

IKV BRIEF

THE NATIONAL STRATEGY FOR REGIONAL DEVELOPMENT AT A GLANCE

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The National Strategy for Regional Development (2014-2023) (the NSRD, hereon) prepared under the coordination of Ministry of Development is officially approved by the Supreme Regional Development Council on 24 March 2015¹. The NSRD, which is now officially in effect, is of great importance for Turkey to increase its progress with regard to Chapter 22 – Regional Policy and Coordination of Structural Instruments since it is among the closing benchmarks of Chapter 22. Considering the significance of the Strategy for further increasing the alignment with the EU, this brief note aims to provide a brief summary of the NSRD and to discuss Turkey’s level of alignment with Chapter 22 with a focus on the recent developments.

What is the NSRD?

The NSRD is defined as a framework document indicating the major strategies on regional development². In this sense, the NSRD prepared with a strategic planning approach presents the regional development policies at the national level. In addition, it functions as a guide and facilitator for policy-making, planning and implementation for the stakeholders at the regional level. With regard to stakeholders at the regional level, the NSRD provides a ground for coordination between different organizations and presents alternatives in preparing development plans of development agencies as well as of regional and local development administrations. Through this approach, Ministry of Development aims to extend policy-making space for decision-makers at the local and regional level and to provide harmonisation among the development alternatives put forward by the local and national authorities.

- Background

The draft version of the NSRD was prepared in August 2014 and published by the Ministry of Development in October 2014. On 30 December 2014, the Supreme Regional Development Council chaired by the Prime Minister with the participation of related ministries and Regional Development Committee approved the draft version of the Strategy. Finally, it was published in Official Gazette according to Article 23/A of the Decree Law No: 641 Regarding the Organization and Duties of the Ministry of Development. The NSRD was prepared in line with the 10th Development Plan (2014-2018) in coordination with different stakeholders such as related ministries, development agencies, local governments, universities, trade associations and NGOs.

- Structure of the NSRD

The NSRD is structured under five sections. Two sections following the Introduction focus on international trends affecting the regional development and Turkey’s regions

¹ Official Gazette No: 29305, 24 March 2015. Available on <http://www.resmigazete.gov.tr/eskiler/2015/03/20150324M1-1.htm>

² Ministry of Development, the National Strategy for Regional Development (2014-2023). Available on www.bgus.gov.tr

and trends. “International Trends Affecting Regional Development” section presents the opportunities and risks brought by international developments such as the global financial crisis, cooperation between regions, world-wide trends in regional development and recent developments in the EU Regional Policy. “Turkey’s Regions and Regional Trends” section presents an analysis of Turkey’s regions according to human capital, employment, income, economic structure, entrepreneurship, social and physical infrastructure, communication, nature, climate change, energy resources, development trends and development levels. The fourth section, which is discussed in more detail in the scope of this brief note, outlines the regional development vision and objectives. Finally, the fifth section touches upon the coordination, monitoring and evaluation of the implementation of the NSRD.

- **Priorities**

The first priority of the NSRD is defined as to reduce the disparities across regions of Turkey which is in line with the Regional Policy of the EU that aims to decrease socio-economic disparities among regions of the Member States across the Union. The second priority is defined as to increase the competitive power of regions and to maximize their contribution to national growth and development through mobilizing resources and internal potentials of all regions. In addition, strengthening the socio-economic integration and developing the relations with the neighbouring countries are also among the priorities of the NSRD.

Objectives of the NSRD

Turkey’s regional development vision is characterised as “*more balanced and fully developed Turkey with prosperous, competitive, socio-economically and territorially integrated regions*”. In this sense, Turkish authorities approach regional development policies in the framework of certain principles such as harmonisation and complementing the national priorities, equal opportunities, sustainability, efficiency, cooperation, partnership, multi-level governance and subsidiarity. Therefore, the overall objectives of the NSRD to realise Turkey’s regional development vision are defined as follows:

- Spreading prosperity across the regions of Turkey through reducing regional disparities;
- Maximizing contribution to the national development through mobilizing potentials and increasing competitiveness of all regions;
- Strengthening socio-economic integration;
- Establishing a more balanced settlement plan across the country.

To reach the overall objectives, Turkish authorities determined “territorial objectives” for steering the development of settlement areas with different characteristics and “horizontal objectives” for steering the policy making, governance and implementation framework towards all regions.

- ***Territorial Objectives***

Territorial objectives are developed for diversification of development policies according to different characteristics and needs of settlement areas. Since the settlement areas are non-uniform, development objectives are based on different needs of the regions. The underlying objective for such a territorial approach is to build a more balanced settlement system across Turkey, to reduce regional disparities and to increase competitive power of the regions.

Through the territorial objectives, Turkish authorities aim to have a more balanced and polycentric settlement network in Turkey. Currently, regional development in Turkey is hindered due to territorial polarizations which lead to strengthening of already developed regions, increasing inequalities and weakening social integration. To address this balance problem, the economic activities concentrated in the western part of Turkey, specifically in Istanbul, will be diffused in all parts of the country. To that end, regional and sectorial networks will be developed to strengthen the connections between cities and rural areas which would lead to labour mobility and efficiency. Within the framework of this approach, six major policies are identified to reach the aforementioned objectives:

Increasing Global Competitive Power of Metropolitan Areas: Effectiveness and competitive power of metropolitan areas in a global scale will be increased since the metropolitan areas are among the most important centres of Turkey. In this regard, the aim is to support metropolitan areas focusing on high-technology sectors, specialized services, and socio-cultural sectors; to develop industrial and technological infrastructure of metropolitan areas; to build centres of excellence for R&D; to strengthen social cohesion through creating a metropolitan culture.

Increasing Global Competitive Power of Growth Regions: Growth regions are defined as areas located in more developed regions of Turkey which are in a close relationship with metropolitan areas. As indicated in the NSRD, these regions will be supported to mobilize their internal potentials and to have a more balanced industrial development in the country.

Developing Low-Income Regions through Creating Regional Development Centres: The aim is to create regional development centres that would act as a trigger to boost economic growth of relatively less-developed regions. Internal migration will be directed to these cities where health, education and social services will be further improved.

Diversification of Economic Activities in Structural Transformation Cities: The aim is to provide an environment for local economic growth and development, increasing the capacity of service providers, improving social and technical infrastructure, increasing living standards in cities with moderate level of development.

Convergence of Prioritized Development Cities to Country Average: The aim is to support integration of less-developed regions to Turkey's economic and social structure through eliminating disadvantages and mobilizing untapped resources.

Boosting Development in Rural Areas: The aim is to support improvement and sustainability of working and living standards in rural areas for sustaining convergence of the welfare in rural areas to country average. The general framework of the policy towards rural areas includes increasing employment opportunities, improving human capital and eliminating poverty. In this regard, the target group is not identified as only farmers and agricultural businesses, but it is composed of all individuals or households residing in rural areas.

- **Horizontal Objectives**

Horizontal objectives are defined as the results directly related to regional development policies that need to be achieved for all regions and settlement areas. In this sense, horizontal objectives are designed to support territorial objectives. These objectives will be functional to strengthen harmonization among thematic strategies and regional strategies, allocation of resources and enabling implementation. In this regard, six major policies were identified to reach horizontal objectives:

Improving the Management of Regional Development: The aim is to strengthen coordination for regional development at the national level; increasing institutional capacity at the national and regional level; strengthening technical capacity of regional development administrations and development agencies; and leading initiatives for inter-regional cooperation.

Harmonization of Public Investment with Regional Development Objectives: The aim is to support building a solid institutional structure for efficient allocation of resources and implementation of policies. This policy is expected to increase efficiency of regional policies through diversification of proportion and means of funding to regions with different levels of development.

Increasing Competitive Power of Regions: The aim is to improve innovation and entrepreneurship capacities of regions as well as analysis of investment opportunities, efficient use of potential for tourism in certain regions and improving the relations between universities and the regions they are located.

Improving Cross-Border and Inter-Regional Cooperation: The aim is to create a new potential for development through strengthening the cooperation between the regions on Turkey's borderline and neighbouring countries.

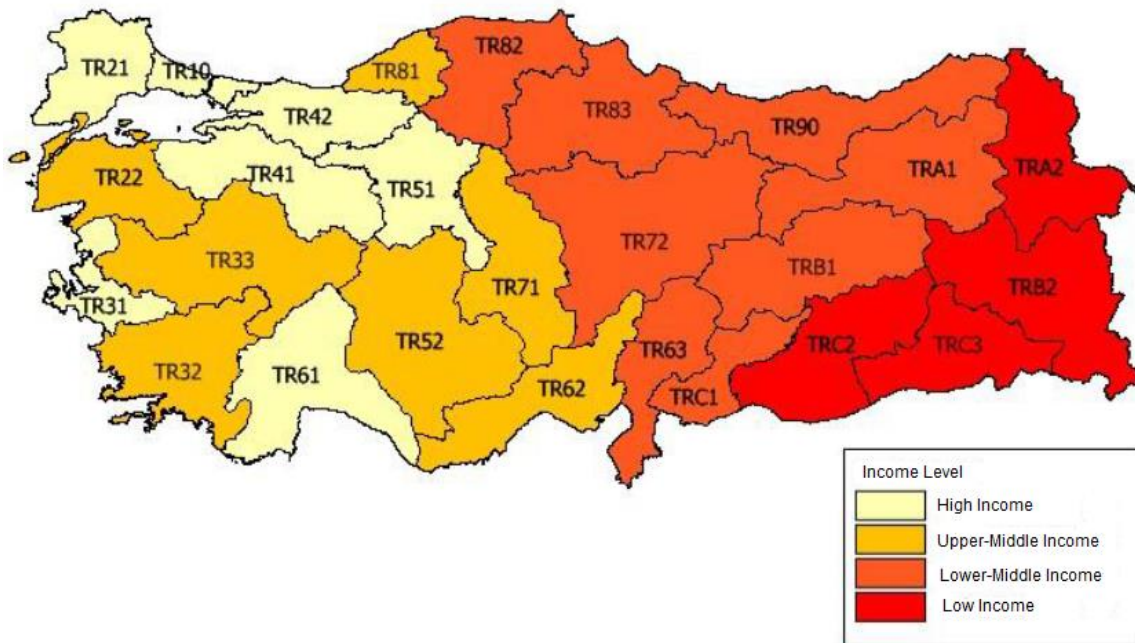
Support to Sustainable Environment and Green Economy: The aim is to present strategy alternatives for integrating green growth and sustainable development policies and policies of regional and urban development to development agencies and local administrations.

Developing Transportation Network and Accessibility: The aim is to improve transportation and logistics infrastructure for serving the regional development, strengthening the north-south connection in the eastern part of Turkey and strengthening the connections between important cities and ports, airports and border gates.

Regional Development as an Integral Part of National Development

An important feature of the NSRD is an approach towards regional development as an integral part of national development. Such an approach, as indicated in the NSRD, is based on the lessons learned in the course of 2000s. According to the document, Turkey's economic growth in the 2000s could not be distributed to all regions of the country although there was a decreasing trend in the income gap between the regions. As it is seen in the map below, regional disparities are still evident in Turkey in line with the current situation outlined in the NSRD.

Map 1: Income Level of Regions (NUTS II Level)



Source: The NSRD (2014-2023)

For this reason, the NSRD presents specific policies and support to less-developed regions to sustain similar living standards with those of the developed regions and to include these regions take place in national development process. To sustain the economic growth trend in the upcoming years, the NSRD aims to increase Turkey's global competitive power through increasing competitiveness of cities and regions. From this perspective, it identifies the mobilization of the resources and internal potentials of the regions by their own residents and institutions to increase level of employment and income as a starting point. In the light of this aim, providing greater

accessibility to regions in the country, facilitating the mobilization of persons and goods, a more competitive and efficient organization of production and settlement system, strengthening the knowledge and communication infrastructure appear as the most important factors of regional development.

Importance of the NSRD for Turkey's Level of Alignment with Chapter 22

Regional Policy and Coordination of Structural Instruments Chapter has been opened to negotiations on 5 November 2013 following the decision of France to lift the veto on the Chapter. Following the opening of the chapter, Turkey accelerated its efforts for further alignment with the Chapter. According to 2014, Progress Report for Turkey published by the European Commission, Turkey's level of alignment in this area is identified as "moderately advanced". The NSRD is also mentioned in the Progress Report as the preparations has not been finalised until the publication of the 2014 Progress Report³.

As indicated earlier, there are six closing benchmarks for Chapter 22. The fourth benchmark is identified as "to design and demonstrate effective functioning of its national policy leading to the strengthening of its economic, social and territorial cohesion"⁴. Therefore, Turkey took an important step towards fulfilling one of the closing benchmarks for Chapter 22 through preparing the NSRD. In this regard, it is reasonable to expect that this development will be considered as a positive step in the upcoming Progress Report for Turkey.

Furthermore, it is important to note that the substance of the NSRD is also in line with EU's "territorial approach". Cohesion Policy of the EU, which consists of one third of the EU budget, has a special focus on strengthening the territorial approach based on policy making and implementation according to different features and specific needs of the regions⁵. Taking this approach into account, the territorial objectives identified in the NSRD comply with those of the EU.

Turkey's level of alignment is also expected to increase through the use of Instrument for Pre-Accession Assistance (IPA) funds allocated for 2014-2020 period. As indicated in the Indicative Strategy Paper for Turkey (2014-2020), the EU authorities have allocated 4.5 billion euros to Turkey to be used for Regional Development and Employment and Social Policies and Human Resources Development⁶. Yet, Turkey should also increase its institutional capacity for programme implementation, improve delivery quality and avoid loss of funds.

³ European Commission, 2014 Progress Report for Turkey. Available on http://ec.europa.eu/enlargement/pdf/key_documents/2014/20141008-turkey-progress-report_en.pdf

⁴ Ministry for EU Affairs, National Action Plan for EU Accession (Phase I). Available on <http://www.ab.gov.tr/files/napisonwebeng.pdf>

⁵ European Commission, Directorate General for Regional and Urban Policy website, Territorial Cohesion. Available on http://ec.europa.eu/regional_policy/en/policy/what/territorial-cohesion/

⁶ European Commission, Instrument for Pre-Accession Assistance (IPA II) Indicative Strategy Paper for Turkey (2014-2020). Available on http://ec.europa.eu/enlargement/pdf/key_documents/2014/20140919-csp-turkey.pdf