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**Industrial Investments and Indicators of Van in the Planned Development Period (1960-1980)<sup>1</sup>**

***Van'ın Planlı Kalkınma Dönemindeki Sanayi Yatırımları ve Göstergeleri (1960-1980)***

**Abstract**

Following the coup d'état on May 27, 1960, in Türkiye, the subsequent regime devised a strategy to facilitate socioeconomic progress, known as the planned development model, which had already been implemented globally. In this respect, the State Planning Organization (SPO) was established to plan and execute the four five-year development plans prepared during 1960–1980. Basic principles such as import substitution, industrialization, socioeconomic development, and the elimination of inter-regional development disparities were included in the plans. The SPO sought to identify underdeveloped areas using socioeconomic-level determination research to address interregional inequality. These areas, including Van, were designated as Priority Development Areas (PDAs) and provided additional public support. In this period, there was a notable emphasis on industrialization to attain expeditious economic growth, thereby establishing it as the principal instrument. Significant industrial investments were undertaken by the public and private sectors, exerting a decisive influence on the spatial distribution of development. Public support was critical to socioeconomic development in cities like Van, where the private sector needed strengthening. This study employs quantitative data from the research mentioned earlier by SPO to analyze Van in terms of provincial public industrial investments and relevant indicators.

**Keywords:** Van, public investments, industrial indicators, Pdas, planned development, Spo

**Öz**

27 Mayıs 1960 darbesi sonrasında Türkiye'de oluşan yeni rejim, sosyal ve ekonomik kalkınmanın yolunu, dünyada denenmiş olan planlı kalkınma modeline geçmekte bulunmuştur. Bu maksatla Devlet Planlama Teşkilatı (DPT) kurulmuş, 1960-1980 arasında hazırlanan dört adet beşer yıllık kalkınma planlarının planlama ve uygulanmasından sorumlu tutulmuştur. Hazırlanan planlamalar içinde ithal ikameci sanayileşme, sosyo-ekonomik kalkınma ve bölgelerarası gelişmişlik farklılıkları giderme gibi temel ilkeler yer almıştır. Bölgelerarası farklılıkları gidermek için DPT'nin sosyo-ekonomik düzey belirleme araştırmaları sonucunda az gelişmiş illeri tespit edip Kalkınmada Öncelikli Yörelere (KÖY) adı altında toplamak ve buralara fazladan kamu desteği sağlanarak kalkındırılması amaçlanmıştır. Van da KÖY kapsamına alınan illerden biri olmuştur. Planlı kalkınma döneminde hızlı ekonomik büyümeyi sağlamak için sanayileşmeye ağırlık verilmiş ve sanayileşme temel kalkınma aracı haline gelmiştir. Hem kamu hem de özel sektörün sanayileşmeye yönelik yatırımları kaçınılmaz olarak kalkınmanın mekânsal dağılımı üzerinde belirleyici olmuştur. Özel sektörün zayıf kaldığı Van gibi illerde bilhassa kamu desteği sosyo-ekonomik gelişim için kritik rol oynamıştır. Bu çalışma, DPT'nin yaptığı illerin sosyo-ekonomik düzey belirleme araştırmalardan oluşan nicel verilerden faydalanarak Van'ı hem il kamu sanayi yatırımları hem de sanayi göstergeleri bağlamında ele almıştır.

**Anahtar Kelimeler:** Van, kamu yatırımları, sanayi göstergeleri, Köy, planlı kalkınma, Dpt

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## Introduction

The coup d'état on May 27, 1960, brought about significant political transformations in Türkiye and paved the way for the subsequent implementation of new economic development strategies over two decades, between 1960-1980. This new model that Türkiye was embracing was a globally recognized approach. Development plans were implemented in post-World War II devastated nations that experienced social and economic collapse to compensate for their losses and boost the economy. This was due to the intended development system's demonstrated effectiveness. Because the Union of Soviet Socialist Republics (USSR) had a centralized planning system in place, it could withstand the Great Depression and emerge from World War II with great strength. West Coast nations found inspiration in this. Following the war, nations including the Netherlands, Norway, and Portugal implemented economic planning; France established the General Commissioner for Planning in 1946; Japan attempted to bring the economy back into balance by establishing the Economic Stabilization Board in 1946, and South Korea adopted a planned economic strategy and significantly advanced (Sezen, 1999, p. 44-47).

From 1960 to 1980 in Türkiye, the concepts of import substitution, industrialization, and planning emerged as significant factors in shaping the economic advancements of the 1960s, subsequently serving as instrumental tools for the new wave of economic development (Atılğan, 2015, p. 525). With planning, a substantial gap was to be filled by placing the financial management, which was not coordinated, and long-term programs within the planning framework were not made due to the efforts to save the day and populist policies during the Democratic Party (DP) period. For this purpose, the State Planning Organization (SPO) was established on 30 September 1960 (Pamuk, 2018, p. 5). Cemal Gürsel, the president at that time, expressed the mission of the SPO as follows:

Henceforth, no one in the country can say that this or that should be done as they please. The Planning Department will evaluate the proposed works, determining their potential benefits. If deemed advantageous, the works will proceed; however, they will be discontinued if considered ineffective. To clarify, our objective is to mitigate the previously prevalent behavior to a certain degree through the Planning Department and guide it towards a more rational course. (Sezen as cited in Gürsel, 1999, p. 173).

The recognition of the planned system in the First Five Year Development Plan by the new government demonstrates an inclination toward establishing a rational and trustworthy basis.: 'There have been great developments in economic and social planning techniques worldwide. Important steps have been taken in the experience of planned development within the democratic order. In Türkiye's new move, great importance is attached to utilizing the experience gained in the world' (DPT, 1963, p. 1). Two key factors underscored the significance and required nature of planning. Initially, there were bitter consequences of the unplanned and unprogrammed policies of the DP government. The focus on democracy here is alluding to the current circumstances. Secondly, this concept was used and proven successful in Western countries. Therefore, implementing strategic planning facilitated Türkiye's progress towards parity with Western nations. The SPO was designated to be pivotal in successfully executing this purpose.

The SPO was responsible for conducting research, providing consultant services, developing plans and programs, coordinating activities, and assessing progress. In other words, the SPO was to conduct an assessment of the nation's resources, guide the government in the development of socio-economic policies, create strategies to ensure the achievement of government-endorsed objectives, oversee the execution of these strategies, and promote private sector involvement in alignment with the established plan (Çoban, 2018, p. 238). Four five-year development plans were devised to achieve the desired objectives, spanning 1963 to 1983. The primary features of these plans encompassed the pursuit of economic expansion, the endeavor to transition into an industrialized society, the promotion of private sector activities in alignment with the plan's goals, and the implementation of regional planning to mitigate regional disparities in development.

As the governing body, the state holds the authority to determine and execute the plan. From this perspective, planning transforms into a rational yet interventionist procedure in terms of its outcomes (Soyak, 2003, p. 68). One of the variables contributing to this intervention's perceived validity is the notion that income distribution within the capitalist system is characterized by inequity. According to Ekiz and Somel (2005), 'planning serves as a method that counteracts the unequal dynamics of the market and the class-based imperialist-capitalist system'. Planned development is a socio-economic policy that involves the centralized implementation of building and development initiatives. These initiatives are guided by a program that strives to address income inequalities within society and foster prosperity within the community. Hence, the presence of governmental action is readily apparent.

During the specified period, industrialization was regarded as the principal means of achieving various aims, particularly those related to economic development. The viewpoints of Mehmet Gölhan, the Deputy Chairman of the True Path Party (DYP), substantiate and encapsulate the significance of industrialization.

Our nation believes achieving high welfare will be facilitated by pursuing economic growth and rapid industrialization. Consequently, there is a collective aspiration for a prosperous Türkiye. The pursuit of automation and societal development has emerged as a joint aspiration in the nation. The evidence of industrialization activities implemented nationwide until around a decade or so ago demonstrates the integration of development within our nation. The citizens of our nation have been observing the proliferation of chimneys emitting smoke in various locations throughout the country, evoking a sense of national pride and self-congratulation. Our society widely recognizes that economic prosperity is contingent upon the process of industrialization. Automation plays a crucial role in expediting the dissemination of developmental benefits to individuals and facilitating the creation of employment possibilities for those currently unemployed. Due to this rationale, the term development is frequently employed interchangeably with industrialization. The concept of growth often evokes thoughts of automation, while the idea of industrialization is commonly associated with progress. The nation's confidence and pride were bolstered by attaining a 7% development rate throughout the initial 15 years of the planned period. (Gölhan, 1993).

The substantial manifestation of this comprehension is readily discernible in the allocation of investments by both the public and private sectors in Türkiye towards the industrial sector during the designated timeframe. For Plan I (1963-1967) and Plan II (1968-1972), the realized rate (20,4% and 26,8%, respectively) of manufacturing investments surpassed the targeted (16,9% and 22,4%, respectively). As for Plan III (1973-1977) and Plan IV (1979-1983), although the realized rate fell short of the target, measuring 28.2% and 25.7%, respectively, they are still high compared to other sectors (DPT, 1979, p. 34-215; DPT, 1985, p. 10). Industrial investments play a prominent role in the overall investment landscape, accounting for a substantial portion of both targeted and realized assets. The current scenario aligns with the approach centered around industry-oriented development.

During the planned period, industrialization, as stated before, emerged as the principal means of promoting Türkiye's growth, with the implementation of additional measures to enhance national progress. One of the objectives was to facilitate regional growth, as indicated in the five-year development plans and expressed by political figures. In his speech in 1962, İnönü, Prime Minister, drew attention to the importance of regional growth, saying that *an imperative for achieving balanced development and social justice is to eradicate substantial disparities in economic activity and income levels across different regions of our nation* and added *this will be primarily considered in the five-year plan, yearly programs, and regional plannings* (TBMM, 1962). Given the pre-existing regional disparities, the focus was directed at this matter. The objective was to categorize the areas found to be undeveloped by SPO research and leverage further investments for their benefit. To achieve this, certain provinces considered less developed were identified and categorized as Priority Development Areas (PDAs) in 1968. In the context under consideration, 22 provinces were encompassed, with Van among the covered provinces.

According to studies conducted by the SPO, Van experienced significant socioeconomic improvements, particularly in manufacturing indices, as a result of the PDAs process. This study examines Van's industrialization performance by analyzing public manufacturing sector investments and industrial indicators during the planned period. Assessing the city's position concerning industrialization, which serves as the critical mechanism for the country's development, will be feasible.

### **Data on the Manufacturing Industry of Van during the Planned Development Period**

Since 1963, the State Planning Organization (SPO) has periodically documented and published socio-economic indicator studies on a provincial basis, allowing for access to industry information pertaining to Van during the planned development era. As mentioned earlier, these studies offer insights into the indicator values, including factors and the allocation of public funding across different sectors. This section of the study aims to examine and assess the proportion of the manufacturing industry in the overall provincial public assets in Van throughout the designated period of planned development (1963–1983). It is also feasible to observe the significance of industrial indicators and their positioning within provincial rankings. During the specified time frame, efforts will be made to understand the city's industrial sector comprehensively.

**Table 1. Public Manufacturing Industry Investments in Van during the Plan Period I (%)**

1963	1964	1965	1966	1967	Plan I
Program	Program	Program	Program	Program	Program
14,3	-	6,3	9,2	27,2	13,0

Source (Kutbay, 1982)

During the initial year of the plan, the manufacturing sector constituted 13% of the overall public investments in Van, while the total industrial assets in Türkiye amounted to 20.4%, surpassing the intended target of 16.9%. In the year 1963, the market share of Van's industrial sector was approximately 14 percent. Nonetheless, 1964 had a shortage of investments, with only a negligible number planned. Subsequently, the years that followed experienced a decline in investment activities compared to the preceding year of 1963. However, the zenith of investments was attained in 1967, surpassing the notable threshold of 27%. The observed growth can be attributed significantly to the establishment of the Van Cement Factory, a substantial industrial complex. Furthermore, the majority of significant and insignificant industrial enterprises, operated by both public and private entities, that were operational in Van during the designated period commenced their operations after implementing the second plan (Table 5).

**Table 2. Public Manufacturing Industry Investments in Van during the Plan Period II (%)**

1968		1969		1970		1971		1972		Plan II
Progr am	Realizati on	Progr am	Realizati on	Progr am	Realizati on	Progr am	Realizati on	Progr am	Realizati on	Tot al
9,1	-	6,9	100	0,2	-	-	-	4,9	87	4,5

Source (Kutbay, 1982)

The investment in the manufacturing sector substantially dropped to 9 percent in 1968, representing a two-thirds reduction compared to the previous year. The situation experienced a further decline in subsequent years. The cement factory commenced operations in 1969, following the completion of all intended investments, albeit at a very modest scale. In comparison to the years 1970 and 1971, during which there was a notable absence or scarcity of industrial infrastructure development in the city, the year 1972 witnessed the execution of around 87 percent of the anticipated investments despite their cumulative value being less than 5 percent. On average, a mere 4.5% of the total amount was invested over the second five-year period. Examining a significant advancement in public infrastructure that could impact investment rates in the current period presents a formidable challenge.

**Table 3. Public Manufacturing Industry Investments in Van during the Plan Period III (%)**

1973		1974		1975		1976		1977		Pla n III
Progra m	Realizati on	Progra m	Realizati on	Progra m	Realizati on	Progra m	Realizati on	Progra m	Realizati on	Tot al
14,0	72	17,7	84	6,0	248	11,0	-	26,8	-	17, 2

Source (Kutbay, 1982)

In the third plan, the investments made in Türkiye's manufacturing industry were of considerable scale, accounting for approximately one-third (31.1%) of all assets. These investments had a realization rate of 28.2%. This rate consistently remains the highest among all historical periods. Similar to PDAs, a positive outlook is apparent given that the industry sector received 26.1% of all PDAs investment dollars (Kutbay, 1982). The manufacturing sector constituted 17.2 percent of the total provincial assets in Van. Despite its low rate, this program exhibits the most extended duration among the four programs. The distribution of investments in local industries shows a positive trend during the specified period. The actualization of assets in 1973 and 1974 did not meet the initially anticipated levels, which were very high. In 1975, the expected investment rate was 6%. However, the actual rate exceeded this figure by at least 2.5 times. In 1977, the investment program witnessed a participation rate of 27%.

**Table 4. Public Manufacturing Industry Investments in Van during the Plan Period IV (%)**

1978		1979		1980		1981		Plan IV
Program	Realization	Program	Realization	Program	Realization	Program	Realization	Total
30,0	48	25,4	90	17,1	-	4,3	-	13,5

Source (Kutbay, 1982)

Based on the data obtained from the preceding four-year period, it can be observed that there was a sustained level of interest in the sector during the years that followed. Two notable examples of industrialization initiatives were the industrial expenditures that reached 25% in 1979 and the industrial aim of 30% in 1978, albeit with only a 50% achievement rate. However, starting in 1980, there was a gradual decline in the level of attention, ultimately plummeting to a startlingly low figure of 4.3% in 1981. National and local factors significantly impact the current scenario. The plan's implementation appeared uncertain during the economic and political downturn of the late 1970s, which resulted in the suspension of local public investments. The incorporation of Van in the PDAs, however, resulted in many critical industrial projects being implemented during the third and fourth plan periods. This is evident from the data presented in Table 5, which includes information on the dates of groundbreaking and commissioning. Undoubtedly, the activities conducted by these organizations exerted a substantial influence on the positive industrial statistics observed in Van during this period.

**Table 5. Industrial Establishments in Van in the Planned Period**

Factory Name	Groundbreaking Date	Activity Date	Capacity	Quantity Unit	Time Unit
Van Cement Factory ( <i>Van Çimento Fabrikası</i> )	1966	1969	225.000	Ton	Annual
Van Cheese-Butter Factory ( <i>Van Peynir-Tereyağı Fabrikası</i> )	1972	1976	20	Ton	Daily
Meat and Fish Corporation Van Meat Combine ( <i>Et ve Balık Kurumu Van Et Kombinasyonu</i> )	1973	1980	42.000 Cattle /462.000 Ovine	Piece	Annual
Van Feed Plant ( <i>Van Yem Fabrikası</i> )	-	1978	16.000	Ton	Annual
Erciş Clover Drying Plant ( <i>Erciş Yonca Kurutma Tesisi</i> )	-	-	1.500	Ton	Annual
Van Wool Yarn Industrial Enterprise ( <i>Van Yün İpliği Sanayi İşletmesi</i> )	-	1975	600 Carpet Yarn /150.000 Blanket	Piece	Annual
Van-Van Brick Industry Inc. ( <i>Van-Van Tuğla Sanayi A.Ş.</i> )	-	-	20.000.000	Block	Annual
Birsan Van Brick Manufacturing Industry (Birsan Van Biriket İmalat Sanayi)	-	1977	2.000.000 (Target)/ 700.000 (Realization)	Piece	Annual
Van Nail and Tin Can Industry ( <i>Van Çivi ve Teneke Kutu Sanayii</i> )	-	1977	-	-	-
Van Bulgur Mill ( <i>Van Bulgur Fabrikası</i> )	-	1976	36 (Target) / 26 (Realization)	Ton	Daily
Erciş Sugar Factory ( <i>Erciş Şeker Fabrikası</i> )	1976	1989	-	-	-
Şamran Flour Mill ( <i>Şamran Un Fabrikası</i> )	-	1961	35	Ton	Daily
Vangölü Flour Mill ( <i>Vangölü Un Fabrikası</i> )	-	1972	75	Ton	Daily

Başaran Flour Mill ( <i>Başaran Un Fabrikası</i> )	-	1978	-	-	-
Vantaş Flour Mill ( <i>Vantaş Un Fabrikası</i> )	-	1979	-	-	-

Source (*Van Valiliği, 1973; Van Valiliği, 1998; Yurt Ansiklopedisi, 1984*)

The Van Cement Factory which commenced operations in 1969 and represents a substantial investment with its foundations established in 1966. In 1980, the factory demonstrated a production capacity of 225,000 tons annually, during which it successfully manufactured 217,000 tons of cement. This accomplishment was achieved by employing a workforce of 324 individuals. The geographical regions involved in production encompassed the provinces of Van, Muş, Bitlis, Hakkâri, Ağrı, as well as Iran. The Van Cheese-Butter Factory (Van Dairy Products Plant) of the Turkish Dairy Industry Corporation, completed within four years and started production in 1976, had a daily milk processing capacity of 20 tons. The production encompassed manufacturing yogurt, kosher cheese, white cheese, and butter. The product was distributed to the market via authorized institutions and vendors. Nevertheless, throughout the early 1980s, the factory operated at a diminished capacity, employing 56 individuals. The Meat and Fish Corporation Van Meat Combine retains considerable significance as a corporate entity for the city. The establishment of the corporation may be traced back to the year 1973, and its industrial activities commenced in 1980. In 1980, the firm possessed a capacity of 42,000 cattle and 462,000 ovine animals. Nevertheless, the system's performance was much below its maximum capacity, as it only managed to process 9,300 cattle and 28,400 ovine animals in the given year. The restricted production capacity might be ascribed to the delays in remunerations to producers and the unlawful trafficking of animals to Iran. The Van Feed Plant, an integral component of the livestock sector and a key contributor to the economic development of Van, was established in 1978. The manufacturing capacity of the factory first started at 8 tons per hour and then increased to 12 tons per hour. The establishment produced diverse animal feeds, encompassing formulations designed for both large and small animals and poultry. However, this institution needed to be at its capacity. Despite a feed production capacity of 16,000 tons per year, the realized production in 1980 was a mere 1,514 tons. The Erciş Clover Drying Plant, which operates under the General Directorate of Feed Industry, possesses an annual production capacity of 1,500 tons. The Van Wool Yarn Industrial Enterprise occupies a prominent position within the agricultural sector, as it is one of the critical establishments focused on industrial activities. Established in 1975, this firm commenced operations with 213 partners and an initial 200 million Turkish Lira (TRY) capital. At its inception, the enterprise boasted an annual production capacity of 600 tons of carpet yarn and 150,000 blankets. In 1982, the enterprise's capital amounted to 200 million TRY, with a specific employment goal of 50 individuals. The establishment of Van Bulgur Mill took place in 1976. The firm had a specific daily aim of 36 tons and a realization capacity of 26 tons per day and had a relatively brief duration. Another significant institution is the Erciş Sugar Factory, which paused operations due to the 1980 coup d'état. However, it was not until 1989 that the factory could resume its activities, even though the initial plans for its construction date back to 1976. Flour factories are one of the various firms established within this industry. The four flour mills mentioned are the Şamran Flour Mill, established in 1961; the Vangözü Flour Mill, established in 1972; the Başaran Flour Mill, established in 1978; and the Vantaş Flour Mill, established in 1979.

Concerning other firms, Van-Van Brick Industry Inc., which had a total of 40 partners, manufactured approximately 20 million block bricks during the early 1980s, employing some 90 persons. Birsan Van Brick Manufacturing Industry, a privately owned firm, was founded in 1977. The factory's intended production capacity was set at 2,000,000 units per year; however, the actual output amounted to only 700,000 units. The Van Nail and Tin Can Industry was established in 1977. The Erciş Lignite Enterprise operated within the mining industry. In 1980, the enterprise had a workforce of 240 employees and a total capacity of 80,000 tons of lignite annually. However, its production that year was limited to 18,700 tons (Yurt Ansiklopedisi, 1984, p. 7581). The production facilities developed in Van could not reach the expected efficiency due to the much lower product outputs compared to their production capability.

Despite the positive indicators observed in several variables and the notable establishment of both large and small industrial firms, particularly since the 1970s, it is challenging to assert that the industrial sector in Van experienced an excellent development trajectory. There were few industrial investments during the plan's initial phase, except for the Fleece Washing Factory and Van Cement Factory. Nevertheless, the initial plan's industrial investment was limited to 13% due to the exorbitant expenses associated with establishing the cement factory. The decline in investments in the manufacturing industry, which amounted to 4.5 percent during the second plan, indicates a significant reduction in industrial assets during this period. The industry's resurgence exhibited a temporal lag in its impact during 1968. The average of the third plan was recorded at 17.2%, positioning it as the second largest sector. The industrial data of the time exhibited good trends as a result of the simultaneous establishment of multi-partner corporations and specific public organizations.

Regarding the fourth plan, there was a notable decline in the average public industrial investment, which reached 13.5%. Furthermore, certain firms running at low capacities had even more pronounced decreases over time, ultimately resulting in their closure. In 1978, during the conclusion of the third plan, the industrial sector accounted for merely 4.9 percent of the sectoral distribution of the gross national product in Van. Out of this, 4 percent was attributed to the manufacturing industry. This time marked the peak of industrial data within the planned period of 1960–1980. The rate in question is comparable to 0.1 percent of the domestic product. The disparity in the number of incentive certificates provided to Van, amounting to only 19 out of a total of 5,918 certificates issued in Türkiye during the period from 1968 to 1980, serves as a contributing factor to the significant lag experienced by its industrial sector in comparison to other regions (Kutbay, 1982; Yurt Ansiklopedisi, 1984).

For 1963 and 1969, Van performs a weak profile in the variable of establishments employing ten or more workers. Ranking last among 67 provinces in 1963 and unable to show much presence in this variable until 1969, Van made a significant leap in 1969 and rose to 42nd place in the provincial ranking of Türkiye with a value of 23,530 (000 TRY). In terms of the number of people actually working in the industry and services sectors, while Van ranked 54th in Türkiye in 1963 with 13,111 people employed, the number of people in this field increased to 23,530 in 1969, ranking 42nd. On the other hand, Van's ranking in the index values of value added created in the manufacturing industry/population employed in industry and services sectors, which was 67 in 1963, showed a significant improvement and rose to 29th in 1969. In this period, there was a substantial increase in the number of people working in the industry and services sectors.

### Manufacturing Industry Indicators of Van

The development strategy during the planned period, as stated before, primarily focused on industry, resulting in an increased significance of industrial indicators within the broader socio-economic indicators. It is important to note that the industrial variables utilized in the socio-economic development study may not comprehensively capture the entirety of a city's industrial development. However, these indicators offer a chance to compare provinces. The reports generated by SPO (Tolan, 1969; Hacıhasanoğlu, 1980) during the designated timeframe serve as crucial resources in this context. Tolan's study encompassed the period from 1963 to 1969, during which four variables were employed to assess industrial indicators. The parameters under consideration are manufacturing industry value added, manufacturing industry value added per population employed in the industry and services sectors, the people employed in the industry and services sectors, and the population used in the industry and services sectors as a proportion of the total employed population. These parameters serve as indicators that partially reflect the outcomes of industrialization and employment conditions. In previous studies, the data primarily consisted of variables related to automation (such as manufacturing industry value added, number of employees in the industry, ratio of employees in the sector to the active population, and electricity consumption in the industry) and employment in the sector (including percentage increases in the number of employees in the manufacturing industry, percentage increases in the ratio of employees in the manufacturing industry to the active population, and percentage increases in the balance of employees in the manufacturing industry relative to the number of workplaces). These variables were assessed separately.

**Table 6. Manufacturing Industry Indicators of Van (1963-1975)**

Variables		1963	1969	1975
Manufacturing industry value added (000 TRY) (establishments employing ten or more workers)	Number	0*	47.560	
	Ranking	67	39	
Manufacturing industry value added / population employed in industry and services index values	Number	0	87	
	Ranking	67	29	
Population actively working in industry + services sectors	Number	13.111	23.530	
	Ranking	54	42	
Population employed in industry services / total employed population index values	Number	48	81	
	Ranking	54	33	
Manufacturing industry value added, number of industrial workers, ratio of industrial workers to active population, electric energy consumed in industry	Ranking	-	-	37
Percentage increase in the number of employees in manufacturing industry, percentage increase in the ratio of the number of employees in manufacturing industry to the active population and percentage increase in the ratio of the number	Ranking	-	-	19

of employees in manufacturing industry to the number of workplaces				
*In the provinces with a value of "0", there are either no industrial enterprises employing ten+ workers or three or fewer.				

Source (Tolan, 1969; Hacıhasanoğlu, 1980)

For 1963 and 1969, Van exhibited a limited presence in establishments that employed at least ten individuals. The province of Van, which was rated at the lowest position among the 67 areas in 1963 and exhibited limited prominence in this particular variable until 1969, experienced a notable advancement in 1969, ascending to the 42nd position in Türkiye's provincial ranking with a value of 23,530 (000 TRY). With the workforce size in the industry and services sectors, Van's ranking in Türkiye experienced a notable shift from 54th place in 1963, employing 13,111 individuals, to a higher position in 1969, with 23,530 individuals engaged in these sectors. This indicates a substantial rise in employment during this period. It was rated 42nd in Türkiye's provincial rating. However, it is worth noting that Van's position in the index measuring manufacturing industry value added per employed individual in the industry and services sectors had a notable enhancement. Specifically, in 1963, Van was ranked 67th in this index, but by 1969, it had significantly improved and climbed to 29th. During this time frame, there was a notable surge in the workforce employed within the industry and services sectors. In 1963, the total employment count in these sectors amounted to 13,111 individuals. However, by 1970, this figure had risen to 26,440, representing a growth rate exceeding two-fold. Van was ranked 54th in this particular variable; however, in 1969, their ranking improved to 33rd. The positive trend is also evident in the index values of the labor force engaged in the industry and services sectors relative to the total working population. In 1963, Van province in Türkiye was rated 54th among all areas regarding the variable being considered, with an index value of 48. However, by 1969, the index value had increased to 81, improving the provincial ranking to 33rd. The impact of the revitalization resulting from the investments made when Van was designated as a prioritized province for development in 1968 was examined, and this was manifested in the positive changes observed in the value-added and employment statistics generated by the city in this sector. According to Kutbay and Sürmeli (1976, p. 149), an allocation of 5,677,000 TRY was utilized for manufacturing industry investment in the Van region in 1969. This investment can be attributed to the favorable conditions observed in Van at this particular period. The commencement of production by the Van Cement Factory on this specific date was also significantly influenced.

As for the data of 1975, Van province in Türkiye was ranked 37th in terms of various indicators related to the manufacturing industry, such as manufacturing industry value added, number of industry employees, the ratio of industry employees to the active population, and electricity energy consumption in the industry. These indicators are commonly used to assess the development status of an area. However, Van ranked 19th in terms of the percentage increase in the number of employees in the manufacturing industry, the percentage increase in the ratio of manufacturing industry employees to the active population, and the percentage increase in the balance of manufacturing industry employees to the number of workplaces. This scenario demonstrates the emergence of Van's manufacturing sector as a substantial source of employment opportunities.

To gain insight into the business climate of Van before 1968, an in-depth analysis of a report commissioned by the Van Chamber of Commerce and Industry (VANTSO) and submitted to the Union of Chambers and Commodity Exchanges of Türkiye (TOBB) in 1965 is essential. The research highlights several factors contributing to the province's need for more progress in its industrial and commercial sectors. One notable piece is labeled "Insufficiency of bank placements (investment), credit, and commission matters," which sheds light on the inequitable nature of bank credit procedures. The insufficiency of credit provided by bank branches in the eastern provinces has been highlighted as a hindrance to developing commercial and industrial companies required to grow the private sector. Large-scale industrial enterprises, characterized by their substantial financial requirements and reliance on credit, saw the most profound impact. Another highlighted concern pertains to the discretionary approach adopted by banks in determining their credit preferences and the subsequent adverse outcomes resulting from this practice (For further details, see "Van Ticaret ve Sanayi Odasının" Türkiye Ticaret Odaları, Sanayi Odaları ve Ticaret Borsaları Birliğinin XVIII. Fevkaledede Genel Kuruluna Arzedilmek Üzere Tesbit Ettiği Görüş, Teklif ve Temenniler, 1965).

The report's section about the industrial sector highlights the challenges Van and the Eastern Anatolian provinces encountered in the realm of industry. While the major urban areas and the western Anatolian region experienced favorable conditions regarding access to credit and other opportunities, the Van and eastern Anatolia regions needed more industrial infrastructure. The preexisting industrial establishments, formed under challenging circumstances, encountered financial challenges. It is unfortunate that there is a lack of institutions offering industrial loans in this particular location despite the pressing demand for the transfer of such facilities to this area. The loans the current banking institutions offer are deemed unappealing and provide a significant

obstacle to the industry's growth, primarily due to their short-term nature and exorbitant interest rates. TOBB anticipates that loans should be extended throughout extended timeframes while concurrently reducing interest rates. Another pressing concern that necessitates immediate attention in the report is the requirement for further advancements in the energy sector. The presence of low voltage within industrial facilities results in the detrimental consequences of power loss, time inefficiency, and reduced productivity, hence inflicting hardship upon industrialists. Additional measures or initiatives are anticipated to be implemented in this particular direction. According to Kutbay and Sürmeli (1976, p. 79), in the year 1965, local entrepreneurs expressed their dissatisfaction with the allocation of funds for the provincial industry in the investment program, which amounted to a mere 6.3%. This grievance would likely encounter a prolonged period of unaddressed concerns, with the private sector's influence and significance within the province remaining constrained.

During the mid-1970s, the emergence of multi-partner enterprises in Van, Türkiye, was facilitated by the incentives and support provided by the State Industrial and Labor Investment Bank (DESİYAB). The promotion of regional development through the establishment of industrial enterprises focused on heavy industry and intermediate goods manufacturing, commonly known as "multi-partner companies," "workers' companies," and "fellow countrymen's companies," not only incentivized factory owners but also motivated the personnel and employees of regional development companies and institutions. The objective of promoting regional development drove the establishment of these companies. By 1980, the number of companies had expanded to 325, spanning the country. Based on the multi-partner inventory research undertaken by DESİYAB in 1984, it was found that there were four companies located in Van. Among these, three were actively operating, and one was in the investment stage. The study reported 343 domestic partners involved in these enterprises (Sönmez, 1990, p. 184-185). During the third plan period, which corresponded with these firms' initial years of establishment, there was a notable rise in industrial investments in the Van region. During the third plan period from 1973-1977, there was a noteworthy increase in the proportion of industrial assets in total province investments. This rise reached 17.2 percent, the most remarkable rate observed among the four plans. Consequently, the industrial sector became the second largest sector after transport.

The comprehensive manufacturing industry census conducted in 1980 determined that the province is home to 14 sizable firms, each employing a minimum of ten individuals. Four of these enterprises are state-owned, while the remaining ten are owned privately. According to the data provided by the Turkish Statistical Institute (DIE, 1982a), the state group contributed a value addition of 277,703,000 TRY, while the private sector's overall value-added amounted to 130,503,000 TRY. Although the state industrial organizations constituted a lesser quantity, their financial gains surpassed those of the private sector. Based on the small industry and workplace census done during the same year, the number of workplaces in Van was recorded as 518. Out of the total, 176 units were designed to accommodate a single individual, while 166 units could accommodate two.

Additionally, there were 134 units with a capacity to house three to four individuals, 29 units capable of accommodating five to six individuals, and 11 units designed to accommodate seven to nine individuals. The central district has a total of 336 small-scale workplaces, including 19 in Başkale, 8 in Çatak, 113 in Erciş, 15 in Gevaş, 2 in Gürpınar, 8 in Muradiye, and 17 in Özalp districts. Of the aggregate number of workplaces, 185 were operational within the metal goods, machinery, and vehicles sectors, while 158 were engaged in the weaving, apparel, and leather industries. The forestry products and furniture business comprised 94 workplaces, while the food, beverage, and tobacco industry comprised 48 workplaces, including two located in villages and suburbs. The chemical industry contained 11 workplaces, while the paper and press business had seven workplaces.

On the other hand, the stone and soil-based industry had two workplaces. Additionally, there were 13 workplaces in various other sectors. There were approximately 70 workplaces in the weaving, clothing, and leather sectors, each employing a single individual. According to DIE (1982b), the industries that exhibited the most significant number of establishments employing between 2 and 9 individuals were metal goods, machinery, and vehicles. Therefore, small enterprises were operated mainly by property or business owners with deficient capacities.

### **Conclusion**

The planned development economic model employed by Türkiye from 1960 to 1980, characterized by a protectionist, statist, and industrialization-oriented growth strategy, exerted discernible impacts on national and regional development. One can discuss the somewhat favorable outcomes of the endeavors to offer further public assistance for the PDAs. Before 1969, the prospects for the growth of Van's industry were not promising. However, several factors contributed to a more positive outlook in the city's industrial sector. These factors include initiating a significant investment surge in 1968, encompassing Van within the scope of the PDAs.

Additionally, the commencement of operations of the Van Cement Factory, the largest industrial establishment in the city in 1969, along with the successful implementation of all planned industrial investments for that year, further contributed to the improved prospects for various variables in the province's industrial sector. Specific metrics, such as the size of the workforce engaged in industrial activities and the amount of value generated, showed exceptional outcomes. Nevertheless, the inclusion of these positive statistics within the broader industrial context of the province remained limited. In 1978, the province's industrial sector accounted for a mere 4.9 percent of the total gross domestic product (GDP), a significant indicator of industrial development. Similarly, the industrial sector's contribution to Türkiye's overall GDP was a modest 1 percent during the same year. As a result, Van obtained a ranking of 46th in the provincial assessment. In addition, it is worth noting that the proportion of individuals employed in the industrial sector within the active population of the province was documented at a mere 2 percent in the year 1980 (Yurt Ansiklopedisi, 1984, p. 7580). Notably, the state sector primarily assumed the role of driving the small industrial activity in the province. The emergence of multi-partner firms in the mid-1970s facilitated the inclusion of the private sector in industrial investments, enhancing its visibility. These companies, which initially experienced favorable progress, ultimately faced closure due to various factors. These factors include policy disruptions, insufficient financial support from company partners, inadequate feasibility assessments during establishment, and the inability of the companies to operate as intended. Hence, the facilitation of private capital investment in Van was contingent upon public support and the involvement of local entrepreneurs, rendering the attraction of external private sector entities unfeasible.

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## Araştırma ve Yayın Etiği Beyanı

Verilerin toplanmasında, analizinde ve raporlaştırılmasında her türlü etik ilke ve kurala özen gösterdiğimi beyan ederim.

## Yazarların Makaleye Katkı Oranları

Makale tek yazarlıdır.

## Çıkar Beyanı

“Industrial Investments and Indicators of Van in the Planned Development Period (1960-1980)” başlıklı makalenin herhangi bir kurum, kuruluş, kişi ile mali çıkar çatışması yoktur.