitan municipalities and in most cases below the average. It is possible to say that budgeting technique is also problematic in MMD that realization of budget and budget estimation is far below the average. This situation may be result of two effects. One is that the municipal finance department has little knowledge in budget estimation. The other is that although MMD prepares coherent budget for the next year, central government grants did not realize at the expected level due to some reasons. It is also seen that equity creation capacity is very low than average in MMD. This problem is valid for many cities in the region.

Real Estate Revenues also stand below the average. Approximately 70% of housing in MMD are unauthorized and squatter settlements. Thus taxes from housing are very problematic in the city for collection. It is only in the public works and agriculture and economic development item that MMD stands above the average of metropolitan municipalities. Workplace per 1000 population on the other hand well corresponds to the low level of economic development in the city, and as well as the region.

It is also seen on the table that provincial GDP/ national GDP ratio is very low than the average in Diyarbakır. This shows that economy of the region and the province is far below the national economic level. In other words, even if the municipal revenues are increased through direct subsidies or increasing central government grants, it will not be a sustainable form of economic development, unless a regional economic development is achieved. This situation supports the findings of Ersoy (2000) that equity creation capacity in municipal budget items is related to local economic level and is far below the overall level in Turkey.

### **3.3.2.2. LOCAL ECONOMIC OPPORTUNITIES AND THREATS**

It is proposed by the local government reform that local governments should search domestic revenues and sources of income other than central government grants. This would be succeeded by introducing new municipal taxes, by establishing entrepreneurs, by attracting capital and preferably global capital, by reducing expenses through reduction in number of personnel or service purchasing etc. However, in case of MMD and generally in least developed regions, municipalities have few opportunities to create local resources or generate and capacitate the existing sources.



Existing distribution of central tax shares also result in unequal distribution of revenues. As it is seen below, province of Diyarbakır has very limited GDP in comparison to whole country. Thus, MMD's share from central taxes will be less than many other metropolitan municipalities. This will force MMD to find other sources of budget for service provision or to cease some services of its duty.

Table 43. GDP of Province per GPD of Country of Metropolitan Municipalities

	2002		2003		2004	
	Metropolitan Municipality	GDP of Province / GDP of Country (%)	Metropolitan Municipality	GDP of Province / GDP of Country (%)	Metropolitan Municipality	GDP of Province / GDP of Country (%)
1	KOCAELİ	404,33	KOCAELİ	287,23	KOCAELİ	287,28
2	ESKİŞEHİR	164,81	ESKİŞEHİR	164,81	ANKARA	128,24
3	BURSA	164,43	BURSA	164,43	İZMİR	123,65
4	İZMİR	149,77	İZMİR	149,77	İSTANBUL	117,81
5	İSTANBUL	142,73	İSTANBUL	142,73	BURSA	116,82
6	ANKARA	128,19	ANKARA	128,19	MERSİN	114,26
7	KAYSERİ	118,46	MERSİN	114,23	ADANA	108,99
8	MERSİN	114,23	ADANA	109	ESKİŞEHİR	96,65
9	ADANA	109	ANTALYA	102,19	ANTALYA	84,35
10	ANTALYA	102,19	KONYA	101,95	ADAPAZARI	81,08
11	ADAPAZARI	98,23	ADAPAZARI	98,23	KAYSERİ	69,46
12	<b>DİYARBAKIR</b>	<b>86,14</b>	KAYSERİ	84,15	SAMSUN	64,62
13	SAMSUN	78,27	SAMSUN	78,27	GAZİANTEP	61,27
14	GAZİANTEP	74,19	GAZİANTEP	74,19	<b>DİYARBAKIR</b>	<b>61,18</b>
15	KONYA	72,42	<b>DİYARBAKIR</b>	<b>61,19</b>	KONYA	59,77
16	ERZURUM	49,46	ERZURUM	49,46	ERZURUM	40,81
	<b>Average</b>	<b>128,5</b>	<b>Average</b>	<b>119,3</b>	<b>Average</b>	<b>101</b>

Source: www.beper.gov.tr

Table shows the very few opportunities of Diyarbakır's economical situation in comparison to other metropolitan municipalities. Low ratio of GDP of Province / GDP of Turkey means poor economical wealth. This situation is the reason for why MMD will have few grants from the central government tax share. The grants are assigned according to the amount of domestic product produced in the province. The situation also seems to get even worse because the province have little opportunity to improve its domestic economy. This situation is supported by the research of Ersoy (2000) that here is also an inequality between the developed and under developed regions in terms of tax payments. It is considerable that average GDP of province/ GDP of country is decreasing annually which is a function of national economic development.

Table 44. Capacity of domestic revenue creation of Metropolitan Municipalities

	2002		2003		2004	
	Metropolitan Municipality	Capacity of domestic revenue creation	Metropolitan Municipality	Capacity of domestic revenue creation	Metropolitan Municipality	Capacity of domestic revenue creation
1	KONYA	40,78	KAYSERİ	46,89	KONYA	55,05
2	ANTALYA	40,36	KONYA	45,56	ANTALYA	43,48
3	KAYSERİ	35,84	KOCAELİ	44,92	KOCAELİ	42,4
4	ADAPAZARI	35,71	ESKİŞEHİR	41,82	KAYSERİ	41,57
5	ADANA	30,46	SAMSUN	36,01	ADANA	38,86
6	KOCAELİ	25,63	ANTALYA	35,37	ADAPAZARI	35,71
7	İZMİR	23,51	ADANA	34,1	ESKİŞEHİR	32,76
8	SAMSUN	21,79	İZMİR	31,58	SAMSUN	25,88
9	İSTANBUL	21,16	ADAPAZARI	29,29	İSTANBUL	22,36
10	BURSA	19,1	ANKARA	29,19	MERSİN	22,25
11	MERSİN	17,47	MERSİN	25,74	DİYARBAKIR	18,17
12	GAZİANTEP	15,28	BURSA	25,14	ANKARA	17,64
13	ESKİŞEHİR	13,47	İSTANBUL	22,82	İZMİR	16,66
14	ERZURUM	13,08	DİYARBAKIR	22,74	BURSA	14,99
15	ANKARA	12,64	ERZURUM	15,18	GAZİANTEP	14,17
16	DİYARBAKIR	11,44	GAZİANTEP	15,04	ERZURUM	11,75
	<b>Average</b>	<b>23,6</b>	<b>Average</b>	<b>31,3</b>	<b>Average</b>	<b>28,3</b>

Source: www.beper.gov.tr

Table above is calculated by final fiscal accounts of municipalities. It represents the municipal revenues other than central government grants / total revenues. Table should be read in relation with per capita revenues and expenditures, and with types of domestic revenues. Central government grants for greater cities are higher than MMD (table 35). MMD is one of the least advantageous cities to create and generate domestic revenues in comparison to other metropolitan municipalities, and is largely dependent on the central government grants. Yet, the relatively close ratio of MMD with Ankara and İstanbul does not show that MMD has few problems with domestic revenue creation. Revenues from scheduled services and real estate revenues are very low for MMD than these cities (table 41). Table above actually shows that MMD had to create domestic revenues to fulfill its responsibilities. However, in an environment where industrial development is low, poverty is high and political unrest survives, economical development is not easy to accomplish.

To sum up, it is seen that financial constraints and opportunities of the Southern Eastern Anatolia Region and Diyarbakır result in low capacity of MMD to carry out its existing and additional responsibilities. Unless MMD will be equipped with competent financial resources, public services will inevitably fail or show poor quality, no matter administrative and organizational capacity is improved.

## **CHAPTER 4**

### **CONCLUSION**

Almost at every single month during the preparation of this thesis new legislations in local government reform were on the agenda of central government. For instance, norm cadre regulation was introduced and legislated on 22.04.2006, and execution of the legislation was stopped by the Council of State on 16.11.2006 due to the reason that the authorized organization was not the Council of Ministers but the Ministry of Interior. In addition, some draft laws on municipal and special provincial administrations such as municipal revenues and personnel regime are still under public discussion. Fundamental Law on Public Administration with no:5227 is being prepared by the Grand National Assembly which was turned back from the President of the Republic on 03.08.2004. Law on Municipalities has been changed three times until the legislation of Law with no:5393. Although 5393 has been legislated it is still criticized. This dynamic environment of the study field should be considered usual in any similar reform processes.

Although reform process is under continuous studies, it is possible to define some potential problems which may emerge in the future, at the very beginning. In search for these problems case of Metropolitan Municipality of Diyarbakır is evaluated in this thesis. The evaluation has focused on two fundamental dimensions: administrative capacity and financial capacity.

It was found that recently Metropolitan Municipality of Diyarbakır has insufficient number of personnel to carry out public services in comparison to other metropolitan municipalities, and norm cadre regulation does not show any clues to solve this problem. This is mainly because of the very high number of temporary workers in Metropolitan Municipality of Diyarbakır. Even if temporary workers are located at permanent positions, MMD will not be able to employ necessary additional personnel because of the limitation on personnel expenditures. So, the problem with sufficient number of personnel is also related to budget expansion.

In order to expand their budgets and provide more effective and efficient services, municipalities are encouraged to act as enabler rather than direct service provider. This is also a problem area for Metropolitan Municipality of Diyarbakır in that, control of the private firm which will undertake the provision of any service is possible only if there are competent personnel in the related business at municipality. For instance, recently an Urban Conservation Plan for the historical city center is on the agenda of municipality. In order to acquire a coherent and well-designed plan, municipality should have some personnel having knowledge and skills in urban planning, history, archaeology and architecture at least at moderate levels who can make control of the work.

Competency and sufficient amount of personnel is not the only criteria for organizational capacity. Metropolitan Municipality of Diyarbakır and the region in general have been experiencing one of the most serious economical problems. Central budget tax share system provides very few amounts of general budget tax share allocated to Metropolitan Municipality of Diyarbakır. It is found out that municipality has financial problems in provision of regular services. It is highly possible that municipality will face with these problems with new roles and functions attached to it by the reforms, too. Thus, a policy of equity rather than of equality is needed for decreasing the regional inequalities within the country. The findings of Ersoy (2000) has shown that, in an economic situation where people living in regions with lower GDP level pay for taxes relatively higher than people living in regions with higher GDP level, principle of equality is not sufficient for decreasing regional inequalities.

Although in each and every National Development Plan this problem was stated, inequality continues. The main reason of need for such policy is that domestic revenues and domestic revenue creation capacity of the region is far below the national average. Reform suggests that local governments would improve their financial resources through domestic revenues and other sources of income. Unless the environment for investment and a significant GDP increase is provided, it is not possible for municipality to increase its local revenues. Municipal taxes and local taxes were suggested for increasing revenues, but most of municipalities in under developed regions have problems in locally raised revenues. It is found that capacity for generating locally raised revenues is very low in the region.

According to results of a research, it was also found that municipal revenues are also very limited and in a complex structure (Ersoy, 2000). There are many inefficient and ineffective

types of municipal taxes which do not have significant contribution to municipal revenues. In addition, many of these taxes are more costly to collect for the municipality than the amount of expenditure if collected.

In addition, the reform suggests municipalities to increase their financial resources through capital attraction. However, the regional situation and political unrest avoids capital investment. A critical issue has been highlighted that, in order to increase financial resources of local governments, the overall available resources should be evaluated. This means, for economic efficiency at local scale, a national efficient economy is also required.

In order to increase their revenues, municipalities privatize or sell their immobiles and real estates. This action provides some short term revenues for the municipality. However, especially being means of social service production, for instance selling urban land results in having no land for social housing projects. Metropolitan Municipality of Diyarbakır has been experiencing this problem in the same way that, any social project such as social housing can not be realized due to lack of municipally owned land.

Together with decentralization act some capacity development projects has been introduced. These projects also have some problems. Debate around local institutional capacity development approaches have shown that these approaches are not adequate and can only provide particular and limited improvements. In addition, most of these approaches propose project oriented capacity enhancement strategies. There is a well established Project Office in Metropolitan Municipality of Diyarbakır which can handle the mission of municipal capacity development. However, municipalities in the region will have difficulties in benefiting funds from development projects, because they have poor or no skills in project management issues. So, this type of capacity development opportunity will be functional for a few municipalities.

Another problem with recent capacity development approaches found out is that they are built on the method of breaking down. This method does not prove that the overall schema will surely be developed after capacity development actions on each single intervention point. It is suggested with this thesis that capacity development issue should be taken in a more relational context. In addition, it is only during the reform process that problems with capacity of local governments to tackle with the devolved power and increased responsibilities are recognized.

Subsequently, some precautions have been introduced for capacity development in Turkey. These precautions include projects on local government capacity development. However, current approaches in capacity development are also problematic. Many approaches and their proposals for capacity development provide only incremental solutions. Most of these approaches take one issue as the subject for capacity development but leave some other and related components aside or apply capacity development techniques separately. In most cases, integrated character and the overall system is ignored. This thesis, in this respect, has introduced a rather relational approach in capacity enhancement policies, which should take the unique characters and internal dynamics of the subject into consideration.

Consequently, this thesis has attempted to question the relationship between successful implementation of decentralization schemes and institutional capacity of the municipalities by taking one particular municipality as a case study. It is found out that the so-called decentralization scheme in Turkey would likely create greater problems especially for those located at under developed regions. Local governments in under developed regions are not ready and do not have the fulfilling capacities to tackle with the existing and potential problems highlighted in this thesis. Although they have some sort of competency in some units, especially with respect to administrative and financial capacities of these authorities, there are formidable problems which would threaten the success of these decentralization schemes.

It is obvious that a related problem is the representational capacity of local authorities. As this requires a substantial study on its own right, this thesis left this dimension unexamined. Likewise the relationship between financial and administrative capacity and representational capacity requires further studies.

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