

# THE ROLE OF CLIENTELISM IN SUSTAINABLE DEVELOPMENT: CASE STUDY, KOCAELI, TURKEY

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## Summary

This chapter looks at the role of clientelistic networks in sustainable development by examining the case of Kocaeli in Turkey. The structural adjustment program in the 1980s led to economic development that concentrated upon Turkey's major cities. In these cities the demand for better infrastructure facilities and the need for urgent solutions to environmental problems have increased sharply. This has called for a series of reforms to decentralize the government structure. This was attempted by local government in the 1984 reform program. The 1984 reforms, however, did not lead to a sufficient increase in the discretionary and financial powers of local governments. As a result, an institutional gap developed in undertaking new complicated local tasks such as sustainable development and related projects. This gap has been filled by clientelistic networks in some big cities like Kocaeli. This chapter examines the clientelistic network and its role in the success of Kocaeli's sustainable development.

## 1. Introduction

It is well known that Turkey has undergone enormous changes since the early 1980s. In the last two decades, Turkey has been transformed from an inward-oriented economy to a more market-directed and export-oriented system. It is, however, less well known that the economic growth has been concentrated in few major cities where infrastructure and urban services were poorly provided and environmental problems were increasing. This

called for a series of reforms to decentralize the governmental structure in order to keep up with the increasing demand for local services. A series of local reform programs were put into practice in 1984 to increase the discretionary and financial powers of local governments. The 1984 reforms, however, could not decentralize the institutional structure sufficiently. The deficiency of local government's ability to undertake new complicated tasks, such as sustainable development and related projects, became apparent.

The institutional gap that occurred in the governing structure has been filled by clientelistic networks in some big cities like Kocaeli, where clientelism appeared in a new guise. The main aim of these networks is to facilitate co-operation among public and private partners, through informal arrangements, for the achievement of sustainable development goals. This chapter examines this new type of clientelistic network and its role in the success of Kocaeli's sustainable development.

To achieve its purpose, a study was conducted in Kocaeli during 1996 and 1997. The rest of this chapter is organized around four central themes. In the second part, structural adjustment programs will be discussed within the framework of changes in economy and governmental structures. In the third part, clientelism will be examined. The case study of Kocaeli will be analyzed in the fourth part. In the final part of this chapter, we will discuss conclusions derived from theoretical and practical analysis.

## **2. Structural Adjustment Program: Changes in the Economy and Governmental Structures**

The diverse and complex nature of the Westernized societies has tended to change more rapidly since the 1970s. The break-up of the Fordist system of production and consumption has had social and economic consequences such as creating new demands to restructure the economy, fiscal stress, and uncontrolled consumption of public services. The simultaneous rise of the "New Right" brought about the promotion of certain key values and the development of "anti-statist" thought which has been backed up by decentralization and privatization.

The economic and political changes that took place in the Western world have occurred along with the assertion that the world is heading toward a single economic system—the free market. In this respect, the best guarantee for the stability of developing nations is economic co-operation and integration. It is within this context that Turkey, as one of the developing economies of the world, shifted its economic policy from a command economy towards a market economy. This was done not only to initiate and foster economic development, but also to integrate Turkey with the world economy.

In the economic history of modern Turkey, statism dominated public policy from the beginning of the proclamation of the Republic in 1923 until the end of 1970s. On 24 January 1980, Turkey adopted the Stabilization and Structural Adjustment Program, and began to implement liberal economic policies (privatization, deregulation, free foreign exchange, free trade, free trade zones, tax reduction, etc.) to strengthen its free market economy. Although, currently, the consequences and the future are still in question, the economic fortunes in the last two decades have signaled a gradual rise. The per capita

Gross National Product (GNP) in 1980, which was \$1 338 with a growth rate of  $-2.8\%$ , went up to  $9.4\%$  in 1990 with \$1 762 GNP per capita. By 1998, GNP per capita rose to \$2 089. A similar trend was observed in Gross Domestic Capital (GDP) per capita, which was \$2 299 in 1980, with a growth rate of  $-2.4\%$ . This growth rate increased to  $9.3\%$  by the end of 1990, and appeared to be  $7.2\%$  in 1996.

These economic developments have resulted in relative increases in the attraction of international and domestic capital. This capital headed towards the old, industrial, and developed urban areas such as Kocaeli, Istanbul, Bursa, Izmir, Gaziantep, and Antalya, where economic growth has been most enduring.



Figure 1. Map of Turkey

The economic growth in general, and the accumulation of capital in major urban areas in particular, led to a sharp increase in urban population with an associated rise in the demand for local services. Rapid urbanization and high migration required better infrastructure facilities and urgent solutions to the increasing environmental problems. These changes increased the responsibilities of local governments. Local governments were not, however, granted adequate discretionary powers or financial resources to keep up with those problems. Consequently, the central government concluded that highly centralized state structures were deficient in coping with the additional workload. Therefore, a profound reform in the state structure was called for. In this respect decentralization, with a gradual increase in financial resources to local governments, was placed at the top of the political agenda.

In 1984, a new legislation was enforced to reorganize the system of urban government in Turkey. A new model for metropolitan government introduced a democratically structured, two-tier system including the metropolitan municipality and the district municipalities. Moreover, the 1984 reform resulted in an increase in financial resources available to metropolitan and other municipal governments. Municipal shares of national tax revenues were raised from  $5\%$  to  $9.25\%$ . The local revenue base also was improved by transferring the property tax to municipalities and by increasing rates of

other local taxes and fees. After the 1984 reform, the breakdown of municipal revenues was as follows:

- Funds allocated from a General Tax on a per capita basis: 45%.
- Other reallocated Central Taxes: 5%.
- Special Grants and Funds: 23%.
- Charges and Revenues: 22%.
- Own source tax of municipalities: 5%.

Despite the increase in local revenues, the 1984 reform could not eradicate the financial dependency of municipalities on central government. It is important to emphasize that, according to 1984 legislation, local governments are entitled to levy tax on Advertisement, Entertainment, Communication, Electricity, Coal and Gas Consumption, Fire Insurance, Property and Scavenging, which only form 5% of the total municipal revenues. Also, it should be noted that municipal charges for rendered services are strictly regulated by statute and fixed for all municipalities.

Nor did this legislation enable the abolishment of strict tutelage control exercised by the central government upon local authorities. This tutelage is exercised upon the decisions, actions, activities, bodies, and the personnel of local authorities by the Ministry of the Interior or the provincial and district governor who is appointed by the Council of Minister. Supervision may take the form of approval, postponement, cancellation, or permission. The decisions that have not been approved cannot be executed. The Minister of the Interior may also remove from office those bodies of local administration, or their members, against whom investigation or prosecution has been initiated on grounds of offences related to their duties, and for whom judgment is pending.

Despite the 1984 reforms, in Turkey the abated functional responsibilities, in conjunction with the excessive financial dependence, significantly indicate political centralization, a fact which is enhanced by the imposition of restrictions by higher levels of government. These reforms led to neither political decentralization nor financial autonomy, two obligatory elements for autonomous and competent local government.

The failure of the reforms forced local political and economic elites to look for alternative remedies to combat urban problems. In these major cities, institutional deficiency has been filled by clientelistic networks that operate beyond the formal institutional structure.

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## Biographical Sketch

**Dr. Basak Koyuncu** was born in Diyarbakir, Turkey in 1973. She graduated from the Department of Political Science and Public Administration at the Middle East Technical University in Ankara, Turkey. She was granted a scholarship by Mugla University in Turkey for a doctorate degree. She completed her Ph.D. in Local Politics in the Department of Government at the Strathclyde University in Glasgow, UK in July 2000. While writing up her thesis, she was granted a fellowship at the United Nations University in Tokyo. She currently works as an Associate Professor at Mugla University in Turkey.