

FROM OLD REGIONAL DEVELOPMENT POLICIES TO NEW REGIONALISM PARADIGM IN TURKEY



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ABSTRACT

One of the main economic problems of Turkey has been the increasing gap between the underdeveloped East and the developed West. Old regional policy approach has not met the needs of the country because of its hierarchical structure and state-centred co-ordination. Local/regional development policies in Turkey goes hand-in-hand with the national plans and does not reflect the demands of local people. The objective of the article is to provide new regional development paradigm argument as a solution to the regional disparities in Turkey. The main question is how these new policies can promote regional economic development in the country.

Finally; this article aimed to examine the changing regional policies in Turkey, both previous and new policies have been discussed to determine their successes and weaknesses, and to offer a new policy framework for the regional development.

Key Words: *bottom-up approach, new regional development policies, regional development agencies.*

INTRODUCTION

If you need to define what the regional development agency (RDA) is, we must refer to European Association of Regional Development Agencies (EURADA). RDA is an operational structure that identifies sectoral or overall development problems, chooses a range of opportunities or methodologies for their solution and promotes projects which can maximize the solutions to the problems

(EURADA, 1999). RDAs' specialization activity has been given a particular emphasis during the late 1990s in European countries (EURADA, 1999). According to Halkier, A RDA is 'a regionally based, publicly financed organization outside the mainstream of central and local government administration designed to promote economic development' (Halkier et al, 1998).

There had been a number of initiatives of regional development projects prior to Turkey's comprehensive adjustment process towards EU candidacy. In the planned period, East Marmara Region Planning Project (1963), Zonguldak Regional Planning Project (1963-64), Antalya Project (1960-65), Aegean Region Regional Development Project (1963-69), Çukurova Region Planning Project (1962), Keban Project (1964) aimed at developing policies, plans and proposals for the problems of different regions. The first integrated regional project has been the South-Eastern Anatolia Regional Development Project (GAP), which started in 1989. Although the objectives of GAP corresponds to that of an RDA, i.e. fostering regional development; the project is an extension of the central state in terms of its institutional setting. For instance, the location of GAP's central activities are located in Ankara. During the second half of the 1990s, Eastern Black Sea Region (DOKAP) and Eastern Anatolia Region (DAP) were planned by State Planning Organization (SPO). The implementation processes of these plans are still being carried out along with the studies of Zonguldak,-Bartın-Karabük Regional Development Project (Akpınar, 2004).

In order to facilitate the development of structures of local/regional governance, Turkey, in agreement with the EU, has introduced the new division of regions at the NUTS II level. In addition, a law, 'The Law on the Establishment, Coordination and Duties of Development Agencies', passed on January 25, 2006 (Law No. 5449, 2006) to facilitate and regulate the establishment of DAs in NUTS II regions. Turkey has already complied with the requirement on territorial organization with the establishment of 26 NUTS II regions and partially with the requirement on programming capacity with the preparation of a preliminary National Development Plan (pNDP) (Reeves, 2005).

In this paper, I will attempt to clarify new regional development paradigm argument as a solution to the regional disparities in Turkey.

1. WHAT IS THE REGION AND THEORIES OF REGIONAL DEVELOPMENT?

A region is meeting of various concepts of space which are political, social interaction, economic, functional and territorial. It is also an institutional system either in the form of a regional government or as a group of institutions operating on a territory. In the 1960s with the modernization efforts in nation state, region became an important element.

It is the space of action of the state. At the Keynesian era macroeconomic policies address to region as an appropriate level. In 1970s regionalism stalled after economic crisis (Keating, 1998). A new impetus is given to regionalism in Europe during 1980s and 1990s. This new regionalism composed of two thoughts. First, the region is becoming the crucible of economic development and second, the region should be the prime focus of economic policy (Lovering, 1999)

The term "region" has many meanings in today's world, which depend on theoretical understandings of the scholars. Etymologically the term "region" comes from Latin as regio, which corresponds to "environment, land". Therefore, the term's various meanings make it hard to draw strict lines between its different connotations (Mengi, 2001).

Additionally, the term gained further meanings throughout the history, due to economic, topographic, climatic likeness of each space. Hence, the term is used for stressing on similarities of some specific lands and for differentiating the regions from other regions, as well. Furthermore, as Eraydın points out, region was first defined scientifically by the 18th century; cartographers divided lands as wetland versus mountainous areas and classified them accordingly as regions with rivers and those with mountains.

Afterwards, with the efforts of geographers, regions were defined due to their geographical features, (Eraydın, 2003) which are cornerstones to illustrate the perception of "region", used today. In order to draw a conceptualization on region, it is noteworthy to combine typologies that are organized by Keating and Hettne. It seems that each author's conceptualization of region looks similar, for instance according to Keating, region signifies space; however, it does not correspond to a single attribution of space, it derives from several concepts.

These several concepts include “territorial space, political space, and the space of political interaction; economic space; functional space.” (Keating,1998) Hettne as well, makes a similar classification and in order to clarify he distinguished five levels in his conceptualization:

- 1) The region is a geographical and ecological unit whose limits are set by natural borders.
- 2) The region is a place that social system is exercised with cultural, political and economic interaction
- 3) The region is a place for collaboration in many fields such as cultural, economic, political and military, which is governed by multilateral regional union.
- 4) The region is a civil society, which is composed of different cultures, meeting of values, etc.
- 5) The region is a heritage from an historical identity, which enables to act as a political actor. (Hettne, 1994)

After the 1970s crisis, regions re-emerged as new industrial spaces which had successfully responded to the crisis of fordism by adopting the system of flexible specialization (Collis and Webb, 1999). This restructuring follow two complementary logic which are the process of transformation responds to international markets (decision of transnational corporations, capital flows) and a territorial logic.

The region most notably is defined as a means of exploring a set of issues around competitiveness, innovation and institution building. The change of the role of the nation state has been most marked in the economic policy area because Keynesian economic management has formally been abandoned. By the 1970s centralized regional policy was under strain and 1980s and 1990s have given way to a more competitive approach in which regions are obliged to seek their own place in the European and global division of labor(Keating, 2001).

During the globalization process, important phenomena such as adaptation to changing conditions, competition, development of human resources, dynamic surveillance of global market, flexibility in organization structures and control of cost have constituted, while changing traditional regional approach to a new one. In the new world order, the importance of local dynamics has increased in economic and regional development process.

The globalization process has ensured that urban and local economies are placed in global economy as an actor. Competition among local economies defines development performance of local

economies in the world. Strategies and policies developed by local economies in global competition form the basis of the regional development policies.

Increasing centrality of finance sector has resulted an increase in the power of this sector over production sector. Depending on the centralization of the capital, production is dispersed to periphery while control and management is concentrated in the World Cities. For this reason, the importance of cities has increased relatively, and competition among cities/city networks/regions was accelerated. Within this context, restructuring in global economy is developing together with spatial restructuring.

The process of global competition accelerates the local specialization process on the basis of comparative advantages.

Regions having the capacity to specialize in certain sectors may obtain comparative advantages within the world economy depending on local entrepreneurship, activation of local sources, accumulation of knowledge and skills and other local potential.

In this process, policies to remove economic and social disparities, in the EU and the OECD in particular, were put into implementation with the aim to get rid of development disparities among countries, regions and sub-regions within the countries. Today, regional development is a crucial instrument in European policy, although one can argue that even the term 'development' was not an issue in European peninsula before the First World War. Hence, despite the fact that regional development is an indispensable policy in the EU context, it is relatively new, with roots in 1920s. With the first economic crises in Europe, regional policy came into European arena as a newly emerging state activity. It is important to note that the first seeds of these regional policies were only governed by states since this period was before the establishment of EEC(Ergin, 2002).

Afterwards with the rapid industrialization in some parts of Europe, differences between regions started to emerge; highly industrialized regions became richer whereas areas where the economy is not based on industry remained poorer.

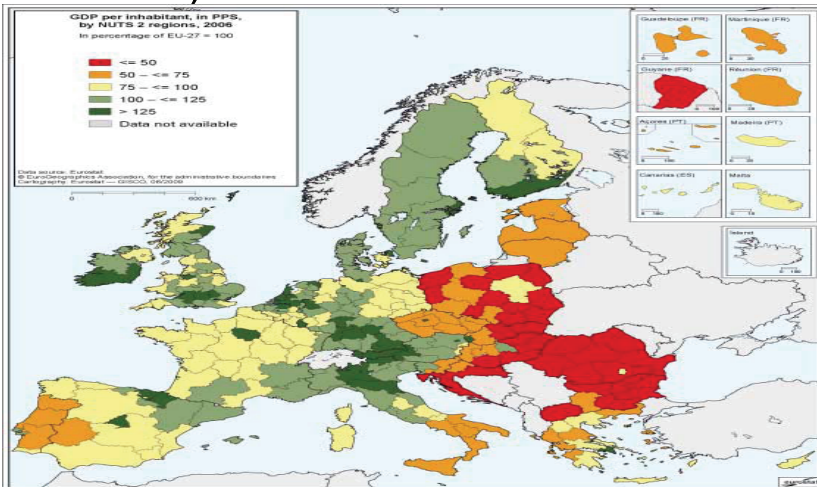
This created more emphasis on regional development, but in the 1920s and onwards it was hard to talk about autonomous regional structure in European polity where nation-states were appearing and regional development was grasped as a responsibility of the central governments and as a matter within the national development issue.

Diez argues that, today traditional regional growth/development policies and theories, which are dealt below, are not responding to today's need and new policies are arriving into the arena, which not only deal with economic growth but also other factors. In these new policies, traditional central governments are not the sole actors but delegate their powers through decentralization to the smaller administrative units in the local level. Besides, the policies that are introduced in Western Europe in the 1990s mainly aim endogenous development as well, through using all sorts of resources effectively. These policies additionally "devote much of their attention to networks of inter-company co-operation and regional innovation systems" (Diez, 2002).

Regional disparities are also present in EU countries. In order to remove regional disparities in EU member countries, the Regional Development Fund constituting approximately half of the Structural Funds is being used with the aim of supporting the development of underdeveloped regions and the SME's.

In the European Union, in the 1995-97 period, average per capita income is 100 according to the purchasing power parity, while it is 174 in Luxembourg, 120 in Denmark, 66 in Greece, 80 in Spain, 73 in Portugal as member countries and it is 33 in Turkey(State Planning Organization,2000).

MAP: 1 GDP per Inhabitants, in PPS, by NUTS 2 Regions (EU-27=100)



Source: Eurostat regional yearbook 2009

2. A SHORT ECONOMIC HISTORY OF TURKEY IN THE SENSE OF REGIONAL DEVELOPMENT

Before talking about the period that starts with the establishment of Turkish Republic (in 1923), one should demonstrate that Turkey inherited a highly centralized politico-administrative structure from the Ottoman Empire.

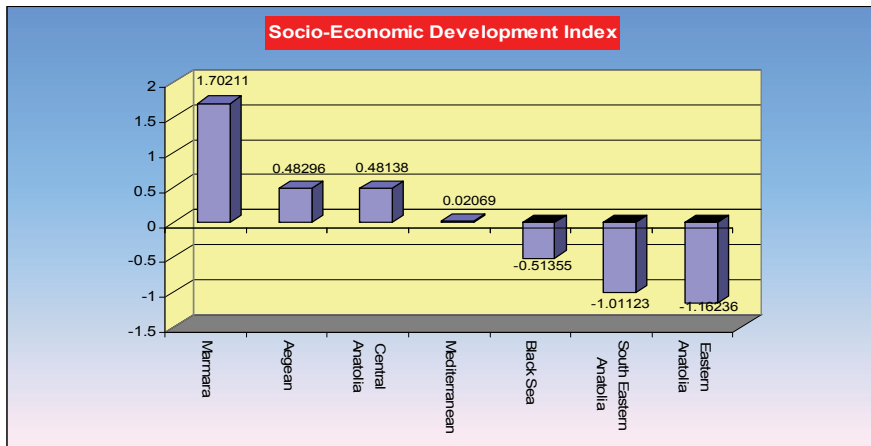
Ottoman Empire was under the reign of the sultan, the only and the absolute ruler of the Empire. Until the 19th century, it was impossible to form a decentralized unit, such as local government, in which sultan devolves his power. The whole empire was ruled by the center, Istanbul, and periphery had been controlled and taxed via sultan's agents, fief holders, for centuries. Therefore, a newly born Republic did not come into a decentralized tradition of state structure. Even after the 19th century nothing changed in Ottoman policy, although it was so-called modernized, which is defined as "defensive modernization", this type of modernization only perpetuated the power of center itself (Heper, 1986).

Attempts for the defensive modernization were because of several military defeats of Ottomans by the Europeans. Since Europe was far beyond than Ottomans in respect to their military power, technology, etc. Ottomans were losing lands and authority thus bringing new solutions was inevitable.

Modernizing the state through imitating Europe, through forming identical military schools, administrative institutions, secular schools, were seen as the most relevant solutions and this type of modernization; modernization because of necessity is called defensive modernization. As defined in Göymen's article, this Ottoman-type of modernization, which inspired European-type of institutions and schools can be named as "westernization in spite of the West" (Göymen, 2004).

Although Turkey has made great strides in regional development, disparities among regions are still creating a problem. In order to attain the objectives of reducing development disparities among regions, raising welfare level of population living in underdeveloped regions and giving a stable dynamics to migration tendencies, regional planning studies was continuing.

According to the results of regional socio-economic development index¹ made in 2003, Marmara (1,70), Aegean (0,48), Central Anatolia (0,48), and Mediterranean (0,02) regions are above Turkey average and the Black Sea (-0,51), South Eastern Anatolia (-1,01) and the Eastern Anatolia (- 1,16) regions are below the average.



In fact, while GNP index value per head as of regions, is 100 for Turkey, it was above Turkey's value in Marmara (156) and Aegean (125) regions, and below in the Black Sea (68), the South Eastern Anatolia (56) and Eastern Anatolia (41) regions. The Mediterranean and Central Anatolia regions have the nearest index value to Turkey average.²

The Marmara region provides 51.8 and 36.9 per cent of Turkey's total industry and services value added respectively. The share of the Eastern and South Eastern Anatolia and the Black Sea region is quite low.³ According to the General Census results of 1997, 25.8 percent of the country population live in the Marmara region, 16.8 percent in the Central Anatolia, 13.4 percent in Aegean region, 12.8 percent in the Mediterranean, 12.5 percent in the Black Sea, 9.8

¹this study was conducted by the State Planning Organization in 2003. "The Study on the Socio-economic Development Levels of the Provinces and Regions" is measuring the development levels of regions by using 58 different indicators. These indicators, which can be classified in two groups as social and economic, comprises the fields such as demography, education, health, rural infrastructure, industry, construction, agriculture, finance and banking. The method of principle components analysis was used in the formation of an integrated socio-economic development index (SEGE) from these 58 indicators.

² prepared based on the data of Turkey Statistical Institute.

³ prepared based on the data of Turkey Statistical Institute.

percent in the South Eastern Anatolia and 8.9 percent in the Eastern Anatolia.⁴

In Turkey, the basic trend concerning spatial distribution of the industry has arisen in the form of the reduction in relative significance of traditional regional centers in which industry intensifies. While the share of provinces such as İstanbul, İzmir, Adana and Ankara reduced within Turkey's manufacturing industry production, their share in GNP has increased. The main reason of this is the increase in characteristics of being the centre at regional level through intensification of service functions of finance, banking, marketing, trade and tourism together with the expansion of their industrial activities to surrounding provinces.

Since the 1960s, the reduction of territorial disparities has been one of the two main goals for Turkey's regional planning. In 1971, one of the main means to establish a policy of reducing interregional inequalities was created: Priority Provinces for Development (Kalkınmada Öncelikli Yörelere), in order to give precedence to those provinces by directing industrial investment towards them (Massicard, 2009:29).

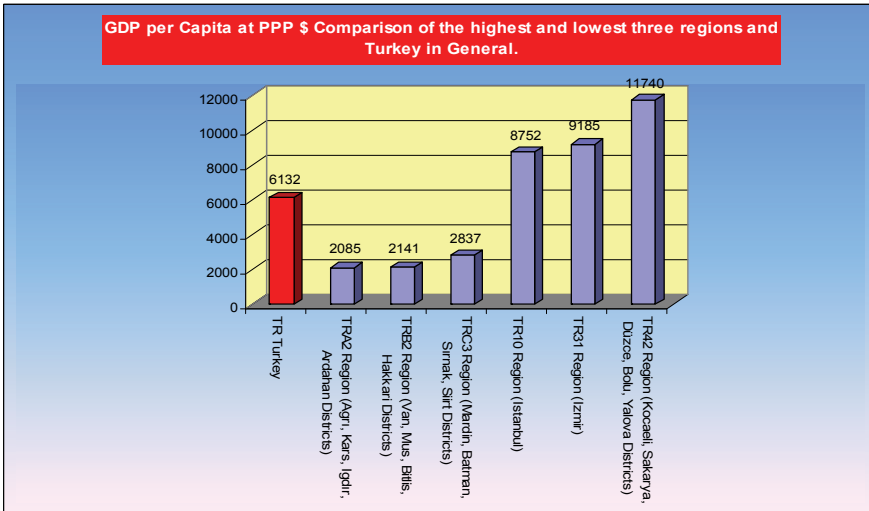
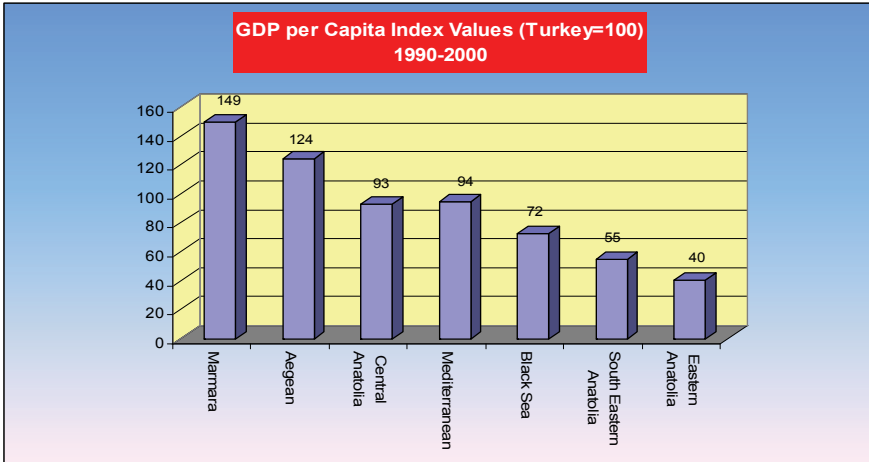
Regional development continues to be affected adversely, because, infrastructure investments, which are important in reducing interregional development disparities and in provision of development of underdeveloped regions, could not be concluded on time due to reasons like cash inflow and insufficient appropriations. Therefore, the private sector experience delays in benefiting from the externality created by public investments.

The low level of education in the Eastern and South Eastern Anatolia regions compared to the country average, ineffective activities of family planning, mother and child health problems and failure in improving the status of women are the causes for concern. Interregional migration has made cities, which are already insufficient in housing existing population, encounter heavy socio-economic problems such as urban infrastructure, unemployment, housing, education and health.

Turkey is a country of **serious regional disparities** that are apparent in all social and economic sectors of the economy as well as

⁴ prepared based on the data of Turkey Statistical Institute.

in natural assets such as topography and climate. Economic and social development disparities among seven geographical regions in Turkey are clearly observed when the main current indicators of Turkey are examined.



3. THE DRIVING FORCES OF NEW REGIONALISM IN TURKEY

Turkey tried to build up new policies with targeting sustainable development in less developed regions. Thus, new projects were set in various regions and rural parts of the country. Brief descriptions of the projects are given below.

- *Zonguldak- Karabük- Bartın Regional Development Project (ZBK)*
- *Eastern Anatolia Project (DAP)*
- *Southeastern Anatolia Project (GAP)*
- *The Eastern Blacksea Regional Development Plan (DOKAP)*
- The Yeşilirmak River Basin Project (YHGP)

From all these regional development plans, one may presume structure of a strong centralist state that directs all of its development projects in the whole country. (See the Map 2). On the other hand, since governments are so active in regional policymaking and regional projects, there can be populist attempts and irrational public investments in some areas.

Dulupçu claims that in order to have successful regional development projects, politicians should be separated from economic decisions and politicization of public investments and spending must be prohibited (Dulupçu, 2005) Actually, the Turkish case affirms his ideas since, many regional plans and projects could not be implemented and were unsuccessful because of irrational, populist decisions taken by the governments. Furthermore, Turkish case exercised that it is impossible to sustain regional development through statism, highly centralized governments, and their top-down policies, which are not in favor of delegating their powers to subnational levels or NGOs.

MAP 2: Regional Development Projects in Turkey



Source: State Planning Organization

As a response to Turkey's highly motivated accession bid to the EU, in the Helsinki Summit held by European Council in 12 December 1999, Turkey's candidacy to EU was approved. The date 1999 was a sign of fundamental reforms in Turkish politico-administrative structure. For the EU partnership, Turkey has to fulfill many criteria, amend legislations and the constitution in many issues. In this context, it should be noted that regional development agencies are admitted as middle range targets of the Accession Partnership Document.

The concept of institutional thickness highlights localized conditions that are crucial to particular articulation of localities and regions within wider scale processes of economic transformation (Henry and Pinch, 2001) "a local institutional thickness defined as the combination of factors including inter-institutional interaction and synergy, collective representation by many bodies, a common industrial purpose and shared cultural norms and values. It is a thickness which both establishes legitimacy and nourishes relations of trust. It is a thickness which continues to stimulate entrepreneurship and consolidate the local embeddedness of industry (Amin and Thrift, 1994).

Regional policy involving a bottom-up approach has been decentralized to regional and local institutions which are more capable of fostering the endogenous dynamics of localities. One of these institutions in Europe has been the RDAs.

Over the last two decades RDAs, which have been created mainly by the cooperation of local economic development actors, have played a role in stimulating, organising, supporting economic development all over Europe and the world. In fact, any organisation having a mission of economic development encompassing the global economic interest of a geographical zone that involves significant ties with a local authority as much from the point of view of its financing or from its objectives, is a Regional Development Agency.

The definition of the RDA is, according to Halkier and Danson, "a regionally based, publicly financed institution outside the mainstream of central and local government administration designed to promote economic development" (Hughes, 1998). According to European Association of Regional Development Agencies (EURADA) "a RDA is an operational structure that identifies sectoral or overall development problems, chooses a range of opportunities or

methodologies for their solution and promotes projects which can maximize the solutions to the problems”.

RDAs generally stimulate their regions' economy by assisting in the establishment of firms, counselling of firms and training of their managers, promotion of enterprise zones or attraction of local or foreign investors, stimulation of technology transfer and inter-company partnership, creation and management of company incubators, provision of risk capital, conducting of studies and territorial planning initiatives, regeneration of areas made derelict by industrial blight.

Furthermore, there are a wider range of criteria which can be applied as tests of 'model' RDAs (Hughes, 1998). The structure should be semi- or quasi-autonomous of government.

The objectives should be sufficiently broad:

- Regional competitiveness
- Regional growth
- Indigenous/SME growth and
- Inward investment

There should be multiple policy instruments:

- Environmental improvement
- Industrial infrastructure
- Business advice
- Venture capital

Today most of the RDAs are bottom-up approaches while the national level policies have mainly a top-down characteristic. The most specific differences between the two policies are:

- the political environment and sponsorship relations differ both with regard to the spatial dimension and the degree to which elected politicians are involved in regional policy,
- the implementing organizations operate in different territorial domains on the basis of different resources, pursuing objectives and strategies that are not necessarily compatible,
- policy implementation includes some overlap with regard to policy instruments but has important contrasts with regard to modes of implementation and the firms targeted by public policy, suggesting rather different forms of interaction between public and private actors,

- the economic environment in which each of the two approaches is likely to make a sizeable impact would also seem to differ, with top-down policies requiring the presence of private firms establishing branch plants and RDAs needing endogenous firms willing to improve their market position and network relations.

Being a bottom-up approach provide some advantages to the RDAs by overcoming some problems in local markets such as inadequate information for market participants, problems associated with rapid growth and technological change. Regional development agencies are often at the centre of regional planning and innovation networks (Ansell, 2000).

In order to accelerate development of Turkey as a whole and improve its competitiveness, local development institutions are required to stimulate both potentials (including human and social resources) of underdeveloped regions and also the developed ones. Since local institutional structure like Development Agencies (DAs), which was proposed by First Five Year Development Plan could not be established until recently, none of the nine Regional Development Plans could be fully implemented successfully except 'Southeastern Anatolia Regional Development Project' On the other hand, the establishment of institutional structures like DAs to stimulate local development, has been demanded by several local development initiatives of the provinces and regions.

For this reason, State Planning Organization has developed a unique Development Agency Model by taking into account the political, administrative, social and economic conditions of Turkey, other country experiences and EU membership perspective. DAs will make important contribution to the developed regions for the improvement of competitiveness at global scale and convergence of underdeveloped regions to the national average.

In order to stimulate local potential, DAs will support the preparation of regional plans and strategies which are compatible with national plan and strategies, through a participatory approach. A significant amount of financial resources from general budget, local authorities (municipalities and special provincial administrations) and chambers of commerce and industry will be allocated to the DAs for the sake of stimulating local/regional potentials.

DAs, as an institutional structure constituted by public, private sector and NGOs, will enhance collaboration culture and strengthen

the local project generation capacity. Thus, not only public sector's but also private sector's and NGOs' efforts will be directed by means of DAs in order to ensure local development. Law on Development Agencies has been approved by Grand National Assembly on 25/01/2006 and published in Official Gazette on 08/02/2006. The first pilot DAs are established in TR62 NUTS 2 region covering Adana and Mersin Provinces (Çukurova Development Agency) and, TR31 NUTS 2 region covering İzmir Province (İzmir Development Agency). General Secretaries of DAs started to work and 25 experts for Çukurova DA and 20 experts for İzmir DA have been employed. "Preliminary Regional Development Plans" of regions for the 2007-2008 period have been prepared by the DAs and approved by State Planning Organization.

Finally Development Agencies had been established throughout the country under the coordination and guidance of State Planning Organization

Table 1: Development Agencies in Turkey

Region (NUTS 2)	Provinces	Center of The Region	Name of The Agency	
TR62	Adana, Mersin	Adana	Çukurova Development Agency (ÇKA)	http://www.cka.org.tr/
TR31	İzmir	İzmir	İzmir Development Agency (İZKA)	http://www.izka.org.tr/
TR10	İstanbul	İstanbul	İstanbul Development Agency (İSTKA)	http://www.istka.org.tr/
TR52	Karaman, Konya	Konya	Mevlana Development Agency (MEVKA)	http://www.mevka.org.tr/
TR83	Amasya, Çorum, Samsun, Tokat	Samsun	Orta Karadeniz Development Agency (OKA)	http://www.oka.org.tr/
TRA1	Bayburt, Erzincan, Erzurum	Erzurum	Kuzeydoğu Anadolu Development Agency (KUDAKA)	http://www.kudaka.org.tr/
TRB2	Bitlis, Hakkari, Muş, Van	Van	Doğu Anadolu Development Agency (DAKA)	http://www.daka.org.tr/
TRC1	Adıyaman, Gaziantep, Kilis	Gaziantep	İpekyolu Development Agency (İKA)	http://www.ika.org.tr/
TRC2	Diyarbakır, Şanlıurfa	Diyarbakır	Karacadağ Development Agency (KARACADAĞKA)	http://www.karacadag.org.tr/
TRC3	Batman, Mardin, Şırnak, Siirt	Mardin	Dicle Development Agency (DİKA)	http://www.dika.org.tr/
TR21	Edirne, Kırklareli, Tekirdağ	Tekirdağ	Trakya Development Agency (TRAKYAKA)	http://www.trakyaka.org.tr/

TR22	Balıkesir, Çanakkale	Çanakkale	Güney Marmara Development Agency (GMKA)	http://www.gmka.org.tr/
TR32	Aydın, Denizli, Muğla	Denizli	Güney Ege Development Agency (GEKA)	http://www.geka.org.tr/
TR33	Afyonkarah isar, Kütahya, Manisa, Uşak	Kütahya	Kuzey Ege Development Agency (ZAFERKA)	http://www.keka.org.tr/
TR41	Bilecik, Eskişehir, Bursa	Bursa	Bursa, Bilecik, Eskişehir Development Agency (BEBKA)	http://www.bebka.org.tr/
TR42	Bolu, Düzce, Kocaeli, Sakarya, Yalova	Kocaeli	Doğu Marmara Development Agency (MARKA)	http://www.marka.org.tr/
TR51	Ankara	Ankara	Ankara Development Agency (ANKARAKA)	http://www.ankaraka.org.tr/
TR61	Antalya, Burdur, Isparta	Isparta	Batı Akdeniz Development Agency (BAKA)	http://www.baka.org.tr/
TR63	Hatay, Kahraman maraş, Osmaniye	Hatay	Doğu Akdeniz Development Agency (DOĞAKA)	http://www.dogaka.org.tr/
TR71	Aksaray, Kırıkkale, Kırşehir, Niğde, Nevşehir	Nevşehir	Ahiler Development Agency (AHI-KA)	http://www.ahi-ka.org.tr/
TR72	Kayseri, Sivas, Yozgat	Kayseri	Orta Anadolu Development Agency (ORAN)	http://www.oran.org.tr/
TR81	Bartın, Karabük, Zonguldak	Zonguldak	Batı Karadeniz Development Agency (BAKKA)	http://www.bakka.org.tr/
TR82	Çankırı, Kastamonu , Sinop	Kastamonu	Kuzey Anadolu Development Agency (KUZKA)	http://www.kuzka.org.tr/
TR90	Artvin, Giresun, Gümüşhan e, Ordu, Rize, Trabzon	Trabzon	Doğu Karadeniz Development Agency (DOKA)	http://www.doka.org.tr/
TRA2	Ağrı, Ardahan, Iğdır, Kars	Kars	Serhat Development Agency (SERKA)	http://www.serka.org.tr/
TRB1	Bingöl, Elazığ, Malatya, Tunceli	Malatya	Fırat Development Agency (FKA)	http://www.fka.org.tr/

Source: State Planning Organization

CONCLUSION

Democracy being as the most suitable administrative system to human nature provides every individual in society a

suitable environment to improve, to develop his ability and to live happy. Freedom is an indispensable item of democracy. In this sense, democracy is closely connected with entrepreneurship. Because both are dependent largely on individual freedom.

Democracy leads to improvement in human capital resources. Moreover, democracy leads to increase the ability of economic and social policy demands according to individuals' own priorities. The author of this article is considering in parallel with sociologists thinking that the salvation of society will be due "not with domination general forces, through the development of **individual entrepreneurship**".

Finally, **development agencies** will help to increase project generation capacity at the local level for local entrepreneurs and it will trigger the development at local level; I also believe it will contribute significantly **to root of democracy in our country**. Enriched with economic dynamism, global world open, modernized with their own free social, cultural, economic changes of **Anatolia's cities** became a **key role** in shaping of new Turkey. We are talking about Anatolian cities globalizing, urbanizing, producing "new middle class", creating their own modernity.

These cities are not only making their own transformation but also transferring Turkey to more democratic, prosperous country. The main conclusion can be that the policy makers are learning to think "think globally, act locally" for the regional development.

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