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European Union Regional Policy and Evaluation of Turkey's Harmonisation

Ibrahim Cagan KAYA¹, Sema GUN²

Abstract

The European Union (EU), whose foundations were laid with the Treaty of Rome in 1957, enabled the regional development of the member nations; the union was generally aimed at attaining prosperity, and the EU Regional Policy was developed to achieve this aim. Since establishment, the Union gradually expanded to 28 members. In each expansion, regions were added which were economically and socially undeveloped, and these differences between the dynamics of each region gradually caused regional policies to be revised and reformed. The regional policy includes not only member states, but nations which are candidates for membership are also included. It is thought that candidate nations can more easily achieve conformity with the EU by solving their problems of regional difference at a national level. Turkey's 2005 candidate country status has been made official, and work has begun on achieving conformity with the EU. Work carried out on Chapter 22, the Regional Policy and Coordination of Structural Instruments, is monitored on a yearly basis by EU progress reports, and it has been found that work on the chapters covered by the progress reports is inadequate. In this study, work conducted on regional policy in the EU is summarized, work being carried out by countries which are candidates for membership is explained in the form of examples, work conducted in Turkey as part of EU conformity work is discussed, and the effectiveness of work carried out is evaluated in line with the target indicators defined under the EU's 2020 Strategy.

Keywords: EU enlargement, regional policy, regional development

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Introduction

After the Second World War, national governments realized that they would not be able to overcome the negative effects of the war by themselves. In particular, there were serious problems in the demand for food. In order to solve these problems, policies were quickly focused on regional groupings rather than on national governments. Beginning after the Second World War, geographical and political polarization brought about the first regional groupings. NATO and the Warsaw Pact can be said to be the first political regional groupings. In Europe, movements for regionalization began in 1951 with the European Coal and Steel Community, founded by six nations. Over time this organization expanded as other countries joined, and in 1992 with the signing of the Maastricht Treaty it became known as the European Union (EUR-Lex, 2010a). The EU is not only a political regional organization. At the same time it has a common economic and social structure, and member states must harmonise economically and socially. For this reason, the need is felt for policy coherence for development. The regional policy, whose foundations were laid with the Treaty of Rome in 1957, aimed to reduce the differences between rich and poor areas both within and between member countries, and considered the problems only from an economic viewpoint (EUR-Lex, 2010b). As each new country was added, regions were included in the Union where the shortcomings were not only economic, and countries were added which did not conform to the Union in socio-cultural terms. The support for these regions in economic and social areas up to the economic crisis of 2008 was a great burden on the EU, which led to the need for a fundamental revision of regional policies. In 2014, the regional policy of the EU underwent an extensive reform with the Europe 2020 strategic aims. In place of direct support for undeveloped regions without showing a purpose, an intelligent growth system was introduced which supported sectors which conformed to the regions' economic structures and sectors which created employment (Bongardt & Torres, 2010; Pereira, 2011).

The regional development policy of the EU was set up not only for member countries. Countries which are candidates for membership, as they pass into membership, must reach a state of complete harmonisation with the EU. This must be as much economic and socio-cultural as it is in terms of organizational structures and legal structures. In 2016 there were five membership candidates: Albania, Macedonia, Montenegro, Serbia and Turkey. Those conducting membership negotiations were Serbia and Turkey (European Commission, 2016a).

In Turkey, work on regional policy began in the 1960s in the period of planned development. With EU negotiations, which began in 2005, national work on a regional policy became focused on EU regional policy, and most of this work was on bringing Turkish legislation into line with the EU. In the progress report prepared annually by the European Commission (EC), it was stated that up to 2009, work had been done on regional policy only on harmonising legislation,

and this work was limited, administrative, and its technical capacity was insufficient. Progress reports published from 2010 started to record some progress (European Commission, 2016b). The steps made by Turkey in EU regional policy had a significant effect on both sides. EU regional policy has transferred funds to support regions with a regional gross added value of less than 75% of the EU average (European Parliament, 2016). In view of Turkey's potential membership, the whole country should be covered by the regional policy. The debt funds of the regions are in direct proportion to population. In 2004 when Poland joined the EU, it became the country receiving the greatest share of the budget in proportion to population (Ambroziak, 2014). In the case of Turkey, which is in the same situation in joining the EU, the share taken by member countries will gradually shrink as the budget of the regional policy remains constant. The principal reason for this is that with each expansion undeveloped or developed countries enter the union and the economic contribution which they make to the union is less than the amount of the debt fund for support. Considered this way, regional policy work to be carried out in Turkey must be in line with EU regional policy, but support should not be expected from the EU in financing this work. With inclusion in the regional policy work of institutions and foundations at national and local level, participation in the decision-making process will be brought about as well as a policy of greater financial partnership.

EU Regional Policy and Development

Ever since the founding of the EU, differences in development level within and between member states have become apparent with each expansion. Especially in 2004, when 12 new members joined the Union, the number of regions with a gross national product below the EU average increased, and the differences in development levels gradually deepened (Malais & Haegeman, 2009). The need arose then to develop a regional policy for member nations in the EU.

At the head of the reasons for creating a common regional policy is the inadequacy of the way the current member countries have managed regional policies among themselves. The economic burdens which the member countries have taken on in eliminating the differences arising from development levels may be different. A second reason for developing a regional policy is that it is very difficult to coordinate regional policies conducted at the national level. The regional policy which each member country has put into practice is different. The EU, while gaining with a regional policy a regional perspective in which regions needing the Union's various policies and instruments are considered, is working to achieve coordination between these policies and thus to increase the success of regional policies, and is aiming to help member governments' regional policies to remain coordinated and within the Union's rules of competition and government assistance (Bayburtlu, 2002).

The development of EU regional policy since its foundation is examined in four periods. The first is the period between 1957 and 1999, when the foundations of the policies were laid. The second, between 2000 and 2006, is when important reforms were made to regional policy. The third period is 2007-2013, and the period 2014-2020 is that in which the future of regional policy is determined.

The 1957-1999 period was one in which the member nations were mainly freely supported financially. Until 1993, all regions which needed it were assisted. In 1993, a reform was put into effect by which the regions to be supported and the sources to be used to help them were determined. In the period 1994-2000, a number of points of discussion arose on the effectiveness of these reforms. More than 80% of the money transferred by the EU development fund went to undeveloped regions, and this was a great strain on the budget because this included most of the new EU members. In 1993, the share of the budget allocated to the regional policy was twice that of 1987 (Hannequart, 1992). It was stated by Hannequart (1992) that because of this increase in the share of the budget, coordination was needed between source managers to transfer funds by the right means to the right places, but because these funds were given without return and because of shortcomings in the inspection process, they were not used efficiently, and in particular funds were not transferred to the industrial areas for which development was intended (Hannequart, 1992). Towards 2000, it was recommended that the number of target regions in the EU, formerly six, should be reduced to two in order to concentrate, make more effective and simplify the structural funds (Aksahin, 2008).

In March 2000, in a document approved at the Lisbon Summit and known as the Lisbon Strategy, economic reforms to increase employment and strategic aims to strengthen social harmonisation were announced. In the document it was stated that the aim of the EU for 2010 was to have the world's most competitive, dynamic and knowledge-based economy, to provide more and better employment opportunities and sustainable economic growth, and to bring about wider social harmonisation (Aksahin, 2008). In the period 2000-2006, the economic harmonisation expected with the accession of East European countries was not achieved. In a study by Boldrin and Conova (2003) entitled Regional Policies and EU Enlargement, a comparison was made between the economic expansion and workforce productivity of the East European countries which joined in the expansion of 2004 and the EU in general. This showed that the regional policies announced under Agenda 2000 only had the effect of increasing national incomes, and as long as they were not coordinated with other EU policies, they would not have the expected effect. In addition, they stated that the restrictions imposed on the new member countries in terms of workforce mobility reduced the productivity of the workforce, and reduced the productivity of a workforce which was an important input for production, confining a workforce which wished to work in regions which did not create added value (Boldrin & Canova, 2003).

By 2005, it was realized that with a stagnant economy, growth and employment programs could not be conducted effectively in the EU, and a need was felt to review the Lisbon Strategy. A report was prepared by André Sapir for the EC, and a perspective was created for the reforms to be carried out. According to Sapir, "the EU must focus principally on effective distribution with regard to budget spending increase and employment, and must carry out the necessary work in connection to this" (Sapir, 2003). In the period 2007-2013, targets were consolidated in conformity with aims, and made into chapters. Support for harmonisation of regions, competitiveness and cooperation were planned, and a source was allocated. In the world crisis in 2008, Europe was greatly affected economically, and there was significant discussion of regional political targets. The retreat of economic growth and the high rates of unemployment led the European Commission to discuss the implementation of structural reforms (Copeland & James, 2014; Natali, 2010). The Europe 2020 Strategy report prepared in 2010 set out the areas in which the regions within the EU showed weakness. The report named four areas. These were, in order, globalization, demographic change, climate change, and energy. In order to eliminate these weaknesses and for economic growth to be sustainable, support for small businesses susceptible to the crisis and the correction of unbalanced income distribution for the poor population who were most affected by social and economic exclusion were announced as policy priorities. The following target indicators were to be followed as priorities: (1) 75% of the 20-64 age group will be taken into employment; (2) 3% of EU GNP will be devoted to R&D and innovative investment; (3) Climate changes and energy (Greenhouse gas emissions will be reduced by 20% relative to 1990 data for EU-28, and assessment on a national basis will be performed according to 2005 data; 20% of energy used will be obtained from renewable energy sources; Energy efficiency will be increased by 20%. Targeted primary energy consumption is 1483 MTEP); (4) The rates of those leaving education early will be reduced to below 10%, and the rate of those passing on to tertiary education will rise to over 40%; (5) The numbers of those at the poverty line and fighting social exclusion will be reduced by at least 20 million (European Commission, 2015).

EU Regional Policy: Work on Member and Candidate Member Countries

At certain periods since the foundation of the EU, the Union has been enlarged with the accession of new members. The greatest of these enlargements took place in 2004 when ten new members were added. Poland and Croatia as members and Serbia as a candidate member were chosen for inclusion in the study.

Poland is similar to Turkey in terms of demography and geography, and quickly started the process of harmonisation to EU regional policy. With the reform plan

prepared in 1990, some authority of the central administration was handed over to units of local government (*gmina*, plural *gminy*). *Gminy* produce policies only for themselves but not at a regional level. For this reason, they were not able to assume an effective political role (Churski, 2010).

In a second law prepared in 1998, regional units known as voivodeships (Polish: *województwo*) and *powiat* were added to the administrative system. The purpose of the voivodeships was to unite regions with a similar economic and demographic structure. The voivodeship system allowed the regions to govern themselves. In the preparation and implementation of regional policy, the voivodeships are independent of the center but are able to make decisions in the name of the center. They have been useful in eliminating the imbalance within regions, but they have been insufficient to eliminate inter-regional imbalances (Churski, 2010; Ministry of Regional Development of the Republic of Poland, 2011).

Until May 2004 Poland had the status of a candidate nation. The first policy target to be focused on was regions with a high unemployment rate, and employment programs were prepared. These were financed by ISPA and PHARE. Also, a national development plan for the period 2001-2006 was prepared, and this went into effect in 2000. When Poland became a member nation in 2004, it began to benefit directly from regional policy structural funds, and between 2004 and 2007 approximately €23 billion was transferred. Approximately 85 000 projects were supported with these funds, and a large proportion of these projects related to infrastructure investment. Transport infrastructure in particular was supported and communication between regions was facilitated. In addition, SMEs were supported with grants in order to strengthen their competitiveness. In the same period, Poland supported business R&D investment, and research laboratories were set up and the foundations of techno cities laid to enable technological development. Projects were supported for the modernization of culture, tourism, health and educational institutions (European Commission, 2009).

In the period 2007-2013, not only employment focused policies but also growth focused policies began to be implemented. In the field of R&D, a technology park created in the region of Lower Silesia to carry out scientific studies conducted research on biotechnology and nanotechnology. In this park and in the region, new workplaces and employment were created. In the same period, access of less developed regions to developed regions was provided by a 9500 mm communications net. This communications net took in 90% of the population. In the period 2007-2013, pilot studies were conducted on long-term unemployment. An employment model applied by Finland was used. In the region of Warmiñsko-Mazurskie, areas of work were found which suited the characteristics of the workforce according to a model tested there. According to the model, labor supply was matched with labor demand at a rate of 80% (European Commission, 2009).

Poland will receive approximately €78 billion from the regional policy budget in the period 2014-2020. The greatest share among the 28 member countries goes to Poland. Within this period 22 operational programs have been prepared. Creation of a modern infrastructure is at the head of the planned support. Infrastructure investment will be concentrated on transport, energy and information processing. In the economic field, the aim is to create a work environment which is R&D focused, environmentally sensitive, and resource efficient. It is also planned to emphasize social inclusiveness and education in order to create a labor market in line with employment (European Commission, 2014a).

Croatia, a new country founded after the breakup of Yugoslavia, became a member of the EU in 2013. After the civil war at the beginning of the 1990s, it entered a period of reconstruction and began its first relations with the EU. Between 1991 and 2000, it benefitted from the human aid program, and in 2001-2004 the CARDS program and EU funds. It was planned that Croatia's social and economic reforms would be carried out with the CARDS program and that it would be brought to the highest level of harmonisation with the EU.

Croatia's candidacy was accepted in 2004, and from 2005 to 2013 it was included in the IPA. In 2013 as a member country it began to use new funds coming from the EU regional policy, other than the funds received under the IPA (Puljiz & Malekovic 2013). In 2009, a new perspective on regional policy was formed with the regional development law. The share of duties between central and local institutions was determined by the regional development strategy, and projects were begun to increase institutional capacity. Objective socioeconomic indicators for regional policy were determined and in this way the regions which needed to be supported were shown (Dulabic & Manojlovic, 2011).

Croatia's national institutions gained large experience in managing EU funds with the IPA projects which it conducted. Regional and local shareholders managed various works on transport, the environment, R&D and topics on conforming to EU acquis (Puljiz and Malekovic, 2013). On the topic of the environment, waste management facilities were set up in the regions of Kastijun and Marišcina, and also water and sewage facilities in four other regions. In this way the water quality of underdeveloped regions was improved (European Commission, 2014b).

Under the regional policy, a biotechnology center set up in Zagreb University has supported research into small and large work environments. As a result of this support, Croatia has become an expert in the biotechnology of the region (European Commission, 2014b).

Concerning transport, Zagreb's main railway station has been improved and renewed. Communication between the center and the regions has been further speeded up, and accessibility to developed regions has been enabled for people and businesses in local areas. Cross-border cooperation projects between Croatia

and its neighbors have provided a logistic advantage in the trading network to member countries and Balkan countries. Croatia has also taken an active role in the Danube project (European Commission, 2014b).

In the period of the civil war which broke out with the breakup of Yugoslavia, Serbia, having been greatly weakened both in general and regionally, accorded great importance to regional policy. Serbia, founded after the breakup of Yugoslavia at the beginning of the 1990s, accelerated work to spread economic activities conducted by central planning to a local level. Its candidacy was accepted in 2009, and thereby work conducted on regional policy came under the pressure of harmonisation to EU acquis, and various legal adjustments were made. In this regard, a regional development strategy document was prepared, determining the fields in which regional development was to be supported and the institutions responsible. The regional development fund document setting out the steps to be followed in using funds received from the EU specified within the framework of a plan of projects prepared in relation to regional policy which region they were to be used for, from which source, and for how long (Duric, Ivanovic & Balaban 2011).

For projects to be conducted on regional policy, Serbia uses IPA funds. Projects have been constructed on increasing the capacity of institutions under the IPA, on cross-border cooperation, and on regional and rural development (Duric, Ivanovic & Balaban 2011).

Work on the Harmonisation of Turkey to EU Regional Policy

Work carried out in Turkey on regional policy began with the First Five-Year Development Plan, published in 1963. These plans, drawn up at five-year intervals, were intended to give information under different headings on the situation before the period of the plan, what had to be done during the plan period, and the targets to be reached at the end of the plan. Plans prepared up to 2013 concentrated on the current condition of regions. No information was given on the amount of regional differences or the strengths or weaknesses of one region relative to another; only a list was made of places with priority in development, as to which regions were being supported and which would be supported in the future.

With the Tenth Five-Year Development Plan for 2014-2018, prepared in 2013, the concept of regional competitiveness was included in the concept of regional development. Along with the target of regional competitiveness, the aim was to develop the potentials of the regions themselves. As well as developing internal potential, it was intended to provide for regional development, and to ensure overall development which would minimize differences in this development. In the tenth development plan, target indicators were specified on the topic of the

development of regional development and competitiveness. On the topic of the level of regional differentiation, the Development Ministry conducted work on an index of socio-economic development and created a development ranking of regions. It was planned to provide support in order to eliminate regional differences under a socio-economic development index.

Under the Tenth Five-Year Development Plan, it was intended to create regional development strategies. Thus all plans and programs to be conducted at a regional level could be run in parallel with a strategy document prepared by the center. In regions less developed than others, it was intended that low and medium income businesses would be supported in economic and human resource terms, and in addition small and medium businesses and firms at a micro level would be included in the regional development strategy, and diversity would be increased at a sectoral level. Sectors within the cluster would be supported by determining sectoral values between regions by the clustering approach, and finding the highest added value clusters for each region. In particular, work in the field of R&D and innovation would be encouraged. Transport and technology infrastructure would be reviewed and supported so as to increase interaction between regions. In border areas, technological infrastructure would be updated to develop cross-border relations and faster communication would be introduced. It was stated in the tenth five-year development plan that the work of development agencies only in their own areas would not be enough and that they must work within a coordinated structure with agencies in other regions (Ministry of Development of the Republic of Turkey, 2013a).

With the Helsinki Summit arranged in 1999, at which Turkey's candidacy for the EU was accepted, the axis at national level of regional development policy began to swing to the EU perspective (Karluk, 2011). As with other candidate countries, Turkey was asked by the EU to prepare a strategic document in which adjustments to be made during the accession period were set out (European Parliament, 1999). Following this decision, a national program was prepared with reference to a document on accession partnership signed in 2001. The EU also asked for the preparation of a plan on financial aid to be transferred before accession in addition to the national program and to be used in acquis harmonisation work. In line with this request, a preliminary national development plan (PNDP) was prepared in 2002, covering the years 2004-2006 (Ertugal, 2005).

As a result of analysis carried out to determine the regions to be supported under the PNDP, it was decided to conduct programs at 12 Levels on two of the regions. The regions specified were mainly in the East and Southeast Regions. The aim of the planned programs was to reduce developmental differences between the regions by securing an increase in employment levels and competitive strength. Financial sources were found for the projects prepared in the regions by the programs which were prepared.

In 2005 Turkey attained the status of candidate country, and began to benefit from IPA funds supplied by the EU to help candidate countries with EU harmonisation (Reeves, 2006). The IPA consists of five basic components, whose titles are, in order, transition support and institutional structuring, cross-border cooperation, regional development, development of human resources and rural development. The components of regional development and rural development, which are considered to be under EU regional policy, are run through environment, transport and regional competitiveness operational programs. With the infrastructure work carried out on transport, it was intended to connect the regions to each other and at the same time to connect Turkey with other countries. In this regard, projects were supported for rail and sea transportation and the relevant technical support was received. On the environment, the aim was to increase the habitability of cities, and to support projects for providing water to meet basic human needs. In order to increase the competitiveness of the regions, projects were introduced to develop working environments and to strengthen their capacities (Keles & Ozkan, 2015).

Work on the development of regional policies was conducted until 2006 by central management. Development plans made by central management can be thought of as policies with general coverage. They stood at an equal distance from each region, independent of the regions' own dynamics. In determining regional policies with the development agencies set up in 2006, they were given a role in regional representation. Transfer of funds was achieved for projects to be conducted in the region through investment support offices under development agencies. Development agencies plan work to be done concerning regional development by means of regional plans. It was requested in an official letter sent by the Development Ministry in 2009 that regional plans should be prepared for the regions for which 26 development agencies were responsible. In regional plans prepared for 2010-2013, the current condition of the regions was given in socioeconomic analysis. In a SWOT study also conducted by the development agencies, the strong and weak sides of their own regions as well as opportunities and threats were identified. Along with the working groups which were formed for each region, lines of development were determined for the regions. The plans were examined and it was seen that for the period 2010-2013 most included the topics of competitiveness, employment and social policy, the environment, transport and infrastructure and rural development as development indices.

In order to finance the regional plans, aside from their own budgets, it was planned to use funds from public investment, EU funds, national and international banks, the Ministry of the Management of the Development and Support of Small and Medium Businesses, and other relevant ministries. In order to evaluate the results of regional plans, performance indicators and final targets were specified for the development axes set by each development agency. The performance indicators determined do not allow comparison within or between regions.

Evaluation of Work Conducted on Turkey's Harmonisation with EU Regional Policies

Looked at from the perspective of the EU, the imbalance between regions is an important chapter hindering Turkey's membership of the EU. Chapter 22, on Regional Policy and Coordination of Structural Instruments, is a chapter for which complete harmonisation was required. All through the process which began with the Helsinki Summit, in progress reports published by the EU, there was no development in the legal framework between 2000 and 2010. As well as increasing institutional capacity under the acquis, setting up local development agencies and allowing the participation of socioeconomic partners and civil society institutions in management committees, it enabled policies implemented to eliminate regional imbalances to be based on a more realistic structure.

From a financial aspect, Turkey's membership of the EU would be beneficial for both sides, but neither is the EU in a position to support Turkey financially to implement its social and economic policies nor is Turkey able to conform to the Union in regional financial and social topics. Implementation work programs using IPA resources, as mentioned in EU progress reports, have not been effective due to insufficient managerial capacity over many years (Turan, 2016).

It is necessary to examine in detail the reasons underlying the economic and social imbalances between regions in Turkey. Areas to be supported under regional policy have long been assessed as Priority Areas for Development but no target indicators have been used, and this has made it difficult to measure the effectiveness of policies implemented (Ozaslan & Unlu, 2016). In the tenth development plan which was implemented in 2014, regional development targets were specified and distribution of financial resources was considered according to the socio-economic index (Ministry of Development of the Republic of Turkey, 2013b). Also, imbalance indicators were determined when examined from the aspect of EU 2020 strategy, according to components which fitted together and at the same time triggered each other (economic growth, employment, the environment, education and social protection). Evaluation of the indicators is given below in table form.

Table 1. Employment & Research Development Indicators for EU 2020 Strategy

| | | | Age Group 20-64 Aged 20-64) | Gross Domestic Expenditure on R&D (% of GDP) | | | |
|------|-------|-------|--------------------------------|--|------|--------|--|
| Geo | 2008 | 2015 | TARGET | 2008 | 2014 | TARGET | |
| EU28 | 70.30 | 70.10 | 75.00 | 1.84 | 2.04 | 3.00 | |
| TR | 48.40 | 53.90 | * | 0.73 | 1.01 | * | |

^{*} Country has no 2020 target

Examining the employment and R&D indicators, it can be seen that they do not meet the targets of EU-28, and that there has been a decline in employment compared to 2008. The effects of the contraction experienced with the crisis of 2008 are very clear. R&D spending as a share of GDP increased. When a comparison is made with 2014 indicators in Turkey, there is an increase in the employment rate of those between 20 and 64 years of age and in the share of R&D spending on gross domestic expenditure compared to 2008. However, these increases are far below EU targets.

Table 2. Climate Change & Energy Indicators for EU 2020 Strategy

| | Greenhouse Gas Emissions (Index 1990 = 100) | | | Share of Renewable Energy in Gross Final Energy Consumption (%) | | | Primary Energy Consumption (Million Tonnes of Oil Equivalent (TOE)) | | | Final Energy Consumption (Million Tonnes of Oil Equivalent (TOE)) | | |
|------|---|--------|--------|--|-------------------|--------|--|---------|---------|---|---------|---------|
| Geo | 2008 | 2015 | TARGET | 2008 | 2015 | TARGET | 2008 | 2014 | TARGET | 2008 | 2014 | TARGET |
| EU28 | 90.31 | 77.06 | 80.00 | 11.00 | 16.00 | 20.00 | 1693.10 | 1507.10 | 1483.00 | 1180.00 | 1061.20 | 1086.00 |
| TR | 191.11 | 229.23 | * | 2.12 ¹ | 8.44 ² | * | 116.90 | 146.00 | * | 113.70 | 135.40 | * |

^{*} Country has no 2020 target

Comparing environment and energy indicators for 2008-2014 and 2015, it can be seen that for the EU greenhouse gas emission values have fallen, and the share of energy from renewable sources in total consumption has risen. The total primary and final amounts of energy consumption in the EU have also fallen. Evaluating the data for Turkey, an increase is seen in the indicators. Greenhouse gas emissions and energy consumption have both increased. This has had a negative effect on environment targets. However, in developing economies, this negative effect is expected because the rate of increase in production is greater than in developed countries. The share of renewable energy in total energy rose compared with 2008, and this made a positive contribution to environment targets.

¹ Data is calculated from Energy Supply/Use Table which was published by Republic Of Turkey Ministry of Energy and Natural Resources in 2008

² Data is calculated from Energy Supply/Use Table which was published by Republic Of Turkey Ministry of Energy and Natural Resources in 2015

| | Early Leavers From Education And Training (% of Population Aged 18-24) | | | Attainn | | icational of Population 1-34) | People at Risk of Poverty or Social Exclusion (Cumulative Difference From 2008 in Thousand) | | |
|------|--|-------|--------|---------|-------|-------------------------------------|--|--------------------|---------------------|
| Geo | 2008 | 2015 | TARGET | 2008 | 2015 | TARGET | 2008 | 2015 | TARGET ³ |
| EU28 | 14.70 | 11.00 | 10.00 | 31.10 | 38.70 | 40.00 | 0.00 | 1590.00 | -20000.00 |
| TR | 45.50 | 36.40 | * | 13.00 | 23.60 | * | 0.00 | -8.00 ⁴ | * |

Table 3. Education & Poverty and Social Exclusion Indicators for EU 2020 Strategy

Comparing 2008-2015 data of target indicators on education and the fight against poverty, it is seen that there have been positive developments in the EU on education, but on the topic of the risk of poverty and the socially excluded population the situation has worsened in comparison with 2008. Examining the data for Turkey, it is seen that there have been positive developments concerning education and poverty.

Considering general performance, it is seen that Turkey has produced correct policies and has gained momentum on target values, but is still far from the EU average.

The preparation and implementation of plans and programs under regional policy have been centrally managed since the 1960s. With the legal provisions prepared in 2010, a large proportion of the duties of central management were handed over to the development agencies. The development agencies were set up with a free structure in terms of decision-making where local administrations had a common right of expression. The effectiveness of the regional plans which were prepared was not subjected to performance measurement by any development agency, so that the stage reached by work on Turkey's regional policy is unclear. The agencies cannot act independently of the central administration – they only provide financial resources and cannot produce policies – and this hinders regional development.

Measures must speedily be taken to solve the problems at the stage of harmonisation with EU regional policy. Implementation of the legal provisions must be made effective. As a priority, regional development plans produced by the decision-making mechanisms of the central administration must be brought into harmony with regional plans at the local level, and must only be used as strategy documents. Not only the duties but also suitable regional policies of the investment support offices of the development agencies set up in the regions must be determined and implemented.

^{*} Country has no 2020 target

³ EU target is for 27 countries

⁴ Data is calculated from Survey of Income and Living Conditions - 2015 which was published by TurkSTAT

Regional development indicators monitored by the EU must be produced at Level 2 and lower levels. In this way developments of regions and lower regional levels will be monitored on an annual basis and it will be possible to measure the effectiveness of policies prepared. Resource efficiency will be achieved by more easily determining aspects which are not working properly or identifying regions which are no longer in need of support. As well as funds transferred by IPA projects, obtaining investment for the right fields from national and international investors will relieve financial dependence on the EU. Work on harmonisation with EU regional policy must be used as a means not a target for regional development. The conditions for harmonisation will be provided by work at national level without the need for EU harmonisation work which is felt to be an obligation.

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