

## **Local Evaluation and Efficiency: an Evaluation for VAN Municipality**

**Bariş KANDEĞER**

Res. Assist.(PhD candidate), Public Administration  
İstanbul University, İstanbul, Turkey  
[kandeger@istanbul.edu.tr](mailto:kandeger@istanbul.edu.tr)

**M. Akif ARVAS**

Res. Assist.(PhD candidate), Economics,  
Hacettepe University, Ankara, Turkey  
[arvas@hacettepe.edu.tr](mailto:arvas@hacettepe.edu.tr)

**Burak UYAR**

Res. Assist.(PhD candidate), Statistics,  
Ege University, İzmir, Turkey  
[burak.uyar@ege.edu.tr](mailto:burak.uyar@ege.edu.tr)

**Mehmet TEKİNTAŞ**

Assistant Professor , Department of Business Administration  
Gaziantep University, Gaziantep, Turkey  
[tekinkus@gantep.edu.tr](mailto:tekinkus@gantep.edu.tr)

**Abstract:** This paper aims to define the concept of local autonomy in terms of the duty and the responsibilities between the central governments and the local governments, to present its importance and disadvantages and to determine what kind of a situation its practical application at a micro level for Turkey would create through an analysis of Van municipality. In this context, the study investigates the concept of the local autonomy in comparison with the European local governments' condition of autonomy, then evaluates it in terms of proponents and opponents and seeks an answer for what kind of an autonomy approach should be adopted. As a result, a synthesis of Van Municipality in terms of the local autonomy is determined.

**Keywords:** Local Government, Local Autonomy, Efficiency, Municipality

### **Introduction**

The local governments have been important in maintaining the progress and change in the historical process. As a result of the projection of the central government's administrative graded ranks, they are able to define their areas of existence. They have different functions and structures in Unitary and/or Federal State systems. From this point of view, the local governments are shaped according to the state systems and form their administrative structures according to the systems. In federal systems, there is a possibility of political and administrative autonomy of for the local governments, whereas in unitary states the autonomy is in an administrative rather than a political form. In this respect, the local governments are faced with the problem of autonomy in a unitary and centralist state mentality. The answer for how and how much autonomy comes into prominence. In this respect, the efficiency and the close supervision of the central government against the local governments' decisions and policies for local services presents the level of autonomy.

Today, the local governments become significant actors for democracy, the public involvement in administration and the local improvement. It is a space for the fulfillment of various functions such as the realization of local services, the shaping of local politics, the organization for civil social movements and the formation of socio-cultural politics. In this respect, maintaining the share of duty and responsibilities among the local and the central governments and the use of local initiative would overcome the problem of autonomy.

In this study, the concept of autonomy will be discussed with different viewpoints. The close relation between the conceptual definitions of autonomy and the local government will be considered. According to these explanations, the answers for the questions why the local autonomy is significant and why it is defended by international organizations will be sought. Presenting the ideas against the dangers of the local governments, the study will seek to identify the kind of a perception of autonomy that enables the local governments to have a more functional, efficient and healthy form. Finally, in order to analyze the state of autonomy in municipalities which are units of the local governments, the state of autonomy in Van Municipality and its functional practice will be evaluated.

## **The Concept of Local Autonomy**

Almost in every country, in the administrative ranks there is a separation as the central government and the local government. Its purpose is to define the administrative realms of duty and responsibility and to provide services in an efficient and productive way. Instead of the idea that favors the withholding of all duties and responsibilities in the central government and the necessary active role of the state in each service, the idea advocating that the central government is powerful with the local governments has gained importance. According to Nadaroğlu, “The central government fulfills the common needs of the community that lives within the national boundaries; watch for, secure and represent their general interests. The local governments, on the other side, are defined as the organizations that fulfill the local needs of the local public, whose overall decision-making bodies are elected by the public and who are public corporate entities”(1998:p.15-17). Here the significant points are the necessity of the state to execute its principal duties through the central government and to define its national and international policies which are compatible with these duties efficiently and productively while it is vital for the local governments to act in accordance with the duties and responsibilities that are given to them by law and to fill the public’s local needs. According to Tekeli, local governments are defined as “the institutions that fill the common needs of the individuals in a local community, provides public goods and services, are administered by the bodies elected by the local public” (1983:s.6). In this context, the local governments also define the spheres of the local politics. For these institutions to fulfill the local services, they should be given the authorization in parallel with their duties and responsibilities and should be provided with the usable initiative. Its ability to elect its own bodies through local elections, to take local decisions on its own, to provide financial resources to fulfill its local services and to make its own budget are among the requirements of its administrative and financial authorities. Along with these concepts that are handled with the local governments, the concept of autonomy also comes forward.

The concept of autonomy that defines the authority realms of the local governments plays significant roles in the execution of services and efficient maintenance of the decisions. What is this autonomy? Is this the power and authority of the local government to self-administer itself and do whatever it yearns to do or the authorities and responsibilities that are given to it in order to provide local services within the constitutional boundaries. The question whether it is an overthrow of the sovereignty of the central government or the share of the sovereignty comes to mind at once. Local autonomy signifies neither the political independence and local sovereignty nor a unit of the center that is tied to a close supervision and observation. It is a conception of administration that provides the efficiency and productivity in the local services fulfilled by the local governments. Goldsmith comments on the local autonomy as “ the situation defined by the local government as having the authority to collect taxes in order to determine and fulfill the services is also a situation that self-defines the elected autonomies in the administrative system (1995:p.228-229). The autonomy that can be perceived as the share of service among the central and the local is the key for the local to produce and present the services. According to Keleş, “Autonomy is the ability of a local community to handle the local works on its own with its own units and to have the resources that would enable it. At this point, there are two conceptions of local autonomy. The first one is corporate autonomy of the local government. As a result of that kind of autonomy, the centre and the local have separate functions and the centre’s supervision on the local units is reduced to limited levels. The second group of autonomy is civic autonomy. Among its principal traits are the determination of the activity realms of the local units by the local organs and the supervision of the local governments not by the central government but by the people that forms this local community, that is to say by the public”(2000: p.49-50).

The corporate autonomy can be perceived as the execution of the local services by the administrative and financial decisions taken by this local government in accordance with a decentralized administrative conception and within the constitutional boundaries. The authority for decision making and exercising the decisions taken does not mean being sole independence for the local governments. The significant point here is the execution of the activities and operations subject to the local services by means of duty, authority and responsibilities defined within the constitutional boundaries. The activities and operations peculiar to the local are subject to the supervision of the

central government within certain bounds and this supervision is only the constitutional supervision and the supervision of subsidiarity. The civic autonomy can be perceived rather as the local elections, the supervision of the elected and the contribution to the administrative decisions. According to Weber, the idea that “the necessity of the local community’s or the public’s right to be administered by authorities whose self-administration or elections are realized with the city dwellers’ participations” supports this condition (2003: p.105). To maintain the participation of the public in administration and to advance local democracy can be regarded as significant in terms of national democratic achievements. When we have a look at the progress process of the nations, it is obvious that the existence of the urban dynamics and the urban identities causes these processes to be healthy. The participation of the public in the administration and the realization of its own autonomous organization in the medieval cities illustrate the significance of the concept and identity of the city. For instance, Henry Piren in his study *Medieval Cities* emphasizes this role of the city (2006: p.49).

### **Why Autonomy is Defended?**

Civic autonomy emerges as the projection of the activity of providing services with the local governments that are advanced and matured in the historical process. In this historical process, providing the local governments with constitutional status defines its frame of duty and responsibilities and its central-local boundary. In Europe which is the birthplace of the concept, the local autonomy progresses and interacts along with the democratic state. The concept of local government which blossoms with the French Revolution, makes progresses with the revolution movements in 1830, 1848 and 1860 and demonstrates that the local autonomy can find an area of existence in the axis of the democratic state (Koyuncu,2000:p.98). In this respect, in the countries where democracy blossoms and is established, the subject of the local governments and autonomy turns into a legal quality and a vital sphere. The autonomy which qualifies a significant argument in the vital practice of urban area and the attempts for a practice of efficient subsidiarity can emerge as a dynamic process and can produce politics in this way. The factors such as the blossoming and establishment of democracy, the local community’s election of its own organs on its own, the maintenance of their participation in the decision-making, the subsidiarity of the services and the regulation of the financial affairs render the autonomy significant.

The autonomy is important since it brings up a form that determines the vital spheres of the local governments. Today the understanding of providing subsidiarity, the redefinition of the authorities, duties and responsibilities among the central and the local and the idea that the administrative autonomy of the local governments should be increased have become important. The central government’s conception of itself as the authority in the local subjects leads to difficulties in the fulfillment of services. Over-centralization both leads to resource dissipation and impedes the efficient and productive execution of services. As a result of the delay in the bureaucratic procedures, the decision-making in long-terms and the invalid determination of the field of application, the cost of services increases. The most significant arguments of the proponents of the local governments and consequently of the autonomy are the release of the local jobs to the locals on the efficient and productive use of resources and the maintenance of subsidiarity. Another argument of the proponents of the local autonomy is that the most significant reasons for the overgrowth of bureaucracy are the existence of an over-centralized structure, the bureaucracy’s role in the formation of a significant structure for the state’s execution of power and its effect on the quality of the services. Actually, in the over-centralized countries, bureaucracy can have a negative function on the execution of services and their qualities. As a result of the release of certain authorities and duties to the local governments, not only the efficiency and productivity of the services can be increased and but also over bureaucratic structure can be avoided and limited.

The local governments that are defined as the schools democracy are the realms where the public participation in the administration is intense. The local government organs since they are elected by the participation of the public and are the administrative units closest to the local communities turn into the institutions in which the democratic values blossom and are established. The public participation, the pluralism principle, the leaders’ focus on the solidarity and their responsibilities towards the electorates are the values that emerge with the autonomy. (Çukurçayır, 2000: p.110). In this respect, participation and democracy while can be an agent in increasing the quality of the services done by the local governments, also provide the efficiency and productivity of national and local politics and services.

The maintenance of the public participation in the decisions and policies of the local governments is a situation that can be realized through the maintenance of the autonomy. The local community that elects its organs on their own also has the opportunity to supervise these organs more efficiently. The maintenance of the public participation in the administration brings forth certain advantages. Primarily, the decisions and projects in terms of the local governments have the qualities to provide the needs of the local. Moreover, not only the constitutional

supervision but also public supervision on the local governments is obtained. The local autonomy is an administrative model that emerges by a more efficient and productive execution of the local services. The monopolization of the authorities and the decision-making by high-level central organs lead to delays in the execution and hold back the services. At least, the services slowdown and the reflection of the real experts' ideas into the administration and taking right decisions become hard. However, the involvement of the autonomous institutions' representatives in the administration enables the chance for finding useful solutions in terms of national interests. The local governments that find areas of existence with the purpose of increasing the welfare level and the quality of services are important actors of local development and progress. As a result of projects and investments that are formed in accordance with the local potential, the local development is obtained and they can be transformed into socio-economic power centers. Since the local development can also help national development, it is significant in displaying the importance of the common projects and politics among the central and the local, as well. Thus, the local governments while realizing the local development help the central government for national development and for the avoidance of the regional instabilities.

The national organizations are endeavoring to bring forth universal principals related with autonomy in order to enable the local governments to produce more efficient services. With these principals, the Congress of the Council of Europe, under the title of European Charter of Local Self-Government sets standards for the conception of local government. The European Charter of Local Self-Government which was approved in Turkey in 1991 with Law 3723 (21 May 1991, Nr.21877) outlines the standards of autonomy of the local governments. This document primarily gives legal autonomy to the local governments. The third article of the charter on autonomy defines the right and opportunity of the local authorities to regulate and administer a substantial share of the public affairs within the frames determined by the laws, under their own responsibilities and in accordance with the benefits of the local population. According to The European Charter of Local Self-Government "the principle of the closeness to the public in services is significant in efficient and productive rendition of the services and making the administrations more close to the citizens. The rights and authorizations set out on the local governments are principles for becoming localized and for the maintenance of the active public participation. The rights and authorizations can be directly used by the councils or the committee meetings that rests on equal and general ballot, that is formed with the members elected independently by the system of secret ballot and that can have administrative organs that are responsible to them. This clause, within the limits of the law, does not impede to consult to citizen councils, referendum and direct participation in the administration.

It is possible to analyze the local autonomy in two dimensions such as the administrative and financial autonomy. The administrative autonomy refers to the independent decision-making of the autonomous institutions with their own organs. On the other side, the financial autonomy envisages the autonomous institutions to have and to spend separate assets and income resources (Ulusoy,2007:p.32). The financial autonomy refers to the local governments holding sufficient income resources for an efficient and healthy execution of services. The insufficiency of financial resources can play an obstructive role in the maintenance of autonomy since it can bring forth the problem of nonproducing services along with the reality of financing itself through financial aids given the center. Because the aids given by the center makes the local dependent on the center at the same time and consequently limit its own scope. In this respect, it is significant for the local governments to have financial autonomy besides its administrative autonomy. This principle is necessary for having its own incomes, regulating its own budget and providing services peculiar to its own locality. In this context, when we have a look at the situation in Turkey, in the centre-local relations, the supervision of trusteeship and financial dependency are prominent situations. While the supervision in Europe is done within the frames of the compliance with laws, in Turkey the supervision is handled both according to compliance with the laws and subsidiarity. This situation makes it difficult for the local to take and carry out efficient decisions. The definition of the supervision boundaries can expand the scope of the local governments. The supervision of the centre on the local in administrative and financial affairs should be within the constitutional boundaries and the supervision should be carried out afterwards. Furthermore, the maintenance of the items that provides local supervision (public, non-governmental organizations and local council) can also localize the supervision (Tortop,1996: p.13). As a result of the local governments' generation of their own financial resources their financial dependence on the central administration will be lessened and they maintain a more autonomous structure. According to Kelly and Freeland, "the fact that the local governments do not have enough initiative in the field of local financial autonomy, in having resource, income, lobby, political power and responsibility and the insufficient income resources explain the reasons for financial centralization"(2004:p.5-6). The financial autonomy can also be a result of a conception of efficient and sustainable administration and institutionalized local organization. In the absence of such a structure, a part of the authorities and resources of the local can pass into the hands of central government. When the local governments offer services directed to the local within the boundaries set forth for itself, they have to act according to certain criteria. According to Nadaroğlu "[T]here are three factors

significant in considerable and efficient production of public goods and services. These factors are defined as the quality of the services, the realm of services and the size of population. These factors demonstrate the fact that the production of public goods in local levels can be efficiently presented by the local production units (local administrations). This is because if the population and the technology are regarded as data, it is natural that the local administration produces a more qualified service in comparison with the central administration with the assumption of the use of equal factors” (1998:p.39-40). In the maintenance of local efficiency, area restriction, the briefness of decision-making process and the smallness of population scale are the items that increase efficiency. Moreover, the local governments’ production and presentation of services in parallel with local needs and appropriate to the locale scale is significant in the maintenance of efficiency. According to Ulusoy “public services should be left to the administration that fulfills the needs of the individuals in the most efficient way. In the presentation of public services, the economic efficiency is obtained when there is no decline in the costs in the situations of the increase or decrease of the populations or the regional areas. According to economic efficiency criterion, if the cost per unit decreases when the goods or services are presented by the administrations that serves to larger populations or regional areas, the services should be presented by higher levels of administration; and if the administration and coordination costs increases disproportional to the population and regional area, the services should be presented by a smaller unit of administration” (2007:p.70-71). In this respect, the explicit definition of the central government’s service area and the local government’s service area in the production of goods and services and the share of services lead to a formation of the concept of efficiency in a positive way. The share of the services among the central and the local also brings forth a function that decreases the cost of services and increases the quality and efficiency of the service. For instance while the national security or justice services or general health and education services fall within service areas peculiar to central government inclusive of national space; the city road construction, the formation of joint-use in urban areas or the areas of water and sanitary services fall within service areas concerning the local governments.

When the historical process is analyzed, it is possible to argue that the concept of democracy emerges from the dynamics of the city. The local democracy that provides subsidiarity can be an agent of the formation of urban participation culture. The local governments can be regarded as the basic item of democracy. In this respect, the local governments have the most significant function in the political participation of the people in the cities and the formation of democracy culture. The people’s election of their own local administrators through elections and their ability to supervise the elected administrators are closely related with the idea of democracy.

The local democracy is a necessary fact for the development of the public participation in administrative decisions and of the relations with the civil society. According to Tortop, “Local governments are the institutions whose contributions in the development of the nation, in the establishment of a democratic understanding and in the realization of the ideal of a clean society are et most. In order to provide this contribution, the central administration should leave the authorities and duties related with the local services to the local governments”(1996:p.13). The local institutions which can be autonomous in their own affairs can take and carry out decisions in a better way. The maintenance of the public participation in these decisions is seen as a reflection of the democratic culture and urban participation. The relation between the local governments and democracy reveal not only the fact that the urban problems and solution agents are ascribed to the people living in the local area but also the development of the habit of self-administration (Kalabalık,2005:p.112-113). Since the people living in the local area have a voice in the urban politics, the democratic culture should be developed. The democratic culture can only be possible if the individuals can efficiently participate in the urban political processes, along with the administrators elected independently by them. The close ties between the political regimes of the states and democracy also reveal the existence of the local democracy. Furthermore the transparency of the administrations and the maintenance of the subsidiarity are closely related with the democratic structure. It is necessary to take into consideration not only the thesis that the society members who do not have an idea about the organizational structures and functions of the local governments cannot be expected to have an efficient participation and supervision of the administration but also the reality that the public awareness of the local governments and that the local governments are the vital spheres of the urban politics and the democratic culture. (Gilbert,1975:p.108).

The access of the individuals living in the local area to information and the attainability of the communication tools may increase the participation in decision-making processes. The individuals’ interest in and close track of the local politics can make them the actors for the solutions of problems and are significant factors in the existence of the power for influence and the formation of local participation and the democratic culture (Çukurçayır,2000:108-109). Consequently, it is possible to state that the local administrative areas are the spaces where the urban dynamics are realized, the democratic culture and urban participation emerge and the non-governmental organizations become shareholders in the policies and projects.

## **The Ideas against the Dangers of Autonomy**

Today, as a result of the political and economic developments in the world, the polities of the states and their efficiency areas are changed and transformed. The globalization which penetrates the world and the consequent increase of the capital's efficiency areas are also evident in the local structure. The positions of various international institutions and current ideas against this situation lead to the examination of the state's giving more initiatives to the local, the localizations and consequently the local improvement. In several reports of the World Bank, the significance of localization is emphasized.

The neo liberalism and the new right wing movements that emerge after 1980, stress the significance of localization by referring to local autonomy. They point out that with localization comes along regional development, democratic participation and liberation. Here at this point, the problematic of the unitary structure of the state and of its sphere of sovereignty become the projection of the criticism of autonomy concept. The criticisms of the autonomy concept are generally related with the scope of boundaries. They are based on the idea that the empowerment of the local governments and the increase of localization bring forth the change of some of the concepts that belong to the center. This structure has the potential to define itself as decentralization. The basic argument of the opponents of the autonomy is that the globalization starts a process that threatens the central administration and gives sovereignty to the local and that the international organizations support this circumstance. They argue that as a result of these organizations' transfer of the authorities of the center to the local with the expressions of the regional development, the democratization and the local political participation, the national resources may become an agent of exploitation by the international capital and the organizations that are tied to them. The 1999-2000 World Bank report displays that both the globalization and the localization are inevitable and the future of the states are shaped by to what extent they can manage these two powers (Güler,2000,p.25-26). As can be perceived in the report, it is necessary for the nation state to transfer some of its authorities to the local and global capital. The criticism directed towards the principle of subsidiarity that is introduced by the Council of Europe is based on the localization of the authorities and the narrowing of the power area of the central administration. The reason why this principle is criticized is that it would lead to decentralization and provide a wide space of autonomy. The opponents of autonomy outline that the international capital and organizations, with the purpose of eliminating the administrative trusteeship of the central on the local and maintaining the power space and liberty of the local, have produced certain concepts (subsidiarity, decentralization) and consequently in this way strive to gain the control and sovereignty of the local resources and market.

The idea that favors the restriction on the autonomy aims to limit the local governments' liberty to do whatever they want on their own. In this respect, the center has the power to use some of its agents of supervision efficiently. It is supported that the center's supervision of the local government according to the administrative trusteeship principle is necessary for a unitary state. Thereby, absolute liberty is prevented and the integrity of the administration is ensured. Here the crucial point is the necessity of the central administration's use of the administrative trusteeship authority according to a constitutional framework. The use of administrative trusteeship on the local government and its policies produced in its own boundaries and proper local services and its administrative decisions can result in an unauthorized assumption of the central on the local. This situation has an impact that harms the existence of the autonomy. For this reason, the criticisms on the concept of autonomy should be debated from various viewpoints.

## **How Autonomy Should Be Used?**

The share of authorities and responsibilities among the central administration and the local administrations in the execution of the public services is an important condition for the contemporary administrations. Within the constitutional boundaries, the efficient production and presentation of the national public services and the local services are significant. Over-centralization may lead to disabilities in the presentation of services in the local area and reduce the efficiency. The liberty of the local to do whatever it wants with an independency on the central can result in troubles in the integrity of the administration and in the performance of supervision mechanism. From this point of view, it would be wise to put the authorities and responsibilities among the central and the local into action in a constitutional background and to give the local government a series of authorities and responsibilities that are restricted to its own area.

The local governments are required to be provided with some resources and authorities in their production of services in order to fulfill the local needs. The efficient presentation of the services also reveals itself in parallel with the formation of the resources and the policies on the local. The insufficiency of the share that is reserved by the central government from the general budget for the execution of the local services necessitates the local governments

to form their own resources. The local administrators should have the liberty and the structure to take and execute their own decisions related with the local. However, this liberty should be limited both by the judicial supervision in light of the constitutional principles and by the social supervision. The local autonomy becomes important in the circumstance when the local dynamics find vital support. The autonomy can be a significant agent as a result of the use of some local values such as the achievement of the public participation in administration, the formation of a democratic culture, the people's election of its own organs, and the local government's possession of a budget of its own. This situation signifies a contribution to the unity and integrity of the vital spaces among the central and the local.

The autonomy given to the local governments should not have a function or structure that limits the state's sovereignty space. The autonomy should be within the constitutional boundaries, proper to the space of local service and functional. The activities and conditions that would result in the liberty of the local government to do whatever it wants with an utter independence from the central government should be restricted by the judicial supervision according to the constitution. The central government's regulations which restrict the space of local governments such as the supervision of trusteeship and subsidiarity should be eliminated and only the judicial supervision and local public supervision should be provided. The financial initiative should be given to the local governments to strengthen their financial opportunities and form their own income resources. Under this circumstance, both the dependency of the local governments to the central administration in terms of financial resources may be reduced and the trouble to find resources for the production of the local services may be avoided. Therefore, the local governments should be autonomous enough to provide the local public with efficient services which are related with their own service areas and there should be a compatible and unified structure among the center and the local.

### **The Analzsis of Van Municipalitz as a Sample**

The municipalities are autonomous administrative units that are required to fulfill the duties given to them within the judicial boundaries and to execute the local services. This autonomy of the municipalities should be within administrative and financial autonomy frameworks. The administrative autonomy refers to the independent decision-making of the municipality in fulfilling the local needs. In this context, it would be wise to analyze Van Municipality as a sample within a concrete analysis framework of the autonomous structure of the municipality which is the most authoritative and significant unit of the local governments. This part aims to illuminate the administrative and financial autonomy of the municipality in the presentation of local goods and services. Taking into consideration the reality that the production of services are realized in proportion to the municipality's financial resources, it is necessary to question whether the municipality's financial resources are sufficient for the production of services or not. Therefore, an emphasis on the question whether Van Municipality has trouble in finding financial resource for fulfilling the public local needs would be a good approach in this study. It is significant to elaborate the question whether Van Municipality's own resources or the shares given from the central administration are sufficient for the presentation of the services and the realization of the local investments is vital. The roles of incorporation and privatization in the execution of urban services will be investigated. Moreover, the analysis of to what extent the public participates in the administration would provide us with the information on urban participation. Van Municipality serves within its 10.500 hectare borders. Within the municipality's areas of service, there are 27 districts. Van Municipality has 7000 hectares of the adjacent area and 10.500 hectares of plan for zoning. According to the results of 2008 population census, the population of Van is 332.000, and there are 65.000 buildings and 20.200 dwellings. Van Municipality, proper to Permanent Staff principles and essentials, with the Municipal Council's decision numbered 347, dated 09.08.2006, with reorganization in the structure , fulfills its services with 28 administrative staff consisting of 4 Vice-Chairman and 24 Unit Manager. The Municipality staff consists of 326 officers, 657 workers and 32 contracted staff with a sum of 1015 personnel.

Van Municipality executes the local services under the sovereignty of the central government, with its own incomes and shares given by the central government. It can use a part of the services and authorities proposed by the municipality law and cannot use much initiative in overcoming the financial resource problems. Other than the share given by the Bank of Provinces' General Budget Income, the most significant income resources for Van Municipality are, the payments for public utilities, rents, estate tax, the tax on the environmental cleanup (ÇTV), transportation, zoning fees and other different incomes (pecuniary penalties, tax penalties, several installment sales, the taxes on the entertainment and advertisement, occupancy charge and several other taxes. The municipality should fulfill necessary activities in order to find financial resources. For instance, utilities such as water, sanitation, road construction are fulfilled by the municipality's own resources (Van Municipality 5 Year Strategic Planning 2006-2011). Today, in our country, the local governments (municipalities) in their execution of municipal services can pay for the costs of services through several agents. They can fulfill these services especially by establishing its own

firms, privatizing the services, and borrowing money from several national or international organizations. The services should be provided by the municipality's own resources, the share from the central budget, the privatization of limited services, grant from German Development Bank which is an international organization and a firm of its own. An analysis of Van Municipality illustrates that the perception of the execution of services rest on the traditional municipal income which are the share from the central budget and the income items given according to municipal laws.

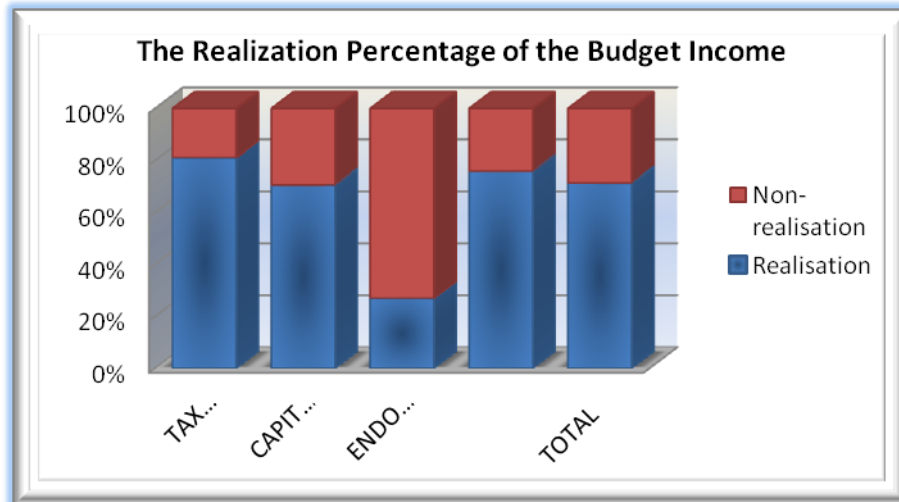
Van Municipality's income items of the year 2007 are illustrated below. When we have a look at the table, it is possible to state that the municipality's income items are comprised of the traditional municipal incomes. The Municipality could not perform activities which would strengthen its own financial structure, form its own resource in the execution of services. In recent years, the formations such as municipal economic enterprise (sale of foodstuffs directly by a municipality or indirectly through a firm awarded a contract by a municipality, bread factories) has turned into methods that are frequently used by municipalities for the presentation of cheap and qualified services to the public. Van Municipality has not introduced such a structure up to now.

<b>BETWEEN THE DATES</b>						
<b>01/01/2007- 31/12/2007</b>						
<b>TABLE OF BUDGET INCOMES</b>						
Account Code	Economic Code		Explanation	Given from The Budget	Collection /Payments Received	The Percentage of Realization (%)
800	1		TAX INCOME	9.350.000,00	7.578.284,59	81%
800	2		THE INCOMES OTHER THAN TAXES	0	0	0%
800	3		CAPITAL REVENUE	25.546.000,00	18.018.349,48	73%
800	4		ENDOWMENTS AND DONATIONS	7.058.000,00	1.900.000,00	27%
800	5		OTHER INCOMES	53.044.000,00	40.268.018,44	76%
800	6		COLLECTIONS FROM CREDITORS	2.000,00	0	
			<b>TOTAL</b>	<b>95.000.000,00</b>	<b>67.764.652,51</b>	<b>71%</b>

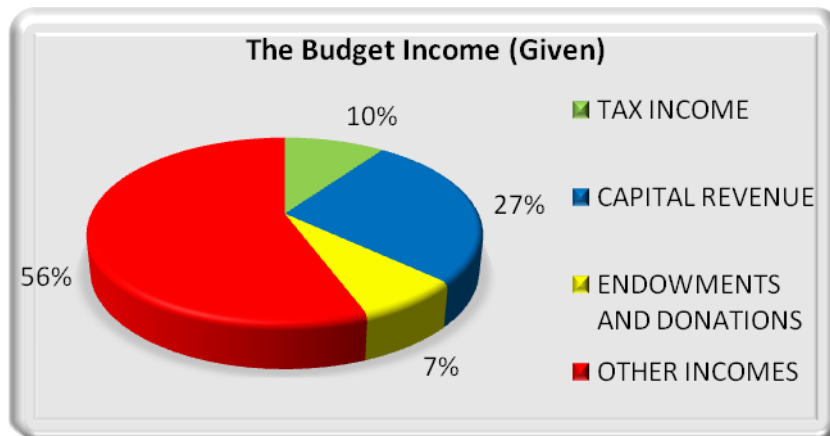
**Table 1:** 2007 Table of Budget Income (2007 Van Municipality Activity Report).

The Municipality unable to find a way for the formation of income falls to 71 % in the realization percentage of the 2007 income budget. The reasons for the desired income realization are the socio-economic situation of the region and the low level of public wealth. For this reason, the attempt raising incomes would be essential. Therefore, the efficient and productive execution of the services is closely related with the sufficiency of the financial resources. The low percentage of collections in the municipal tax income, and the limited income items are among the negative influences. In this context, the formation of new income items would provide betterment in both for the quality and proportion of the services and for the financial resources.

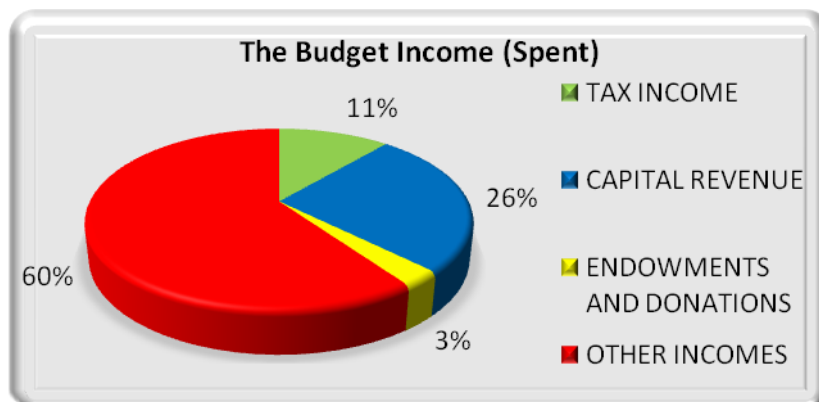




**Graphic 1:** The 2007 Realization Percentage of the estimated Budget Income (2007 Van Municipality Activity Report).



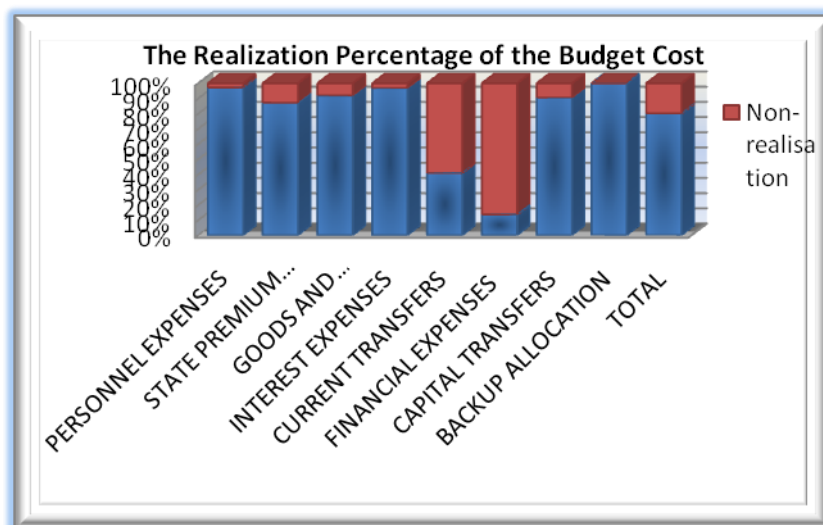
**Graphic 2:** 2007 Distribution of Budget Income (2007 Van Municipality Activity Report).



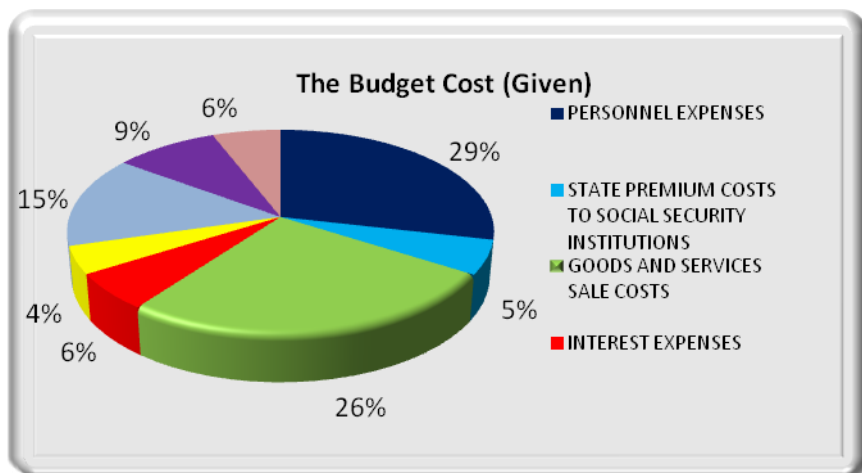
**Graphic 3:** 2007 Distribution of Spent Budget Income (2007 Van Municipality Activity Report).

<b>BETWEEN THE DATES 01/01/2007-31/12/2007</b>				
<b>TABLE OF BUDGET COST</b>				
Eco. Co.	Explanation	Given from The Budget	Collection /Payments Received	The Percentage of Realization (%)
1	PERSONNEL EXPENSES	28.010.000,00	27.245.604,0	97,27%
2	STATE PREMIUM COSTS TO SOCIAL SECURITY INSTITUTIONS	5.317.000,00	4.639.610,68	87,26%
3	GOODS AND SERVICES SALE COSTS	25.728.321,46	23.669.663,0	92,00%
4	INTEREST EXPENSES	5.779.599,66	5.601.000,00	96,91%
5	CURRENT TRANSFERS	4.287.500,00	1.761.022,03	41,07%
6	FINANCIAL EXPENSES	14.273.434,00	1.965.569,37	13,77%
7	CAPITAL TRANSFERS	8.841.250,00	8.010.000,00	90,60%
8	BACKUP ALLOCATION	5.831.403,00	5.831.403,00	100,00%
	<b>TOTAL</b>	<b>98.068.508,1</b>	<b>78.723.872,1</b>	<b>80,27%</b>

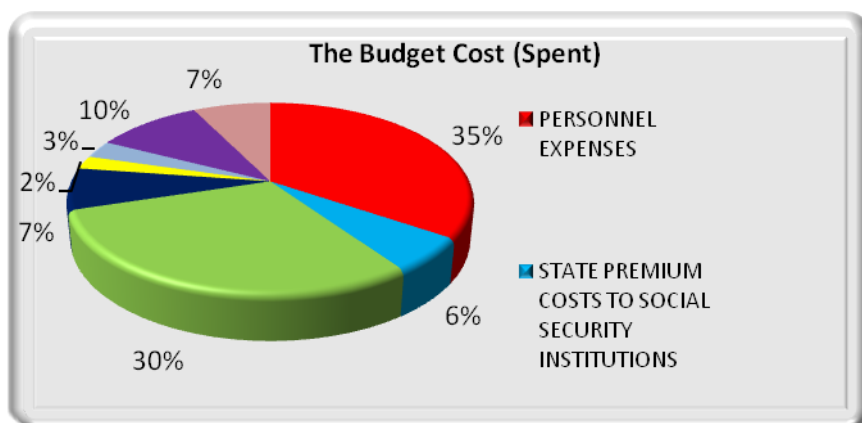
**Table 2 :** 2007 Table of Budget Cost (2007 Van Municipality Activity Report).



**Graphic 4:** The 2007 Realization Percentage of the estimated Budget Cost (2007 Van Municipality Activity Report).



**Graphic 5:** 2007 Distribution of Budget Cost (2007 Van Municipality Activity Report)



**Graphic 6:** 2007 Distribution of Spent Budget Expenditure (2007 Van Municipality Activity Report).

When we look at the budget expenditures the estimation for the expenditures for 2007 has been eventualized in a ratio of 80,27. When we look at the costs, the personnel expenditures and the purchase costs are the major ones. Although the equality between the expenditures and the income is important the qualitative and quantitative evaluation of the services are important as well.

As a wide perspective, in order to reduce the cleaning expenditures and provide an efficient public service the municipality has privatized the cleaning services. Another privatized service is the urban transportation. By tender bidding the urban transportation to the private enterprise the municipality has set up a foundation for rising the public service standards and decreasing the expenditures. In a competitive market the urban transportation has been privatized, and an effective and cheap service is planned to be provided via the private enterprise (Activity report of Van Municipality, 2007). The municipality is supplying the environment monitoring with the help of Mavi Kent C.O. which was built under the authority of the municipality itself. This company is working out to provide some of the services with the help of the concrete-works staff and fulfilling the needs of the municipality such as materials. For example, by producing and procuring the stone materials, the company is corresponding the needs of the municipality. Especially in the districts where the basic facilities were set up, and the sewage and potable water services are completed; with the help of this company, approximately 56 km of road planning, stabilization and grading service was fulfilled and opened to public service. Moreover; constructing the pavement, median-strip bridges and blacktopping the roads are fulfilled with a co-operation of the municipality and the Mavi Kent C.O., as well. Nowadays, the municipalities can carry out and supply the services with the help of the companies which are set up under the authority of the municipalities. Mavi Kent C.O. is such a company which was formed under the constitution of Van Municipality with the regulations mentioned above.

With the influence of the new right-wing and neo-liberal movements the municipalities can hold collaborations with international institutions and vast investments can be made by using the financial and technical aids which are given by these international institutions. The agreement made between the German development bank

(KfW) and the municipality covers the financing of some of the massive main facilities of the city. This donated money is used in the investments to the basic facilities.(Türkçesi çok bozuk tümce) Since there is a serious financial resource challenge arising from the increasing local service areas and service components; in order to present a better, effective and efficient service it is best for municipalities to use the loaning, privatization, creating new income instruments and applying to concerns - and this will reduce the financial dependence to the central authority. Thereby, the municipality will serve effectively as an autonomous constitution.

## Conclusion

Within the developing and changing principles of administration and under the principle of "localization in services and subsidiarity" the local authorities should independently and freely take their decisions on the subjects under their jurisdiction and can produce local policies. The local authorities should be in an autonomous construction in order to fulfil these functions. The autonomy has a function as forming a safe habitat and private province, and increasing the movibility in the radius of action for the local authorities. The local authorities which form the democratic cultural areas that the municipal dynamics and the attendance of the public to the administration arise, must have the needed resources and materials. Under the strict monitoring of the central authorities, the local authorities can confront the problem of under-servicing or not using the local initiative. In the cases where this monitoring is hold under the constitutional law and public itself, the movibility and effectiveness of the local authority will increase and the presentation of the services will be more efficient. It would be better to evaluate the affirmative and negative opinions on local autonomy in the reasonable limits, and constructing a local autonomy form with the help of constitutional laws. On the other hand, under the view of localization in services, local services should be taken in the frame of spatial proximity. This administration form which lets the public to attend to the administration, which leads the diversification of democratic culture and civil movements will surely serve as a significant function in the usage and application of policies in a more efficient and effective way. As it is seen in the Van Municipality, the municipalities which are totally dependent to the central authority in the areas of creating finance and resources, the problems arise. In order to cope with the problems, some techniques such as creating new income components, constructing new economic enterprises or privatization of some services are used.

## References

- Avrupa Konseyi Yerel Yönetimler Özerklik Şartı, R.G., 21.05.1991, S:20877
- Güler, A. Birgül, "Yerel Yönetimleri Güçlendirmek mi? Adem-i Merkeziyetçilik mi?", Çağdaş Yerel Yönetimler Dergisi, Cilt:9, Sayı:2, TODAİE Yayınları, 2000, Ankara.
- Çukurçayır, M.Akif, Siyasal Katılma ve Yerel Demokrasi, Yargı Yayınevi, 2000, Ankara.
- Doğan, M.Emin, "Belediyelerin Denetimi", Çağdaş Yerel Yönetimler Dergisi, TODAİE Yayınları, 1996, Ankara.
- Gilbert, William H., Public Relations in Local Government, İnstitute for Training in Municipal Administration by the International City Management Ad., Washington.1975
- Goldsmith M., "Autonomy and City Limits", Theories of Urban Politics, (edit)D. Judge-G.stoker-H. Wolman, sage, London,1995.
- Kalabalık, Halil, Yerel Yönetim Hukuku, Seçkin Yayınları,2005, Ankara.
- Keleş, Ruşen, Yerinden Yönetim ve Siyaset, Cem Yayınevi, 2000, İstanbul.
- Kelly, Janet M., PatriciaFreeland K., "LocalGovernment Fiscal Autonomy: The Threat of Fiscal Centralization", [www.fsu.edu/-statepol/conference/2004/papers/kelly-singer.doc](http://www.fsu.edu/-statepol/conference/2004/papers/kelly-singer.doc)
- Nadaroğlu, Halil, Mahalli İdareler, Beta yayınları, 1998, İstanbul
- Pirenne, Henry, Orta Çağ Kentleri (Çev.: Şadan Karadeniz), İletişim yayınları, 2006, İstanbul.
- Reyhan, Cenk, "Türkiye'de Yüzyıllık Gündem: Federalizm", Memleket Siyaset Yönetim Dergisi, Cilt:2, Sayı:5, Memleket yayınları,2007,Ankara.

Tekeli, İlhan, “Yerel Yönetimlerde Demokrasi ve Türkiye’de Belediyelerin Gelişimi”, Amme İdaresi Dergisi, Cilt:6, Sayı:2, TODAİE Yayınları, 1983, Ankara.

Tortop, Nuri, “Yerel Yönetimler ve Mali özerklik”, Çağdaş Yerel Yönetimler Dergisi, TODAİE Yayını, Cilt:5, Sayı:5, Ankara,

Ulusoy, Ahmet, Mahalli İdareler, Seçkin Yayıncılık, 2007, Ankara.

Weber, Max, Şehir, (Çev.: Musa Ceylan), Bakış Yayınları, 2003, İstanbul

Van Municipality; 2007 Annual Activity Report.

Van Municipality; 5 Year Strategic Planning 2006-2011