FEMISE RESEARCH PROGRAMME

Reforming the public service delivery mechanims in Turkey : challenges and opportunities ahead

Fikret Adaman - Ali Çarkoglu
Department of Economics, Bogazici University, Istanbul

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REFORMING THE PUBLIC SERVICE DELIVERY MECHANISMS IN TURKEY: CHALLENGES AND OPPORTUNITIES AHEAD
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I-) Introduction

The adoption of a liberal economic policy framework in 24th of January 1980 marks a turning point in modern Turkish history. Reflections of this framework on the public administrative system and Turkish politics have been revolutionary in many respects. Pressures of rapid urbanisation helped bring the issue of local government to the forefront of Turkish politics first during the 1960s. The municipal administrations of metropolitan centres were captured by the centre-left Republican People's Party (Cumhuriyet Halk Partisi-CHP) in the 1970s, while the central government was under the control of right-wing coalitions. While the central governments tightened their tutelage over the municipalities under the control of their rival left-wing CHP, the reactions of the municipalities grew and demands for a populist devolution of power took hold. The political importance of municipal administration had continued to increase over the last two decades. Nevertheless, despite the favourable atmosphere of the liberal policy framework of the 1980s, it is hard to claim that significant devolution of power to the local authorities had taken place.

The Turkish national political agenda in much of the late-1990s was dominated by rising pro-Islamist electoral support and its political mandate that challenged the secularist principles of the Turkish Republic. The March 1994 local elections were partly responsible for this development, as they revealed some of the deep-rooted uneasiness about the political system in Turkey. The remarkable electoral success of the Welfare Party (Refah Partisi-RP), a religious fundamentalist party, in March 1994 local elections gave the RP executive control over most of the large metropolitan as well as smaller size Anatolian municipalities.

The first question on the minds of the Turkish public was whether or not the RP could prove itself competent in running local administrations efficiently and satisfy the general

expectations of the electorate. Such success would certainly ease the anxiety of mainstream voters about the extreme policy stands of the RP. An opportunity seemed to open to the RP in that, although they received a strict minority support when obtaining control of a large portion of the municipalities due to first-past-the-post election system, the RP had to deliver to a diverse body of voters in their constituencies. The RP strategy was to use their success at local elections as a stepping stone for capturing the central executive powers in the next election. Accordingly, immediately after the March elections the RP started pushing for early parliamentary elections.

Also notable in this context was the fact that a solid majority of Turks were dissatisfied with domestic politics in general. A persistent observation was that democratic institutions and political leadership have alienated large segments of Turkish society, leading to opposition demands for early elections. These demands, combined with the collapse of the ruling coalition government in September 1995, finally gave way to the decision, in early November 1995, to hold early elections on December 24th 1995.

Much of the ensuing campaign focused on the idea that Turkish democracy suffers from an inability to sustain active participation of citizens in political life, particularly in the public policy process through which popular demands are being addressed. If the public were more involved in the decision-making process at the national and local levels, politicians could be held to greater accountability and scarce resources will not be wasted, as is frequently the case. It seems that unless proper measures are taken to, first of all, improve public administration's responsiveness to the needs of the citizens and also to enhance accountability of elected officials for their administration, popular support for democratically elected officials will inevitably decline. Such a deterioration of public support is a clear indication of public's alienation from politics in general, which undermines the legitimacy of the political system. Consequently, questions pertaining to the responsiveness and accountability of public administration system are directly linked to political stability in Turkey.

The economic, political and social challenges to democracy caused by rapid urbanisation are no doubt among the most prominent issues in public agenda. As of the last population census year of 1990, an estimated 60 percent of the Turkish population live in urban areas. Although estimates differ, in Istanbul alone there are approximately 400,000 new migrants yearly. Such a dramatic inflow of new inhabitants make the multitude of chronic problems, including insufficient housing, water shortages, environmental pollution, and traffic congestion almost insurmountable in Turkey's largest city. However, these problems are not unique to Turkey's largest metropolitan areas. They are equally formidable in the country's other smaller urban areas. With the current estimated population of 65 million growing at an annual rate of 3 percent and the flow of migration from rural areas unlikely to subside in the near future, local administrations in Turkey will find it increasingly difficult to provide even basic governmental services (See Kele_ (1994) and Yalç›nda¤ (1995) for a recent discussion of problems and their proposed solutions in local administrations).

From this perspective, improvement of municipal administration through more responsiveness and accountability occupies the center stage in Turkish public agenda. Accordingly, to provide potential solutions to these challenges, Turkish political parties and local administrations should take into consideration citizens' expectations, their level of satisfaction with municipal services, and their views of democratic participation. Elected officials at the local administration level should possess two distinct types of information flow when shaping their decisions. First information flow is about responsiveness specifically on policy and budget questions: Is a particular service achieving what it is supposed to achieve? Is a proposed new policy needed? Has the need for an older policy disappeared? Are the government's contractors providing a particular service effectively and efficiently? Is increased funding for certain policy areas or services justifiable? If funding for a service or policy must be cut, which aspect of it can be curtailed with least effect on the public? Second is about accountability questions: Is a policy meeting public expectations? What aspects of policy quality are not up to expectations and need correction? Are the policies for which funds are appropriated by elected officials accomplishing something that justifies their costs? Are government agencies doing their jobs and justifying their costs to taxpayers? A partial yet an important answer to all these questions is public participation in municipal decision-making.

Information pertaining to maintaining and developing active popular participation is accordingly very crucial in a responsive and accountable municipal administration. How are the citizens' views and evaluations taken into account by municipal administrators? What are alternative ways to improve popular input to municipal policy process? How could the municipal administrations better use inputs from civic societies?

Even though municipalities in Turkey have been becoming more powerful in terms of the magnitude of resources they have control over, the centralised government does still play an important role in resource creation and resource allocation. Theoretically speaking, one of the rationales of concentrating political power at the centre is to have the ability to collect revenues and allocate benefits to peripheries on an *equitable* basis. However, the experience of Turkey since the foundation of the Republic (1923) shows that centralisation is a necessary but perhaps not sufficient condition for equitable redistribution. The successive governments in Turkey failed to eliminate regional disparities in income distribution and economic development (see *e.g.* Sönmez, 1998). Yet, despite many researches that pinpointed the mentioned failure, little—if any—has been done to diagnose the reasons of the problem. Therefore, it is of vital importance to better understand the public service delivery mechanism in Turkey, both at the central and the local levels, the areas in which there are efficiency losses, the factors that seem to play a role in the ongoing inequality, the severity of the corruptive elements in the system, etc.

II) Objective of the Research

The main aim of the research is to diagnose the extent of the problem of unequal public service delivery, not only as reflected in the concrete macro indicators but also as it materialises in the perceptions and attitudes of the public at large towards government policies, both at the central and local levels.

To that end, the research has first focused on macro-level indicators on a city level to diagnose the extent of geographical disparities in both policy outputs as well as policy outcomes. The research has secondly conducted a nation-wide survey of size 1206 with an aim at deciphering the attitudes and perceptions of the urban citizens to public service delivery issues.

More specifically, the project has the aim of:
- To further our understanding on the determinants of the ways in which public resources are allocated to different localities;
- To determine the trust and satisfaction level of people of different localities to central and local governments;
- To evaluate, from the citizens' perspectives, the extent to which the central and the local governments are engaged in corruptive activities;
- To question whether a reform is wanted, in citizens' minds, at both the local and central levels, and what kind of reform proposals people would support.

IV Results

IVa) The Macroeconomic Indicators

A Résumé of the Econometric Analysis

In this section we present the summary results of our econometric analyses, covering the period of 1984-1996, that aim at understanding the discranpencies between provincies in the central government's expenditures on education (as measured by the number of students per teacher) and health (as measured by the number of patients per doctor and per hospital bed), and in the GNP per capita. Our dependent variables can therefore be set out as follows:

Dependent variables:

1. Number of primary school students per teacher in each province;
2. Number of high school students per teacher in each province;
3. Number of patients per specialist doctor in each province;
4. Number of patients per hospital bed in each province;
5. GDP per capita in each province.

Independent variables:

1. Year. The 1984-1996 years are used as dummy variables.
2. Geographic region. Here the country is divided into 7 regions (viz. Central, East, Eagean, Blacksea, Marmara, Mediterranean, Southeast).
3. Total share of incumbent parties' vote. As the share of incumbents increase we expect either a reward effect with a positive coefficient or a ignorance effect with a negative coefficient. If the coefficient is negative we infer that the incumbent simply ignores the province in service distribution and focuses on other areas since it can afford to loose some votes there. (See Cingranelli [1981] for a theoretical discussion.)
4. Effective number of parties index [ENP] ($N=1/Sv_i^2$). This index is used as an indicator of the extent of electoral competitiveness. As the effective number of

parties increase so does the level of electoral competition. (See Cingranelli [1981] for a theoretical discussion.)

5. <u>Volatility index</u> ($v=(1/2)S|v_{it} -v_{it-1}|$). This index measures the extent of change in a province from one election to the next. As v increases we infer that party preferences have shifted from one party to another in an increased fashion.

6. <u>Participation rate</u> to national elections.

7. <u>Kurdish counter variable</u>. This variable takes the value of 1 for the regions that have the lowest percentage of Kurdish population to a 5 where the share of Kurds in a provinces population increases to a maximum. The Table below gives the mean values of Kurdish population for the clusters identified. (See Lineberry [1977] for an early statement of the 'race preference hypothesis'.)

Cluster	Number of Provinces	Mean Kurdish Population
1	45	2.41
2	9	14.69
3	4	47.65
4	7	71.03
5	2	84.13

Source: Derived from Mutlu (1995)

In order to correct for inherent heterescedasticity we also used a weighted regression method, where all equations were weighted by per capita GDP (in US Dollars). Below we report the five regressions. We highlighted the independent variables that are significant at 2.5% level. The R^2 values indicate that, overall speaking, the independent variables taken alltogether can to some extent explain the dependent variables.

Number of primary school students per teacher in each province

```
Variable           B           SE B        Beta         T      Sig T

VOLATILITY       .119857      .064598      .186076     1.855    .0651
KURDISH         2.332142      .880125      .305816     2.650    .0087
D87             3.619260     2.051075      .204315     1.765    .0792
D95            -3.204045     1.316396     -.198389    -2.434    .0158
AEGEAN           .527018     1.449339      .022807      .364    .7165
MEDITER.        -.819162     1.583311     -.032535     -.517    .6055
CENTRAL         2.312824     1.357742      .111452     1.703    .0901
BLACKSEA       -3.278915     1.392962     -.162751    -2.354    .0196
EAST           -2.092304     2.445989     -.088572     -.855    .3934
SOUTHEAST       6.106246     2.783964      .212790     2.193    .0295
PARTICIP.       -.398659      .120062     -.297715    -3.320    .0011
ENP             2.306619      .678804      .243008     3.398    .0008
INCUMBENT       -.002998      .049933     -.004606     -.060    .9522
(Constant)     43.707089    11.041197                  3.959    .0001
```

R^2: 0.48832
Adjusted R^2: 0.45404
Standard Error: 35.67330
F: 14.24195

The higher the Kurdish population share is, the higher the per teacher student number gets. The Black Sea region has significantly lower number of per teacher student numbers. While incumbents' share has no effect, increasing participation decreases the number of students per teacher at the primary school level. More political competition (ENP) seems to bring a higher number of students per teacher. Finally, it appears that students per teacher decreased in 1995.

Number of high school students per teacher in each province

```
Variable            B          SE B       Beta       T      Sig T

PARTICIP.    -.239526    .060635   -.416999   -3.950  .0001
ENP          .730184    .326670    .172830    2.235  .0265
VOLATILITY   .007448    .030187    .027832     .247  .8054
INCUMBENT   -.005491    .024659   -.018997    -.223  .8240
KURDISH     -.121206    .399371   -.039964    -.303  .7618
AEGEAN     -2.494529    .805443   -.227169   -3.097  .0022
MEDITER.    1.021562    .855865    .087729    1.194  .2341
CENTRAL      .488755    .732740    .052705     .667  .5055
BLACKSEA     .056125    .747074    .006364     .075  .9402
EAST        -.869759   1.198425   -.093791    -.726  .4689
SOUTHEAST   1.330356   1.338230    .111791     .994  .3214
D91         -.762506   1.010364   -.101563    -.755  .4514
D95          .001452    .979981    .000198     .001  .9988
(Constant)  31.952100  6.044881              5.286  .0000
```

R^2: 0.35185
Adjusted R^2: 0.30842
Standard Error: 2.92455
F: 8.10107

The higher the participation rate is, the lower will be the number of students per teacher. In the Egean region the average number of students per teacher in high schools seems to be lower than the average of the remaining regions' figure.

Number of patients per specialist doctor in each province

```
Variable          B          SE B         Beta       T     Sig T

VOLATILITY     18.039266    32.508093     .061551      .555   .5796
KURDISH      1983.336497   505.879120     .483279     3.921   .0001
D87           -484.636648   896.231882    -.064056     -.541   .5893
D91            972.920162   476.498400     .176744     2.042   .0425
AEGEAN        -504.512585   471.989445    -.068369    -1.069   .2864
MEDITER.      -151.509110   589.345982    -.016965     -.257   .7974
CENTRAL        528.184546   477.301395     .070570     1.107   .2698
BLACKSEA      1639.415007   525.104512     .201958     3.122   .0021
EAST          -146.648893  1218.185178    -.011325     -.120   .9043
SOUTHEAST     1866.096547  1447.037036     .130207     1.290   .1987
PARTICIP.      163.288951    47.566448     .298879     3.433   .0007
ENP           -424.109189   313.015694    -.119836    -1.355   .1770
INCUMBENT      -47.011154    21.734804    -.191373    -2.163   .0318
(Constant)  -10041.042991  4722.040366                -2.126   .0347
```

R^2: 0.37178
Adjusted R^2: 0.32969
Standard Error: 3911333.16750
F: 8.83161

Here the greater the Kurdish population is, the more patients per specialist doctor will be. Similarly, in the BlackSea region the number of patients per specialist doctor will be greater than the average of the remaining regions' figure.

Number of patients per hospital bed in each province

```
Variable       B        SE B        Beta       T  Sig T

VOLATILITY      -.570221    3.166414   -.021732     -.180   .8573
KURDISH       155.212186   46.909069    .450794     3.309   .0011
D87           -90.237009   92.713506   -.130645     -.973   .3316
D95              .970891   51.718209    .001798      .019   .9850
AEGEAN        -50.109973   52.412128   -.068198     -.956   .3402
MEDITER.       14.845737   61.985215    .017365      .240   .8110
CENTRAL       -59.856980   51.778149   -.083084    -1.156   .2491
BLACKSEA      -92.340343   55.094957   -.123402    -1.676   .0953
EAST         -145.868165  116.664215   -.134732    -1.250   .2127
SOUTHEAS       70.982343  137.194432    .058150      .517   .6055
PARTICIP.      11.962016    5.016207    .235672     2.385   .0181
ENP           -23.289386   31.315283   -.069316     -.744   .4580
INCUMBENT      -4.698452    2.211506   -.201883    -2.125   .0349
(Constant) -1048.863426  474.525950               -2.210   .0283
```

R^2: 0.25240
Adjusted R^2: 0.20230
Standard Error 61715.64310
F: 5.03819

Here the greater the Kurdish population is, the more patients per specialist doctor will be. An increase in the participation rate will mean an increase in the number of patients per specialist doctor.

GNP per capita in each province

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Variable          B          SE B       Beta        T     Sig T

VOLATILITY      -.041029     5.776364   -.000635    -.007   .9943
KURDISH       -148.827431    78.548568  -.196942   -1.895   .0596
D91            616.684468   188.244682   .329742    3.276   .0012
D95            593.378136   186.463953   .325893    3.182   .0017
AEGEAN        -642.423202   147.941362  -.248840   -4.342   .0000
MEDITER.      -796.438204   160.616116  -.282537   -4.959   .0000
CENTRAL      -1053.244706   136.394824  -.471680   -7.722   .0000
BLACKSEA     -1244.451103   141.265967  -.569790   -8.809   .0000
EAST         -1328.685960   234.712636  -.566049   -5.661   .0000
SOUTHEAST    -1125.040335   259.569658  -.373102   -4.334   .0000
PARTICIP.       -.289474    11.971305   -.001991    -.024   .9807
ENP            141.320451    64.529485   .133548    2.190   .0297
INCUMBENT        7.348828     4.846837   .100322    1.516   .1311
(Constant)    1423.696630  1185.035926             1.201   .2311
```

R^2: 0.60439
Adjusted R^2: 0.57788
Standard Error: 48982.25585
F: 22.79882

Here, being in a region other than the Marmara one will result a decline in GNP per capita. In the years 1991 and 1995 we observe a higher increase rate than the remaining years.

Outcomes

An academic paper is in the process of preparation, presenting and discussing the results of the above econometric results. The paper is expected to be ready by the end of August 2000.

IVb) The Nation-wide Survey

A Résumé of the Survey

A survey was conducted in 14 cities, between 21.10.1999 and 9.11.1999, with a sample of 1206 adults representing the town population of Turkey, with an aim of uncovering the evaluations and expectations about the satisfaction from public services, the existing corruptive activities and the reform issues, all at a comparative level between the central and the local governments. In order to be able to run the survey, matching funds have been raised from the TESEV (The Economic and Social Studies Foundation of Turkey) foundation (via a research grant from the European Union on "Reforming the State" project) and the Bogazici University Research Fund (99C102). Thanks to the TESEV fund, it became possible to publish the results of our survey in Turkish (see the enclosed).

The following three interrelated dimensions were analysed within this survey study: (i) The satisfaction level from the services provided by the public administrations is determined by the measurement of trust and contentment; (ii) the evaluation of the extent to which the central and the local governments are engaged in patronage relations; and (iii) whether a reform is wanted at both the local and the central levels and what kind of reform proposals people would support.

More specifically, trust in institutions, level of importance and satisfaction with different services that local and central governments provide, the perceived extent of corruption at both levels of government and attitudes toward reform formed the basis of our dependent variables. We developed measures of our dependent variables and analysed its determinants in terms of (i) demographic, (ii) geographic, (iii) political, (iv) socio-economic, (v) psychological, (vi) economic, and (vii) cultural variables.

When examined alone, the trust in public administrations and the satisfaction from the services they provide seem to be significantly low. The results indicate a significant differentiation between the satisfaction levels of services provided by the central government and the local governments. The contentment about the local governments is considerably higher than that of the central government. Justice, taxation and health systems are especially

problematic services within the ones provided by the central government. Instead, for the local governments, the most problematic ones turn out to be the sewage system, road maintenance, parks and recreation centres, city traffic, municipal police service and especially the construction regulation and permits.

When the extent to which patronage is widespread is examined it is found out that patronage is highly observable in both of the local and central levels. However, our results indicate that the patronage levels of the central government are higher when compared with those of the local governments. Furthermore, in line with our expectations, it has been expressed that the least effective way of demanding a service at the level of both central and local governments is to organise a protest or demonstration against the relevant department. In addition, it is interesting to see that another least effective way of demanding a service at the local government level is to exert pressure on the relevant department through the media. Although using TV and newspaper as a way of influencing the central government does not figure out as a very effective means, but it has been found that a small group of people opted for this option. The method that is thought to be the most effective one both at the level of central and local governments is to find a relative or a kin at the relevant department in order to acquire the demanded service.

The support for a reform at the local government level is at the level of 80%. The most supported reform proposal is an elevation in the level of education of the municipal employees. The second highest support about different strategies for reform is the consideration of the interests of people in the provision of public goods and services; whereas the third highly ranked one is the elimination of the particularistic relations which exist among the municipalities and the people and business. These priorities are followed by a consideration for the long-term interests of people and the active participation of people in the policy-making process. The interesting point here is the fact that active participation received the lowest priority among the reform proposals. Hence, the society is supporting a reform but they do not seem to be willing to get personally involved into this process.

The support for a reform at the central government level, instead, is at the level of 91%. The reform proposal which asserts that the particularistic relations of the central government with certain individuals and business should be eliminated ranks at the top with a significant margin with other reform proposals at the central government level. That the level of education of public administrators should be elevated and priority should be given to the interest of people in the provision of goods and services ranked second and third, respectively. The consideration for long-term interests and active participation received insignificant amount of support.

Furthermore, satisfaction, patronage and reform dimensions are discussed within a unified arena in this study. The surveyed individuals were classified depending on whether they (i) derived low or high satisfaction from the services provided; (ii) evaluated a low or a high level of patronage relations as existing in the current system; and (iii) opted for a reform or the maintenance of the status-quo. Hence, individuals were placed in a category out of the possible 8. It can be seen that the ones who derive a low level of satisfaction from the services, who believe that there are a high level of patronage relations, and who demand for a reform are constituting the largest group both at the central and local government levels.

__Outcomes__

The results were published in Turkish as a book under the title of Türkiye'de Yerel ve Merkezi Yönetimlerde Hizmetlerden Tatmin, Patronaj ‹liflkileri ve Reform (The Satisfa *ction Derived from Local and Central Governments, the Corruption, and the Reform)*. The enclosed 196-page long book is now being distributed by TESEV, free of charge, to those interested parties (NGOs, public officers, researchers etc.). Of course, the kind support of FEMISE has been acknowledged at the "Acknowledgment" section. On the basis of this book, we are planning to produce four academic papers, the first one dealing with the trust dimension, the second with the satisfaction dimension, the third with the corruption dimension, and the fourth with the reform dimension. One of them, entitled as "People's Perception of the Central and Local Governments' Engagement in Corruptive Activities: The Case of Turkey", is now ready in a draft version, and we enclose it as well. The remaining three papers should be ready (in draft form) by mid-August 2000. All papers will be submitted to academic journals for evaluation towards publication. We will of course deliver them to the ERF bureau as soon as they become ready.

IVc) Complementary methodological elements

In-depth interviews

Following the completion of our statistical and econometric analyses, we conducted in-depth interviews with the following persons to get their evaluations on our results. We incorporated their suggestions.

- Ismail Özay, mayor of the Çanakkale city
- Fikret Toksöz, general secretary of the Marmara Municipalities Union
- Ersin Kalayc›o¤lu, professor of Political Science at Bo¤aziçi University
- Ünal Zenginobuz, assistant professor of Economics at Bo¤aziçi University
- Nihat Falay, professor of Public Finance at Istanbul University
- Yefleren Eliçin-Ar›kan, assistant professor of Political Science at Galatasaray University

Focus Groups

We arranged two focus groups to take place in July 2000, in order to determine in detail the positions of various sections of society. These group discussions will take place in different geographical regions. The groups will be made up of 5-7 people from a variety of socio-economic backgrounds. Led by a mediator, they will hold extended discussions (generally for half a day) on the reform programme that will aim to cure corruption. The discussions will enable us to assess how the subject of reform is evaluated in a platform that allows space for different views. The outcomes of these meetings will be incorporated into our paper on the reform programme, which is expected to be ready by mid-August.

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