

## The Effects and Role of Regional Development Agencies in Economic Crises

**Yusuf AKAN**

Prof. Dr., Gaziantep Üniversitesi  
İ.İ.B.F. İktisat Bölümü  
[yusufakan@hotmail.com](mailto:yusufakan@hotmail.com)

**İbrahim ARSLAN**

Doç. Dr., Gaziantep Üniversitesi  
İ.İ.B.F. İktisat Bölümü  
[arslan@gantep.edu.tr](mailto:arslan@gantep.edu.tr)

**Eda GURSEL**

Araş. Gör., Gaziantep Üniversitesi  
İ.İ.B.F. İktisat Bölümü

**Abstract:** Regional development agencies, when looked at their historical development started to be constructed after the World Economic Crisis of 1929. Especially due to the economic and social effects of the Second World War and interregional imbalances, regional development agencies around the world became prominent. Countries have begun to understand that to get rid of the effects of the Economic crisis or to minimize them, emphasizing the potentialities of the region themselves are so important that they could compete with the world. Regional development agencies play the most important role in the development of the region, considering the properties of each region. Globalization has to adapt itself to the recent circumstances in order for all the units in economy to be competitive. At the same time, we must benefit from the potentials of all the regions to improve the economic conditions of the countries. Efficient use of resources must be provided by preparing crisis programmes suitable to the region and presenting them to the government to take which has been an effective precaution in the crisis times. Regional imbalance problem has been an agenda in Turkey for years and planned development started in the 1960s, thereby supporting the regional development with the help of 5-year development programmes. In order for Turkey to increase the competition power of the regions and to accelerate development, it has to give primary importance to regional development and the agencies which play an important role in it. In this study, the primary focus is to investigate the role and effects of development agencies especially in the face of economic crises.

**Key words:** economic crisis, regional development agencies, Turkish economy.

### Introduction

It was understood that regional differences, seen almost in all countries of the world, is a problem to be solved and there has been attached importance to development plans for regions. This situation was realized immediately by developed countries and there has been tried to solve this problem by regional development agencies. Development of regions and also country is provided by highlighting potential of the region by development agencies and executing all situations, which are not followed by government, in coordination. At globalization period, all units in all over the world are forced for competition and they have to integrate to these conditions. Because of capital accumulation is not enough in Turkey, there is political uncertainty and it is a country, to be face with crisis, it has been very difficult to apply stable policies for regional development. To develop in high competition environment is enable by making long-term programs for taking place in international area and taking provision for all kind of negative situations. There should be produce policies, peculiar to the region for increasing prosperity level and decreasing economic and social instabilities between the regions. In this study, regional development agencies, used as the most effective tool in performing policies and policies, applied for decreasing crises will be discussed.

## **Definition of regional development agencies**

The concept of “region” is defined as community of countries, have same benefits under international laws and in geographical, political and economic relationship. Producing and using of information , qualified manpower, instable distribution in social, physical and economic infrastructure attach importance to necessity of regional development. (Aktakas, 2006:1-7)

Generally, regional development agencies are agencies which accelerating economy, determining regional problems, establishing strategies for solving these problems and supporting projects, developing these strategies by gaining foreign capital to the country and giving consultancy services to domestic and foreign investors with professional personnel.(Oskay, Kubar, 2007:204). Regional development agencies are institutions which executing regional planning activities, providing technical and financial support to entrepreneurs by determining advantaged and disadvantaged sectors of the region and taking full support of political and social institution by gathering them together. (Tas, 2008:7). We will have been benefited from our own resources rather than foreign resources by taking required precautions to use regional resources efficiently by the help of regional development agencies and we can become nonreactive against to effects of outside at the time of crisis and therefore we can be saved from crisis with the cheapest way.

The most comprehensive scope fields of regional development agencies are to collect information for region by inspecting physical and humanly infrastructure of the region, and to develop development strategies, which will improve the regional competitive power. (Tutar, Demiral, 2007:76).

## **Aims of regional development agencies**

The most important aim of regional development agencies is to determine the specific characteristics and problems of region and to develop economy of the region by improving policies, special to it and to provide participation of local society to this development and to be benefited either the region and the country. To provide technical support for planning studies of local administrations, to support regional plan and program applications, to provide coordination gathering public organizations, civil organizations and private organizations, to discover business and investment opportunities and to make the region an attraction centre are the other aims of the region.(Oskay, Kubar, 2007:206). One of its duties is to prepare projects with universities and education institutions for regional development(Arslan,2005:287). Improving of quality manpower, giving educational services and forming a competition based business environment are also main aims of it.

## **Regional instability problem in turkey and development agencies**

Regional development agencies were firstly established in 1930 at United States of America as Tennessee Valley Authority (TVA). When developing countries are compared with developed countries, it was seen that regional planning and regional development agencies there has not provided a sufficient development. (Arslan,2005:275). As a result of destructive effects of Second World War, regional instability has increased in European Countries. This situation has made necessity to form development plans in the world. There was passed to planned development, related with DPT in Turkey on 1960. It was applied to priority regions for development to remove regional development differences.

Also inequal spread of natural resources in Turkey could not provide stable spread of region at growth and development period. (Aktakas, 2006:12). Trade centers generally major on west of Turkey. Because of limited capital, high birth rate and unskilled manpower, there is an intensity from the eastern to the western of Turkey. (Tas,2008:7). There is undercapitalization, high unemployment rate and undeveloped industrial structure at less-developed countries. However, a faster development is provided for undeveloped regions rather than other developed regions, the regional manpower rate will increase and the orientation to other developed regions will decrease. (Benek:57).

## **Effect of crisis to economic development**

It is to break stability of country with crisis and to cause a political and social problem and to create an insecurity in society(Turk-Is, 2008: 5). As a result of global crisis effects on country and also structural problems in economy, the problems of country get deeper. (Turk-Is, 2008:1). Generally, economic development means completion of social, cultural, political development period of a country with economic growth. At the time of crisis, not only economic but also social, cultural and political deterioration is occurred. Crisis, generally, causes decreasing in economy and production quantity and increasing in inflation and unemployment rate and instability in income distribution. (Altuntepe,131).

<b>Macroeconomic Variables</b>	<b>2009</b>
<b>Growth Rate</b>	<b>-4.7</b>
<b>Unemployment Rate %</b>	<b>14.0</b>
<b>Cpi (2003 Index)</b>	<b>6.8</b>
<b>Export (Million Dollars)</b>	<b>102.129</b>
<b>Import (Million Dollars)</b>	<b>140.926</b>
<b>Gdp (Million Dollars)</b>	<b>617.611</b>

**Table 1:** In 2009, macroeconomic variables in Turkey

**Source:** www.tuik.gov.tr

After crisis in 2001, the important developments have been made in financial reform, R&D, information, communication, infrastructure fields to increase competitive power in Turkey. Turkey is effected in respect of financial sector as well as real sector at the time of crisis. There is faced with problems such as considering foreign investment as insecurity, increasing of short-term capital transactions and also high foreign debt. (Kaya, Unal; 2009:1). At the time of crisis, the important thing is whether countries are prepared to these situations. If countries whether this crisis with minimum effects, they will be able to protect their situations or they will be able to increase their competition orders.

### **Role and effects of regional development agencies at economic crisis**

The main subjects, should be interested by government are to remove regional instabilities in a country, to solve their macro variables such as employment, growing and unemployment. It is clear that the developing countries is effected from this situation rather than the others at crisis terms (Altuntepe:129). There should be provided a specified coordination for applying these strategies from base to ceiling. The long-term and short-term effects of crisis on countries are determined by precautions, taken against to crisis by countries before crisis (Aktan,Sen, 2002:2). If Turkey becomes well-prepared for these situations, it will be integrated to the world positively at the time of crisis. Turkey has been entered to structuring period with crisis in 1970 and a period in which regional development takes first place and there is effective role of regional development agencies. Regional development agencies can develop strategies, confirmed with the facts of country and it may make national economy strong, without needed to foreign resources by an effective planning which will be guiding for private sector and will be binding for public sectors. Development agencies should make studies for protecting and widening the employment by gathering private sectors and government together(Turk-Is, 2008:2).

It is to take required actions against problems which will be able to occurred by the planning through regional development agencies. There is an important duty of regional development agencies about developing of industry by discovering internal potential of the region, drawing investments to the region and inciting SMEs and increasing them to competitiveness level. (Arslan,2005:286). After crisis in Turkey in 2000's, regional policy applications were realized and the period of conformity to EU has been accelerated. Regions should be pen for innovations and opportunities. Therefore they can provide their development by using information and technologies(Cetin, 131).

Especially there should be taken precautions for financial problems of SMEs, which is faced with crisis terms. Also, credit resources should be retained fresh to help them for weathering their financial problems. Supports for R&D studies should be continue at those uncertainty terms. Supportive policies should be continued for providing conformity of manpower with the situations.

### **Conclusion**

Developed countries discovered the importance of increasing of life standards, raising welfare level, increasing employment rate and to be a competitive country years ago and saw that regional development agencies should be used effectively.

It was understood that regional instabilities could not be removed with central plannings and it is needed to the plans and strategies which will be able to use regional resources effectively. Regional development agencies cover with the most important work for realizing these plans and strategies. The importance of regional development agencies has not been discovered for years and it has entered to our life as a liability for EU adaptation process.

It will help for regional development by using limited resources of the country effectively with regional development policies and so that it will be provided national development. Regional development agencies can

carry the country to an international platform by help of high technology and knowledge confirm with the region. There is shown a changing in the direction of well-attended and cooperation with not programs, which will come from centre but by using own information of regional development agencies.

If there is not enabled to be given an effective charge to regional development agencies, there will be continued to contend with macro economic problem is, the main problem of the country, for years and it will become a dream for the country to take place at international competitive area. There can be weathered the crisis periods with minimum damage by using long-term programs made by regional development agencies and by its economic and social advantages.

Against to technologic developments in the world, all units at the world are forced for competition. We effect from economic developments in the world and we have to account for move according to these effects. Its aim is to discover region potential with cooperation of civil, special and public institutions via regional development agencies, to make it competitive situation by using information and technology and to make us well-advised at the time of crisis.

## References

Aktakaş,B.G.(2006). Bölgesel Yerel Kalkınma, Bölgesel gelişme için bir model,Çukurova üniversitesi Sosyal Bilimler Enstitüsü Yüksek Lisans Tezi Ankara .

Aktan, C. C.,& Şen,H.(2002). Ekonomik Kriz : Nedenler ve Çözüm Önerileri,Yeni Türkiye Dergisi

Arslan,K.(2005). Bölgesel Kalkınma Farklılıklarının Giderilmesinde Etkin Bir Araç: Bölgesel Planlama Ve Bölgesel Kalkınma Ajansları, İstanbul Ticaret Üniversitesi Sosyal Bilimler Dergisi Yıl:4 Sayı:7 s.275-294.

Altuntepe,N.(---). 2008 Küresel Krizinin Ülkelerin İstihdam Yapısı Üzerine Etkilerinin Dinamik Bir Analizi Süleyman Demirel Üniversitesi, İİBF, İktisat Bölümü.

Benek,S. Ortaya Çıkışı, Gelişme Seyri Ve Bölgeye Etkileri Bakımından Güneydoğu Anadolu Projesi (GAP), Ankara Üniversitesi SBF Dergisi 64-3,

<http://dergiler.ankara.edu.tr/dergiler/42/998/12142.pdf>

Çetin, M. Yerel Kalkınma Ajansları, Bozok Üniversitesi, Yozgat İktisadi ve İdari Bilimler Fakültesi, İktisat Bölümü, [http://eab.ege.edu.tr/pdf/6\\_2/C6-S2-M12.pdf](http://eab.ege.edu.tr/pdf/6_2/C6-S2-M12.pdf)

Karataş,A.(2009).Kalkınma Ajansları ve Kümelenme İlişkisi, Çerçeve Haziran.

Oskay,C.S.& Kubar,Y. (2007).Avrupa Birliği'ne Uyum Sürecinde Türkiye'de Bölgesel Kalkınmanın Finansmanında Kalkınma Ajansları,Selçuk Üniversitesi Karaman İ.İ.B.F Dergisi Yerel Ekonomiler Özel Sayısı.

Özer,Y.E. Küresel Rekabet - Bölgesel Kalkınma Ajansları ve Türkiye,Review of Social, Economic & Business Studies, Vol.9/10, 389-408.

Taş:C.(2008).\_Kalkınmaya giden yol kalkınma ajanslarından mı geçer?,\_Gündem,Eylül

Tutar, F.,&Demiral,M.(2007). Yerel Ekonomilerin Yerel Aktörleri: Bölgesel Kalkınma Ajansları,Eskişehir Osmangazi Üniversitesi İİBF Dergisi Nisan, 2(1), 65-83.

Türk ,İş(2008), Türkiye İşçi Sendikaları Konferasyonu, Ekonomik Krize Karşı Önlemler Raporu , kısım,Ankara.

Yazkan,E. (2008).Bölgesel gelişme politikalarının başarısında kalkınma ajanslarının rolü, . Yüksek Lisan Tezi,Kocaeli Üniversitesi Sosyal Bilimler Enstitüsü Siyaset Bilimi Ve Kamu Yönetimi, Kocaeli.

<http://www.planlama.org/new/imp/bolgesel-kalkinma-ajanslari.html>

<http://www.dpt.gov.tr/bgyu/kalkinmaajans/ajans.html>

[http://www.ttb.org.tr/mevzuat/index.php?option=com\\_content&task=view&id=698&Itemid=41](http://www.ttb.org.tr/mevzuat/index.php?option=com_content&task=view&id=698&Itemid=41), Orta Vadeli Program (2010-2012)