

# Planned Development in Turkey (\*)

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## **I. THE BEGINNING OF THE DEVELOPMENT PLAN PERIOD :**

At the start of 1963, Turkey entered an era of planned development within a democratic system. The Turkish plan was not born of an ideological necessity, as is the case for totalitarian countries, but of a realistic and pragmatic approach to economic and social development problems. With the adoption of the new constitution in 1961, the State has been entrusted with increased responsibility for social welfare and national development and comprehensive national planning has been institutionalised. On the other hand, the Turkish people entered this period with a new outlook on the nature of the major problems confronting their society. The need for a comprehensive approach to economic and social problems become evident.

## **II. THE ORGANS OF STATE PLANNING ORGANISATION :**

### **1. The State Planning Organisation :**

(SPO) was established by Law No. 91 on September 30th, 1960. Great care was exercised to establish an organisation capable of functioning within a democratic system and of designing plans in terms of modern planning concepts and techniques.

Placed under the authority of the Prime Minister, the SPO assists and acts as an advisory body to the government in determining economic and social policies and objectives, and in formulating long short term plans for the realisation of the objectives adopted by the government.

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(\*) Taken from a speech by Dr. Nevzat Yalçıntaş, addressed to the European Bank of Investment Commission.

## 2. High Planning Council :

The High Planning Council is the highest body of the planning setup. It is composed of the Prime Minister who acts as chairman, three Ministers — Minister of Finance, Minister of Industry and Minister of Agriculture — the Under-Secretary of SPO, and the three department heads of the SPO.

The principal function of the High Planning Council is to lay down economic and social objectives and determine the plan strategy.

Another function of the High Planning Council is to examine the long and short term plans prepared by the SPO in accordance with the objectives defined. These plans are presented to the cabinet after the council is satisfied that they conform to the main principles and aims. After their adoption by the cabinet, the plans are submitted for approval to the Turkish Grand National Assembly.

## III. CENTRAL PLANNING ORGANISATION :

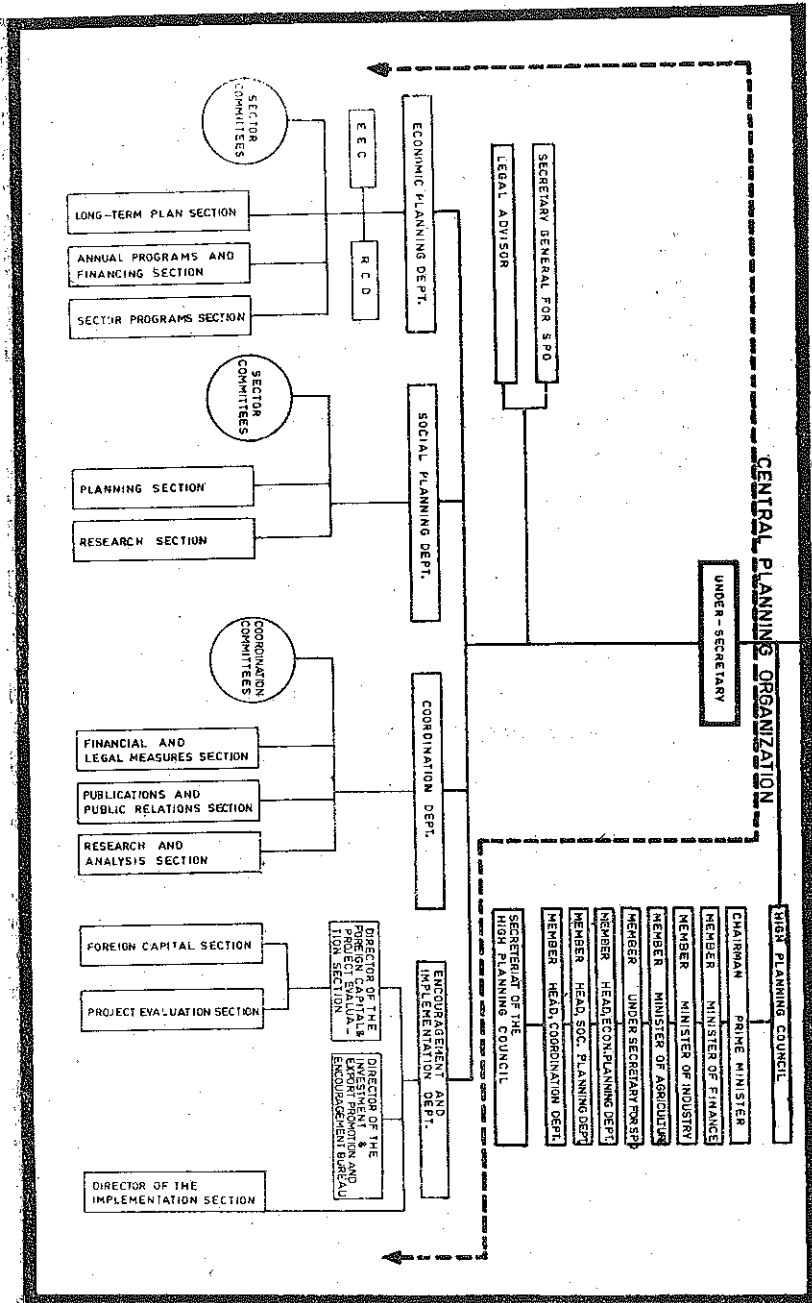
The central planning organisation occupies the second place after the High Planning council. (See the chart of State Planning Organization). The Central Planning Organisation is attached to the Prime Minister through an Under-Secretary. The organisation consists of the following four divisions;

- a) The Economic Planning Department
- b) The Social Planning Department
- c) The Coordination Department
- d) The Encouragement and Implementation Department
- e) The Secretary-General's office

a) The Economic Planning Department has three sections dealing with long terms plans, annual program and financing, and sector programs. It has also two groups which are the European Economic Community group and the Regional Cooperation for Development group.

There are also permanent and adhoc committees of experts attached to this department.

b) The Social Planning Department consists of research and planning section and sector committees.



PRIME MINISTER  
STATE PLANNING ORGANIZATION  
CENTRAL PLANNING ORGANIZATION

CHART 1: 3 P.C.

c) The Co-ordination Department consists of sections for financial and legal measures, for research and analysis and for publications and public relations.

d) The Encouragement and Implementation Department consists of three sections which are the Foreign Capital and Project Evaluation section, the Investment and Export Promotion and Encouragement section and the Implementation section.

#### IV. THE IMPLEMENTATION OF THE FIRST PLAN :

The First Five Year Plan, covering the years 1963 to 1967 was conceived and formulated as the first stage in a long term effort to achieve a *higher rate of growth and to bring about essential structural changes* in the Turkish economy. It was framed as "imperative" for the public sector, in the sense that State Budgets and operational programs of the State Economic Enterprises were to be prepared in accordance with the Plan. For the private sector, the plan was intended to be more "indicative" in nature, relying largely on a coherent set of measures, incentives and disincentives.

We can say that the implementation of the First Plan as a whole was successful. The Gross National Product increased from TL 61,9 billion in 1962 to TL 79.5 billion in 1966.

The average annual growth rate in the period of 1963-1967 was nearly 6,7% per annum as against the 7% annual increase in Gross National Product taken as a target in the plan. The annual growth rates have fluctuated between 4,6% (in 1965) and 10,1% (in 1966) largely due to agricultural output variations resulting from changing weather conditions. If agricultural income had risen by 4,2% per annum as projected in the plan, the overall growth rate would have increased from 6,5% in 1963 to 7,6% in 1966.

The critical lesson already gained from the first plan on implementation is that dependance of Turkish agriculture on weather variations must be reduced by efforts more vigorous than those recommended in the plan. Increased and coordinated use of fertilizers, improved seeds and irrigational facilities are becoming top priority items in the process of annual programme implementation.

Although the services sectors have grown at somewhat higher rates than those projected in the plan, *industrial* income has increased at an

average annual growth rate of 9.5%, which is lower than the growth rate stipulated in the plan (12.6%). Never the less, industrial income has grown from 8% in 1963 to 10.6% in 1966 and 12.3% in 1967. Delays in project preparation and in external financing have been the major causes of the somewhat lower rates of progress in the industrial sector.

Investments have achieved a little over 90% of that hoped for in the plan. Public investments have done comparatively poorly with about 80% realisation; this was due in part to the poor project preparation in the early years, and in part to a deficiency of public revenue. Private enterprise, on the other hand, has exceeded the plan expectation by about 8%. This achievement has led the planners to assume a relatively larger role for the private sector in the investment effort of the Second Plan.

The total of investments in proportion to GNP has grown appreciably over the plan period. In the period before the First Plan, 1957-61, investments averaged 14.8% of GNP. In the first year of the Plan, 1963, they were increased to 16.3%; in 1967 they were 19.2%.

Over the first four years of the Plan the proportion of investments covered by foreign savings fell. In 1963 foreign were about 4.1% of GNP and in 1967 fell to 2.0%. This meant that the requirements for domestic savings rose very rapidly from 12.2% of GNP in 1963 to 16.1% in 1966. This increase in domestic savings implies a very high marginal savings rate (over 35%).

Public revenues increased markedly during the First Plan period, though not to the extent asked for in the plan. There was a deficiency and by 1966, instead of public revenues yielding 27.25% of GNP, they brought in only 23.62%. To some extent this reflects the fact that the expected improvement in tax administration and other tax reforms did not take place. It also reflects the fact that, the State Economic Enterprises did not improve their financial performance as much as had been hoped.

This deficiency in public revenues means that reductions had to be made in public expenditure. However, failure of public investments to reach plan targets in the early years was as much due to the lack of readiness of public sector projects and the slowness of disbursement of foreign project credits, as it was to the shortage of domestic public funds.

The balance of payments deficit over the First period was less than had been forecasted. Exports were better than had been expected. The

level of 490 billion \$ was realised in 1966 and 523 million \$ in 1967 whereas it had been estimated as 427 million \$ in 1966 and 457 million \$ in 1967 in the plan.

Invisibles too were rather better than had been forecasted despite higher interest payments and the failure of tourist revenues to improve. The main item on the invisible side which made the difference was the unforeseen fast growth of workers' remittances. Foreign aid was less than had been hoped for in two respects : Project aid was less and was slower in being dispersed; also, programme aid was not given on the volume and the terms hoped for.

The general price level was kept relatively stable throughout the First Plan period. The wholesale price index shows price stability except in 1965. The cost of living index, however, increased more than the wholesale price index. This was due to the fact that the weights of foods used in building up the cost of living index are heavier than the others and that food prices increased more than the average.

During the First Plan period, the increase in money supply and bank credit was appreciably greater than would have been required just to keep pace with the rising national product and the increasing monetisation of the economy. The money supply rose on average at 15.9% per annum and bank credits at 19.5% per annum. The great deal of increased credit was extended to the public sector. The new State Investment Bank has done a good job, in channeling public funds to priority projects. The same function has been done in the private sector by newly established Private Sector Investment Bank.

Before I pass to the main targets of the Second Five Year Plan, I would like to give some tables which will enable you to compare the two plans of the Turkish Economy.

**TABLE 1 — Annual Growth Rates**

	First Plan	Realised 1963-1967	Second Plan
Agriculture	4.2	3.0	4.2
Industry	12.3	8.9	11.1
Services	7.2	8.2	6.3
Gross national product at market prices	6.8	6.6	7.0

Source : State planning Organization

**TABLE 2 — Sector Shares in Total Investment**  
**(in percentages)**  
 (Gross Investments excluding investment in stocks)

	First Plan	Realised 1962-1967	Second Plan
Agriculture	16.9	15.4	15.2
Mining	6.1	4.4	3.7
Manufacturing	18.7	19.6	22.4
Energy	8.4	7.3	8.0
Transport	13.2	14.8	16.1
Housing	20.3	20.6	17.9
Education	6.7	6.6	6.7
Health	2.3	1.8	1.8
Tourism	1.4	1.9	2.3
Services	5.9	7.6	5.5
Fund for Development	0.0	0.0	0.4
Research	100.0	100.0	100.0

Source : State Planning Organization

As compared with the First Plan, the Second Plan puts more weight on investment in manufacturing, in transport, and in tourism. The investments in manufacturing are due to the importance given in the Second Plan to industries such as iron and steel, chemicals, aluminium, oil refining etc. The investments in transport are mainly in roads and road vehicles and reflect the very fast rate of increased demand for road transportation in Turkey. Larger investments in tourism are essential if we take into account the contribution of tourism revenues to the Turkish Balance of Payments.

#### V. THE MAIN TARGETS OF THE SECOND FIVE YEAR PLAN :

The following principles and objectives were taken into account during the preparation of the Second Five Year Plan.

1. To raise the standard of living of the Turkish people through democratic means and within the frame work of the mixed economy system.

2. To maintain a rapid increase in per capita income and achieve balanced development between various regions and different income groups.

3. To secure possibilities of employment for a greater number of people, to share the benefits and burdens of development with equity and

within the principles of social justice, and to attain stable improvement in the social and economic structure.

### *The Rate of Growth of GNP*

GNP, which was estimated to be TL. 85,100 million in 1967 at 1965 prices, will rise to TL. 119,400 million by 1972; which represents an increase of 40,3 %.

On the other hand, per capita GNP will increase 23,7 per cent over the same period, thus rising from (\$ 286) in 1967 to (\$ 355) in 1972. Taking into account a 2,6 % annual increase in population, increase in per capita GNP will be approximately 4,4 % per annum and consumption per capita, will increase by 2,5 % per annum.

In order to achieve an average annual growth of 7 % in GNP, domestic earnings at factor prices should attain an increase of 4,1 % in the agricultural sector, 12 % in the industrial sector, 7,2 % in the construction sector, 7,2 % in the transportation and communication sector, 5,9 % in the housing sector and 6 % in other sectors.

Thereby, a structural change is also foreseen in the economy. The industrial sector during the 1968-1972 period will become the fastest growing sector of the economy and its share in GNP will rise from 16,3 % in 1967 to 20,5 % in 1972. Non-industrial sectors as a whole will show an average annual increase of 5,4 % and their share in GNP will fall from 83,7 % to 79,5 %. Thus, those sectors which will grow slower than the industrial sector, and also the decrease of the agricultural sector's share in GNP, will in the long run lead to the achievement of a faster and more stable growth.

**TABLE 3 — Net Domestic Income and GNP**  
(At 1965 factor prices) (TL. Billion)

	1967	1972	Index	Average As Ratio of GNP %		
				Annual	1967	1972
Agriculture	25,3	30,9	122,1	4,1	29,7	25,9
Industry	13,9	24,5	176,3	12,0	16,3	20,5
Transport	5,0	7,1	142,0	7,2	5,9	5,9
Construction	4,3	6,1	142,0	7,2	5,0	5,1
Housing	2,7	3,6	133,3	5,9	3,2	3,0
Others	20,3	27,2	134,0	6,0	23,9	22,9
Domestic Income	71,5	99,4	139,0	6,8	84,0	83,2
GNP	85,1	119,4	140,3	7,0		

Source · State Planning Organization



### *General Equilibrium of the Economy*

The second target is to lessen the economic dependence on foreign resources. In order to achieve this objective, the ratio of foreign savings to GNP will be reduced from 2 % in 1967 to 1,7 % in 1972. (While the share of external savings in GNP will be decreasing, the volume will rise from TL 1,700 million in 1967, to TL. 2,000 million in 1972). Transfer of external sources will be necessary due to the balance of payments deficit and insufficiency of domestic savings. (Thus aggregate sources will increase from their present level of TL. 86,800 million in 1967 to TL. 121,400 million in 1972.)

### *Investment Expenditures*

The level of investments has to be increased from TL. 16,900 million in 1967 to TL. 29,000 million in 1972 in order to reach the foreseen growth rate for the Second Plan Period to set up the economic structure necessary in the long run for a self sustained growth; and to continue the application of the principles for social justice. For the realization of this target, an average increase of 11,4 % per annum in investments is planned and their yearly levels have been fixed.

It is estimated that the private sector's share in total investment expenditures will be 46,7 % in 1967 and 49,3 % in 1972. But this division of aggregate investment between private and public sectors does not have a compulsory character.

### *Consumption Expenditures*

Consumption expenditures being 82,1 % of GNP in 1967 will decrease to 77,4 % in 1972. An average of 5,8 % increase is aimed at in aggregate consumption. It is estimated that public consumption, including the transfers made to the private sector will increase annually at an average of 8,8 %, and private consumption will increase 5,1 % per annum on the average.

### *Investments-Savings Equilibrium*

In order to achieve a TL. 34,300 million increase in GNP, during the Second Plan period it will become necessary to carry out fixed capital investments excluding stocks worth TL. 111,500 million in the next five years, according to capital-output coefficient calculated as 3,25.

It is necessary to finance that amount of investments out of real savings in order to achieve the growth rate and to maintain the general stability in the economy.

As a result of the various measures to be taken, voluntary savings, which are 8,9 % of the GNP in 1967, will increase on the average by 9,2 % per annum and will reach 9,9 % of the GNP in 1972, thus rising from TL 7,6 billion to TL 11,8 billion. Public savings are computed to rise from TL 7,3 billion in 1967 to TL 12,7 billion in 1972.

When the total amount of voluntary savings and public savings are taken together, a continuous savings gap at an increasing rate is going to be observed every year. This deficit will be met partly through external savings and partly through efforts to increase public savings.

Thus the ratio of total savings to Gross National Product during the Second Five Year Plan period will be raised from 19,9 % in 1967 to 24,3 % in 1972. This ratio on the average, will be 22,7 % of the GNP. On the other hand, the ratio of domestic savings to GNP will be increasing from 17,9 % to 22,6 %.

**TABLE 4 — Savings Gap**  
**TL. Billion in 1965 Prices**

	1967	1968	1969	1970	1971	1972
Total investments	16,9	18,8	21,0	23,6	26,6	29,0
Domestic savings	14,9	16,4	18,2	20,3	22,6	24,5
-Voluntary savings	7,6	8,4	9,3	10,1	10,8	11,8
-Public savings	7,3	8,0	8,9	10,2	11,8	12,7
Additional savings requirement	2,0	2,4	2,8	3,3	4,0	4,5
Requirement to be met through external savings	1,7	1,8	2,0	2,1	2,0	2,0
Additional domestic savings required	0,3	0,6	0,8	1,2	2,0	2,5

Source : State Planning Organization.

### *Balance of Payments and Foreign Economic Relations*

Imports and exports during the period 1962-1967 were close to the target levels and exports even surpassed the planned targets.

During the Second Plan period, imports have been estimated to increase from \$ 835 million in 1968 to \$ 1,115 million in 1972, so that they will

be increasing by 7,4 % per annum which is higher than the growth rate of GNP.

It is estimated that exports will increase 41,2 % in five years, 7,2 % per annum. That is \$ 540 million in 1968 and \$ 720 million in 1972. Although the share of agricultural goods in total exports will continue to be dominant, it is also estimated that as a result of the policy measures to be taken, and the establishment of export industries envisaged in the Plan, the share of industrial goods will increase from 17,8 % in 1967 to 27,3 % in 1972.

The balance of tourism and travel which was negative throughout the First Plan period is expected to be an important source of foreign exchange receipts during the coming five years.

Worker's remittances, which became an important foreign exchange source with the measures taken in 1964, are expected to rise from \$ 130 million in 1967 to \$ 170 million in 1972 or 30,8 %.

The long-term objective of the plan is to achieve a structural change and bring economic capacity to such a level that no foreign aid will be needed. This objective to relieve the dependence of the economy on foreign resources can only be attained by realizing the targets of the Second Plan and by obtaining all of the foreign assistances expected in this period. During the Second Five Year Plan period, the foreign financing requirement of the Turkish economy will decrease in both absolute and relative terms. The foreign financing requirement, which was \$ 247 million in 1968, will be reduced to \$ 229 million in 1972, and the ratio of foreign financing to the GNP will fall from 2,4 % to 1,7 %.

### *Social Aspects of the Second Five Year Plan*

One of the most important problems in the social field, during the second five year plan period, is Employment. In the second five year Development Plan the increase of employment is not accepted as an independent objective. This choice is explained as follows in the Strategy and objectives of the Plan: "The general objectives of development planning require that the creation of employment for the existent and ever growing manpower arising from the rapid increase in population should be evaluated as a consequence of the development and not as a selected target apart from the rapid development of the economy. Therefore, in the Second Five Year Plan employment will not be considered

as an independent objective and the employment possibilities will develop together with the growing economy.”

### *Population*

Population is a major factor in economic development. The objective of the population policy of Turkey is to improve the structure of population and reduce the rate of population increase to such a level that it would not hinder the Turkish economic development. The rate of population increase during the periods of 1950-1955, 1955-1960, 1960-1965 were 27,7, 28,5 and 26,1 per thousand respectively. In the First Five Year Plan a change was deemed necessary in the population policy to slow down the rate of increase and in 1965 a new population policy was put into effect.

According to the results of the 1965 population census, the Turkish population is about 31 million. The percentage of 0-14 age group within the total population increases as a consequence of high fertility. (Table 5)

**TABLE 5 — Distribution of Three Main Age Groups %**

Age group	1945	1950	1955	1960	1965
0-14	39,54	38,32	39,37	41,25	41,74
15-64	57,12	58,35	57,05	55,22	54,16
65	3,34	3,33	3,58	3,53	4,10
Total	100,00	100,00	100,00	100,00	100,00

Source : State Planning Organization.

70 % of the population lives in rural areas at centers with less than 10,000 inhabitants. Most of this population works in agriculture. In 1965, 75 % of the active population was in the agricultural sector; 12 % in industrial and 13 % in services. However the proportion of these working in industry and services increases (Table 6).

**TABLE 6 — Active Population in the Three Main Sectors**

	1955	1960	1965
Agriculture	82	79	75
Industry	9	10	12
Services	9	11	13

Source : State Planning Organization.

Population over the age of six is 25 million and the literacy rate is 48 %. The literate population increased from 8,7 million to 12,2 million during the 1960-1965 period.

30 % of the population lives in cities, places with more than 10,000 population. There is a yearly increase in the ratio of urban population (Table 7).

**TABLE 7 — Urban and Rural Population Rates (1950-1965)**

Years	Urban Population	Rate of Urbanization	Rural Population
1950	18,5	—	81,5
1955	22,1	6,5	77,9
1960	26,3	6,5	73,7
1965	29,9	5,1	70,1

Source : State Planning Organization.

Fast urbanization creates the housing problem. 21.8 % of the urban population lives in Gecekondu (Mushroom housing) areas. The average number of persons per room in Turkey is 2,36.

Death rates decrease as a consequence of the improvement in health conditions, but birth rates do not decrease at the same rate.

### *Employment*

The question of unemployment and its solution pose different problems in the economically underdeveloped countries and the industrialized countries. Being one of the developing countries, unemployment arises in Turkey as a consequence of insufficiencies, not in effective demand, but in the supply of productive equipment. It is reflected as idle labour force and disguised unemployment in the agricultural sector, as visible unemployment and low productivity in non-agricultural sectors.

In agriculture the problem which creates serious effects is not only the disguised unemployment but the seasonally unemployed labor force which cannot be utilized for a considerable time of the year and which cannot be withdrawn from this sector owing to the present technological level.

Under such conditions the challenge is to find employment opportunities for those entering the labor market as well as eliminating widespread unemployment and underemployment.

For the First Five Year Plan Period (1963-67) the estimated rates of employment increases fell short of the realised ones. It was envisaged

that the industrial employment would increase by 7,3%, total non-agricultural (industry + construction + services sectors) employment by 8,3%, and total employment (non-agricultural + agricultural) by 3% annually. However the realized figures were 6,5% for industrial, 6,5% for total non-agricultural and 2% for total employment.

For the Second Five Year Plan the yearly industrial employment is expected to increase by 9%, total non-agricultural employment (i.e. construction, services, industry) by 6,7%, and total employment by 3,2%. In other words each year 300.000 additional jobs will be created by the non agricultural sector. During the first three years of the Second Five Year Plan Period, i.e. 1967, 1968, 1969 the realised overall employment increase has been about 3% while the total non-agricultural rate of employment increase exceeded the envisaged plan target and reached 8%.

Over 70% of the turkish labor force lives in rural areas looks for employment in agriculture. There is particularly a large difference between labor requirements of Turkish Agriculture at harvest time and during the winter months. The estimates show that in 1967, Turkish agriculture required 9.2 million workers in the month of July and August and only 2.3 million workers in December. This gives a July unemployment rate in rural areas of about 10%, and the highest seasonal unemployment rate in December is over 75%.

The remaining quarter of the Turkish labor force lives in the towns and about half of these work in industry and half in services. The estimates show that in 1968 the total unemployment was a little over 300.000, and the rate was about 7%.

In the case of the rural labor force it is assumed in the Second Plan that the rural labor supply will remain roughly constant at about 10.1 million, and the rise in the demand for rural labor at harvest time will decrease the 10% surplus to 1,1% by the end of 1972. The natural increase of the population will be off set by a drift to the towns.

**TABLE 8 — Manpower Demand, Supply and Unemployment in the Non-Agricultural Sectors (1967-1972) (000)**

Years	1967	1968	1969	1970	1971	1972
Supply	4198	4449	4730	5037	5369	5729
Demand	3799	4049	4317	4607	4920	5259
Unemployment	399	400	413	439	448	470
Percentage of unemployment	9.5	9.0	8.7	8.5	8.3	8.2

Source : State Planning Organization

**TABLE 9 — Maximum Seasonal Manpower Demand and Supply and Disguised Unemployment in Agriculture**

Demand Years & Supply & Unemployment Maximum Seasonal	1967	1968	1969	1970	1971	1972
Manpower Demand	9173	9350	9510	9680	9850	10025
Manpower supply	10083	10151	10163	10143	10154	10138
Disguised unemp.	910	801	653	463	304	113
Percentage of Disguised Unemployment	9.9	8.6	6.9	4.8	3.1	1.1

Source : State Planning Organization

The achievement of employment objectives as foreseen by the Second Five Year Plan depends primarily on a stream of investment expenditures at a rate and composition which increases production capacity, through greater supplies of capital. Priority will be given to employment creating projects and sectors, without affecting the costs. Research should be undertaken on the selection of techniques in industry and construction, to identify the types of equipment with the highest employment creating effect.

In the agricultural sector, agricultural technology, diversification of products, and handicrafts will be promoted which will ensure better utilization of the unused labour force. In the implementation of the employment-creating measures stated above, priority will be given to regions where the employment question is acute.

### *Educational Policy*

The knowledge and skills required by a changing society, aiming at industrialization are different from those of a traditional agricultural society.

In developing societies plans for rapid industrial growth and development dictate the educational needs and requirements within long time perspectives. The pattern of future manpower requirements is the guideline of the present and future educational policy and plans. On the other hand, due to rapid change in the expectations of the traditional society in transition, social demand proves to be an important element which has to be taken into account.

The basic objectives of the educational policy of the Second Five Year Plan could be summarized in the following context:

The general aim of education is to provide a social service to individuals, to enable them to acquire an informed outlook vis a vis their environment, to adapt themselves to the changes in the social structure, to acquire necessary attitudes and behaviour, the physical and spiritual qualities, to improve their welfare and happiness.

Two goals are to be attained by the short term policy of the educational plan, one being the educational and training of the manpower for economic progress, the second the providing of basic education to all citizens.

One of the basic principles upon which the educational policy is founded is the principle of equality of opportunity in education. Primary education is to cover all the school age population by the year 1972 the end of the Second Five Year Plan. Since facilities and resources are limited the levels of education above the primary school are to be developed so as to meet the manpower required by the country. Those who can benefit from the secondary and higher education facilities are to be determined by selection examinations based on individual ability. Wide scholarship and boarding schools programmes are envisaged to allow capable students to benefit from the highest levels of education.

Regional boarding schools are to be increased and expanded to provide education to village population which is not large enough to build separate primary schools. Through the expansion of such schools, first level secondary education is being provided to graduates of village primary schools. Regional boarding schools are to be used as centers of adult education and extension services for rural population.

The curricula of all education institutions at all levels are to be continuously evaluated and improved with the objective of providing better education and training to students and graduates expected to join the manpower for the economic and social development. Research and scientific studies which are expected to throw light on these improvements will be encouraged and taken up on a larger scale.

One of the most serious problems of any educational system, the improving of the quality of teaching is to be tackled through better programmes for teachers. In higher education the problem is more of the lack of teaching staff for new universities, to be opened in several regions. Existing doctorate training programmes and legal measures are to be improved to provide training, encouragement and incentive to future university teachers.

New capacity is to be provided at higher educational levels in the fields where most urgent demands for manpower exist. Private educati-



sonal enterprises are encouraged to relieve existing demand on public educational institutes for a group of students of a certain income bracket. New schools and training facilities giving professional and technical education are to be opened to regulate the supply of manpower in accordance with existing manpower demands of the economy. The breakdown and balance between general and technical education are to be reestablished in view of the targets determined for the second Five Year Plan's manpower requirements. (Table 10)

In addition and parallel to formal education, extension courses and training programmes are envisaged for adults and out-of-school population to increase the productivity of the active population.

A number of measures considered necessary for the implementation of the Second Five Year Plan concern the reorganisation of the educational administration and construction. The reorganisation of the Ministry of Education could be considered as a serious problem which should be a part and parcel of the improvement of the Turkish educational system.

The establishment of standards of buildings for educational purposes is also closely linked with the objectives of the educational policy and is one of the most important items under consideration during the Second Plan Period.

**TABLE 10 — Distribution of Students in General, Vocational and Technical Schools and in Secondary Schools of Second Level (1968-1972) (in percent)**

Academic Years	High School General	Agricultural Schools	Technical Schools	Health Schools	Primary Teacher Training Schools	Technical Schools for Girls	Other Vocations	Total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1968-1969	57.5	0.8	6.6	1.5	14.3	5.2	14.1	100
1969-1970	57.5	0.9	7.9	1.8	13.7	4.8	13.4	100
1970-1971	58.2	0.9	9.0	2.5	12.9	4.2	12.3	100
1971-1972	59.3	0.9	9.6	3.0	12.1	3.6	11.5	100
1972-1973	60.2		10.2	3.4	11.4	3.0	10.9	100

Source : State Planning Organisation

### *Urbanization and Settlement*

Until recent years urbanization was not evaluated in Turkey as an element of economic and social development. This situation prevented the success of the policies and measures adopted to remove the inter-regional disparities heretofore. However, the Second Five Year Plan aims at the utilization of urbanization, industrialization and modernization in agriculture as three tools of development.

Although urbanization, as in most developing countries, carries the major characteristics of a "demographic one", this is conceived as a potential to a more functionally inter-dependent and spatially integrated system of settlement hierarchies. For this purpose, in 1969 a preliminary study of urban hierarchy of settlement pattern is carried out and the potential regional rural centers are identified where the spatial priorities in the investment pattern can be crystallized.

In 1970 the urban population is expected to reach 13 millions growing at the rate of 6.9 %. By the end of the Second Five Year Plan in 1972, this figure is expected to reach the total of 15 millions with a growth rate of 7.1 %. This rapid urbanization has brought about new inter-regional relationships into focus on the Turkish urban scene and development of large urban complexes have been observed. Within this context, in 1969 a Metropolitan Planning Division is established with local branches active in the metropolitan cities of Ankara, İstanbul, İzmir and Bursa. The following table gives an idea of the Turkish urban problems as to city size and the numbers it harbours (Table 11):

**TABLE 11 — Urbanization and Urban Population**

Urban Capacity (Population)	1945		1965	
	Number of Cities	Population %	Number of Cities	Population %
10.000-20.000	65	24.5	92	12.9
20.000-50.000	29	24.2	75	23.4
50.000-100.000	6	11.4	18	13.3
More than 100.000	4	39.9	14	50.4
<b>TOTAL</b>	<b>104</b>	<b>100.0</b>	<b>199</b>	<b>100.1</b>

Source : State Institute of Statistics, 1965, Turkey.

Accordingly, special attention is devoted to cities with a population of over 100.000 and a Land Office Law is passed in 1969 which provides

the Government with the means of stocking land ahead of time for future developments as designated in the master plan of the relevant cities. Inadequate financial resources of the municipal organizations remain a basic problem.

Since Turkey suffers from an acute regional disparities problem, the underdeveloped regions are being given priority in the implementation of investment programs and the extension of infrastructural services. The private sector is encouraged by measures such as tax exemptions or rebates, cheap factory land, long term low interest rate credits. Also the foreign currency allocations are differentiated according to sectors and regions in order to create a desirable investment pattern to lessen the regional differences and thus to promote an overall balanced development.

This policy is supported through the selection of regional growth poles for the achievement for overall national goals such as diversification of the economy, thus a proportionate distribution of the GNP and the opportunities of employment.

## VI. CONCLUSION :

A short review of the implementation of the First Plan and the main targets of the Second Plan "have been outlined above. The results of the First Plan are sufficient to show that all the required preconditions for rapid material and social progress are present in Turkey. Perhaps the most notable outcome of the First Plan is the increasing awareness among the Turkish people that a growth rate of 7 % per annum and even higher rates are feasible in view of the natural resource endowment of the country, and the investment opportunities latent in the economy. The growth rate achieved during the period of 1962-1967 was 6,6 % although these were the initial years. This indicates that an average annual development of 7 % aimed at for the Second Plan period is attainable. The Second Plan consists of a series of specific, interrelated sector programmes which are based on more accurate and extensive data than those that were available during the formulation of the First Plan.

The 7 % growth rate aimed at for the Second Plan period is necessary to eventually raise the living standards of the society to a level which is compatible with human dignity, and which will also be sufficient to bridge the existing gap in incomes with the developed nations.

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