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- iv) Active employment policies shall be elaborated for the unqualified and poor segments of immigrants in order to enable them to integrate into the society by increasing their employability.
- v) Women's employability shall be increased in order to improve their participation in economic and social life by developing vocational education possibilities.
- vi) Necessary measures shall be taken with a view to prevent violence against women.
- vii) Training shall be provided, for the families concerned, on child-care, and care for the elder and the disabled.
- viii) Activities, which are directed towards improving the status of children who live under depressed conditions and preventing child labour, shall be strengthened.
- ix) Social and physical milieu shall be improved for the handicapped, and vocational education opportunities and counselling services aimed at their employment shall be developed.
- x) At-Home care services for the aged shall be supported, along with increasing the quantity and quality of institutional care services.

- xi) Services aimed to re-socialize the convicted persons shall be made effective.

#### **4. Increasing Effectiveness of the Social Security System**

The basic objective is to provide the social security system, comprised of social insurance, social services and social assistance, with a structure that covers the entire population, can meet the changing needs of the society, has financial sustainability and effective inspection mechanism, and provides good quality services. Within this framework;

- i) The social insurance system will be extended in a way to cover the entire working population by preventing unregistered employment.
- ii) Financial sustainability of the social security system will be achieved by considering the actuarial balances.
- iii) A structure, which will prevent loss of rights and repeated benefits and provide effective, accessible and sustainable services, will be established through transition to full automation in the IT infrastructure of the social security system.
- iv) By setting up a common database to determine the individuals that will benefit from the social services and assistance, a detection mechanism based on objective criteria will be established

and cooperation and communication among the institutions in the system will be provided.

- v) Alternative care models will be supported for the children who need protection. Ameliorative measures shall be introduced where institutional care service is necessary.
- vi) The shortage of qualified personnel in the area of social services and assistance will be eliminated and the qualifications of the existing personnel will be improved.
- vii) Social services and assistance activities of local administrations and non-governmental organizations will be encouraged.

## **5. Protecting and Promoting Culture and Strengthening Social Dialogue**

The main objectives are protecting and improving the cultural prosperity and diversity in the social change process and transmitting them to the next generations; raising individuals in self esteemed way with the capability to converge the contemporary values with our identity that is shaped by our cultural heritage, which has been enriched by our values and attitudes that we need today and has been transmitted from past to today. It is also aimed that all individuals will live within the framework of common cultural values and respect to differences in an atmosphere of tolerance, culture of compromise and social solidarity.

- i) The efforts for building an inventory of our cultural heritage in the country and abroad,

protection and restoration of this cultural heritage will be carried out in a planned manner and the consciousness of the public regarding this issue will be enhanced through education.

- ii) Necessary measures shall be taken to enable all segments of the society to access easily to and benefit equally from the cultural services.
- iii) Appropriate framework, including location and financial support, will be prepared for promotion of and support to visual, aural and scenic arts.
- iv) Increasing the number of endemic examples that were offered for tourism with protecting their authentic aspects will be supported in the context of promotion and extension of cultural tourism.
- v) Cultural goods will be transformed into export products in accordance with the tourism sector and the obstacles that make exports difficult will be eliminated.
- vi) The production of cultural works such as cinema and documentary films will be stimulated and the contribution of culture sector in GNP and exports will be increased.
- vii) The tasks and responsibilities of the Ministry will be redefined with the aim of determining effective policies to protect, foster and promote our cultural identity, and extending

- necessary coordination among the relevant institutions.
- viii) Correct and effective usage and enrichment of Turkish language will be provided.
  - ix) By considering culture as a collection of values determining our way of life, strengthening of positive aspects of our culture will be provided.
  - x) Measures shall be taken to alleviate the socio-cultural adaptation problems stemming from intensive migration and rapid and wry urbanization.
  - xi) Social research projects will be prioritized in order to elicit the institutions and sources that feed the culture of solidarity, tolerance and reconciliation and also to elicit the factors that undermines it.
  - xii) Measures shall be taken to improve communication of the youth with their families and the society, progress their self-esteem, and increase their sensitivity and feeling of belonging to the society and their participation to the decision-making processes.
  - xiii) Efforts shall be given to develop mechanisms, which will ensure non-governmental organizations to participate in decision-making processes, with an aim to improve democratic participation, transparency and social communication in public policy formation.

## **D. REGIONAL DEVELOPMENT AND REDUCING REGIONAL DISPARITIES**

The basic objective of regional development policies is the evenly distribution of economic development and social welfare across the country, facilitated by increased contribution of regions to national development, competitiveness and employment via improved regional productivity.

### **1. Increasing the Effectiveness of Regional Development Policy at the Central Level**

- i) Spatial and regional development policy framework at national level will be formed, regional development strategies and plans will be prepared in cooperation with development agencies, scope, principles and standards of strategies and plans at lower scales -provincial and regional-, principles and standards will be identified.
- ii) Regional plans and programmes will be prepared in an operational approach, the existing integrated regional development plans will be converted into operational programmes, fund allocations will be made consistent with these plans and monitoring and evaluation mechanisms will be set up.
- iii) A selective and spatial focused state aid system, which takes regional and sectoral priorities into consideration, as well as

necessary mechanisms for monitoring the implementation and evaluating the results of this system, will be set up. Necessary mechanisms for monitoring of implementation and evaluation of results will be set up with selective and spatial focused state aid system which takes regional and sectoral priorities into consideration.

- iv) Through an analysis of interregional migration tendencies, the strategies and policies will be developed to direct migration tendencies to those centres which are determined as regional centres.
- v) The basic migration-related problems of cities, which are under the pressure of massive migration, will be identified; together with actions aiming social cohesion, physical and social infrastructure will be improved in the areas, which suffer the most from the migration together with actions aiming social cohesion.

## **2. Enhancing Ensuring Development Based on Local Dynamics and Internal Potentials**

- i) In order to support specialization in local level, particularly in less developed regions, human resources and social capital will be improved; labour training and entrepreneurship programmes, which take regional potentials

and peculiarities of labour markets into account, will be implemented.

- ii) In order to support production that based on university-industry cooperation and local specialization, practice of sectoral organized industrial zones will be started practiced in eligible regions.
- iii) Capital inflow to regions will be accelerated via the effective publicity and promotion of regions' business and investment opportunities at national and international levels.
- iv) Constitution Formation of mechanisms that aim to support the formation of local clustering areas, to increase the collaboration between the actors in the cluster and to provide integration with world markets will be encouraged.

### **3. Improving the Institutional Capacity at Local Level**

- i) Institutional structures primarily the development agencies will be established at local level, capacities of capacity-building activities for the existing structures will be strengthened continued and cooperation division of duties between the central and local institutions will be made effective.
- ii) The duties and competencies regarding physical planning of local and central agencies

will be clearly defined and an effective auditing mechanism will be set up.

#### **4. Achieving Rural Development**

- i) Rural development plan will be finalized and the institutional structures that the plan requires will be improved.
- ii) Necessary measures will be taken in order to employ forest villagers and the labour force which quitted agricultural activities in multi-dimensional tourism and recreation, handcrafts, agriculture based industry and other alternative production activities in their own regions.
- iii) Awareness in rural areas about the information and communication technologies (ICT) will be increased, necessary infrastructure and guidance mechanisms will be improved for access and utilization of these technologies.
- iv) Priority will be given to the projects improving cooperation among actors at local level, enhancing development initiatives with bottom up approach, based on participation and cost-sharing.
- v) In the provision of public services and public investments in the rural areas, by giving priority to sub-province centres, municipalities and central settlements, which on account of their locations have the potential of

development and providing services to the surrounding settlements, will be prioritised and theirthe infrastructure of these central settlements will be improved.

vi) Principles and criteria of rural settlement planning will be determined according to the characteristics of rural area and needs of rural community.

vii) Necessary measures will be taken to provide sustainable living conditions for the citizens, in their initial or new settlements on their claim, who departed from their settlements because of the inevitable reasons such as natural disasters, expropriation etc.

## **E. IMPROVING THE QUALITY AND EFFECTIVENESS IN PUBLIC SERVICES**

### **1. Rationalizing Authorities and Responsibilities Among Institutions**

In order for the public agencies and institutions to perform their principal duties; the main targets are ensuring harmonization between their tasks and administrative structures, the abolition of the units whose functions are no more needed, non-establishment of new departments except for necessary conditions arising from service requirements, the transfer of duties and authorities from the central administration to local administration taking into account the principles set forth by the

European Charter of Local Self-Government, setting up nationwide minimum service standards for the services provided by local administrations and auditing the compliance with these standards. Within this framework;

- i) For providing public services more efficiently and effectively, the existing complexities and ambiguities of duties and authorities among public institutions will be removed and all public institutions will be ensured to have structures in which they will perform their main duties.
- ii) Nationwide minimum service standards for the services provided by local administrations will be determined and the compliance with these standards will be audited by central administration.
- iii) Works on the draft General Administrative Procedure Law will be completed.

## **2. Enhancing Policy Making and Implementation Capacity**

In order to rationalize the policy formulation process and to ensure that the policies are based on data and information, qualitative and quantitative data management systems will be developed. Numerical, simulative and analytical methods will be utilized in both policy formulation and costing processes.

The budget will be structured to indicate the performance of public administrations by considering

the costs of the policies to be implemented, the groups affected by these policies and the opportunity costs.

The managerial decisions in public administrations will be formed with a medium and long term point of view based on strategic plans.

- i) The strategic planning and performance based budgeting works at the institutional level, which are being conducted within the framework of the public financial management reform, will be rolled out in a scheduled manner.
- ii) Within the framework of strategic plans and performance programs; measurement, monitoring and evaluation processes will be improved.
- iii) The existing administrative and human capacity in public administrations will be developed in terms of both quality and quantity, in line with the strategic management approach, and programmes targeting the harmonization of the management culture with the new structure will be organized.

### **3. Improving Human Resources in Public Sector**

The main targets are the effective human resources planning, the employment of personnel in terms of numbers and qualifications in line with the service requirements, the realization of reform for

public servants regime, and widening the use of norm cadre in public institutions and agencies.

- i) Necessary measures will be taken to allocate public personnel quantitatively and qualitatively in a well-balanced way and to enhance the capabilities of public personnel.
- ii) Training programs regarding e-Government and Information and Communication Technologies will be developed and the competences of the personnel who take place in these projects will be enhanced.

#### **4. Enhancing the Disseminating and Effectiveness of e-Government Applications**

The main objective is to establish necessary infrastructure related to e-government, which is an important tool for quality, speed and effectiveness of public service provision. In this respect, public ICT investment projects and applications will be carried out with an integrated manner, the coordination and secure electronic data transmission among public agencies will be executed, and a public management approach, based on good governance principles, will be adopted. Within this framework;

- i) On-line public services will be provided on the basis of needs, life cycles and business processes of citizens and businesses; and public processes will be improved.

- ii) The interoperability among public agencies will be provided and one-stop, continuous, secure and multi-channel integrated public service provision will be achieved.
- iii) Information and communication technologies will be used effectively in the provision of public services, and resource utilization efficiency will be increased, and hence savings in public current expenditures will be achieved and public income will be increased.
- iv) In the delivery of e-government services, necessary measures will be taken to enhance data security and protection of personal data privacy.
- v) Necessary precautions will be taken to disseminate the use of e-government services.

## **5. Improving the Judicial System**

Efforts towards increasing the quality of judiciary process and main components of this process will be continued; legal and institutional regulations, which will ensure fast, fair, reliable and proper operation of the judiciary process, in line with the rule of law and the supremacy of law, will be adopted. With the aim of reducing the workload of judicial authorities, development of alternative dispute resolution methods, increasing the number of judges, prosecutors and other judicial staff, alleviation of the deficiency of technical and physical infrastructure of judicial service units and transfer of judicial services

into the electronic environment will be ensured. In that framework;

- i) Judicial services that will ensure fast, fair, reliable and proper operation of the judicial process will be realized.
- ii) Legislation regarding the professional ethics rules in line with the international standards, with which the judicial system personnel should comply, will be made.

#### **6. Enhancing the Effectiveness of Security Services**

The security services will be concentrated on fighting against financial and organised crimes, illegal migration and asylum, human trafficking, using and trading drugs and terrorism while keeping on the security measures for public and individual safety. In this content;

- i) Public security services will be given with the public support and concentrate on individual satisfaction while adopting the approach which prevents the criminal matters at the origin and going to suspect by way of evidence.
- ii) Fight against financial and organised crimes, against terrorism and its finance will be carried on effectively.
- iii) Fight against illegal migration and asylum, human trafficking, drugs using and trading will be carried on effectively.

## **7. Natural Disasters**

Disaster management, at both central and local level, will be restructured in an adequate, effective and comprehensive form with institutional, administrative and legal dimensions.

- i) Overlapping responsibilities and duties of institutions relating to disaster management will be eliminated and necessary arrangements will be realised by reviewing existing laws and regulations.
- ii) The development and building codes will be revised in terms of risk mitigation and management in order to make cities safer.
- iii) Compulsory Earthquake Insurance will be improved in order to cover countrywide and all disaster types and buildings.

**ANNEX TABLE - 1: MAIN ECONOMIC INDICATORS**

	2008	2009	2010
<b>GROWTH AND EMPLOYMENT</b>			
GDP (Billion YTL, Current Prices)	719.9	791.4	869.9
GDP (Billion Dollars, Current Prices)	482.7	527.2	571.2
GDP Per Capita (Dollars)	6,456	6,969	7,466
GDP Growth <sup>(1)</sup>	5.5	5.7	5.7
Total Consumption <sup>(1)</sup>	5.2	6.2	6.6
Public	4.9	2.1	4.1
Private	5.3	6.9	6.9
Total Fixed Capital Formation <sup>(1)</sup>	7.2	6.0	5.7
Public	-0.9	0.5	2.5
Private	9.5	7.5	6.5
Total Final Domestic Demand	5.7	6.2	6.4
Total Domestic Demand	5.2	6.1	6.3
Population (Midyear, Million)	74.8	75.6	76.5
Labour Force Participation Rate (In Percent)	48.5	48.8	49.3
Employment (Million)	23.1	23.6	24.1
Unemployment Rate (In Percent)	9.6	9.5	9.5
<b>FROEIGN TRADE</b>			
Exports (FOB) (Billion Dollars)	112.4	124.2	137.5
Imports (CIF) (Billion Dollars)	168.4	184.1	202.2
Foreign Trade Balance (Billion Dollars)	-56.0	-59.9	-64.7
Export / Import (In Percent)	66.7	67.5	68.0
Foreign Trade Volume / GDP (In Percent)	58.2	58.5	59.5
Tourism Revenues (Billion Dollars)	19.1	19.8	20.5
Current Account Balance (Billion Dollars)	-31.0	-32.9	-35.4
Current Account Balance / GDP (In Percent)	-6.4	-6.3	-6.2
Crude Oil Price (Dollars per Barrel)	57.6	54.7	51.7
Crude Oil Imports (Billion Dollars)	10.9	10.7	10.5
<b>PRICES (Percent Change)</b>			
Consumer Prices (End of Year) <sup>(2)</sup>	4.0	4.0	--

(1) Real percentage changes.

(2) For the years 2008 and 2009, the targets of the CB are used. The target of 2010 will be determined in the following term.

**ANNEX TABLE 2 : SELECTED FIGURES ABOUT PUBLIC FINANCE (1)**

(As of GDP, In Percent)

	2008	2009	2010
<b>PUBLIC SECTOR GENERAL BALANCE (PSGB) (2)</b>	<b>-0.53</b>	<b>1.85</b>	<b>2.26</b>
<b>General Government</b>	<b>-0.79</b>	<b>1.59</b>	<b>2.08</b>
Central Government Budget (3)	-2.59	-0.83	-0.20
Local Governments	0.14	0.11	0.12
Extra Budgetary Funds	0.59	1.26	1.12
Unemployment Insurance Fund	0.91	0.89	0.87
Social Security Institutions	0.00	0.00	0.00
General Health Insurance	0.00	0.00	0.00
Revolving Funds	0.16	0.16	0.17
<b>SEEs (Including SEEs under the scope of privatization)</b>	<b>0.26</b>	<b>0.26</b>	<b>0.18</b>
<b>PSGB EXCLUDING INTEREST PAYMENTS AND PRIVATIZATION REVENUES</b>	<b>7.00</b>	<b>6.94</b>	<b>7.01</b>
<b>General Government</b>	<b>6.63</b>	<b>6.57</b>	<b>6.73</b>
Central Government Budget (3)	5.10	5.00	5.24
Local Governments	0.30	0.26	0.28
Extra Budgetary Funds	0.16	0.25	0.18
Unemployment Insurance Fund	0.91	0.89	0.87
Social Security Institutions	0.00	0.00	0.00
General Health Insurance	0.00	0.00	0.00
Revolving Funds	0.16	0.16	0.17
<b>SEEs (Including SEEs under the scope of privatization)</b>	<b>0.37</b>	<b>0.37</b>	<b>0.27</b>
<b>Central Government Budget Revenues (3)</b>	<b>28.88</b>	<b>28.08</b>	<b>27.26</b>
<b>Central Government Budget Expenditures (3)</b>	<b>31.47</b>	<b>28.91</b>	<b>27.45</b>
<b>Tax Burden Excluding Social Security Premiums (Excluding Tax Rebates)</b>	<b>24.81</b>	<b>24.23</b>	<b>23.97</b>
<b>Tax Burden Including Social Security Premiums (Excluding Tax Rebates)</b>	<b>32.21</b>	<b>31.60</b>	<b>31.30</b>
<b>Public Net Debt Stock</b>	<b>39.40</b>	<b>35.10</b>	<b>30.60</b>

(As of GDP, In Percent)

The general government balance, which does not include the SEEs, is calculated by recording the public resource as a revenue item in the account of the public unit which first generated the flow, as an expenditure item in the account of the unit which performs the final expenditure. Thus, deficit (or surplus) figures vary as to budget classifications, while the the total balance figures are kept unchanged.

	2008	2009	2010
<b>GENERAL GOVERNMENT BALANCE (GGB) (2)</b>	<b>-0.79</b>	<b>1.59</b>	<b>2.08</b>
Central Government Budget (3)	0.56	2.18	2.64
Local Governments	-0.25	-0.30	-0.25
Extra Budgetary Funds	0.46	1.12	0.98
Unemployment Insurance Fund	0.91	0.89	0.87
Social Security Institutions	-1.86	-1.90	-1.90
General Health Insurance	-1.03	-0.83	-0.69
Revolving Funds	0.42	0.43	0.43
<b>GGB EXCLUDING INTEREST PAYMENTS AND PRIVATIZATION REVENUES</b>	<b>6.63</b>	<b>6.57</b>	<b>6.73</b>
Central Government Budget (3)	8.26	8.02	8.08
Local Governments	-0.09	-0.14	-0.10
Extra Budgetary Funds	0.03	0.11	0.05
Unemployment Insurance Fund	0.91	0.89	0.87
Social Security Institutions	-1.86	-1.90	-1.90
General Health Insurance	-1.03	-0.83	-0.69
Revolving Funds	0.42	0.43	0.43
<b>General Government Revenues</b>	<b>43.94</b>	<b>43.65</b>	<b>42.66</b>
General Government Revenues Excluding Privatization Revenue	42.97	42.14	41.73
<b>General Government Expenditures</b>	<b>44.74</b>	<b>42.06</b>	<b>40.58</b>
General Government Expenditures Excluding Interest Payments	36.33	35.57	34.99
<b>Central Government Budget Revenues (3)</b>	<b>25.95</b>	<b>25.20</b>	<b>24.41</b>
<b>Central Government Budget Expenditures (3)</b>	<b>25.39</b>	<b>23.02</b>	<b>21.77</b>

(1) (-) sign indicates deficit.

(2) Indicates the difference between revenue and expenditure

(3) Since the regulatory and supervisory agencies submit their budget proposals directly to the Turkish Grand National Assembly until the end of September, budget figures of these institutions are used as estimation.