

THE CHANGING RELATIONSHIP BETWEEN URBAN PLANNING AND
REVENUE GENERATION IN LOCAL GOVERNMENT BANKING:
THE CASE OF ILBANK IN POST 2011 ERA

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ABSTRACT

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As main providers of local services, local governments play crucial roles in development of cities. However, in many countries, local governments are in need of technical and financial support to sustain their activities. To this aim, local government banking system models were established in various parts of the world. These banking systems can take different forms and show variety according to the social, economic and political structure of the countries. Despite all the differences, the main aim of the establishment of all these institutions is to sustain the development of cities in a planned manner. In Turkey, the Bank of Provinces was established as the only institution in charge of providing finance and technical support to local governments. The Bank has also been the sole provider of urban planning as a technical service for many years. By these missions, the Bank has been regarded as an academy for urban planning scholars. Starting from the 1980s, neoliberal policies and structural changes in the planning system have forced the Bank to be transformed. In this process, the Bank has gained the status of a private company and started to perform revenue generation activities. Thanks to its new status, the Bank began to develop profit-oriented urban projects such as mixed-use

and residential developments. This thesis aims to understand and evaluate how the Bank' approach to urban planning and public interest have been changed over time. In this direction, the impacts of this change on urban space and spatial development will be also discussed.

Keywords: Local Government Banking, The Bank Of Provinces, Urban Planning, Local Governments, Public Interest

ÖZ

YEREL YÖNETİM BANKACILIĞINDA KENT PLANLAMA VE KAYNAK YARATMA ARASINDAKİ İLİŞKİNİN DEĞİŞİMİ: 2011 SONRASI İLBANK DENEYİMİ

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Yüksek Lisans, Kentsel Politika Planlaması ve Yerel Yönetimler Ana Bilim Dalı

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Yerel hizmetlerin ana sağlayıcıları olan yerel yönetimler, kentlerin gelişimi açısından büyük öneme sahiptir. Yerel yönetimler, faaliyetlerini gerçekleştirmek için finansal ve teknik açıdan destek alma ihtiyaçları duyarlar. Bu ihtiyaç neticesinde, dünyanın pek çok yerinde yerel yönetim bankacılığına örnek gösterilebilecek kurumsal yapılar oluşturulmaya başlamışlardır. Yerel yönetim bankacılık modelleri, banka, birlik veya sekreterlik formlarında olabilirler ve ülkelerin sosyal, ekonomik ve politik yapılarına uyumlu göre farklılık göstermektedirler. Fakat hepsinin ortak özelliği, kentlerin planlı gelişimine destek olma amacı taşımaktadır. Yerel yönetim bankacılığı modelinin Türkiye'deki örneği İller Bankası'dır. İller Bankası, yerel yönetimlere sunduğu teknik desteklerden biri olan kentsel planlama faaliyetlerini uzun yıllar boyunca tek başına sürdürmüş ve Türkiye için daha iyi bir planlama sistemi yaratmayı hedeflemiştir. Bu rolüyle Banka, uzun yıllar boyunca planlamanın okulu olarak da görülmüştür. Banka, 1980'li yıllardan başlayarak neoliberal politikalar ve planlama alanındaki yapısal değişiklikler neticesinde, yeniden yapılandırılmıştır. Yapısal değişiminin sonuncusu 2011 yılında olmuştur. Bu tarihte Banka, şirket statüsü kazanmış ve kaynak geliştirme faaliyetlerine başlamıştır. Yeni yapısının

getirmiş olduđu yetkiler sayesinde konut ve karma kullanımlı, kar amaçlı projeler geliřtirmiřtir. Söz konusu kar amaçlı projeler; bu projelere açılmıř davalar nedeniyle tartıřma konusu olmuřtur. Bu tezin amacı, İller Bankası'nın kurumsal yeniden yapılanma süreci içerisinde, bankanın kamu yararına ve kent planlamaya bakıř açısının deęiřimini arařtırmak ve incelemektir. Bu doęrultuda bu deęiřimin kent mekânına ve mekânsal geliřmelere etkisi de tartıřılmaktadır.

Anahtar Kelimeler: Yerel Yönetim Bankacılıęı, İller Bankası, Kent Planlama, Yerel Yönetimler, Kamu Yararı

To my fiancée, Şükrü Ergan

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CHAPTER 1

INTRODUCTION

1.1. Subject of the Research

With the oil shock in the 1970s and the stagflation crisis of the early 1980s, Keynesian policies were weakened and eventually abandoned while monetarism gained power. With the rise of monetarism, an earlier version of what is now termed as “neo-liberalism” new conservative approaches were implemented giving the free market economy primacy over the role of the state thus downsizing the latter (Sarkar, 2011, p. 67).

For underdeveloped and developing countries, liberalization took place in different forms like integration with the world and export-oriented industrialization (Güler, 2002). The 1980s was a decade that saw many radical changes occurring in various parts of the world. Many countries started to get involved in the global world economy. At the end of this process, they underwent many fiscal changes because there was a strong relationship between financial liberalization and economic growth.

With the switch to the globalized arena, the government lost its national dominance. Global changes influenced the functions and actions of all levels of governments from central to local. At the end of this interaction, local administrators became more conscious of global influences (Jun & Wright, 1996, s. 4). Decentralization was seen as an opportunity for the locality to develop international relations by working with foreign business enterprises and participating in sociocultural exchange programs without the supervision of the national government (Jun & Wright, 1996). Thus, and in order to foster further integration of the locality into the global environment, decentralization was emphasized based on the claim that centralized governments

can no longer survive in a globalized, culturally diversified world (Jun & Wright, 1996). To reach this end, transnational institutions like the United Nations, World Bank, IMF, World Trade Organization, OECD, etc. played their role in extending the globalization process to third world states. As a consequence, they imposed regulations to reach every side of the state.

Hence, in Turkey, with the beginning of 1980, liberal tendencies resulted in rise of decentralization that supported the concepts of “democracy”, “freedom”, “autonomous local governments”, etc. These tendencies were promoted by documents, reports, credit programs, in addition to other arrangements. These new rearrangements caused the formation and deterioration of the relationship between central and local government in Turkey. At the end of 1983, the Turkish local and central powers were reshaped in the direction of this new trend.

World Bank had a special place for Turkey because the latter has established an intensive relationship as a loyal customer through the years (Olgun, 2006, p. 115). The World Bank enacted some criteria for credit receivers like liberalization of imports, devaluation, encouragement of imports, reduction in agricultural support, new taxing arrangements, decrease in public expenditures, reconstruction in State Economic Enterprises (SEEs), privatization, liberalization of interest, and reorganization of monetary policy instruments (Sönmez, 1998, pp. 355-358). All these kinds of implementations forced the reorganization of public institutions in Turkey including the Bank of Provinces or "İller Bankası".

The Bank of Provinces was one of the SEEs established in 1933 upon the order of Mustafa Kemal Atatürk with the purpose of fostering redevelopment and national reconstruction of Turkish cities. The Bank differs from other examples of local governments' banking systems worldwide, as it provides financial support and offers consultancy services to local governments. In addition, the Bank also provides all municipalities, special provincial administrations and villages with financial and technical services including mapping, development plan, geological and geotechnical studies, drinking water, sewage, treatment, solid waste, sea discharge, geothermal

energy applications, municipal service buildings, cold storage, terminal, high-rise buildings, landscape projects and etc (Ilbank, 2011).

As it could be inferred from the definition, the Bank of Provinces has both a financial and a technical support role, being involved in the production process of technical services actively since the 1930s. One of these services was urban planning, where the Bank was the only institution that fulfilled this service throughout many years. In this sense, the Bank's contribution to urban planning in Turkey is enormous. The planning, a public service, accelerated other investments in urban settlements. Because of this accelerating role on urban space, the Bank was seen as a very important responsible and it was regarded by many planners as a "school". Similar institutions all around the world developed with the aim of improving and supporting local units. However, their roles are generally limited to financial support. Thus, the Bank was seen as a unique institution because of its multi-structured position, involving both financial and technical services.

However, the institution's position has undergone changes starting from the 1980s with the loss of its monopoly as a credit provider after IMF and World Bank imposed credit programs based on infrastructure projects. Secondly and in the 1990s, the Bank lost its role as a State Economic Enterprise (SEE) and became a development bank. Moreover, and as a result of the localization trend, the Turkish governmental structure has changed through laws and regulations which also affected relations between local governments and the Bank. Starting from 1986, many reports were prepared and various organizational models were proposed for the Bank. Finally, the Bank became Ilbank Joint Stock Company on 8 February 2011, with the Law No. 6107 published in issue 27840 of Official Newspaper, which made the Bank gain special budget joint-stock and investment bank status. The Bank has produced seven profit-oriented projects since its status has been changed in 2011.

1.2. Aim and Scope of the Thesis

The Bank of Provinces has made important contributions to the term of urban planning in Turkey. However, in direct proportion to changes in the governmental structure of Turkey, this institution has undergone many changes and transformations. Lastly and most recently, in 2011 the Bank gained joint-stock company status. With this last reorganization, the Bank became an investment and development bank named as ‘İlbank Joint Stock Company’. Thanks to this new status and legal authorities, the Bank involved in the construction sector. In this direction, the Resource Development Department was established in 2011 to maintain new revenue generation activities. Starting from the establishment of the Resource Development Department, four types of methods had been used within the new revenue generation activity. The first method is developing projects with municipalities, public institutions, private sector, and individuals; the second refers to purchasing and selling real estate and doing leasing activities; the third to developing urban transformation projects declared within the scope of the Transformation of Areas under the Disaster Risk Law no. 6306. According to this implementation; explained in Law No 6306 Article 7, İlbank Co. could set up projects on risky areas declared so by the Ministry of Environment and Urbanization. The revenue will subsequently be shared between İlbank Co. and the ministry. Finally, 50% of the profit made by these projects will be transferred to the ministry’s “Transformation Account”. This thesis deals with “Land Sale Equivalent Revenue Sharing Tenders”, the fourth and final type of developing activities.

The ‘Revenue Sharing Tenders’ method has started to be used by the Bank since 2013. Until the time this thesis was written, seven such projects have been developed with construction firms. With the direction of Law No. 6107 and No. 6306, the projects developed by ‘Land Sale Equivalent Revenue Sharing Tenders’ method has been maintained by the coordination of the Bank and the Ministry. Four of the projects were implemented in Ankara, and two projects were done with the revenue sharing method in İstanbul. Finally, the seventh project was located in Elazığ. The

reason for this study is that the Bank for long functioned as an academy for urban planning in Turkey. The Bank has maintained and dominated planning discipline alone for many years. Hence with its acquired experiences and know-how, the Bank attempted to find solutions to Turkish cities spatial problems. In addition to this, the Bank has established a planning model includes both the theory and practice of planning for Turkish cities.

The urban planning activity was a discipline that the Bank was performing for the more efficient way of distributing the public resources to locality and it was serviced by the Bank in accordance with demands from municipalities. However, the planning discipline has turned into a rent-increasing practice after the years of the 1980s. As mentioned before, the planning as a public service acted as a catalyst which launched other investments in urban settlements. Hence, the planning activity decided on the revenue generation projects. At that point, the assumption presented by the thesis is the change in the order of the “planning activity” and “revenue generation”. It is assumed that the urban planning discipline is used for the achieve revenue generation. This thesis would also test the accuracy of this assumption via the Bank’s new point of view on urban planning. The change in the perspective on planning could be understood from the lawsuits. Four of the seven projects were commenced a lawsuit recently. Consequently, in this thesis, the main question is to examine the change of the Bank's viewpoint of public interest through urban planning. By this, the effect of this change on the place and its spatial consequences would be examined.

This study aims to find sufficient answers to the following research questions;

- What are the positive/negative effects of the Bank of Provinces, now named “İlbank Joint Stock Company”, on the history of urban planning in Turkey?
- What are the changes in the Bank's perspective on planning over the years?
- What are the outcomes that the Bank faced after becoming a company?
- What is the meaning of the current position of the Bank for Turkey in terms of urban planning?

1.3. The Methodology of the Research

In this research, a qualitative research method is chosen to answer the research questions. Data is collected from various sources such as academic research, online sources, and previous studies on the Bank, institutional thesis, institutional annual reports, and in-depth interviews.

The interviews were conducted with 24 experts through one of two methods: face-to-face interview or interview by e-mail. The aim was to gather information about changes in plan development processes and the perspective of planning, changes in the organization of the institution over the years, the effects of the new practices on the Bank, the effects of new authorities on the Bank, changes in the Bank's relations with the local governments and the ministry and the relations with the companies that develop projects with revenue sharing method. In this direction, seven of interviewees are current bank officials, four are former bank officials who possess knowledge about the history of the Bank; seven are self-employed urban planners who possess comprehensive knowledge about the Bank's planning development processes under market conditions. In addition, three of the interviewees are academicians and one of the interviewees is a public official. Finally, two of the interviewees are construction company representatives who regularly interacted with the Bank during various project development processes.

Group 1 represents bank officials, either current or former. This group contains the people who are in the process and those who follow it closely. Thus, members of this first group could be named as "first-degree narrators". Group 2 contains self-employed urban planners, academicians, and one public official. Interviewees from this group have also developed relations with the Bank through formulating plans and academic researches concerning the institution. So, this group could be named as "second-degree narrators". Interviewee 18 is an academic and interviewee 19 is a former public official so it could be thought that they need to be added to Group 2. However, one of them was also a former official of the Bank so she has been added to Group 1. Additionally, although the other interviewee is a former public official,

he still has strong ties with the Bank. Due to this reason, interviewee 19 has also been added to Group 1. Finally, Group 3 consists of construction company representatives.

Table 1: Method of Interviews

NO. OF INTERVIEWER	POSITION	TYPE OF INTERVIEW	GROUPS
Int 1	Public official	Individual (Face-to-Face) Interview	GROUP 2
Int 2	Self-employed urban planner	Individual (Face-to-Face) Interview	GROUP 2
Int 3	Academician	Individual (Face-to-Face) Interview	GROUP 2
Int 4	Self-employed urban planner	Individual (Face-to-Face) Interview	GROUP 2
Int 5	Self-employed urban planner	Individual (Face-to-Face) Interview	GROUP 2
Int 6	Self-employed urban planner	Individual (Face-to-Face) Interview	GROUP 2
Int 7	Self-employed urban planner	Individual (Face-to-Face) Interview	GROUP 2
Int 8	Self-employed urban planner	Individual (Face-to-Face) Interview	GROUP 2
Int 9	Self-employed urban planner	Individual (Face-to-Face) Interview	GROUP 2
Int 10	Bank official	Individual (Face-to-Face) Interview	GROUP 1
Int 11	Bank official	Individual (Face-to-Face) Interview	GROUP 1
Int 12	Bank official	Individual (Face-to-Face) Interview	GROUP 1
Int 13	Bank former official	E-mail Interview/Interview by E-mail	GROUP 1
Int 14	Bank official	Individual (Face-to-Face) Interview	GROUP 1
Int 15	Bank former official	E-mail Interview/Interview by E-mail	GROUP 1
Int 16	Bank former official	Individual (Face-to-Face) Interview	GROUP 1
Int 17	Bank former official	Individual (Face-to-Face) Interview	GROUP 1
Int 18	Academician/ Bank former official	Individual (Face-to-Face) Interview	GROUP 1
Int 19	Academician/ Former public official	Individual (Face-to-Face) Interview	GROUP 1
Int 20	Bank official	Individual (Face-to-Face) Interview	GROUP 1
Int 21	Bank official	Individual (Face-to-Face) Interview	GROUP 1
Int 22	Bank official	Individual (Face-to-Face) Interview	GROUP 1
Int 23	Construction company representative	E-mail Interview/Interview by E-mail	GROUP 3
Int 24	Construction company representative	Individual (Face-to-Face) Interview	GROUP 3

1.4. The Structure of the Thesis

This thesis contains five chapters. The first chapter is an introductory chapter which includes an overview of the topic described, aim of the thesis, research questions and research method.

In the second chapter, local government banking systems are examined. To begin with, the emergence of local government banking and its examples in different countries are evaluated in addition to how the performed services of these institutions varied from country to country depending on different organizational structures, social, cultural and economic variables. Thus, the common and differentiating parts of these models are discussed. In the second part of this chapter, the example of local government banking model in Turkey, the Bank of Provinces, is presented. As a result of structural changes that occurred in the Bank, the differentiating and common points are determined by comparing the Bank with other institutions in the local government banking sector.

In the third chapter, the case study is given. The historical development of the Bank is discussed according to the findings gathered from written sources and interviews. The periods that could be considered as breaking points for the Bank are determined and the writer tries to reveal what these terms meant for the Bank. In parallel to Turkey's structural changes, the Bank's loss of some of its areas of activity was accompanied by new authorities being given to the Bank. The chapter also attempts to address the Bank's new position as an authority in the planning area in addition to the Bank's current situation. Additionally, this section examines the tasks that the Bank establishes and operates within the public interest.

Chapter four attempts to evaluate seven profit-oriented projects which were developed by revenue-sharing method with the partnership of the Bank and some of the big construction firms. Starting from 2013, the Bank has been carrying out built environment projects with public-private partnership and developing projects. Within this scope, the Bank has developed seven projects with private sector actors. In these

projects, the revenue sharing method, used widely by public institutions and the private sector, was applied. In this section, the changes in the Bank's approach to urban planning and public interest have been discussed. The aforementioned seven projects are examined in terms of drawing information from the interviews and the lawsuits filed against the projects.

The last chapter is a conclusion part attempting to express overall conclusions. This part seeks to answer the questions previously mentioned under the heading of 'aim and scope of the thesis'. The chapter evaluates what the Bank's current position means for Turkey and its planning processes within the former's administrative and legislative structure framework. Finally, suggestions and further research questions are given.

CHAPTER 2

EMERGENCE OF THE LOCAL GOVERNMENT BANKING SYSTEM

2.1. Introduction

Local governments have an importance in terms of cities' development as they are the executors of local activities. Local governments are in direct contact with the people through the services they provide in the areas of urban planning, infrastructure, transportation, agriculture, education, etc. They play a major role in the development of the country by taking care of structural, cultural and other problems of the cities through a bottom-up approach. The necessity to utilize additional financial support along with a local government's own resources is sometimes needed to perform these responsibilities. At this point, financial intermediaries and funds that finance the local governments make contributions to the local governments within the framework of market mechanism (UPL, 1996). In this sense, the financial intermediaries of the countries cover local governments' needs through the funds they obtained from international institutions. UNDP, Islamic Development Bank, World Bank, and the European Union can be given as examples of these international institutions.

2.2. Historical Process

Local government banking first appeared in the 14th century in Western Europe. The reason for the appearance of these institutions is the difficulties suffered by municipalities while getting loans from private banks and bond markets. Improvement in the provision of a locality's needs through public based resources lies primarily in the background of banking practices in question. After those developments occurred in Europe, developing countries in the 1950s started to

establish corporate and financial institutions for the sake of performing similar functions. Kenya, Israel, Thailand, Guatemala, Indonesia, Brazil, Tanzania, and Costa Rica can be given as an example for these countries (UPL, 1996). Another purpose of supporting the local government finance is to help it achieve autonomy and self-sufficiency. Accordingly, the appearance of the first specialized institutions is observed in the 1860s in Belgium. Afterward, they continued to be established in Italy, Denmark, Netherlands, Spain, and Norway.

However, in third world countries, the institutions in question are seen to be established in the recent past. The examples of local government banking in these countries show differences from the banks established in Western European countries which share similar mechanisms. Local government banking examples established in developing countries could not catch up on the levels of their European peers (UPL, 1996).

In 1980, third world local government banking institutions began to be restructured through a program of the World Bank which aimed to help local governments to benefit more from the financial markets (UPL, 1996). As to the reasons behind these restructurings, a report prepared by the World Bank (1988) stated that the local governments in Japan and Western European countries were funded by the private sector. On the contrary, localities in third world countries were funded by the public's own domestic resources. The report stated that in those countries, these public resources were created directly from the government's budget or from deductions of the collected taxes. Nevertheless, the institutions in those countries have been criticized on the basis of providing narrower and more passive financial support, performing less financial and technical evaluations about the services to be funded and the insufficiency of the technical support they provided to local units. Turkey is present among the list of such countries. In this context, and as a result of the studies conducted by the World Bank since the year of 1980, more studies proliferated on how to develop those institutions (Davey, 1988). Within this scope, it was suggested to weaken the technical support and reinforce the financial aspect of

the financial intermediaries. The funds presented by the international commercial banks which were also mentioned in the World Bank's report, are shortly called "Municipal Development Funds" and the organization of the intermediary institution and way of using this fund is defined as (Davey, 1988);

- 1) The first method constitutes of funding the municipality services in question by lending to the local governments. These are observed in anglophone countries as working capital funds supported by foreign aids in addition to the government budget. Countries, where this method is implemented, include Kenya, Sri Lanka, Tanzania, Uganda, Zambia and Zimbabwe for example.
- 2) The second method constitutes of financing the infrastructural services of the local governments through funds created within the body of national banks. This method is observed in the francophone countries of North and West Africa.
- 3) The third method constitutes the creation of autonomous institutions established to provide for technical, as well as, financial support. Examples of this banking model can be found in Bolivia, Colombia, Costa Rica, Paraguay, and Venezuela.

In many countries where the local government banking has been developed as early as the 19th century, it is seen that the Municipal Development Fund was utilized as can be observed in the examples of Japan, Ireland, Switzerland, and Western European countries. The fund is constituted under the authority of centralized administration for the provision of urban infrastructure services. It was stated that the purpose of this fund is not only providing municipal access to credit but also improving the efficiency of the local investments and reinforcing the reforms of the financial sector. The methods implemented by this fund varies from country to country, however, they all share the purpose of improving the service presentation capacities of local governments. This fund is utilized in two ways. To begin with, municipalities can utilize it within the framework of a government program. Secondly, local governments can directly apply for international banks and create

their own loans (Kalcheva, 2013). In the first method of utilization within the framework of the projects taken into the government program, local governments are funded by providing them interest rates below the current market value. In the second method of fund utilization, municipalities directly incur debts from international commercial banks and obtain credits. In this second method, the municipality undertakes all the risk factors. The most important aspect here is that another lending institution becomes associated as “guarantor” in the utilization of this fund (Kalcheva, 2013). This guarantor bank is the Bank of Provinces in Turkey. To be brief, the Municipal Development Fund is a model that enables the locality to be financed by the international capital markets and commercial banks.

Local government banking models show variety according to the social, economic and political structures of the countries. These financial intermediaries can take the forms of banks, unions or secretariat and can be classified under seven titles (Davey, 1988). The first among these are the institutions established as Municipal Development Banks which develop resources to provide credit to local governments. Examples of this model include Municipal Credit Bank of Belgium and the Danish Municipal Credit Association. The second title is the privatized municipal union which is established as a part of a commercial bank. This local government banking model is restricted to providing credits to municipalities; examples of this model include Colombia Central Mortgage Bank and the National Housing Development Bank of Senegal. The third is the model in which units are established as a part of an institution to provide financial support to the municipalities. These institutions use the deposits, subsidies, and insurances in financing the municipalities under the supervision of the government; examples of this model include Brazil, France, Italy, Morocco, Niger and Spain. The fourth model is the one in which saving banks fall under the supervision of municipalities. These saving banks not only provide credit opportunities to the local administrations but also to the public-private companies. The Central Savings Bank of Vienna and The German Municipal Bank can be given as examples. For the fifth model, the Bank of Provinces is given as an example of an institution which performs the infrastructural investments of municipalities in

addition to providing technical and financial aid to local governments (Davey, 1988). Example of this model in which institutions manage the process directly can be found in Latin American countries (Bolivia, Colombia, Costa Rica, Guatemala, Paraguay, and Venezuela). Moreover, the financial intermediaries in those countries also carry out the design and performance of some infrastructural services. Under the sixth title or model, municipality unions take place. The structure in the Dominican Republic can be given as an example of this title. Finally, Metropolitan Development Authorities serve as an example of local government banking. These institutions are structures where various programs regarding financial, planning and investments are being carried out. Calcutta Metropolitan Development Authority can be given as an example of this final title (Davey, 1988).

2.3. Financial Intermediaries Which Fund Local Governments

Local government banking institutions in different countries have been inspected and it was observed that these generally provide services under 3 separate topics. These can be enumerated as follows; granting loans, acting as financial/technical advisors and collecting deposits (banking transactions). These financial intermediaries generally provide services to municipalities, municipality unions, provincial private administrations, public institutions, etc. The services that are credited are infrastructure, zoning, education, culture, health, energy distribution, housing services, and individual services.

The local government banking structure in the United States does not have a corporate aspect. Various banks established in the United States grant loans to be used in infrastructural investments. These services are being provided through incurring debts to the banks. In contrast to the American case, “Public Works Loan Board” in England has been providing financial consultancy and intermediary services to local governments for many years. In this example as well as many others to follow, the institution grants loans to the local government if the centralized government approves the action.

In the Canadian case, on the other hand, there is no organization/institution that can be cited as an example of local government banking. Instead, the Canadian government obtains finances through incurring debts from the country's domestic or foreign markets.

Moving on to the Japanese and Western European cases, it is observed that the establishment of local government banking began in those countries as early as the 19th century with the main purpose of providing credits to local governments.

Japan Finance Corporation for Municipal Enterprises was established in 1957 under the state's guarantee in order to improve municipal enterprises and to support them in project developments that fell under the scope of the local authority.

In Germany, saving banks have been tasked with supporting the local governments in addition to providing credits to local governments as of the beginning of the 20th century. Moreover, and with the most recent regulations coming into effect, saving banks now also provide credits to entire private and public banks. These saving banks operate on the local level and have 600 institutions and 1700 branches (Aytaç, n.d.). The purpose of the establishment of such structures is to provide financial support to the local governments directly or indirectly and to support the locality's performance in the area of infrastructure services through the credits which it provides. In addition to the support, it provides for local governments, saving banks also grant credits to entrepreneurs and some public companies (Davey, 1988). Another service that saving banks provide is consultancy services in which they help the locality to solve its financial problems. In this context, they provide assistance in subjects such as preparation of local budgets, making financing plans, and determination of financial requirements (UPL, 1996).

In Italy, the concept of "local government" is particularly important and long established. The local government banking model there grants loans for the following services provided by local governments: public works, transportation, construction of public buildings, preparation of urbanization programs and putting

them into practice, mass housing projects, development of land usage and protection projects, etc. The bank was established in 1863, ceased to be a government institution and became totally autonomous after a new regulation which came into effect in 1983.

One of the major examples of specialized local government banking worldwide is in France. The deposit and savings' bank was established in 1816; it attained a widely autonomous structure and its status as a government bank was dismissed similar to the practice in Italy. The bank presented credit opportunities by providing technical assistance packages to local governments congruently to its peers in other countries (UPL, 1996, p. 39). In the years that followed, some of the joint institutions of the bank were separated establishing a different incorporated company called Credit Local de France in 1987. Credit Local de France which is identified as the greatest local government bank nowadays currently forms the core of Dexia Group. Dexia Group became the creditor institution which grants loans to most of Europe by purchasing the shares of many European local government banks (Peterson, n.d.).

Bank for Netherlands Municipalities was established in 1914 with the initiative of Union of Netherlands Municipalities and began to operate actively after World War I. Unlike other institutions, the bank acts as the cashier of local governments. In other words, the bank performs bidirectional money transfer between the local governments and the centralized one. The bank's purpose is to grant loans to municipalities in addition to other institutions and companies guaranteed by the municipalities (Çoker, 1988). The bank also provides consultancy and credit facility services to municipalities. In the process of granting credits, the sum transferred from the centralized government to local ones also acts as a guarantee for the pecuniary and interest debts of the municipalities. Similar to the example in England, the credit sum requested by municipalities is audited by high ranking provincial administrations with auditing authority; in case the debt incurred is too heavy for the municipality, the request is denied. Ergo, provincial administrations have the authority to approve/deny municipal credit requests (Çoker, 1988, p. 88). The bank

possesses the status of a limited company and half of its capital is in the hands of the Dutch government while the remaining half belongs to local governments.

Municipal Credit Bank of Belgium was established in 1860 upon the suggestion of the Finance Ministry of Belgium in order to provide short- and long-term credits for municipalities to meet the requirements of cities after the industrial revolution. The bank's structure doesn't only grant credits to local governments; instead, it has been providing banking services to both public and private individuals and institutions since 1967 (Çoker, 1988, p. 90). Spanish Local Credit Bank, the structure established in Spain with the same function, offers financial and technical support to local governments. Budgetary and organizational support takes place within the scope of technical assistance while financial assistance takes the form of credit support to municipalities. Approval of the Ministry of Finance is required for the municipalities in order to take on loans. The bank which formerly had an agency status was nationalized in 1962 and became a joint-stock company in 1971 (IULA-EMME, 1993, pp. 46-47).

The most important institution in Norway from which the municipalities take on loans for services is the Norwegian Municipal Bank, established in 1926. Similar to the aforementioned institutions, it provides short and long term credits to municipalities, private administrations and their associated institutions in the areas of hydroelectric power plants, overhead power lines, construction of hospitals and medical centers, etc (IULA-EMME, 1993, p. 52).

The Danish Municipal Credit Association was established with a cooperative status in 1898 and it gives middle and long-term credits to its members (UPL, 1996, p. 44). As required by the law, only municipalities can take on credits from this institution and any municipality which took a loan automatically becomes a member of this institution (Çoker, 1988, p. 80).

Similar to many of the aforementioned cases, the Swedish Municipal Credit Association was established in 1962 in Sweden with the same purpose of similar

institutions established in other countries. It, too, grants medium- and long-term credits (IULA-EMME, 1993, p. 48).

In some of the local government banking institutions in Asia, Latin America, and Africa, the state provides credit opportunities to local governments without the presence of a financial intermediary. Examples include Indonesia, Kenya, Pakistan, Philippines, Sri Lanka, Tanzania, Thailand, Uganda, Zambia and Zimbabwe (Davey, 1988). One of the features of local government banking examples in Latin American countries is that they also provide technical support and urban infrastructure along with financial assistance. Municipal Funds have been created for that purpose in the countries in question. Local government banking institutions here provide long term credits for urban infrastructure projects of the local government similar to the structures in Western and Northern Europe, US and England. Whether the amount requested from the bank by the locality can be provided or not is determined by the tax income of the locality in question.

When local government banking models in different countries are analyzed, it appears that although they show some similarities, they contain too many differences in a structural sense. To begin with, some countries obtain resources needed for local governments' services through incurring debts from domestic and foreign markets instead of establishing an institution which serves this purpose. Secondly, in some countries, credit amounts requested by local governments from institutions which provide local government banking are audited by an institution with higher authority. It can be said thus, that decision making power is not given to the locality in some countries. Thirdly, local government banking institutions mostly offer financial support. The institutions which provide technical support remained only at the level of offering consultancy in limited subjects. Certain institutions, however, undertook the investments of municipalities directly. The sole example for this case is the structure in Turkey; the Bank of Provinces. Fourthly, many banks and old public institutions attained the status of a company, making them more autonomous. It is seen that the examples of such institutions were established with the cooperation of

centralized government and private equity. Also, the board members in those institutions are composed of chosen people from both local governments and financial institutions. Fifthly, the aim of the establishment of all these institutions is to support the development of cities. Sixthly, depending on the management structure of the banks and the ranking of the locality, the local government units also present variety. However, most importantly, it was seen that some of the institutions which provide local government banking services also provide services to private individuals and corporations other than local governments. Finally, many local governments and financial intermediaries benefit from Municipal Development Funds. Whereas in developing countries, public resources are used and these resources are created from the transfers allocated from the government's budget (UPL, 1996, p. 7).

2.4. Emergence of Local Government Banking in Turkey

State-owned banks which were established by the government with the proclamation of the republic in 1923 opened an era where they proactively served the purposes of state development and rebuilding of the country. Turkish authorities had early attempts on the subject of development banking. For instance, in 1925, Turkey Industry and Mines Bank was established as part of a growing understanding that the establishment of development banks was a crucial tool in the model of development through state incentives. It can be said that development banks were essential and indispensable for the country until the 1960s. Ziraat Bank (1963), Halkbank (1938), Emlak Bank (1927), Sümerbank (1933), Bank of Provinces (1933), Etibank (1935), Deniz Bank (1937) were established in this period undertaking important roles in the early development moves of Turkey and developing rural-urban supporting programs. Private banking activities were also supported by government programs from the mid-1940s to late 1950s. The state-led development strategy which was carried out until the 1970s began to change around late 1970s as a result of the global crisis ensuing from a combination of the oil shock, the great inflation, and the recession period in the United States. This crisis period created an opportunity for

structural changes to be applied and for neoliberal practices to be pointed out as the sole solution for market development. Turkey was directly affected by these processes as neoliberal practices started to be implemented after the 1980s military coup. However, the practice of privatizing state banks, which started globally in the 1990s, was not observed in Turkey during the same time period. The practices performed by Turkey in this period are different from general global trends taking place in the same time frame. For example, although some of the private equity banks have been expropriated after the 2001 crisis and others restructured and resold to the private equity, these practices cannot be evaluated as privatization (Unal, Aktas, & Acikalin, 2007, p. 140). In the ongoing process, market-focused growth strategies necessitated the restructuring of state-owned banks in due course. Thus, and in the 2000s, structures of all 6 state-owned banks, 3 commercial banks, and 3 development banks were transformed into joint-stock companies (Marois & Gungen, 2013, p. 10).

All of the state-owned banks in question have acquired development missions through state incentives and performed their duties for a long time. For example, the establishment purpose of Ziraat Bank was to provide agricultural development by lending credits to farmers and agricultural enterprises. As for Emlak Bank, it aimed to increase the homeownership ratios via mortgage loans. Sümerbank was established with the purposes of investment in the industries of textile, clothing, and manufacturing in addition to shopkeeping, banking, and performing importation and exportation services. Similarly, the Bank of Provinces has been established with the purpose of urban development by providing financial and technical support to localities regarding their infrastructural services. Accordingly, due to the absence of contractor/investor institutions with enough experience in the market conditions, actual production and investments have been performed directly through the Bank. In fact, two important investment companies have been established by the Bank in order to support domestic investors in the market. Through these companies, producers have been supported by increasing their access to domestic goods and services and providing them with needed financial support (Güler, 2016, p. 249). The necessity of

the Bank and how effective and useful it was in terms of the state's development is understood from a speech given by German Ministry of Urbanization officials in 1964. According to those officials, production of development plan duties, which was assigned to the German municipalities by law, could not be performed successfully and German bureaucrats were not able to find a solution. The fact that service procurement of the locality in Turkey was performed through the Bank of Provinces was found to be quite successful and the banking and planning activities in a bank with such efficiency was mentioned as remarkable. (Çoker, 1986).

2.5. Local Government Banking Example in Turkey: The Bank of Provinces

Local governments in Turkey are composed of three levels as municipalities, special provincial administrations and villages. The Bank of Provinces has taken these three subdivisions in question as of 1945 and the Bank's relations with local governments have continued ever since. This relationship can be evaluated as bidirectional. The first responsibility which the Bank overtook towards local governments is providing cashier service. It performs this function by distributing the shares allocated to municipalities and provincial private administrations according to their populations. Also, it has ensured that they utilize the Municipal Fund and Local Administrations Fund until 2000s (Kestane, 1996). Another responsibility of the Bank is to help local governments deliver urban services through lending credits to make this performance easier. In other words, the Bank provided financial support through public resources. Thirdly, the Bank offers technical support to the locality. It performs this duty by taking part in all phases from the determination of the investment needs of the municipalities to the application of final services (Kestane, 1996). In exchange for these services, the Bank deducts %2 on the total of shares which is allocated to municipalities and provincial private administrations from the general budget.

The oldest local administration unit in Turkey is the municipality (Güler, 2013, p. 195). Municipalities have three main functions as per the duties that were given to them. The first of these duties is to make sure that daily life continues in the cities. Within this scope, they duly and swiftly perform all of the duties assigned to them

for the continuity of mutual living conditions. Secondly, they help in the reproduction of the labor force. This encompasses taking care of both the physical conditions and the basic needs such as nourishment, sheltering, heating and cultural, education and recreational needs. By performing these duties, they also provide the continuity of the labor force. Thirdly, due to the authorizations they have, they contribute to capital accumulation both directly and indirectly especially in the areas of infrastructure investments and urban planning practices in general (Güler, 2013, pp. 198-203). International markets did not have access to municipalities in Turkey until the 1980s. Since the 19th century liberal deregulation has foreseen the transfer of authorizations and resources from centralized governments to local ones. A new process has begun with this approach to open municipalities to global capital circulation. The first step to achieve this was taken with the reports prepared by various institutions, and studies to restructure both the locality and the Bank of Provinces through the symposiums and meetings held. In these reports, it was broadly mentioned that the financial system of local governments in Turkey was weak, its resources were insufficient, and the Bank could not use these resources efficiently. This resulted in localities being passivated since municipal services were performed by the Bank which in turn was immensely under the supervision of the central government. Accordingly, opinions and suggestions appeared regarding how to create a self-sufficient bank which performs increased banking activities, provides its resource from the international market and highlights entrepreneurship.

Transformation of the Bank continued both directly through interventions and indirectly through laws and legislation concerning the reorganization of the local governments. Over the years, the most important transformation point for the Bank was Law No. 6107 which became effective in 2011. As a result of this law, the Bank of Provinces achieved the status of a joint-stock company.

Starting in the 1980s, the Bank has developed different practices on the subjects of providing financial and technical support. The first change in the financial aspect is the fact that the Bank no longer offers short term credits as of 2007, and the

commercial banks now fill this gap (Serter, 2015). Instead, the Bank is to focus its attention on medium and long term credits. Also, with its current status as a company, the Bank of Provinces can develop infrastructural projects by using credits guaranteed by international financial institutions and approved by the Secretariat of Treasury and Ministry of Development through signed agreements

Upon the inspection of financial institutions, it was observed that the Bank of Provinces utilized funds provided from the World Bank, European Investment Bank, Japan International Cooperation Agency and Islamic Development Bank (Köseoğlu, 2018). Nowadays municipalities can also take on credits from international banks directly with their own applications. The Bank which previously only lent credit from the public resources now acts as the guarantor between municipalities and international financial institutions as of 1985. (Güler, 2016, p. 251). It is also seen that some of the funds of the Bank were removed and the resources offered were decreased in time. As an example; the Municipalities Fund which was used while financing the various items that fell into the Bank's investment program was removed in the 1990s. On the other hand, when the change in the technical aspect is analyzed; the Bank continues to provide consultancy services for performance, application of infrastructure and superstructure projects in addition to carrying out fundraising activities. However, especially after 1990, investments made in local governments have shown the tendency to decrease (Topal, 2003, p. 80).

2.6. Comparison between Local Government Banking Examples in the World and the Bank of Provinces

- Duties of the Bank of Provinces were defined as; providing the financial needs of provincial private administration and municipalities, developing projects regarding services that ensure the continuity of the daily lives of people who live within the borders of these administrations, providing consultancy services to these administrations and helping the performance of infrastructure and superstructure works within urban projects and performing all functions of a development and investment bank whatsoever (İller Bankası

Anonim Şirketi Hakkında Kanun, 2011). Within this context, the Bank offers financial and technical support to local governments. Since the Bank is actively involved in the process by offering technical support in addition to performing activities that should be otherwise performed by the local governments, except for some examples from Latin America. Hence, the Bank is distinguished from majority of other local government banking examples in the World. In fact, the latter managed to attract the attention of the market with its current structure.

- The Bank's establishment purpose is to support the development and improvement of cities as the case is in other local government banking examples. In this sense, it possesses similarities with many of the other local banking examples.
- With the new regulations, both the Bank and municipalities now benefit from international funds. The Bank, with its new mission obtained as a result of the process of integration to the capital markets, procures resources from every type of domestic and foreign funds. With this practice that it has been conducting over the last 30 years, it now bears a resemblance to other global examples.
- Another point is that the credit requests of municipalities are evaluated by the Bank. In this sense, the request is not up to the decision of higher authority as the case is in some of the other global examples. The Bank guarantees the reimbursement of the loans over the shares it distributes to municipalities according to their populations.
- Partners of the Bank are municipalities and provincial private administrations. The Bank's General Board, Board of Directors, and Audit Commission are composed of members who represent municipalities and ministries. In brief, there is no public-private sector union in the shareholding structure of the Bank of Provinces which attained the company status in 2011.
- The Bank did not yet achieve a fully autonomous structure as in other global examples and is widely criticized especially in regards to this matter. The aim

of decentralization is putting a stop to the administrative audit mechanism which is used by the centralized government and replacing it with a new financial performance audit mechanism which is shaped by the market. Therefore, the decentralized structure will be able to act according to the needs of the market (Güler, 2013, pp. 28,29). Based on this, the Bank currently possesses more freedom than before its restructuring, is involved in the free market and has the new fund-raising activities as part of its mission. However, it is also seen that it acts more under the influence of the Ministry of Environment and Urbanization which is the Bank's parent institution.

2.7. Conclusion

In this chapter, the local government banking system is evaluated. In the light of this evaluation, the differences between country experiences are examined. Fostering the development of cities is the main aim of the establishment of local government banking institutions in the world. For this purpose, except for third world countries, local government banking institutions' main duty is supporting local governments financially. Within this frame, thanks to this financial support, local governments carry on local investments. When compared to the examples of local government banking institutions in the world, Turkish experience has both similarities and differences. One of the similarities is the usage of external resources like Municipal Development Funds. This fund is stimulated by transnational organizations like the World Bank and the Bank of Provinces also started to use this fund after the 1980s. The second similarity is the purpose of the establishment of these institutions. A great majority of these institutions were established to help, foster and support the improvement of cities.

The Bank differs from world examples in many respects. The most important difference is that the Bank in Turkey has both technical and financial supporter role, as other examples have financial role only. Besides, the Bank of Provinces involves in the production process of local services. In international examples, financial support fosters economic development, investments, service production and so on.

On the other hand, in Turkey, the Bank first provides infrastructural facilities; the most important one is urban planning. Planning actually guides other services and all other activities are determined by planning decisions. Until the 1990s, some significant changes have occurred in economy and this leads to “regulatory state” concept’s emergence. Within this approach, the intervention of the state to the economy has decreased. State, in that approach, receded from the production area and left this area to the private sector (Doğan, 2016). Due to these neoliberal interventions, the Bank’s attitude in the new globalized world was criticized by transnational institutions because the Bank performed contrary to the neoliberal expectations. In this new world order, the mission of urban planning has changed. The city was used as the reproduction area of the capital and became the driving force of economic processes. In world examples, it is seen that finance and resource creation processes have priority. In the Bank of Provinces, it is clear that the situation is slightly different. The Bank provided financial support and technical assistance to local governments and involved in the production of local activities directly. The most important investment area among these services is the urban planning activity. The planning activity carried out by the Bank was seen as a public service. Hence, the economic return of planning was not the primary concern for the Bank. This is where the Bank of Provinces differentiated itself from other examples of the world. This was because the Bank was considering planning within the concept of the public interest. In other words, the perception of public interest is the most important factor that determines the perspective of these institutions. Due to the Bank’s perspective on public interest, the services provided by the Bank barely served for creation of revenue generation activities until 2011.

CHAPTER 3

THE HISTORY OF THE BANK OF PROVINCES

3.1. Introduction

The Bank has a various responsibilities in many areas and it has a history of fulfilling its duties since its establishment. It is obvious that the Bank has a well-established expertise and know-how on each of its responsibilities. One of them is the urban planning activity which was provided by the Bank of Provinces for a long time single-handedly. Hence, the Bank of Provinces has made invaluable contributions to the term of urban planning in Turkey. In this section, the areas that the Bank of Provinces made significant contribution to public interest will be analyzed. By this analysis, the Bank's approach to urban planning and enhancement of public interest will be understood. Additionally, in this chapter, the dynamics that affected the Bank's position in Turkey will be evaluated.

3.2. Foundation of the Bank of Provinces (1933-1980s)

Turkey had a centralist structure following the foundation of the Republic in 1923. In the Constitution, Article 123 states that "The administration forms a whole with regard to its structure and functions... the organization and functions of the administration are based on the principles of centralization and deconcentration". Moreover, local governments are defined as;

Local administrative bodies are public corporate entities established to meet the common local needs of the inhabitants of provinces, municipal districts, and villages; whose decision-making organs are elected by the electorate described in law.... (Ersoy, 1999, pp. 2-3).

Between 1923 and 1940, the state intervention is seen intensely, and the founding laws of the institutions and local units were taken in this period. The reconstruction of the state was carried out by the state itself. In this direction, the concept of the modern Turkish municipality came into being with the Municipality Law No. 1580 enacted in 1930. This law gave municipalities' the task of providing infrastructural services. However, due to the economic conditions of that time, municipalities could not offer these services. Hence, and in 1931, the 131st Article of Law No. 1580 referred to the establishment of a Bank to provide municipalities with technical and financial support. Law No. 1580 also gave municipalities the mission of saving %5 of their revenue for twenty years as a means to establish the Bank of Municipalities. However, 1.5 years later, the Bank of Municipalities, the initial name of the Bank, was established, without waiting for the formation of the capital required for the establishment of the Bank (Kaynak, 2001) In 1933, with Law No. 2301, the founding law of the Bank, the Bank of Municipalities was established with a budget of 15 million TL, an amount which constituted nearly 8% of the total Turkish State's Budget¹ (Çoker, 1986).

The initial purpose of establishing the Bank of Municipalities was financing municipalities' infrastructural investments through supplying short- and long-term credits² (Kiper, 2008, p. 77). The budget of the bank was composed of participation share of municipalities (belediye katılım payı), and in 1942, 94.48% of the budget was composed of municipalities' shares and the remaining percentage (5.01%) constituted the profit of the bank (Kaynak, 2001). The Bank was redistributing the shares of municipalities and instead of making a profit, the strategy of the Bank was to make more effective use of the distributed shares for urban planning and infrastructure financing. With an additional article to Municipal Law No. 1580, the decision to establish an organization called Municipal Development Committee

¹ In book "Mahalli İdareler ve İller Bankası" written by Ziya Çoker claimed that in 1933 total budget of state was 170 million TL and 15 million TL was such a big amount in that period.

² "Belediyelere, şehirlerin tanzim ve tesisi işlerinde yapacakları esash amme hizmetleri için muhtaç olacakları parayı ikraz etmek; kısa veya uzun vadeli avans ve cari hesaplar açmak veya bunlara tavassut veya kefalet etmek ve nizamnamesi esas ile müsaade edilecek Banka işlerini yapmak." (Kiper, Bir Cumhuriyet Dönemi Yapıtı İller Bankası, 2008, p. 77)

(Belediye İmar Heyeti) was made to deal with urban infrastructure and planning investments in municipalities. Municipal Development Committee was established to carry out mapping, zoning plans, drinking water, sewerage and sports areas for municipalities which met the criterion of hosting more than 10.000 inhabitants as its population (Kaynak, 2001). Between the years 1935 and 1944, and with consultancy and coordination of the committee, 9 municipalities' development plans, 47 municipalities' mapping studies, and 21 cities' drinking water facilities were implemented (Kiper, 2008). The Committee was providing infrastructural services while the bank was supporting the municipalities financially by supplying credit. The Municipal Development Committee and the Bank worked together for 10 years before the two organizations merged to become the "Bank of Provinces" in 1945. Until 1945, the Bank of Municipalities performed these three tasks; 1) giving credit, opening an account, playing a mediation role 2) banking and insurance services 3) distributing the shares of local governments. After the merger of 1945, however, the final version of the bank came to provide both financial and technical support.

In terms of structure and formation, the Bank has the feature of a central executive unit although it serves localities. In this sense, it connects the center and the locality. Possessing this structure, it could be said that the Bank has a multi-faceted service mechanism given that it fulfills both central and local tasks.

The importance of the Bank of Provinces is highlighted by many foreign researchers, one of which is Ernest Reuters who fled Germany during World War II, defected to Turkey, and prepared a report about facilities of the Bank in 1942. He expressed that the Bank was established in incompatibility with Turkey's economic and political structure and that, thanks to this institution, Turkish cities achieved significant successes in the past nine years (Çoker, 1986). With the order of Mustafa Kemal Atatürk and the purpose of redeveloping and reconstructing Turkish cities, the Bank, as a unique model of a local banking system, started to supply both financial and technical services including mapping, development plans, geological and geotechnical studies, drinking water, sewage, treatment, solid waste, sea discharge,

geothermal energy applications, municipal service buildings, cold storage, terminal, high-rise buildings, landscape projects etc. to all municipalities, especially special provincial administrations and villages (İlbank, 2011).

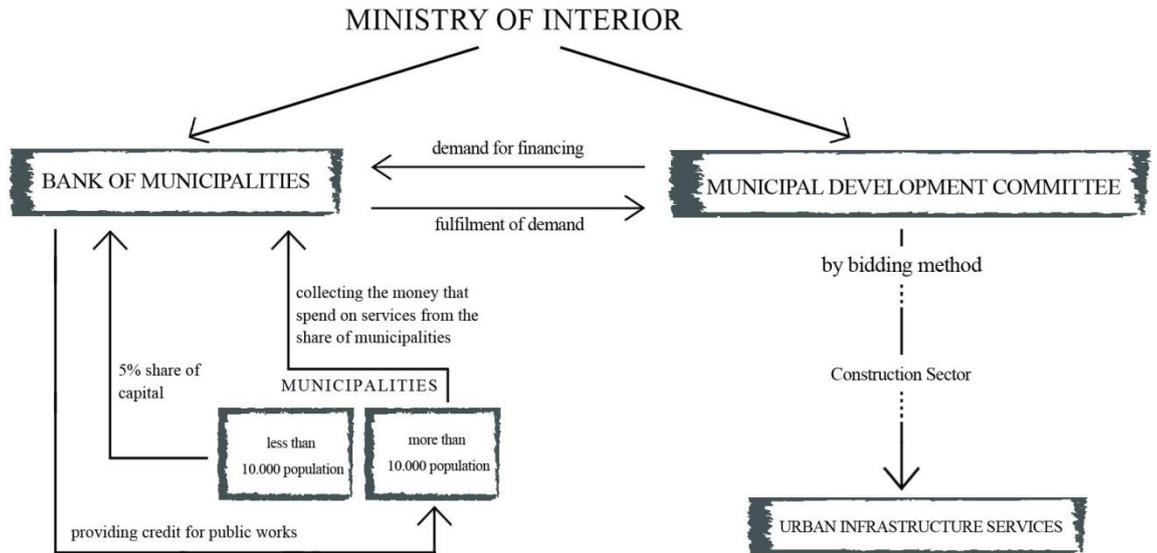


Figure 1: Relations in Local Investment System between the years 1935-1945
(Source: Güler, 1996, translated by the author)

The model applied between the years of 1935 and 1945 is shown in the figure above. In this process, almost all of the capital of the Bank was composed of the flows of funds from municipalities consisting of participation share of capital (sermaye katılma payı). As a reverse of this flow, the Bank extended its resources to municipalities as loans (Güler, 1996, p. 93).

3.2.1. Duties and Implementations of the Bank of Provinces

In Turkey, like in other developing and underdeveloped countries, intergovernmental transfers are the dominant sources of revenue for subnational governments (Ehtisham, 1997). These transfers deeply influence the localities' efficiency and equity of local service provision (Litvack & Seddon, 1998, p. 27). This distribution of the share called 'istikak' in Turkish was performed by the Bank of Provinces as an

organ of the central government. (Ersoy, 1992, p. 11). While the Bank was a central executive unit, it was also perceived as a part of the local government due to the services it provided the locality with and its relationship with subnational levels of the government.

The Bank was allocating the shares to municipalities according to population which affected small and middle municipalities in a positive way through strengthening their financial abilities. Moreover, this duty is a powerful tool for the Bank because it could subtract the municipalities debts from shares allocated to them.

The mission of the Bank of Provinces was listed in its founding Law No.4759 enacted in 1945 as follows;

- Supporting local authorities to fulfill their tasks by supplying credits,
- Facilitating public service production duty performed by local governments,
- Accomplishing banking activities,
- Doing or getting infrastructure services done on behalf of local governments upon demand (UPL, 1996, p. 17).

As by Law No. 4759, the Bank has been giving credit to local governments in short and long terms and according to Local Administrations Law No. 2380. These banking activities were performed at the 'İkrarlar Dairesi' later named as the Banking Department. The Bank could give long term credits with 50% interest rate according to annual shares allocated and distributed by the Bank in accordance with the Bank of Provinces Law Application Regulations³. The Bank could give short term credit on the condition that it will be paid back in the same year or the following one. The ratio of paying back those credits given to local governments is at about 98%. This ratio is very high; that is why the Bank holds local governments' revenues as collateral (Esin, 2013).

³ It is called "İller Bankası Kanunu Uygulama Yönetmeliği" in Turkish.

Until 1944, municipalities were the only members of the Bank, but this changed as villages and special provincial administrations have been incorporated after 1944. The Bank has established relationships with localities through many channels. Some of the main services are listed in the table below. These are conducted by the Bank's relevant departments. However, some of the services have been transferred from the Bank to other institutions. Sectorial distributions of the Bank's investments are shown in the table below:

PERIOD	WATER	CHANNEL	ENERGY	CONSTRUCTION	MAPPING	PLANNING	SUM
1945-62	32.36		44.32	21.79	0.93	0.34	
1963-67	34.21		55.68	5.4	3.2	1.6	
1968-72	36.18	1.52	49.53	8.39	2.89	2.89	
1973-77	30.56	15.3	34.55	16.86	1.83	0.62	
1978-82	26.12	20.19	42.1	7.46	1.11	0.42	2.58
1983-87	46.32	30.31	6.43	15.49	1.1	0.27	2.5
1988-91	53.84	32.17		10	2.26	0.39	0.06
1992-95	55.82	31.85		7.23	3.51	0.54	1.05
1996-00	55.67	33.44		7.84	3.06	0.29	
AVERAGE	41.22	18.3	25.84	11.16	2.21	0.82	0.69

Table 2 : Distribution of Sectorial Investments of the Bank (1945-2000)

(Source: Çakır, 2003)

The Bank has served in many sectors but specialized in the areas of water and energy until the 1980s. In 1986, with the transfer of all authority over the energy sector to Turkey Electricity Authority, the Bank now mainly undertakes investments on water and sanitary sewerage. When the sectorial distribution of the Bank's investment activities was analyzed in the 2000s, it was observed that these two areas still had the highest percentage of investment. By examining table 2; it could be seen that the percentage of the planning activities performed by the Bank was always less than other sectorial investment areas over the years. According to this data, it could be deduced that urban planning was not as significant as other investment sectors for the Bank. Some of the interviewees are also in this opinion. For example, int 15 claimed,

The Bank's other activities, except for the urban planning, were the intense pace of work that the Bank's personnel did not have time to deal with urban planning.

However, it would be inaccurate to make an inference from the percental share of the sectoral investments that the Bank did not value urban planning activities as much as the other sectoral activities. Because urban planning creates value for the land. Thus, it would be insufficient to make an evaluation based on quantitate values spent on urban planning actions. No matter how low the percentage of urban planning is illustrated in the table, urban planning has a significant meaning for all other investment sectors. Because all investments on land start after planning decision takes place. Thus, urban planning service activates investment projects connected with the built environment.

3.2.2. The Bank's Approach to Urban Planning and Public Interest

3.2.2.1. The Bank's perspective on urban planning

Public interest ensures that planning activity implemented within the scope of codes of conduct. Hence public interest has an upper referable role for planning discipline and provision of public services (Özalp & Erkut, 2016). In light of this perspective, the Bank has fulfilled its duties to establish and improve public interest. Thus, evaluating the Bank's perspective allow to understand the Bank's view on public interest. It is the right approach to consider the concept of public interest as a set of principles that may change periodically. Therefore, it is best to discuss the Bank's practices within its own historical period. The Bank established its perception of public interest through some important tasks. One of them is the planning service provided by the Bank to municipalities. About this task of the Bank, int 18 claimed that;

The Bank's planning activities intensified after the 1940s and the fundamental planning principles were firstly determined by Regulations on Development Planning of Provinces and Villages.

During the 1950s, the Bank underwent some changes to provide more efficient and effective services. With these principles, in the first years of the Bank's establishment, development plans were produced by three methods. The first method is the production of the plans called "emanet usulü" by the Bank's own technical personnel on behalf of municipalities. During this period, and in order to rearrange and strengthen the private sector, the Bank established firms to accomplish tasks in various sectors. Thus, because of the deficiency in the market, the Bank has been directly involved in almost all local services' production processes and acted as an instrument to regulate the market (Güler, 2016, p. 249). The second method is that of bidding and the third is the urban planning competition method. According to int 17, "each planner working in the bank had to prepare at least one plan". The reason behind this obligation was the Bank's desire to make its personnel familiarized with the plan production process. The method by which the work will be done is an important question. At that point, int 16 explained it by these words;

The production way of the plan, whether done by the Bank's own personnel or through the bidding system, was determined by the tender commission. Senior officials would evaluate the number of works they had and they would decide accordingly.

Int 6 elaborated this topic and stated that Ahmet Menderes⁴ would follow how many works each of the contractors had and decided accordingly which contractors to invite to the tender. He also prevented the accumulation of too many plans in one hand and tried to distribute the plans in a way that achieves contractors' equality. Moreover, Ahmet Menderes followed production period of all of these plans. From this example, it is observed that the Bank's officials of the 1980s period were closely following the plan production processes and trying to maintain equal distance with all contractors in the decision-making process of the planning. This shows that the senior officials of the Bank were quite sensitive about this topic. This practice of the Bank points the Bank made tiny distinctions during the monitoring process.

⁴. Mr.Menderes has worked as a Director of Development Planning Department in the bank for long years and retired from that department in 1980s.

The first method, where the Bank's own personnel produce plans on behalf of municipalities, had started with demand from the municipalities. In this method, municipalities applied to the Bank's Map Office where the new map was prepared. After map preparation, the Bank starts to prepare the master plan of settlement 1/2000 scale and then 1/1000 scale. But before all these plans, the Research and Evaluation Department begins to collect data about the settlement such as the structure of the family, natural thresholds, types of buildings opinion and etc. After gathering the data, technical personnel of the Bank evaluates the data. The other step of the plan production is field analysis. Planners visit the field and prepare various sketches. After the completion of the conceptual scheme, it was submitted to the municipality's informal opinion. Int 16 explained that the aforementioned plan production stage was so challenging that the technical personnel were spending half of their year in the field working on plans, even drawing the plans in the field to save time. Sometimes they delivered plans to the Bank and then returned to the field again. It can be deduced that the plans done by the Bank's personnel took a long time and were labor-intensive.

The second step is the period of plan preparation. This period was initiated by the preparation of the 1/2000 scale plan and its reports. The 1/2000 plan and its report were controlled by the Ministry of Development and Resettlement. The Ministry was the only approval authority until the enactment of Law No. 3194 thus the urban planning activities were performed by those two institutions over many years. Then the Ministry produced another report including assessments and sent it to the Bank which in turn sent both reports (its own and the Ministry's) to the concerned municipality. After all revival procedures were completed, the Bank starts to prepare a 1/1000 scale plan and all process carried on in 1/1000 plan production again. Int 17 added that this procedure took too long (approximately 2-3 years) extended by the fact that plans had to wait in each institution. According to interviews, the process of plan production and plan approval took a long period of time leading to adaptation of Urban Development Law No. 3194.

The second plan production method is the bidding system. In the bidding system, the size of the area, population size and other data belonging to the field were crucial in influencing the tender commission's decision on which group should get involved in the tender. For a long time, the Bank did not receive any money from the plan production services it conducted through “emanet usulu”. Int 16 described this situation as follows;

The plans which were made by the Bank on behalf of the municipalities were free of charge. In the bidding system, however, the Bank deducted the charges from the shares of the municipalities.

Plan production by the bidding method could be quite coercive for small municipalities. For those municipalities, the intergovernmental transfer is a vital source. In small municipalities, the transferred share sent by the Bank decreases dramatically in the event of payment made to the contractor by deduction of this share. As mentioned previously, the Bank is the one to decide which method would be used for plan production.

According to int 6, one of the reasons the Bank chose the bidding method is the increased number of municipalities. The reason for the increase in the number of municipalities was the enactment of Metropolitan Municipal Law No. 3030 in 1984 which will be detailed in the following chapters. The table below displays the distribution of the plan numbers with percentages done by the Bank personnel and bidding system between years 1933-2000.

When the number of development plans produced by the Bank until 1980 is examined, it could be seen that the Bank has produced 56 of 67 provincial plans. Similarly, the percentage of development plans obtained by the Bank through the three aforementioned methods between the years 1933 and 1980 is 96, 61% while the remaining part, belonging to the Ministry of Development and Resettlement, constitutes 2,16% of the total number (Yanaşık, 2017). However, and as understood from the table below, the rate of development plans obtained by the Bank declined in the year 2000, reaching approximately 90% (Kiper & Gezim, 2013). This is because

the number of approved institutions has increased and the Bank has lost its monopoly in plan production.

INSTITUTION PREPARED BY	METHOD	NUMBER of PLANS	%
İLLER BANKASI	Prepared by bidding system	3586	73,51
İLLER BANKASI	Prepared by the Bank personnel	815	16,71
OTHER INSTITUTION	Prepared by ministry, municipality, etc.	477	9,78
TOTAL NO.		4878	100,00

Table 3: Distribution of the number of development plans according to production method between the years 1933-2000
(Source: İller Bankası, 2000, p. 87)

In the 1950s, Turkish cities faced a high growth rate with the rise of immigration from rural to urban areas. To foster the planned development of Turkish cities, the Bank set some international development plan competitions which were an important step for urban planning structure in Turkey. Starting from Izmir (1952) and Ankara (1955), the bank prepared all documents about the city subject to urban planning, announced an international competition in which various participants would submit their proposed development plan of the city in question and then a winning design would be chosen. In the 1960s, Konya, Sivas, Adana, Gaziantep, Izmir, Mersin and Erzurum were also opened to international competition.

The year 1960, however, was a turning point for urban planning discipline in Turkey because all these cities' plans started to be prepared in accordance with socio-economic researches, regional planning decisions and development plans (Menderes, n.d.). In the 1970s, the on-site planning method gained importance. This meant that if planning activity was to take place in a certain city, the responsible institute would open an office in that city too. Gaziantep and Zonguldak initially planned through urban planning competitions were the first two cities to experience the on-site

planning approach. In short, between the years 1964 and 1974, urban planning competitions for eleven entire cities were arranged. Int 13 described the process of urban planning competitions between the years 1965 and 1975 in terms of organization and operations with these words;

Approximately 25-40 groups participated in each competition (around 80-150 development plans). The projects were presented through exhibitions, cocktails, and colloquiums. The project presentations were so crowded that a minimum of 100 viewers was participating and debates took place. As described, these events were not only a place for plans to be discussed, but they also were platforms in which all aspects of the urban planning discipline were conferred.

In fact, it could be said that those events were one of the most important contributions to the urban planning structure of Turkey. The Bank continued hosting urban planning competition until 1988, the last competition being ‘Gaziantep 100.Yıl Atatürk Kültür Parkı Düzenlemesi’. Int 17 claimed that there were no criteria for participation in the competitions organized by the Bank. For instance, one of the personnel from the bank also participated in the last competition, “Gaziantep 100.Yıl Atatürk Kültür Parkı Düzenlemesi”, won the competition, then quit the job and left the Bank.

The Bank was the sole institution that carried out plan production process until the 1980s. By this service, the Bank aimed fair and equal distribution of public resources to its members, in other words to local authorities. It distributed public resources by giving services to municipalities. Providing plan production was one of the Bank’s perceptions of acting for public interest. However, this situation changed after 1980s. The Bank still carry out this task and it also involves in the production processes of other investment sectors on behalf of municipalities. The Bank establishes relations with local authorities on the subjects related to finance, consultancy, implementation, technical support and education. As a product of these relations, various services are produced such as mapping, development plan, water, drainage and sewerage services, treatment facilities, solid waste, infrastructure facilities, urban transformation and banking services (Bolaç & Eroğlu, 2017). Thanks to this, the

Bank made the municipalities continue their role as local services providers. This is a crucial role for local governments in Turkey since especially smaller municipalities are in need of such financial and technical support. According to the survey on different scaled municipalities studied by Kılıç&Gül (2015); small-scaled municipalities, before and after the Bank became a company in 2011, still, need the Bank's financial and technical support to overcome their shortcomings. Hence it could be said that the Bank of Provinces helps and guides municipalities and special provincial administrations to fulfill their duties. Today, the Bank continues to give services to 30 Metropolitan Municipalities, 30 Metropolitan Water and Sewage Administrations, 1399 Municipalities, 51 Special Provincial Administrations and 2 District Special Provincial Administrations (T.C. İçişleri Bakanlığı, 2018).

As mentioned previously, the Bank has been carrying out an intermediation role between central and local parts of the administrative system. Additionally, the Bank supplies credits to local governments for continuity of their infrastructural services provider role. Furthermore, it produces plans for municipalities through the three previously discussed models. Thus, the Bank of Provinces is different due to its unique location on the intersection of public administration, the banking system, and the construction sector. (UPL, 1996, pp. 15,16). It could be said that the Bank of Provinces established the public interest within the scope of its mediating role between local and central government over the years. Besides this, the Bank undertook the duty of rearranging and strengthening the private sector until the 1950s. To achieve this goal, the Bank established firms to accomplish tasks in various sectors. Due to the deficiency in the market, the Bank was directly involved in almost all local services' production processes and acted as an instrument to regulate the market (Güler, 2016, p. 249). Thus, it also had an intermediary role between the public and private sector. This was one of the perspectives of public interest.

3.2.2.2. *The Bank as an ‘academy’*

Planning activities held by the bank were initiated in 1949 intensively and the Bank of Provinces established the Technical Specification for Arrangement Plans of Cities and Towns⁵ (Kaynak, 2001). Since then, this specification has been used in the practice of planning and was generally regarded as a guidebook for the planning process. After the enactment of Urban Planning Law No. 6785, the specification has been updated with law amendment. The latest version of the specification is named “the Technical Specification about Regulation of Urban Planning”. Article 7 of *the Regulation on the Principles and Implementation of the Development Plan*⁶ states that “during the development plan preparation, the contractor has to obey the principles of technical specification prepared by the General Directorate of the Bank of Provinces”. According to int 12, this article also shows the significance of this specification for planning processes. Hence, it could be said that this specification is one of the practices for directing the planning history of Turkey. Besides int 19 added that “if the Bank was an academy, the specification was the book of that academy”. In short, this specification is one of the most important regulatory tools that the bank provided for planning. This specification which had been updated in the following years is still being used in the planning process in the bank. Int 10 made a comparison between the old and updated version of the technical specification. He claimed that the current version of this specification is simpler and added that the older version was much more comprehensive and detailed. For instance, during the preparation of the older version, experts from many professions such as statisticians and architects composed it collectively. The interviewee also added that it is not possible to prepare it so extensively at the present time in accordance with the terminology of the day because the Bank now has so much work and there are no more people from such disciplines working in the bank anymore.

⁵ “Şehir ve kasabaların İmar Planlarının Düzelmesine ait Teknik Şartlaşma” in Turkish.

⁶ 3194 sayılı kanununun 13. Maddesine yönelik hazırlanan İmar Planı Yapılması ve Değişikliklerine Ait Esaslara Dair Yönetmelik

Int 18 added that in the same period, and around the year 1950, the first research about urban studies started to emerge after the translation of Paris Atlas (Gülgeç, 2010) and the Bank has composed a questionnaire about municipalities' social, cultural, natural, and educational, etc, conditions. Int 18 asserted “*this could be seen the core of Turkey's current urban research method*”. With this approach, it can be interpreted as a period in which the Bank understood the importance of research in the planning processes and focused on this issue. During this period, research activities in the Bank intensified; again int 18 called this “research fetishism”. Her description shows the fact that the period of the 1950s saw the Bank producing many types of research for the sake of research itself that the purpose and use of these studies were unknown.

The first Urban Development Law No. 6785 enacted in 1956, introduced the terms “master plan” and “implementation plan”. Through the introduction of these changes, the central government sought to control and gather planning practices within a single institution. Apart from this law, the 1950s saw the start of a new era in urban planning with the participation of many institutions such as the Ministry of Development and Resettlement, the latest name is Ministry of Environment and Urbanization, in 1958. At that period, the Bank and the Ministry started to increasingly collaborate on the delivery of various tasks. In the direction of this progress, all plans produced by the Bank and Ministry were upper regional scale plans. Int 17 stated that all the planning processes were held within Law No. 6785. The authority of plan approval solely belonged to the Ministry while the Bank was responsible for the implementational side. The plans were closely related to each other and the only approval body was the Ministry. Thus, a close relationship formed between the Ministry and the Bank. Apart from the Ministry, the State Planning Organization (SPO) and Middle East Technical University City and Regional Planning Department were also established during this period. With the establishment of SPO and the implementation of the five-year development plan, the planned development period of Turkey started (Menderes, n.d.).

The Bank developed relations with all of these new institutions, providing vital contributions to the period starting from the 1960s to the 1990s. For instance, the Bank developed close relationships with METU in the 1960s, especially with its City and Regional Planning Department. Another example is given by int 6 who recalls that, in 1967, Ahmet Menderes, the Director of Development Planning Department, participated in a technical visit of the urban planning students and he also investigated the projects. The foundation of the first Urban and Regional Planning Department had great importance since it taught and graduated urban planners who could now be involved in the planning process. Int 6 explains that there were architects before there were urban planners and thus plans have been done by architects. The Bank hired the first urban planner employee at the beginning of the 1970s. Int 12 said that, at that period, the Bank considered these workers as “b group technical personnel” like biologists or chemists. As understood from these words, planning itself was not a new phenomenon for the Bank but “urban planners” as professionals could not be understood easily because they were very new to this sector. Int 12 also added that because of this confusion, the salary given to planners was lower than that given to architects and the Chamber of Urban Planners (CUP) paid efforts to solve this problem.

In the 1960s, the Bank adopted a new method. Previously, plans were handled with regard to physical, demographic and socio-economic sides which brought a comprehensive approach to the planning process. This was called ‘Calsat’ method which is used today's as a research method. Int 13 stated that the Bank had to develop an alternative method to substitute Calsat method but it failed to do so. The Research Directorship was the unit where all research analysis was carried out and then transformed into physical plans. This unit was so powerful that int 17 described it saying “*the employees in that team were like professors*”. In the direction of this information, the Bank was giving priority to research since it composed the basis of the plans. Moreover, int 13 described this period as;

That was the period that the integration of urban planning with research has been achieved. These research methods have formed the basis for today's urban practices in Turkey.

Both int 3 and 7 mentioned that, until the 1980s, the Bank was one of the most important actors in the field of urban planning. At that time, other important actors in the field of urban planning included the Ministry of Development and Resettlement, the General Directorate of Building Land Office, and the Directorate General of Settlement and Bank of Provinces. Regional planning was under the Ministry's responsibility; however, the Bank was the institute with the most extensive experience in the field. According to int 18;

The Bank's contributions to urban planning were greater than the Ministry because the Bank has been constantly involved in the implementation.

At that point, the Bank was seen as an academy not only for planners but also for all professionals. Int 19, who was the public official at the Ministry, made a comparison between the Bank and the Ministry and said: "*It was the academy of Bank planning, but we can't say that for the Ministry*". The reason for this is that the Ministry did not take place much in the process and only acted as an approval institution. During plan production, the first draft of the plan was delivered to the Bank by urban planners and this draft was evaluated in meetings called 'colloquiums'. Int 17 explained the colloquium process as;

Project owners, controller of the plans who were architects or planners working in the Bank, public practitioners from related institutions and local managers participated in colloquiums where discussions were held. Depending on how the colloquium went, the discussion topics, opinions, and criticisms, the Bank could demand that the plan be re-drawn or re-organized. After the plan reaches its final form, it was sent to the municipal council to submit for their consideration.

All of the interviewees agreed that the colloquiums were very important. Additionally, interviewees of the second group stated that these meetings "colloquiums" were so educational for both the technical personnel of the Bank in

addition to freelancing urban planners who did plans for the Bank. This colloquium period also showed that plans were produced by the participatory method by considering all opinions. In both methods done by the Bank on behalf of municipalities or through the bidding system, colloquiums were organized. In the condition of plans done by the Bank on behalf of municipalities, planner of that plan, managers from the Bank and participants from the municipality had to get involved in the colloquium. In the case of the bidding model, the plans were controlled by Bank personnel while the controller of the plan was responsible for all the details of the plan. Int 17 added that the jury in colloquiums asked difficult questions to controllers in order to determine whether the controller has examined the plan in detail or not. The interviewees of the first group mentioned that the concept of participatory planning started with colloquiums in Turkey. The great majority of the interviewees also emphasized that plans need to be produced collectively.

In the 1980s, new approaches and special agreements were implemented to control and guide better plans and to make the planning period more efficient. Within this frame, the committee called 'advisory and auditing board' was established between the Ministry, municipalities and the Bank. In addition to this, and in order to decrease the period of plan production, a protocol was signed between the Ministry and the Bank defining the ways to be followed during planning according to the population and the area size (Menderes, n.d.). Like colloquiums, this board represented a decision-making process and was established to create common decisions between all relevant actors. It was also aiming to create more participatory and active planning processes. The board which was an expanded version of the colloquium was organized two times a year and decisions taken in the board were having a bidding force for the planner. The 1st advisory and auditing board was organized in İstanbul/Soğanlık in 1979. Usually, board meetings lasted 3-4 days. The 2nd board meeting was held in İstanbul/Silivri. Int 19 made a comparison between the supervisory boards of the Ministry and the Bank saying that while the Ministry also had a board which examined the plans, it solely consisted of 1 to 2 personnel of the ministry. It can be understood that the process in the Ministry was not as

participatory as the one in the Bank. This may be due to the accumulation of too many plans in the Ministry leading to a shortage in the time available for evaluation.

Due to its extensive archive, the Bank was called as an academy which had been preserved since the date of its establishment. Int 19 stressed that this well-designed archive stored plans, photos of the field that subjected to plan, relievos of the proposed housing types, different scaled plans about the field and research reports belonged to field. In light of this information, it could be claimed that this archive was storing all data about the planning history of the cities which were planned by the Bank. However, this archive was preserved only until 1980s.

The reasons for the Bank's being an academy for urban planners could be evaluated under several headings. One of them was the approach of the bank towards to planning discipline. The planning activity held by the Bank was performed within the scope of holistic and multi-dimensional approach. Consequently, the Bank not only prepared physical plans but also incorporated the settlement's economic, social, cultural, politic and administrative dimensions into the plan production process. To perform this task, the Bank has developed new methods to reach the most effective and efficient result. All these efforts, new studies, adaptations, and methods have enabled the Bank's personnel to keep themselves updated on the issues. Hence, one of the Bank's public interest was established by the method of "*being a professional training institute*". Thanks to this method, the Bank shared its technical know-how and experiences with all kind of occupational groups.

One of the other reasons why the Bank has been considered as an academy/educational institution was that the Bank performed the planning activity by itself for many years. It has generally produced development plans for cities because it advocated a comprehensive planning approach. While the Bank was finalizing the cities' future forms with its plans, it tried to prevent the planning from being a means of rent-based applications until the 1980s.

As a result of the Bank's efforts to build a better planning structure in Turkey, it managed to integrate the theory and implementation parts of the urban planning discipline. By harmonizing theory and implementation, the Bank tried to find solutions to Turkish cities' spatial problems with the help of its experiences and know-how in urban planning.

3.2.2.3. Supervisory and regulatory role of the Bank

Urban planning as an occupation became visible with the establishment of the first Urban and Regional Planning Department at METU. Int 8 was one of the first graduates of the department. After graduation, she started to work at the Bank between the years of 1969 and 1973 when there were just 2 or 3 urban planners. She added that they only received theoretical education at METU and that they learned the implementation part of planning for the first time at the Bank. Apart from this interviewee, many other interviewees stressed that, since the Bank was the only institution responsible for planning during that period, planners learned everything regarding the discipline through their interaction with or work in the Bank.

The bank was the foremost authorized institution in the area of urban planning because it has carried out the planning process alone until the establishment of the ministry in 1958. After the establishment of the Ministry of Development and Resettlement, the Bank and the Ministry have maintained this duty together in coordination. The urban planners, who graduated at that period, have learned the principles of planning, both theoretical and implementational, from the Bank. Thus, the Bank was a second school for urban planners. According to int 6, plans produced by architects and urban planners could be separated easily because architects did not pay attention to the topographic map while drawing. Additionally, int 18 stated that plans done by architects were pictorial and were not appropriate for the cities they were supposed to be implemented in; rather they were prepared with the purpose of creating western cities.

Around the mid-1960s and 1970s, many architects left the Bank and started working in the private sector. In other words, they began to produce plans for the Bank as private practitioners. Due to such changes, the bank enacted obligations for personnel who have left the Bank and opened private planning consultant offices. For instance, int 8 claimed that freelancing planners could not get works from the Bank for 2 years. Moreover, the Bank's officials also kept an eye on planners who graduated universities with no planning experience. According to int 6, Ahmet Menderes thought that newly graduated urban planners had to fulfill some conditions to enter the private sector. According to int 6, Ahmet Menderes upheld that an obligation of 2 to 5 years work experience in a public institution should be imposed on newly graduated urban planners in order to have the qualification certificate and start with the group F.

The Bank was seen as an academy for urban planners; the great majority of interviewees whether they worked with the bank or as freelancers emphasized this point frequently. The interviewees of the second group commentated that the Bank was the place where planners learned how to produce plans and everything about the urban planning discipline as a whole.

The Bank was established in a state-oriented development period, where all services were provided by the state through public institutions. Since the aim was to emphasize the central government's role in the discipline of planning, planning was done by one institution solely for many years. One of the most important reasons that led the institution to be seen as an academy is the fact that, for a long time, the Bank was the only institution in which planning activities were performed. The Ministry was also one of the authorized institutions where different scales of plans made in the bank were approved. The interviewees, who graduated from METU in its first 20 years period, stated that they have regarded the Bank as a continuation of the university. In accordance with the information deduced from the interviews, two reasons could be mentioned. Firstly, during university education, students did not have a chance to practice the implementation part of planning processes and, at that

period, the only institution where planning activities could be practiced was the Bank. As specified, the university covered the theoretical side of planning while the Bank covered the implementational one. Secondly, the Bank was experimenting with new methods to find the appropriate results for Turkey. Thus, information exchange was two-sided, with the Bank contributing to the planners' knowledge and vice versa.

Likewise, the interviewees of first and second groups added that the Bank was an academy for all professional groups, not just for urban planners. The opportunities offered by the Bank were extremely desirable for professionals. For example, engineers that graduated from Istanbul Technical University (ITU) were compelled to work at the Bank because the latter was sending its personnel abroad for training which was regarded as a big chance at that period. This change was possible because establishment Law No. 4759 tasked the bank with supporting students through education and training programs abroad in order to train and organize its own technical personnel (UPL, 1996, p. 18).

Planner employees of the Bank were not the only ones to regard it as an academy, freelancing planners did too. To begin with, the bank was providing technical support to freelancing planners. According to int 6, who is an owner of a private planning consultant office, Ahmet Menderes sent personnel to her office to help improve their drawing techniques. For example, the Bank's staff showed them junction drawing technique. From that anecdote, Ahmet Menderes was examining and evaluating all products delivered by contractors of planners from the Bank. Similar to the technical support given to municipalities, personnel and the governor of the Bank were also supporting self-employed planners to improve themselves, their products, and their plans. Additionally, the majority of interviewees from the second group emphasized that they have learned the fundamental principles of urban planning from the Bank. This situation is not unique to the far past but is still true to many recent times. Int 8 stated that until recently, although the tender prices were very low, her office continued to receive plans from the Bank for the newly

graduated employees. The interviewee mentioned that the aim is to enable the young employees in her own firm to experience the urban planning discipline of the Bank.

The Bank was founded during the period when the private sector was not in good shape and properly developed. Hence, the Bank has undertaken the responsibility of carrying out activities in many areas in order to fill this gap in private sector. Thanks to its know-how, experience, and qualified personnel, the Bank fulfilled all these responsibilities and overcame the problems by investing intensive workload. As mentioned previously, around the mid-1960s and 1970s, many architects left the Bank and started working in the private sector. These years were so crucial for the private sector since the Bank became an institution that private practitioners started to produce plans for the Bank. Even during this period, the Bank did not abandon the audit mechanism in the projects produced by the bidding system. For example, all plans produced by the bidding system were always subject to audit processes called colloquium. Thus, it could be claimed that the Bank maintained its supervisory and regulatory role in all types of planning methods. It has established the basic principles of urban planning discipline and ensured that all plan makers comply with these principles. All in all, the Bank has ensured its supervisory and regulatory role via attempting to provide public interest.

3.2.2.4. Conclusion

In this chapter, the Bank's approach to urban planning and public interest was elaborated. The Bank was the intermediary between central and local governments and also between the public and private sector. It put established arrangements for the market by performing its supervisory and regulatory role. Technical and financial support from the Bank led local authorities to become more capable of providing and sustaining local services.

The Bank was the only institution responsible for planning activities in Turkey. While fulfilling this duty, the Bank has distributed public resources to local authorities in an efficient way. Moreover, the Bank acted as an academy for many

years and it had many contributions to development of urban planning discipline in Turkey. In addition to that, this institution gave great importance to the professional training of its personnel which resulted in having the most experienced and trained personnel in planning.

The Bank, which maintained this perspective was influenced by internal and external dynamics in 1980s. Consequently, the Bank shifted its interest towards different areas besides public interest. When the Bank's approach to urban planning in that time is examined, it is seen that the Bank perceived urban planning as a public service, yet, at the same time as a process that attracted/initiated investment in settlements. With the awareness of the importance of plan production processes, the Bank made detailed analyses in the planning processes and tried to produce the most appropriate plans for settlements.

3.3. Factors Stimulating Reorganization of the Bank of Provinces (1980s-2011)

There was no critical change in the Bank's institutional structure between 1985 and 2011. However, this period formed the basis for the Bank to become a company in 2011. Developments that took place during this period affected the transformation of the Bank and its approach to urban planning and public interest. Hence, those years could be mentioned as a preparation for the transition stage for the Bank.

3.3.1. Neoliberalism and the Bank of Provinces

In the 1980s, many countries were integrated into the global world economy thus undergoing many fiscal changes because of the perceived strong relationship between financial liberalization and economic growth. Fiscal liberalization accompanied the trend of globalization transforming many countries from a focus on the national interest to an emphasis on the global one. It was suggested that developing countries should liberalize their financial markets to reduce the risks and push national savings growth in a positive direction. Apart from this impact, financial liberalization allowed competitiveness in the market which increases variety in product, service quality, and development in technological branches. As a

result of these trends, legal and required reserve ratio could stay at low levels and credit shortage could be blocked in developing countries (McKinnon, 1973; Gurley&Shaw,1955; Gurley&Shaw,1967; Fry, 1995).

Globalization makes physical and economic borders insignificant and the international capital becomes mobile between all the sector and countries which is seen as vital for the sustainability of the global economy. With the switch from the national field to the globalized arena, the reorganization of the central and local governments came into force. According to Jun & Wright (1996), it is expected that global changes influence all level of governmental organizations from central to local. At the end of this reorganization, local administrators become more conscious of global influences in the globalized sphere. Starting from the 1980s, with the rise of “decentralization”, “subsidiarity” or “locality” discourses, local governments have become important forms of intervention that are sensitive to the needs of capital (Olgun, 2006, p. 114).

In this period, the dominance of supranational organizations like IMF, the World Bank, the OECD or the European Commission was intended to achieve neoliberal targets such as liberation in trade, deregulation, expanding capital mobilization, and extending commodification. These transnational organizations acted actively and in a pronounced manner within the world market.

For underdeveloped and developing countries, neo-liberalization took place in different forms like integration with the world and export-oriented industrialization (Güler, 2002). For Turkey, the integration with the liberal world started with its standby agreement with the IMF-WB. There are two important loan programs which Turkey has mostly applied: the Structural Adjustment Loans and the Sectorial Structural Adjustment Loans. The Structural Adjustment Loan (SAL) was quick payment agreements that focused on three major readjustment programs like improving the short-term financial structure, redirecting investment programs and financing them from non-budget sources (Öniş, 1991, p. 165). Like SAL, Sectorial Structural Adjustment Loans (SECAL) were also supporting the third world

countries financially but mainly in sector-specific issues (Bajpai, 1990, p. 791). These two lending programs enacted some requirements, which needed to be fulfilled for the continuity of the program, on the customer. For example, the World Bank has put some criteria for Turkey such as liberalization of import, devaluation, encouragement of import, reduction in agricultural support, an arrangement in the tax system, decrease in public expenditures, reconstruction in State Economic Enterprises (SEEs), privatization, liberalization of interest, reorganization of monetary policy instruments (Sönmez, 1998, pp. 355-358). All of these credit agreements, both SALs, and SECALs, emphasized the modernization of public institutions through technological support or rehabilitation of institution. The reconstruction of the public institutions mentioned in the credit agreements actually referred to the re-organization of the public institutions.

Turkey's restructuring period started in the 1980s up to and in 1990s when the State Economic Enterprises (SEEs) have become subject to re-organization. Most of the SEEs were established in the 1930s, the early years of the Republic when the aim of national development was undertaken by bureaucratic elites (Öniş, 1991). The Bank of Provinces was also one of the SEEs in Turkey. However, in 1990, the bank was expelled from SEEs. For the first time in 1984, during the Özal government period, privatization came into view on policy agenda. In 1986, the Morgan Bank submitted a report expressing the general principles of privatization that the Turkish government needs to implement and organize. One of the most important details of this report was to rank enterprises according to their suitability for divestiture; "saleability" was established as the primary criterion which, in turn, was closely linked to the economic viability of the enterprise (Öniş, 1991, p. 166). Consequently, just like the Bank of Provinces, Etibank, Sümerbank, Petkim, and many other institutions were selected for reorganization, a process that lasted until 2007. With this implementation, the Bank of Provinces lost its status as an investment bank and gained its new status as a development bank. In this respect, banking activities have come into prominence (Güler, 2016, p. 251). As mentioned previously, one of the criteria proposed for Turkey within SAL programs was privatization. During this

period, it could be seen that services previously performed by the public sector have been transferred to the private one. For instance, before the year 1970, the entire city electricity network in Turkey was connected to The Bank Electricity Department. Turkey Electricity Authority Law No. 1312 enacted in 1970 established Turkey Electricity Authority (TEK) for electricity production, transmission, and distribution and trading. With this law, all regions except for municipalities and places that the Bank had no responsibility over, were connected to TEK. Eventually and in 1986 all electricity facilities were transferred to TEK. As stated by int 15, the power of the Bank lost much of its impact in 1992 as the transfer of electrical facilities to TEK caused the Bank to lose its highest investment sector.

The municipalities began to take loans after 1980s in Turkey. The reason for the rise in municipal debts was due to the fact that the local governments were encouraged to take advantage of international programs with the rise of subsidiary discourses by the World Bank. Municipal Development Funds were established as a unit owned by the state providing a connection between international capital market and domestic market (Kalcheva, 2013). This capital, in turn, was given for local governments to make them supply their infrastructural investments. When the local governments started to build relations with international fund appliers, they become one of the destinations for capital flow. Starting from 1985, municipalities incurred a large amount of debt as a result of investments provided by transnational institutions, especially the World Bank, in the context of financing projects. The IMF and the World Bank imposed credit programs mainly based on infrastructure investment programs, seen as a need for sectoral development in the globalizing world. Moreover, the infrastructural investment gap between underdeveloped and developing countries was increasing rapidly. As a result, the contribution to a global market economy from the locality through infrastructure investments reached its highest level when compared to past years, creating increased municipality loans and demand for domestic-foreign credit supporters. Until the 1980s, only the Bank of Provinces was providing credit to support municipalities. Nevertheless, in the mid-

1980s, with the mobilization of foreign and domestic credit suppliers in Turkey, the Bank's monopolistic condition as a credit provider has been destroyed (Falay, 2000).

3.3.2. The Planning Authority Transfer (Law No. 3194)

Decentralization began to be discussed by late 1970s. With the rise of the decentralization discourses supported by the concepts of "democracy", "freedom", "autonomous local governments", new arrangements emerged to reshape the power between the local and the center in the direction of this new trend.

The World Bank published a report in 1983 extensively analyzing the process of decentralization. The report represented the third world countries' macroeconomic processes. It claimed that, in third world countries, policymakers adopt centralization out of their belief that such an approach would foster stability. For this aim, authorities in these countries control these factors like wages, prices, tariffs, food subsidies, import-export regulations (World Bank Staff Working Papers, 1983).

In this direction, policies promoting centralization produces centralized political consequences. In addition, and according to the report, decentralized implementations foster the diffusion of the impact of the implementations in all level of the society, expand productivity and enhance living standards of the lower level of society. Consequently, local governments in their path to become more autonomous were to develop international relations by working with foreign business enterprises and involving in sociocultural exchange programs without the supervision of the national government (Jun & Wright, 1996). Many mandates have shifted to be under municipalities' responsibilities or more responsibilities were given to the municipality.

The European Union imposed a number of responsibilities on member and candidate countries regarding subsidiarity mentioned in the European Charter of Local Self-Government (1985). In fact, the concept of localization is mentioned in international documents, such as the Single European Act (1987) and the Maastricht Treaty (1992). In this direction, some principles and institutions were constructed. One of

the typical examples of such institutions is the Committee of Regions, established within the framework of the European Union, which guides member countries' local and regional governments to have a greater effect on the Union's decision-making process (Parlak, Sobacı, & Ökmen, 2008, p. 30). Besides these, the World Bank published a report, World Development Report in 2000, which focused mostly on localization and its advantages for countries. The European Charter on Local Self-Government is seen as a starting point for the transforming of administrative structures. Turkey signed ECLSG and approved it in 1991 with Law No.3723 despite making some reservations concerning some articles. The Charter emphasizes autonomous, effective, strong, transparent and accountable local government units to respond to citizens' needs. That is the visible discourse of the charter. However, it should not be forgotten that the reason behind the strong emphasis on localization discourses was the search of the globalized world to include all areas into this market economy. For instance, in article 6 ECLSG points out that the locality needs to have resources to carry out its duties. In article 8, the charter mentions that the locality could be controlled only by constitutions or laws; superior authorities are to examine a locality only as to ascertain whether it's performing its duties as determined by the constitution. Financial resources of local governments are discussed in Article 9. In this article, fiscal resources and channels for funding services in the locality are defined. Usage of national capital markets to finance capital investments is defined as one of the options of finance for local governments (Parlak, Sobacı, & Ökmen, 2008). It could be said that the charter supports the locality's need to access foreign credit resources, opening them to investment by global creditors. In other words, the liberal tendency promoted the establishment of strong, democratic and independent local governments that central powers could only have tutelage control over. (Ersoy, 1992, p. 6).

In these reconstruction pushes imposed by global actors, Turkey adapted Metropolitan Municipal Law No. 3030 in 1984. With this law, settlements were divided into two jurisdictions: metropolitan municipality and district municipality. This law brought the new metropolitan governmental system, creating a new

hierarchical structure. The metropolitan municipality represented the upper body of the administration system providing large-scaled services while district municipality performs tasks such as: making, procuring, approving and implementing the metropolitan master plans, approving the application of the development plans to be prepared by district municipalities in accordance with the master plan and supervising their implementation. The lower body, district municipalities, sustained much more small-scale services within their borders. This arrangement has importance for the governmental system because of the authority transfer from the center to the local.

This model was initially implemented in Ankara, İstanbul, İzmir and then other provinces like Adana, Bursa, etc. According to int 7, the Law No. 3030 was a turning point for the Bank of Provinces, in the view of the fact that metropolitan municipalities have gained plan production authority and then established their own planning departments. Together with this power, they performed the same technical tasks as the Bank without any need for the latter. Furthermore, all of the infrastructural services started to be provided by Metropolitan Municipalities and “ISKI Model” has been developed for them. With the introduction of this model, municipalities’ infrastructural investments started to be funded by international banks and institutions which further pushed the locality into the global world. In this period, the municipalities started to go into debt. (Jeoloji Mühendisleri Odası, 2006). Also, with Law No. 3030, the number of municipalities increased due to the criterion stating that the minimum number of inhabitants accepted to establish a municipality is 2000.

After Metropolitan Municipal Law, Urban Development Law No. 3194 was enacted in 1985. The first Urban Development Law No. 6785 has been terminated with the law No. 3194, leading to the occurrence of many significant changes in Turkey. With this implementation, plan production and approval authority were transferred to local governments which deeply affected Turkish central and local structure. Until 1985, all urban plans were approved by the Ministry of Zoning and Housing but after

Urban Development Law No. 3194; this decision-making process was transferred to municipalities. Before that implementation, all urban development plans presented to city councils could become effective only after the superior approval of the ministry. Furthermore, the ministry had the capacity to make changes in plans sent for approval (Ersoy, 1992).

With the increase in the number of municipalities and the amendment of the new law, many newly established municipalities gained authority to make their plans. Besides, at this period, many public institutions and ministries assumed the authority of plan production according to their interest and responsibilities (Çiftçi Sert, 2018, p. 91). For the Bank, this period was characterized by the loss of its monopoly over plan production.

Following these implementations, the Turkish government adopted Metropolitan Municipality Law No. 5216 in 2004, the Special Provincial Administration Law No. 5302 in 2005 and the Municipality Law No. 5393 in 2005. All of these laws brought many new arrangements in the socio-economic and organizational structure in the context of administrative structures in Turkey (Parlak, Sobacı, & Ökmen, 2008, p. 37).

3.3.3. The Reports Prepared For the Bank of Provinces

The Bank has been criticized in many aspects about its responsibilities and implementations over many years. For instance, one of the issues criticized was the infrastructural investments performed by the Bank. Tekeli (1996) evaluated the infrastructure delivery system and stated that infrastructural investments done by public resources are not an efficient way to solve the infrastructure problem. Thus, during the infrastructural investments, international market resources served by the international commercial banks or institutions could be used. Besides, according to Ortaylı and Tekeli (1978); the Bank did not search for different ways to create revenue, seeing that its main aim was to help municipalities find solutions for their own financial problems. Thus, they evaluated this institution as “unable to go beyond

merely redistributing shares to municipalities”. Not only the researchers but also the international institutes have developed suggestions with regard to the Bank. These thoughts are just a few of these criticisms. Starting in 1992, many reports and research studies have been prepared for the reconstruction of the Bank. All of these contained many recommendations and proposed structural adjustments.

One of those was a report prepared by **Inbucon Management Consultant** in 1986. The report recommended a new general assembly model for the Bank and proposed new arrangements regarding planning practices (Kaynak, 2001). According to the report, the planning authority needs to be transferred to municipalities and the private sector must be promoted to get involved in the planning process. Additionally, the plan production as a duty of the Bank needs to be transferred to the related local directorates of the Bank. In short, it could be inferred that the new arrangements proposed by Inbucon Management Company were all based on the concept of decentralization and this institution promoted the decentralization of the plan-making authority.

The second crucial report was prepared by Türkiye ve Orta Doğu Amme İdaresi Enstitüsü (**TODAIE**) in 1993. That report outlined strategies within the scope of the subsidiarity tendency. It also promoted a model for the Bank which was based on sharing responsibilities between its central and regional branches, thus decreasing pressure on the center and achieving better specialization. The **World Bank Turkish Municipal Services Report** was prepared in 1992 by the World Bank which proposed some principles for the success of the Bank. The report made a comparison between the Bank and other examples of local government banking models. In the direction of these examples, the World Bank proposed that the Bank’s financial functions should be featured and strengthened. Similarly, the World Bank (2002) published another report stating that the Bank could gain the role of a financial intermediary between local government and the global arena if it becomes transparent, independent, day-to-day operated, and self-financing. **Frederick**

Temple⁷ shared significant opinions and proposals for the reconstruction of the Bank in the symposium of “**Urban Infrastructure, Financing & Organization**” which was organized by the Bank. Temple (1996) claimed that the bank likely performed the role of a public institution more than that of a financial intermediary. According to Temple, the Bank did not act as a financial intermediary, as a result of which it did not take risks by being involved in the capital market and taking credit. Thus, new structural arrangements were proposed such as giving weight to banking activities and becoming more independent bureaucratically. Similarly, Department of Urban Policy Planning and Local Governments (1996) in METU, prepared a document on “**Reorganization of the Bank of Provinces**” within the context of studio studies. The document stated that the Bank took on many responsibilities and duties since it was established. This model was meaningful for a certain time period, however, in today’s world, the Bank needed rearrangements and reorganization. The document claimed that the Bank has been restraining the municipalities from projects production and investments. Thus, the document suggested that the Bank needs to give priority to banking facilities and reaching self-sufficient status. Within this period which saw an increase in the discourses about the reconstruction of the Bank, the Bank of Provinces and the World Bank signed an agreement on **Çukurova Urban Development Project**. In this project, the World Bank played the role of a financial supporter. As per this agreement, Mersin, Tarsus, İskenderun, Adana and Ceyhan cities’ deficiencies would be defined then infrastructural investments would be funded by the World Bank accordingly. According to Temple (1996), Çukurova Urban Development Project was different when compared to other projects funded by the World Bank in Turkey. Other projects were generally focused on a single large city. In the case of projects including a large number of small cities, there should be an efficient financial intermediary between the World Bank and cities. The Bank of Provinces could play this intermediary role but the Bank had many restrictions to achieve this role effectively. Thus, the Bank of Provinces and the World Bank tried to maintain and develop this project but it was unsuccessful.

⁷ Frederick Temple worked for 26 years in the World Bank and he was the World Bank’s Resident Representative in Turkey in 1990s.

All the reports, documents, etc. managed and produced about the Bank of Provinces have criticized the Bank using the same discourse generally. However, the recommendations, reconstruction strategies and proposed models based on these criticisms are different from each other. For example, and according to reports prepared by the World Bank and Inbucon Consultancy, the Bank needed to be reconstructed in accordance with the market economy and turned into a more autonomous, profit-making, and self-sufficient institution which also plays an intermediary role between municipalities and international commercial banks and institutions. Report belonging to TODAIE stressed on topics similar to those of the World Bank and Inbucon. The only difference is that TODAIE stressed that the Bank needs to preserve its investment and development status and its relationship with the central government (1996, pp. 180-181). In short, all the documents suggesting various strategies for the Bank, have built a consensus on increasing and strengthening its banking activities. Here is a table below containing the overall summary of the reports prepared for the Bank.

REPORTS PREPARED BY	MAJOR SUGGESTIONS
Inbucon Management Consultant (1986)	promoting the decentralization of the plan-making authority
TODAIE (1993)	the division of the Bank's responsibilities into central and regional
The World Bank's Reports Published in 1992 and 2002	strengthening the Bank's financial functions & recommending the Bank as a financial intermediary role btw local and global arena
Presentation prepared by Frederick Temple (1996)	giving weight to banking activities
METU, Department of Urban Policy Planning and Local Governments (1996)	giving priority to banking facilities and reaching the self-sufficient status

Table 4 : General Overview of Major Suggestions of the Reports

3.3.4. Ilbank Incorporated Company Period (2011- Present)

The Bank of Provinces has gone through many new arrangements and structural changes. All of the aforementioned reports forced the Bank to reconstruct itself within the proposed and imposed adjustments. Thus, the Bank of Provinces became Ilbank Joint Stock Company with Ilbank Joint Stock Company Law No. 6107 enacted in 2011. This law was the last step of the reorganization process of the Bank in which it gained a status of Development and Investment Bank which has made it fall under the jurisdiction of Law of Banking No. 5411 (Serter, 2015). In the Law No. 6107 (2011), the duties and authorities of the Bank were defined as supporting municipalities and evaluates provincial administrations financially and technically, providing consultancy services and performing investment and development banking duties. Ilbank Annual Report (2017, p. 17) detailed the responsibilities and tasks that the Bank has to perform. Under the banking facilities, the Bank could extend short-, medium- and long-term credit to municipalities.

This duty was one of the duties that the Bank has carried out before the enactment of Law No. 6107. Other such duties included aiding its members in the areas of project development activities in addition to technical and consultancy services. Thus, it is understood, that the Bank's technical and financial supporter role has been sustained. New duties have been added to the Bank's mandate such as: opening branches and representative offices in Turkey and abroad, cooperating with domestic and foreign financial institutions, becoming a member of national or international organizations, and obtaining resources from domestic and international financial institutions (İller Bankası Anonim Şirketi Hakkında Kanun, 2011). These new arrangements showed that, given the new position of the Bank, it could be involved with a much more extended network and act as a mediator. The World Bank's structural adjustment policies have tried to remodel the local infrastructural system. In this new model, local infrastructure is considered as a market property and need to be priced and marketed as other market goods. Thus, the state is not to engage in non-market interventions in the form of subsidies to local infrastructure investments. In other

words, these investments should not be national but preferably funded with international financial markets. Investments should be made by the private sector and not by public institutions. Public resources should not be preferred instead public institutions should help local governments to find resources for financing their services thus playing a role in financial intermediation (Güler, Mart 1997). As a result of these policies implemented in Turkey, there have been significant changes in the duties and the structure of the Bank.

In addition to previously mentioned implementations, the Bank could develop and construct special projects and urban infrastructure projects demanded by the Ministry of Environment and Urbanization. Likewise, the Bank could arrange profit-making real estate investment projects and implementations in order to obtain funds providing that it does not incur any debts or enter into any conditional obligation in doing so. These are also new duties for the Bank; according to these implementations, it could be understood that the Bank has focused on searching for a way to create new financial resources.

The majority of the second group of interviewees focused on the changed status of the Bank. They believed that the Bank could no longer act within public interest under market conditions due to its newly gained ‘company’ title. As described above, while the Bank gained some new tasks, some of its tasks have been limited or removed with Law No. 6107. As it is understood from previous sections and as mentioned by interviewees, the Bank lost its public based priority, adopting a more market-oriented approach instead.

3.4. Conclusion

With all these new arrangements starting from the 1980s to the present, the role of the Bank as a financial and technical supporter has changed in many ways. It is evident that the last 2011 version of the Bank differs from its 1980s’ counterpart in many ways. The Bank was affected by the interventions and amendments on the planning legislation starting from the 1980s. Besides, a number of reports related to

the Bank of Provinces were prepared by international and domestic institutions. Although these reports could not directly interfere with the Bank's field of activity, it triggered the change of the Bank over the years. When examining these reports, it can be seen that they represented the new regulatory order imposed by the neoliberal policies of the early 1990s in Turkey. As a result of the re-organization periods of the Bank, its approach to the public interest and urban planning has also undergone some changes. In the following chapter, the change in the Bank's perception of public interest and urban planning will be evaluated.

CHAPTER 4

EVALUATION OF THE BANK'S APPROACH TO URBAN PLANNING AND PUBLIC INTEREST AFTER 1980s

4.1. Introduction

In the early 1980s, after the monetarist shock, significant changes in modernizing and restructuring oriented political alliances occurred in the latest capitalist countries to institute a new basis for economic revitalization. The central neoliberal actions such as the free flow of capital and investment, competitiveness in trade and market, and flexibility in production were merged with international political programs in the direction of the core trends of globalization. In this way, the mobilization of the international capital has created re-organization and coordination in the spatial arena, so such a material procedure can directly be linked with urbanization.

Newly promoted neoliberal programs comprised urban policies characterized with deregulation, privatization and liberalization attempts on cities. According to Brenner & Theodore (2002) cities have become increasingly important geographical targets and institutional laboratories for a variety of neoliberal policy experiments in the local and regional context. As a consequence of this process, cities became arenas for market-oriented economic growth and consumption practices of the elites. As a result of these radical transformations of the socio-political situations of countries, the built environment has gained importance.

It is accepted that the construction sector triggers economic growth continuously. In this period, the construction sector was seen as a remedy due to the fact that it decreases unemployment (Lewis, 2004). As a result, in many countries, growth in the construction sector has been considered as a tool for the development of

macroeconomics. Dang & Low (2011) states that governments tended to put different interventions to increase and support construction investments in order to keep the economy in balance, and have given important roles to the construction sector in the context of national development strategies.

In Turkey, the years of the 1980s were critical ones for the implementation of capitalist policies for the construction sector which prompted major changes in economic, social and environmental aspects. With the decision of 24 January, export-oriented growth within neoliberal policies has promoted import substitution-oriented growth in the economy. This shift happened after the military coup, between the years of 1983 and 1988, when the Motherland Party's (ANAP) government, the liberal center-right, won a high number of votes in the elections. With this transformation, the pressure on the labor class and resource requirements increased. Under these conditions, the Turkish government adopted some policies with reference to the construction sector.

Starting from the 1980s, the state began putting many arrangements for developing and speeding the construction sector. The initial rise in the construction sector started in 1983 when the state put some interventions such as legislations, policies and institutional reorganizations (Balaban, 2008, p. 277). In the 1980s with the rise of the decentralization discourse, some measures were implemented such as authority transfer to local governments, privatization, and the establishment of new public institutions and provision of squatter amnesties. During this period, the state was playing a regulatory role in the market economy by sustaining the capital accumulation process. The period of the 1990s was analyzed as a recession period where the economy was unstable. The beginning of the 2000s was also stagnant in the context of construction activities. Due to the rigid and tight urban planning conditions, the contractors and private sector actors stayed away from built environment production processes (Balaban, 2008). The financial crises of 2000 and 2001 were other contributors to this decline. After the year 2002, by the national and local actors, the construction sector gained rapid growth and momentum (Balaban,

2012). The state, besides its regulatory role, also attempted to become a partner in mass housing production (Balaban, 2011, pp. 22-23). With this aim, it established the Housing Development Administration (TOKI) and became a housing provider. Consequently, the state was involved in the construction sector with the establishment of HDA. Today, the state is developing housing projects not only with HDA but also with other public institutions.

Parallel to these radical changes in Turkey, the Bank of Provinces has also been transformed. In this section, the transformed sides of the Bank's perspective will be discussed. First of all, to understand the restructural changes in the Bank's perspective through institutional relations, it is the best to examine its horizontal coordination with local authorities and vertically relationship with the Ministry of Environment and Urbanization. As mentioned before, the Bank has been carrying out an intermediation role between the central and local parts of the administrative system. In other words, the change in the position of the Bank will be explained. Secondly, the transformation in the Bank's perspective on urban planning will be analyzed. At the end of this section, the change in the Bank's approach to public interest and urban planning will be understood explicitly.

4.2. Evaluation of the Bank's Public Interest Perspective through Institutional Relations

In Turkey, the public administration system could be defined under two-tier structure, central and local administration. The local authorities in Turkey work with the principle of decentralization. Decentralization within the state means the transfer of authority to perform some service to the public, from central government to local administrations (Sikander, 2015).

The decentralization process occurs in two stages during the implementation in Turkey. The first stage is represented by local administrations which are the municipalities, special provincial administrations and villages. The other stage is represented by the public institutions such as universities, SEEs, etc., that are

established independently from the central government and local government organizations. The Bank of Provinces used to be also a part of this stage until it went into liquidation and lost its SEE status (Gözler, 2018). Due to its mission of helping and guiding the local authorities to fulfill their duties, the Bank has a close relationship with local governments. Also because of its position in the Turkish administrative structure, it could be stated that the Bank was perceived as part of local authorities. On the other side, the Bank is the subsidiary institution of the Ministry of Environment and Urbanization. Therefore the relationship between the Ministry and the Bank is based on the power of administrative tutelage (Gözler, 2018). Due to the Bank's duty of distributing the share to local administrations and its being the subsidiary institution of the Ministry; the Bank is also seen as a part of the central government. Therefore, the Bank has a composite structure in Turkish public administration system.

It is mentioned in the previous chapters that the Bank's relationship with municipalities began to change after 1980s. Its relations with the Ministry also changed after the Bank became a company in 2011. In this section, the changes in the context of vertical coordination with the Ministry will be discussed.

The Bank-municipality relation has undergone many changes with new rearrangements such as Metropolitan Municipal Law No. 3030 and Urban Development Law No. 3194. This indicates that changes emerged much before the Bank transformed into a company. Int 18 gave an example to this issue and claimed that;

At Nationalist Front (Milliyetçi Cephe) period, the Welfare Party's attitude was much more moderate than the Republican People's Party's attitude. Welfare Party would leave the bank decisions however RPP was more of 'we know' mood'

The period the interviewee mentioned was pre-1980 so approval authority has not been transferred to municipalities yet. The political pressure was not seen until this transfer was carried out. The interviewee added that;

Intensively after 1999, the Bank-municipality relationship saw a breakdown. Municipalities belonged to Nationalist Movement Party (Milliyetçi Hareket Partisi) has an aggressive reaction which reflected on relations. They were in "we know everything, we have authority, and we could do what we want.

Afterward, the political pressure of the Bank's upper governor body and municipalities caused politics and the technical side of the Bank to integrate and resulted in complications in the plan production processes. Besides these, it could be said that the municipalities have realized the power of planning and approving authority. In short, the authority transfer has caused a chaotic atmosphere for the plan production process which directly affected the urban space.

After the Metropolitan Municipal Law No. 3030 and Urban Development Law No. 3194, large-scaled municipalities started producing their own plans while small-scaled municipalities gave the Bank authority to prepare plans on their behalf. The second group interviewees stated that this period was a starting point for municipalities to realize the power of plan-making and they used this planning tool to obtain urban rent. The majority of the second group of interviewees mentioned that small-scaled municipalities continued to get plans done by the Bank because they did not want to allocate money for infrastructural investments due to the constraint of their budget. According to int 15, after 1984, the planning unit of the Bank started to deal with a level of work which was basic and non-innovative. One of the reasons behind such statement may have to do with the fact that the Bank no longer worked on big scaled plans. The second reason could be shown as the decreasing number of personnel and the decreasing quality of work.

In some cases, getting the plan done by the Bank on behalf of a municipality created an advantage for the latter. This is mainly due to the fact that the Bank was able to handle the pressure enacted by landowners while the municipalities weren't always able to do so. In this case, the final decision belongs to the Bank and the municipality is not dealing with the landowner. This is the positive side of the implementation. However, generally, many municipalities do not exercise this

mechanism. They preferred to create their own plans in order to avoid institutional views imposed on them during plan production processes. Int 7 gave an example that during some of the work in which the interviewee was the contractor, the municipality withdrew the plan because of institutional opinions. As could be understood from this statement, the Bank was seen by municipalities as a supervision institution. Hence, that made them break away with the Bank in terms of plan production process.

As understood from these statements, the transfer of planning authorities to municipalities created a complicated atmosphere for the plan production process in Turkey and this transfer has reduced the demand for plan-making from the Bank. This is because the urban planning discipline is seen as a tool that triggers the economy and the municipalities' authority which means making and approving their own plans enables them to have the right to speak in the construction sector.

The Bank is still helping and guiding local authorities. As mentioned before, especially small municipalities' demand still continues. At the end of this continuous demand, the Bank carries out a supporter role which contains technical, financial and consultancy services. Although the demands of the municipalities continue, it is clear that there is a change in the relation of the Bank with municipalities and the intensity of municipalities' demands. At this point, the Bank is losing its old role slowly. In this case, the duty of assisting and guiding the local authorities to fulfill their duties has weakened over time. This alteration could be also seen from the change in the Bank's role of being a financial support instrument by time. Not only the technical supporter role but also financial supporter role has undergone some alterations.

Municipalities Fund was established in 1947 to provide municipalities, with a population of fewer than 5000 habitants, with water, electricity, abattoir, mapping facilities were supplied from this fund for many years (Kaynak, 2001). Until 1993, it met most of the municipalities' demands. It abrogated with the direction of international reports and forces. In 2002, one of the financial support instruments was removed. This was one of the signals that the Bank's role as a financial

supporter has weakened. The second group of the interviewees claimed that the Bank has put on new implementation after the abolition of the Municipalities Fund. In the beginning, 25% of the works were taken from the municipality and 75% of them were funded by the Bank. This 25% was also provided to the municipality as a loan. This rate then changed to 50%-50%. When this rate increased, the Bank started helping municipalities to find loans and the expenses of the service became cheaper or completely free. The second group interviewees also said that the remaining part, that is the 50% which is sometimes funded through a loan extended by the Bank, is at other times also funded by the Ministry or international commercial banks and institutions.

As mentioned heretofore, it could be seen that the instruments that the Bank provided to local authorities have changed over time. The Bank was helping and guiding the municipalities financially by Municipalities Fund which was established for them. This fund was created in order to ensure the local administrations to use public resources with low-interest loans (Yerel Yönetim Araştırma, Yardım ve Eğitim Derneği, 2006). As mentioned before, in “Urban Infrastructure, Financing & Organization”, Frederick Temple (1996) stressed that the Bank was acting as a public institution but it needed to perform like a financial intermediary. Not only this proposal but also other reports also recommended that the Bank needed to give weight on banking activities. By those directions, after the abolishment of the Municipalities Fund, the Bank focused on medium and long term credits. Besides, local governments started to connect with international fund appliers which mean the Bank’s monopolistic condition as a credit supplier has been destroyed (Falay, 2000).

From this point of view, it is seen that the relationships established within the scope of financial, technical and consultancy between the Bank and local authorities have been transformed over time. Therefore, the mission of local development undertaken by the Bank has lost its function. The position of the Bank, which was established with a motto of development of the Turkish cities has changed. This transformation has affected small municipalities deeply. That is because of small-scaled

municipalities are in the need of financial support of the bank much more than other municipalities.

As mentioned previously, the Bank was mentioned as a unique model among local government banking institutions. One of other reasons that made the Bank unique among other models is that it had both financial and technical supporter role to local administrations. Moreover, the direct involvement of the services during the production process is it's another feature that distinguishes the Bank from other models. However, due to neoliberal policies, the Bank's intensity of doing business has fallen and its relationship with municipalities has changed. This has caused the Bank to gradually loose its unique features in terms of local government banking. The Bank acted as parallel to domestic and international reports prepared for the Bank which made it have a market-based perspective.

The relation between the Bank and the Ministry is another important issue. The first group of interviewees evaluated the current relationship between the Bank and the Ministry and claimed that the name of the Bank is closely tied with the Ministry after 2011. The Bank's current situation and the relation between the Bank and the Ministry could be understood from this statement. The Bank became a company in 2011, together with being a company; various protocols on urban transformation were carried out between the Bank and the Ministry. In this sense, many preparations were made at the legal level in order to improve the cooperation. All these interventions were preliminary preparations for a specific target, namely the acceleration of the construction sector. Through these structural reforms, many public institutions have become dominant determinants in the construction sector and the Bank has also gained a decisive role in the market economy. The interviewees from the Resources Development Department of Ilbank Co. explained this transition process as;

Decree-law No. 644, "Organization and Duties of the Ministry of Environment and Urbanization" went into operation in July 2011. The Resources Development Department at the Bank, on the other hand, was established in February 2011. The following year, Law

No. 6306 on Transformation of Areas under the Disaster Risk was enacted in 2012. Lastly, On January 2013, the first protocol between the Ministry and the Bank was signed within the context of Law No. 6306. In the same year, the Bank started to construct projects based on revenue sharing model.

This chronological order is important for analyzing the Bank's transformation process. According to interviewees, just after the establishment of the Resources Development Department, all the real estate belonging to the Bank were inventoried and evaluated. By these regulations, the Bank was actively involved in the built environment production processes. At this point, as a result of the transformation of both the Bank and the Ministry, the construction activities were carried out through the Bank-Ministry cooperation. However, these new channels established with the Ministry have driven the Bank to depend on the Ministry and its directions. This inference is parallel with the statement made by the first group of interviewees: *"the 2000s, the Bank could reject requests coming from the Ministry but today the situation is totally the opposite."* The change did not only occur in regards to relations between the Bank and the Ministry, but the situation of the ministry itself also changed. The int 22 stated that *"the Ministry of Environment and Urbanization is now working as a union of municipalities. The Ministry is approving development plans of public institutions and giving building license."* Besides, he added that with the Decree-law No. 644, the duties of the Ministry were clearly defined. It could give services by making plans at all scales, issuing licenses, etc. The interviewee evaluated this subject as: *"the Bank is not only relevant institutions of ministry, today it is like a provincial directorate of the Ministry"*. Hence, the Bank and the Ministry have an interpenetrating structure where the Bank is under the coordination of the Ministry. As a result of this inclusion, the approach of the Bank to public interest has lost its value and meaning in many respects. In the following parts of this chapter, transformation in the Bank's view of urban planning and the reflection of this change in urban space will be discussed over the Bank's current built-environment implementations.

4.3. The Change in the Relation Established With the Urban Planning

The urban planning discipline was seen as a public service provided by the Bank on behalf of municipalities. The Bank's perspective on urban planning changed after 1980 due to the structural transformation in Turkey. It was also mentioned as the academy for urban planning discipline for planners. In this part, the changing parts of the perspective of the Bank on urban planning will be analyzed.

The 1980s was a period of radical changes occurred in Turkey. The concept of public administration underwent many adjustments in these years. One of the critical points for the Bank was the new Law No. 3194 which endowed municipalities with new authorities. Naturally, the impact of this improvement on the Bank was also significant. Int 17 expressed that Law No. 3194 and the first Urban Development Law No. 6785 were different from each other and municipalities could not comprehend the new law for a long time. To solve this, the Ministry set up a commission and visited many municipalities to explain details. The interviewee also stressed that compared to all the other articles in the law, article 18 was the most difficult to understand. Thus, the Ministry issued a separate regulation to detail, elaborate on, and further explain article 18. It is understood from this that the amendment of the law has caused a complicated process for municipalities because they were not ready for such a big authority transfer. Before the law, the personnel of municipalities were already insufficient in terms of number and knowledge. According to Altaban (2018, p. 90), Law No. 3194 did not specify that municipalities support their personnel to make them more qualified to fulfill their newly gained responsibilities. Thus, it could be said that local governments were not ready for this authority transfer.

Secondly, after the authority transfer accompanying Law No. 3194, the method of plan production changed in the Bank. Int 12 made a comparison between Law No. 6785 and Law No. 3194 by stated; *“the fundamental difference between these two laws was only in regards to authority.”* Before the new law, the plans were obtained by the three different ways discussed in previous sections by the Bank. After this

law amendment, municipalities that did not possess enough personnel and technical capacity started to produce their own plans by themselves. This situation has affected the quality of the plans produced after the 1980s. Besides this, the methods that the Bank chooses for plan production have also changed with time. According to the interviewees from the Department of Spatial Planning, the Bank has abandoned plan production through its own personnel over the last seven years. This is one of the indicators that the Bank has begun to break away from urban planning. With the new public administration approach, the idea of releasing public services to market has gained weight. This change was the consequence of restriction on state's interventionist position and transition to a regulatory state position. By the bidding system, in other words, creating a plan through the market allows the market to allocate the resources again. However, before the 1980s, the Bank would redistribute the resource through its own methods equally. To make the market involved in redistribution of the revenue again, it was suggested that the Bank should leave the task of plan production to the market by the reports prepared for the Bank.

Another critical point for the Bank is the process of plan modification. If a municipality wanted to modify a plan, it would not send it back to the Bank again in the past. Instead, municipalities performed plan modifications themselves within the current amendment. This situation opened plans for all kinds of changes. In short, the plan modification process became quicker and easier due to the transfer of approval authority to municipalities. Besides, int 11 claimed that with the latest amendment, the Bank was removed from the list of institutions that need to receive the final version of the plans. The plan, at the end of this process, would have lost its identity and the Bank could not be aware of its final version due to the lack of any follow-up mechanism. Associated with the authority transferred to municipalities, urban planners started to deliver plan production directly to municipalities. After the 1980s the number of urban planning offices increased rapidly. Due to these issues, a great majority of the first and second group interviewees mentioned that the Bank began to lose its planning power. After 2010, this situation could be observed easily from

the number of plans and municipalities that built the relation to plan production activities.

The Bank did not leave municipalities totally on their own and continued to support them in various forms. However, in some cases, though, it could not pay attention to some discourses. For instance, int 5 made serious claims about the Bank that it left small municipalities to their own devices during the implementation of Article 18. According to her, the Bank should not leave municipalities on their own especially during the implementation stage of a development plan. At that period the Bank should do the implementation of Article 18 and make the plan unchangeable. Moreover, some interviewees mentioned that before Law No. 3194, the Bank was implementing Article 42 in Law No. 6785 which is now Article 18 in Law No. 3194. According to int 18, the Bank was implementing Article 42 by its “implementation unit”. Hence when a plan was completed, it was then sent to the implementation unit where it would be developed in a detailed manner. Int 17 added that if a municipality demanded assistance for the implementation of the plan, then the Bank would send personnel to the municipality who would stay there for 1 to 6 months to help with implementation. After the 1980s, the implementation unit was seen as economically unfeasible and lost its function. Consequently, the consultancy service that the Bank gave used to have high significance for its members.

Parallel to the strengthening of market-based approaches, plan production process has become an instrument that initiates the economic process in the city and encourages new capital circulation and production. Hence, the plan became open to every new implementation and thus it started to use for the purpose of maximizing the rent. According to Altaban (2018, p. 90) the concept of Master Plan has lost its power with the enactment of Law No. 3194 because the partial plan production tendency has increased and plans became more of short-term policy decisions. This statement proves that, the Bank’s approach to urban planning and public interest has changed in some manners. The Bank was advocating holistic and rational

comprehensive planning. However, the new legal amendment has driven also the Bank to compromise on its main principles that were set at its establishment.

The change in the number of municipalities has also importance for the Bank. That is because this change has affected the plan production process and the quality of the plans directly. The number of municipalities has increased up until the year 2008. In 2008, the number reached its highest level which was 3,225 (T.C. İçişleri Bakanlığı, 2018, p. 8). In proportion to this increase, the density of the workload to be carried out by the Bank also increased. This fluctuation in the number of municipalities also affected plan production methods. For example, between the years of 1958 and 1962, large numbers of plans were made by the Bank, only two plans made by the bidding system. However, after the year of 1962, and with the rise of the number of municipalities, the Bank could not keep up with municipalities' demands on its own due to the lack of technical personnel. Thus, the number of plans done by the bidding system increased (Kaynak, 2001). Between the years of 1934 and 2005, there were 3637 plans made by the bidding system and 1177 plans made by the Bank's personnel for 3225 municipalities (İller Bankası Genel Müdürlüğü, 2005).

YEAR	NO. OF MUNICIPALITIES
1923	421
1950	628
1970	1.303
1980	1727
1990	2.061
2000	3215
2010	2950
2013	2950
2014	1396
2018	1398

Table 5: Number of Municipalities (1923-2018)
(Source: T.C. İçişleri Bakanlığı, 2018, p. 8)

Starting with the year of 2005 and with new arrangements like laws No.5393, 5747 and 6360, many municipalities have been disincorporated and the number of municipalities has diminished within years.

YEARS	NO. OF COMPLETED PLANS
1930-39	2
1940-49	109
1950-59	447
1960-69	566
1970-79	838
1980-89	1294
1990-99	1524
2000-09	509
2010-12 (3 years)	102
2010	22
2011	50
2012	30
2013 (9 Month)	11
SUM	5402

Table 6: Number of Completed Plans between the years of 1930-2013
(Source: Kiper & Gezim, 2013)

The number of completed plans between the years of 1930 and 2013 is given below. The number of plans reached its highest volume between the years of 1990 and 1999 which were also crucial years for the Bank. In case a municipality was not able to prepare its own plan, the Bank continued plan production. So, municipalities which lacked financing and the technical personnel kept on giving the plan preparation duties to the Bank. For example, during the ten years between 1980 and 1989, a total of 1294 municipality development plans were prepared, while this number reached 1526 in the ten years between 1990 and 1999.

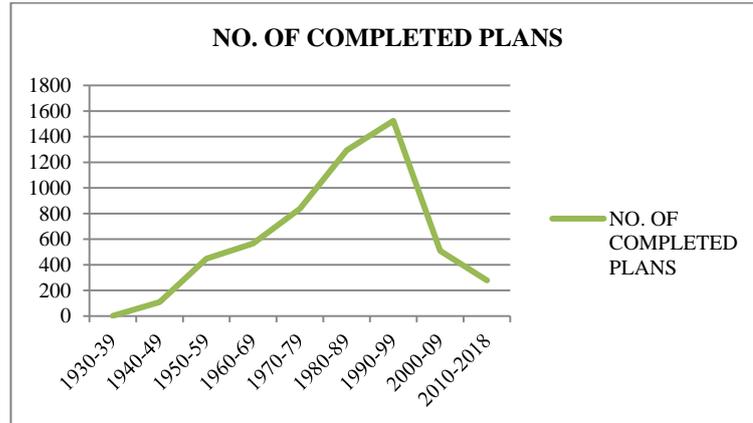


Figure 2 : Distribution of Completed Plans with 10-year intervals

The change in plan production is understood more clearly through the diagram. (Gezim, 1993, p. 22). While the number of plans obtained by the Bank after Law No. 3194 was expected to decrease, on the contrary, the number of plans continued to increase until the 2000s. The reason behind this result was the enactment of Law No. 3030 which caused an increase in the number of municipalities due to the adoption of a minimum population of 2000 as a criterion of establishing a municipality. Consequently, the Bank gained the chance to provide plans for the newly established municipalities for a while. According to the int 17, the municipalities could not succeed in the plan production process and began to come to the Bank again until the 1990s. The interviewee also added that, until 2005, municipalities sent the Bank their failed plans for modification. According to him, these plans constituted almost half of the work done by the Bank. Apart from the technical deficiencies of the municipalities, another reason that the municipalities have preferred to get their plan productions done by the Bank was the fact that, up to the year 2000, the Bank was doing plans free of charge for newly established municipalities (Keleş, 2017, p. 201). Afterward, the Bank started providing this free of charge service for any municipality with a population under 2000 inhabitants. The number of municipalities saw an increase until 2008, which meant that the Bank had lots of work to do. After 2008, however, there were no newly established municipalities with fewer than 2000

inhabitant. After 2005, municipalities started to disincorporate so the number of municipalities fewer than 2000 in the population decreased. This resulted in a sharp decrease in the number of plans that the Bank produces although it continued offering technical and personnel support to localities. Hence, it could be said that the Bank has carried out plan production processes for municipalities but the intensity of the demand of the plan production has decreased in time due to the external factors that the Bank was subjected to.

According to Ersoy (1992), demand for decentralization has directly affected municipal revenues throughout the years in Turkey. The increase in income affected the investments of municipalities especially with regards to infrastructure investment where the rate has increased in direct proportion to the increase in revenue (Çiftçi Sert, 2018, p. 92). With increased privatization, urban planning instruments have undergone changes. The comprehensive rational planning approach was abandoned and partial planning became popular. This situation also affected the Bank. According to some of the interviewees who are still working there, the Bank has been producing plans for municipalities but the size of the fields changed dramatically. Int 4 stated that the Bank no longer produces plans for entire cities but relies on smaller settlements plan production instead. Despite these changes, the majority of the first and second group interviewees claimed that the plan production activity continues to be carried out by the Bank at a significant level. However, this shows that the intensity of the plan production on behalf of municipalities was decreased in time. Parallel to this situation, many of the interviewees generally complained about the quality of the plans prepared by the Bank. One of the reasons behind this poor result is seen as the negligent attitude during the plan production process. As stated by int 19, the Bank has started producing plans that require 6 months of work in 2 months and has not given priority to the quality of the work which caused plans to deteriorate. Hence, for the Bank, the quantity of the plans is much more important than their quality. Newly graduated urban planners are cited as another reason for the deteriorating quality of work. According to int 8, these inexperienced planners are incorporated with group F and starting to produce plans

further decreasing their quality. This was another reason that fostered the Bank falling apart from the urban planning discipline.

With the new regulations, the Bank lost its power and its planning authority was eroded away. Until 1980s, municipalities were in the need of Bank's support in terms of plan production, but their need for the Bank decreased with the transfer of the planning authority. Subsequently, with the changed meaning of planning, the Bank started to lose its dominance in this area.

In the previous section, the Bank was mentioned as an academy inventing and implementing its own methods to create a better planning discipline in Turkey. As a result of the great transformation, it has gradually abandoned some of its planning methods which were firstly implemented by the Bank in the past. All in all, it can be concluded that the Bank lost its old power in planning activities. For instance, the colloquium process has also changed. According to the first group of interviewees, in the past, the Bank used to invite all partners related to the plan to the colloquium. Latterly, to make the process shorter, the numbers of participants were reduced. Colloquiums were a multidimensional and participatory process for plan production processes. This process is a need for the plan production which is done with the public interest in mind. However, the Bank has adopted a new approach and the quantity is much more important than the quality. Hence, the Bank chose to shorten the process by abandoning this implementation. According to int 14 from the Department of Spatial Planning, the plans are still being discussed in smaller groups but the participants are generally from the Bank. Physical deficiencies are usually highlighted as the reason for not being able to organize colloquiums. One of the functions that made the Bank an academy was its valuable archive. It preserved this archive until the 1980s. As many interviewees emphasized this archive which sheds light on the history of urban planning in Turkey was sent to SEKA⁸. This shows that by destroying this archive, which contains important materials that represented the memory of planning history of Turkey, the Bank has actually destroyed its past.

⁸ The first paper factory in Turkey established in 1934. SEKA had done investments on paper sector for many years.

Similar to destroying its own achieve, the Bank also shut its eyes to the demolition of its building in the 2000s. This was the Bank's historic buildings, designed by Seyfi Arıkan in the 1930s era was destroyed. The Bank could not protect its own values.

One of the other component that led the Bank to be considered as an academy was its full-experienced and trained personnel. A change in the number of the Bank's personnel has importance because it also indicates that the Bank itself, in addition to its personnel, has undergone reconstruction. During the first years of the Bank, the total number of personnel was 80, 60% of which were administrative, 25% of which were technical and the rest consisted of services' personnel. In the 1960s, the Bank expanded its services capacity and, in proportion, the number of technical personnel increased to 272 consisting of engineers, architects, and urban planners. This number reached 923 in 1975, 1041 in 1985 and 1405 in 2007 (Kiper, 2008, p. 80). As expressed in the table above, the year 2004 saw the number of personnel falling overtime; until the years 2011 and 2012 when the number of personnel decreased dramatically. As claimed by int 8, former personnel were trying to maintain the old-system of plan production and control processes but the Bank did not continue in this process when they retired.

TYPE OF STAFF	2004	2006	2008	2009	2010	2011	2012	2013	2014
Technical Per.	1.221	1.212	1.154	1.154	1.058	872	897	1.034	1.010
Administrative Per.	1.497	1.46	1.154	1.058	1.369	1.280	1.282	1.326	1.417
Sum	3.493	3.350	3.087	3.042	2.971	2.514	2.467	2.624	2.676

Table 7 : Change in Staff Number of the Bank of Provinces (2004-2014)

(Source: Namazcı, 2015)

Until the year 2013, the total number of personnel decreased in parallel to the transformation of the Bank. However, after 2013 this trend was reversed and the number of personnel started to increase once more. According to Kılıç&Gül (2015), this change happened due to the ongoing demands of small and medium scale municipalities which were in need of the Bank's technical support. One of the former

officials of the Bank claimed that, until 1999, she has not felt any pressure from municipalities substantially but after 1999, she could not stand the increasing pressure and left the Bank in 2003. According to her, the connection between the municipalities and the authorities of the Bank started to deteriorate since 1999. At that point, one of the other reasons could be political conflicts between the upper and lower body of the personnel of the Bank. According to int 5, the politicization of the Bank started from the 1980s resulting in the forceful retirement of some of its personnel. During the interviews, some of the participants commented on working conditions in the Bank. For instance, int 19, who worked at the Ministry for a long time, made a comparison between the Bank and the Ministry personnel claiming that salaries paid to the bank personnel were higher than those paid to their counterparts in the Ministry and that the former provided better working conditions. This was also stressed on by many other interviewees who said the Bank offered more opportunities to its personnel such as higher salaries and the opportunity to travel abroad. Additionally, int 19 claimed that superior-subordinate relationships were less visible in the Bank as compared to the Ministry. He also emphasized that the Bank was an academy for professionals across various field while the same could not be said of the Ministry. As mentioned before, the Bank was a training institution for urban planners. It was aiming to make them active by assigning the duties. During its transition to company status, the fate of personnel was a crucial topic. Int 4 stressed that when he was the Head of Chamber of Urban Planners, he was closely interested in the discourse of changing the position of personnel. At that period, the Bank offered two options for some of its personnel: either retirement or transfer to another institution. The Bank's loss of qualified personnel would later cause disruptions in some of the plan processes it would try to implement in the future. This case also shows that the Bank did not hesitate to lose its own trained and qualified personnel. One of the other major issues that have changed over time in the Bank is the subject of the tender price, which is highly emphasized by the interviewers. The decrease in the quality of the plan has a strong relation with tender policies of the Bank. To understand how the changes in tender prices affect the market and urban planners,

the changes in the tender system need to be perceived. Before the Public Procurement Law, as stated by int 11 and 17, tender prices for plan production were so satisfying that tenderers who did business with the Bank before would want to do business again. The last Public Procurement Law was enacted in 2003. During the plan production in the market, there are two main actors which determine the minimum price of the projects. The first one is the Chamber of Urban Planners and the second is the Public Procurement Law. In open tenders, one of the methods of Public Procurement Law, the contractor with the lowest price among all of the private office owners was chosen. This system has created financial pressure on urban planning offices since they had to offer the lowest prices to be chosen, sometimes even going below the real value of a project. Naturally, the quality of the final version of the plans became worse. Thus, according to int 12, the Bank's personnel also struggled to change this implementation trying not to give the work to the lowest price. However, the Public Procurement Law emphasized the term of 'lowest price' and if the Bank did not comply with this article. Then the Bank would act against the public interest. Thus, the Bank tried and succeeded in changing this system, and the last legislative amendment contained the term 'limited value' instead. According to this new implementation, the prices that are under 40% of the average value are directly eliminated. Until 2018, the Bank has practiced this implementation. Still, when comparing the last version of the Bank's prices and CUP pricing system, the Bank's prices are much lower than those proposed by CUP. The majority of the second group of interviewees mentioned that the decrease in tender prices was due to freelancing planners. They claimed that;

The Bank was putting some applications for urban planners to get involved in tenders with better prices, the tender system caused depression of prices and colleagues have carried on cut 70-80% under real prices. Under these circumstances, the effort of the Bank's top managers could not solve this problem.

Over the years, the number of urban planners increased due to the establishment of many urban planning departments which graduated students whose education level is questionable. Apart from this, the open tender system made all urban planners join

these tenders. According to int 8, the open tender system increased the number of attendees' day by day, with the idea of doing business with very little cost. She also gave the example of some home-based planners who do these works at a much cheaper price when compared to other urban planners who have offices with employees. As can be understood from this example, freelancing planners came with a minimized expense but have also reduced the quality of the outcome. Int 8, a self-employed urban planner explained the Bank's prices as;

I was the first planner who entered the tender of the Bank. At that time, the tender prices were very satisfactory. The price of that period was enough to make high quality works. But today the prices are not covering office expenses at all.

Despite all these negative developments for planners, owners of private offices still want to do business with the Bank. For instance, int 4 mentioned that they are making expenses to join the tender but all price quotation that they offered are below the average. Hence, he thought that he could not have any chance to gain the work because other contractors are cutting under. However, int 4 stated that they joined tenders in which technical point-based system was used producing much larger scaled plans but the number of such plans is quite low. The technical point-based system is a system in which contractors are evaluated according to their qualifications to decide whether they can participate in a given tender or not. Secondly, int 8 explained the reason for doing business saying;

Although the prices have been very low for the last 15-20 years, we have always kept the job so that only our young employees can learn the discipline of the Bank and learn how to make the plan, so we have always kept 1-2 works in offices. But in recent years, prices for offices with many employees like us are not satisfying.

The triple tender system was one of the frequently mentioned issues. In the triple tender system, mapping, planning, and geological survey works are put out to tender together and all these three differentiated works are contracted as a single package to one profession group. According to int 4, the triple tender system started before the Bank became a company and this topic had been discussed at UCTEA. At those times, CUP and UCTEA objected to this implementation and defended that every

business should be contracted to its own occupational group and no one should be a subcontractor. As understood from the interviewee, this system created the terms of contractor/subcontractor. For instance, if the map engineer gets this work the planner will be his subcontractor or if the planner gets this work, geologist engineer will become a subcontractor. This method is common not only in the Bank but also in municipalities where this system has also been put into practice. Some of the interviewees who have private planning offices explained some anecdotes about this tender system. One of the interviewees mentioned that they had worked on a triple-tender work from the Bank which consists of mapping-planning and geological survey. She claimed that she calculated that shares of survey engineer, geological engineer and planner and the total amount obtained after the completion of work was not enough for all three groups. Whereas this amount was very satisfying in that period's market conditions, the amount was not found to be enough for three professions. Another interviewee claimed that his office got involved in work as a subcontractor in which geological engineer office has undertaken the work. Under these circumstances, prices the subcontractor received became much lower than the deserved prices. Another aspect of this system was that it has also affected the quality of plans since professionals could not minimize the cost in the areas of mapping and geological survey but planners could reduce the cost by reducing the standard of plans simultaneously. Int 4 added another point to this topic by stating that if the planner has taken work as a contractor, the other two occupational groups became subcontractors but all the risk is borne by the contractor's office alone.

Before the 1980s, the Bank worked for staying at equal distance to all contractors and prevented the accumulation of too many works in one hand. Besides these, it used to follow the plan production processes and elaborate the finalized version of the plans. It was emphasized by the interviewees that the prices of the works produced were quite satisfactory until the public procurement law was enacted. After the last Public Procurement Law was enacted in 2003, the prices of the works produced for the Bank started to decrease. Thus, as mentioned above, the deterioration in the price policy of the Bank started in 2003. The decrease in plan

quality is associated with this situation. Despite this change in the price policy of the Bank, as the interviewees stated, many freelance planners continued to produce plans for the Bank. As aforementioned, the follow-up mechanism of the Bank disappeared with the last Public Procurement Law and by this law, the main criteria was identified over the prices. The changed perspective of the Bank on urban planning and public interest has been evaluated by the sample projects in the continuation of the thesis.

4.4. Evaluation of Planning Approach of the Bank over Sample Projects

The Bank of Provinces was transformed into Ilbank Company in 2011, with Law No. 6107 published in issue 27840 of the Official Newspaper, gaining special budget joint-stock and investment bank status. The new responsibilities have been added as; “Implement or make applications with profitable real estate investment projects ... for the project resource to provide funds to the Bank” (Ilbank, 2017). According to this statement, the Bank could build profit-oriented projects which generate significant revenue. Also in Law No. 6107, new activities of the Bank explained as; “Implement or have implemented special projects and urban infrastructure projects demanded by the Ministry of Environment and Urbanization” (İller Bankası Anonim Şirketi Hakkında Kanun, 2011). Hence, this article also points out the new relationship between the Bank and the Ministry. Law No. 6107 explains that 50% of the net profit obtained by revenue generation activities would be used in financing urban regeneration projects and infrastructure projects of the local administrations (İller Bankası Anonim Şirketi Hakkında Kanun, 2011). The statements mentioned above indicate that all new responsibilities and tasks undertaken by the Bank are profit-oriented revenue generation activities. According to the Bank’s annual reports, interest income has an importance for the Bank. In fact, interest income creates the baseline of the Bank’s vision as stated in the annual report dated 2011 under the head of profitability structure (İller Bankası A.Ş., 2011, p. 100);

The most important income items of the Bank are interest income of 548,597 thousand TL and non-interest income of 51,723 thousand TL which are the commissions received from non-cash loans and fees collected for consultancy, audit and technical services expenses.

As understood from this expression, interest and non-interest income compose the most important income items of the Bank's budget. The statement of int 21 supports what is mentioned in the reports, namely that the new organizational structure of the Bank has given weight to interest income. According to her, the main revenue of the Bank was interest revenue obtained by depositing money in Ziraat Bank and this money created the total amount of shares that were monthly transferred to municipalities. The interviewee claimed that this amount constitutes 60-70% of the total revenue of the Bank. She stressed that the main motivation of establishment of the revenue generation department was to make the Bank self-sufficient. The new perspective of the Bank indicates that it has gained a new function and that its passive role in the market economy has turned into an active one.

There are four types of activities that the Bank could perform in the field of revenue generation. Firstly, the Bank could develop and construct projects with municipalities, public and private organizations in addition to individuals. Secondly, the Bank could sell, purchase real estate and do leasing activities for developing resources within the scope of laws. Thirdly, the Bank could be a partner in "Urban Transformation Projects" within the scope of the Transformation of Areas under the Disaster Risk Law No. 6306 or in the areas declared as urban transformation and development areas within the scope of Article 73 of Municipality Law No. 5393 (Ilbank, 2017, p. 28). Within this framework, the Minister of Environment and Urbanism of the time, Erdoğan Bayraktar made the following statement (Ilbank, 2012);

In the process of urban transformation that we initiated in 2012, the Bank took its place rapidly. In this context; in 2013, the Cooperation Protocol between the General Directorate of Infrastructure and Urban Transformation Services and the General Directorate of Spatial Planning and the Bank was signed on "Practices under the Law on Transformation of Areas under Disaster Risk.

Transformation of Areas Protocol's main aim was to complete the infrastructure needs of risky areas declared by the Ministry in a short period (Ilbank, 2017). With this protocol, explained by Law No 6306 Article 7, the Ministry declared risky areas

and set up projects with Ilbank Co. and the revenue will be shared between both institutions with 50% of the profit transferred to the Ministry's account called "Transformation Account". It is also mentioned that this total revenue provided from transformation projects will be used for new transformation projects of risky areas. Apart from this transformation of areas protocol, many other protocols have been signed with the Ministry of Environment and Urbanization like ÇEVDES Project, The Protocol on Supporting the Urban Regulations of Local Administrations, Protocol to Support the Basin, Protocol related to establishment of common infrastructures for Istanbul International Finance Centre (Ilbank, 2017, p. 26).

Within the scope of revenue generation activities, according to the annual report dated 2013; there were three urban transformation projects which were Esenler Municipality Atış Alanı UTP, Kocaeli UTP, and Ağrı Patnos UTP (Ilbank, 2013). Apart from these, the first revenue sharing project was signed in 2013 (Ilbank, 2014). The year 2014 could be seen a year in which resource development activities were accelerating. In 2014, the three UTPs proceeded and five out of seven revenue sharing projects were signed. In 2015, Ağrı Patnos UTP carried on and Erzurum/Yakutiye UTP was added to the Bank's list (Ilbank, 2015). In 2016, similar to the year 2015, Ağrı/Patnos and Erzurum/Yakutiye UTPs were continued. In 2017, besides Ağrı/Patnos and Erzurum/Yakuteki UTPs, Şırnak and İzmir/Karabağlar UTPs were included in the list of Urban Transportation Projects (Ilbank, 2017, p. 29). The fourth way of developing activities is "Land Sale Equivalent Revenue Sharing Tenders". This model was first performed by the Housing Development Administration (TOKI) after 2004. After these legal changes took place, this method started to be used widely in the construction sector such as Emlak Konut Real Estate Investment Company and Ilbank Joint Stock Company (Zaloğlu, 2016).

The coordination between the Ministry and the Bank has a critical importance for the development of projects. By the structural reforms, the Bank and the Ministry became dominant determinants in the construction sector. According to interviewees from Resource Development Department of the Bank, just after the establishment of

this department, all the real estate belonging to the Bank were inventoried and evaluated. After the Bank has gained the authority of involving in revenue generation activities, it has made an effort to find valuable lands. As a result of this effort, projects were first launched in Elazığ and Istanbul. Until 2018, the Bank has developed seven projects by a revenue sharing model.

As mentioned previously, apart from the Bank, the Revenue Sharing model is used by many public enterprises and special and legal persons in Turkey. This model was initially adopted by the Housing Development Administration in 2004 before other institutions such as Emlak Konut Real Estate Investment Company and İlbank Co. performed it. Thus, for the initial implementer, HDA was accepted as a model for other real estate developers. Within the scope of Law No. 6107, the Bank could develop projects without liability. With this direction, the Bank could acquire land in two ways; the first one is the purchase method. By this method, the Bank could purchase the lands by agreement with landowners or the Bank could evaluate the application of the landowners who apply for the sale of their own lands. By this way, the Bank has purchased 8 lands that are located in İstanbul, Ankara, Trabzon, and Manisa (Aslan, 2017). Secondly, the lands could be received in exchange for technical consultancy support given to the landowner. With this implementation, a certain percentage of the land is transferred to the ownership of the Bank. By means of this method, 11 lands were taken across the cities of Bursa, Ankara, Aydın, Muğla, and İzmir. In the current situation, the total number of lands belonging to the Bank is 66, 26 of which are located in Ankara, followed by 6 in İstanbul (Aslan, 2017, p. 38). The way of obtaining the land is important for the Bank. Some of the interviewees claimed that there were a couple of lands that the Bank owned and some of the lands were obtained by the swap method with debt allowance of municipalities. According to int 5, the lands in Yıldızevler and Büyükesat in where ‘Kumru Ankara’ and ‘Mesa Koza 66’ projects were constructed latterly, belong to the Çankaya Municipality first. Then the municipality gave the lands to the Bank as a means of the debt payment. The municipality could not construct a building which is profitable for the municipality like the Bank because the allowed building area for

construction was low. So, the municipality would give the land to the Bank as a means for paying the former's debt. After this transfer, the Bank increased precedent value and evaluated these lands. It is also clear that such practices have other consequences. Int 5 added that after these implementations, some of the landowners applied to the Bank to increase the precedent value of their land, in exchange for transferring a certain percentage of the land to the Bank's ownership. It is obvious that the new land acquisition methods developed by the Bank caused the development of rent-based applications. Additionally, Law No. 3194 expresses that a plan modification could only be achieved if there is a compulsory case. According to Law No. 3194, plan modification could be done on the condition of preserving the main plan's decisions. However, when the expert reports are examined in these four areas, there is no sufficient justification for plan modification.

In the revenue sharing procedure, tender contracts are prepared by the landowner which means by the Bank. One of the conditions involved in the contract is the transfer of the revenue to the landowner for a certain percentage of the sale price (İncedere, 2017). The Bank tenders through the revenue sharing model and invites contractors. Invited contractors set up projects to provide the highest income for both themselves and the Bank. The total amount to be given by the contractors and the amount to be given to the landowner are compared and the contract is signed with the highest bidder of the firm under the condition of completion within a certain period of time. The contractor is responsible for the determination of sale price, but the commitment mentioned in the contract is also important so the firm needs to calculate all prices to catch the final price committed by them. The firm also could sell over the specified price and all the sales process are run by the contractor. As of the date of the Bank's establishment, the Bank of Provinces was never involved in revenue generation activities and due to this reason, it was even been criticized. However, the Bank's new approach clearly indicates that there has been a radical transformation in the Bank's point of view.

These seven projects' locations are illustrated on the three maps shown below. The Revenue Sharing Method started to be used in 2013, with seven projects signed with firms until today. Similarly, there are two projects done with revenue sharing method in İstanbul shown in Map 2. Lastly, the seventh project is located in Elazığ as shown in Map 3. In the following sub-headings, all projects will be explained in detail. Among those seven projects, the highest-priced land belongs to Ankara/Kızılcasğar project. Besides, it is the second-largest in terms of land size with an area of 36.947 m². The largest area is located in İstanbul/Maltepe with an area of 41.752 m². Moreover, it has great importance since it generates the biggest amount of revenue transferred to the Bank. The Bank will gain a total of 644 Million TL from these seven contracts, the net profit is 449 Million TL. (Zaloğlu, 2016, p. 77) In April 2019, the Bank (İlbank, 2019) announced two lands in Ankara and İstanbul to tender through Revenue Sharing Method. For detailed information about the projects, the project identification table in the appendix section could be examined.



Figure 3 : Location of Projects in Ankara

(Source: Prepared by the author)



Figure 4 : Location of Projects in İstanbul
 (Source: Prepared by the author)

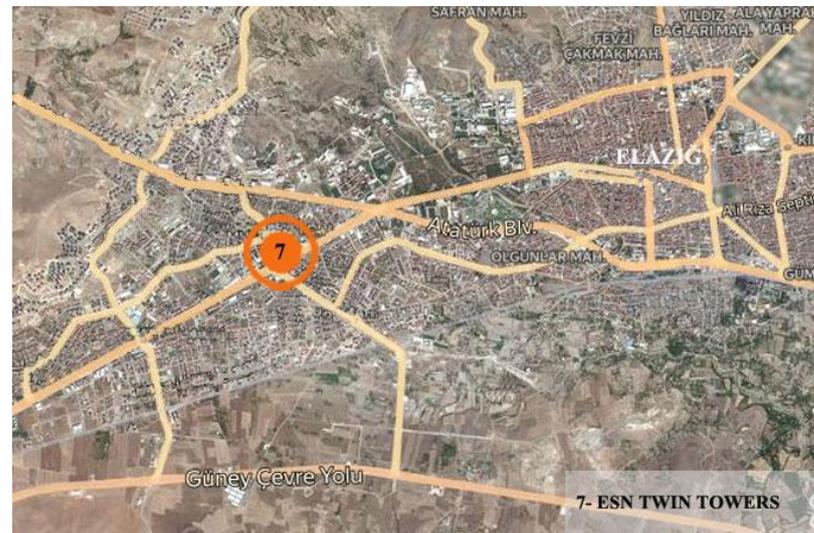


Figure 5: Location of Project in Elazığ
 (Source: Prepared by the author)

Until 2013, the Bank did not have any partial planning experience. However, the Bank's recent projects were produced by partial planning. Before the project was tendered, plan modification has been implemented. In these implementations, the

Bank maintains the projects with the coordination of the Ministry. The areas which are subjected to project development are generally revised and approved by the Ministry in the direction of the decree-law No. 644 and Law No. 3194. By these arrangements, the plan is prepared for the projects. All the seven profit-oriented projects were produced with this way. According to int 18; the Bank created the development plan approach in Turkey. In other words, the role of Bank in institutionalization of a specific comprehensive planning approach in Turkey is significant. However, in current implementations of the Bank, it could be seen that the Bank experiences new practices which creates contradictory outcomes with its past implementations. In the 1980s, a number of central government institutions and local governments gained the authority of plan production and approval. Consequently, urban planning discipline started to lose its holism. These structural changes in planning also affected the Bank but the Bank did not implement such a practice until 2013. As mentioned previously, urban planning activity was a discipline undertaken by the Bank by distributing the public resources to the locality in a more efficient way.

However, the planning discipline has turned into a rent-increasing practice. The seven projects examined in this study clearly demonstrates that the Bank uses urban planning for revenue generation. With the development plan decisions, a balanced distribution of the value of each land is provided. However, in partial planning, big price gap in land occurs. In this manner, this gap creates advantageous and disadvantageous groups in cities. As aforementioned, the Bank performed within the scope of a holistic and hierarchical planning approach for many years. In the past, the Bank developed plans that appeal to all users of the city. However the projects implemented recently address only the upper-income group. At this point, the Bank lost its understanding of community-based planning. In addition, the Bank aimed to develop plans in line with the needs of cities in the past and it tried to reach the plan that would best meet the needs of the field. It used research methods which were prepared to addresses the city in all its dimensions. It developed the standards which are implemented in the production process of the plan. It gave priority to the

colloquiums that started after the plan production. However, it is clear that there is a tendency towards revenue generation. In this sense, the change in the Bank's perspective on planning could be understood from the lawsuits.

For example in the project of “Piazza Shopping Center and Office Buildings” in Maltepe/İstanbul which was the previous location of the Bank of Provinces İstanbul Regional Directorate, the Ministry approved the plan modification about this area by ex-officio in 2013. After that, the CUP Istanbul Branch filed a case in 2013. The reason for the lawsuit was that the new plan decisions were causing a reduction in social reinforcement areas which, in turn, causes an increase in traffic density. This area was equipped with privileged construction rights so this new implementation causes the plan and construction balance to deteriorate (TMMOB ŞPO İstanbul Şubesi, 2014). Due to these changes, lawsuits opened for the execution to plan modifications and 1/5000 and 1/1000 scale plans were requested.

The second project named as “Mesa Koza 66” was commenced a lawsuit by on the grounds that the plan modification has brought new plan decisions on the area equipped with privileged construction rights. Thus, these plan decisions in the Büyükesat Valley caused an increase in population density (TMMOB Mimarlar Odası Ankara Şubesi, 2019). Inference from the interview shows that this lawsuit affected the reputation of the project and its sales negatively. The institutions responsible are to be sued; a lawsuit should be filed before construction begins.

The third project contains 28156 and 28375 Blocks, located in Yıldızevler Neighborhood; Ankara has been subjected to a lawsuit in 2013. In that year, after the plan modification was approved by the Ministry of Environment and Urbanization and CUP Ankara Branch sued against this rearrangement. With the modification of the plan, the newly enacted plan decisions proposed for these lands increased precedent value. For example, the 28375 Block / 3 Parcel, in 1/1000 scale plan, allowed building area for the lot was identified as 2.20 in 2013 while it was 1.33 in 2001. The parcels were shown as housing area in 1/5000 and 1/1000 scaled plans and the modification on the plan resulted in the increase of population. According to an

expert's report, 200 people/hectares in the upper scale area were proposed in the 2001 plan, 353 people/hectares were generated when the rough site was calculated as all of the construction areas would be used. When the same rough calculation is made over the proposed construction area according to the changed plan, 353 people/hectare rises to 585 people/hectare. It is clearly seen that the subject matter of the case brought about a large population increase and the privileged construction right would trigger the decrease in quality of social reinforcement in the land. (TMMOB ŞPO Ankara Şubesi, 2013).

In the expert report, the Bank has defended itself within the framework of the public interest claiming that the area will be evaluated in the most efficient way for the public and that the share of 50% of the profit generated by revenue sharing model projects will be transferred to "Transformation Account". By this method, the revenue of the land would be used for urban transformation projects which the Bank asserted as a way to fulfill public interest (TMMOB ŞPO Ankara Şubesi, 2013). It can be inferred from the Bank's statement that the highest level of public interest is achieved if all institutions obtained the highest rate of revenue and a part of this revenue was then used in public-based works. On the other side of this implementation, the principles of urbanism and planning have not been complied with. Thus, the defense of the Bank fails.

The fourth project named as Kumru Ankara belonged to the Municipality of Çankaya, but it was transferred to the Bank at a later stage. After this transfer, this area was used for the project's construction with a revenue sharing method. At that time, the plan modification has been implemented and it has been subject to a lawsuit, opened by Ankara Branch of the CUP, in 2013 for the first time. The reason for opening the case was the increase in population density due to the rise in construction right and precedent values. Because of this increase, relevant institutions were sued for plan modification and 1/5000 and 1/1000 scale plans were requested instead (TMMOB ŞPO Ankara Şubesi, 2013). In another case, opened in 2017, it was emphasized that the usage of the area was changed, privileged

development rights were granted to the area, the plan modification decision was not implemented in compulsory reasons and the principles of urbanism were not followed (TMMOB ŞPO Ankara Şubesi, 2017).

According to Ersoy (2000), plan modification decisions cause the change of the status of the area, increase in precedent value, change in the structure order, change of the road route. It could be said that majority of these practices lead to an increase in the density of the settlement and significantly change the distribution of urban rent. When expert reports of the lawsuits filed against these projects carried out by the Bank of Provinces are examined, they mention that these implementations violate “the key principles of planning and urbanism ”. In the expert reports; the reasons for filing lawsuits against projects could be listed as; the projects are generally not complying the basic principles of upper and sub-scale plan decisions, plan modification was not implemented in compulsory reasons, reduction in social reinforcement areas which foster the increase of the traffic density, granting the area privileged construction rights, risk of deterioration of balance in plan and structuring, rise in construction and precedent values. With the change in plan, new functions are loaded into the field which could unbalance the built environment. The common point of the expert reports is that the new functions in these areas brought by the plan modification affects technical and social reinforcement infrastructure, construction balance, transportation, and population density. All these implementations propose a rise in construction and precedent value, triggering the rise of population and traffic density. Consequently, it is understood that during the construction of these profit-oriented projects, urban planning principles and public interest were neglected. Following this, as stated in the defense petition of the Bank, it is seen that the Bank now establishes its perception of public interest on the basis of the amount of the revenue obtained. But the public interest approach that the Bank has established was society-based in the past. In addition, it is observed that these areas, which are primarily owned by the public, were transferred to private ownership by endowing them with privileged development rights and conditions. In this sense, it is clear that public interest is disregarded. Plan decisions should be made in the direction of urban

and regional needs. However, as seen in these examples, these profit-oriented projects were not developed within the scope of better urban development manner.

Another aspect of the Bank that has been changed is the composition of the Bank's personnel. The Bank of Provinces has intensified plan production process after the 1940s and produced plans by three methods. In each of these methods, the processes were monitored in depth. In the bidding system, the Bank tried to stay the equal distance to all freelance planners. That was because of the neutrality position that the Bank should maintain due to its supervisory and regulatory role in the market. During all of the plan production processes held by the Bank, the role of the Bank's own personnel was crucial. As mentioned before, the Bank had a tendency to train its technical personnel and to promote them to participate in all plan production process. However, it is stated in the interviews that the Bank's personnel do not involve in production of seven profit-oriented projects intensively in recent years. Instead, the contractor construction firms such as Rönesans, Kiler Group, Mesken Sanayii, Kuzu Group carried out the projects mostly. The Bank has been providing all services with own dynamics so far. However, it is seen that it is supported by powerful actors in the production of these projects which are obtained via a revenue sharing method. The Bank was regarded as an academy for many professional groups for many years and has a direct and indirect contribution to the training of its personnel. In this respect, it is seen that the Bank does not resort to the experience and knowledge of its personnel in these projects. The Bank also lost its supervisory and regulatory role in the market. It is known that the Bank established cooperation at the highest price offered in the tender. In this sense, the Bank works with powerful actors in the construction sector which are listed above. Thus, it could be said that it is a part of the market rather than a public institution with a supervisory regulatory role.

As it is understood from the section explained so far, the Bank developed standards for project production processes due to its role as the supervisor and regulator in the market. By these standards, the Bank carried on its service production to local administrations. It was emphasized by the interviewees that the prices of the works

produced were quite satisfactory until the public procurement law was passed. After the last Public Procurement Law was enacted in 2003, the prices of the works produced for the Bank started to decrease. The decrease in plan quality is associated with this situation. Although many methods have been abandoned; the Bank is still supervising the plan-making processes. This is not as intense as before but the Bank still applies various criteria in the planning process. The technical specification is one of these criteria. All the planners still need to produce plans within the scope of criteria of technical specification. However in these seven profit-oriented projects; according to information obtained from interviewees from the construction company and the Bank's resource development department, there are almost no criteria to be observed. The only principle that must be followed in these projects is the technical specification and there are no standard or project design criteria for the project. In these projects, the main criterion is the prices offered to the Bank. It could also be said that the Bank is not involved in project production processes adequately and left the project to the contractor's decision by taking its share over the specified percentage. This shows that in the analyzed projects the planning activity was used for profit-making. According to the analysis of those projects, the Bank was involved in a new field that contradicts with the it's approach to planning in the past. In addition, the Bank's role in supervising the work produced within the market mechanism has disappeared. Hence, the decision-making process is left directly to the market.

4.5. Conclusion

In this section, changes in the Bank's approach to public interest and urban planning was evaluated through the Bank's institutional relationship and urban planning discipline. As of the date of its establishment, the Bank provided this support to municipalities and aimed to prevent the municipalities from suspending local services. In addition, it supported the municipalities which were insufficient in providing services, especially small municipalities, by producing the services directly. As a consequence, the Bank lost its unique aspects that differentiated itself

from other local government banking models. In addition, the relation between the Ministry and the Bank has also changed. The Bank is now closer to the Ministry due to the new duties endowed to the Bank in 2011. By the year 2013, the Ministry and the Bank started to cooperate in the field of built environment production.

The other issue that was analyzed in this chapter is the Bank's changed perspective on urban planning and this is explained through the profit-oriented projects produced by the Bank. The seven projects developed by revenue sharing method under resource development activities of the Bank are worth of evaluation. Large parts of the projects' contracts were signed in 2014 thus it could be understood that the Bank's revenue generation activities started to intensify in the year of 2014. As supported by the Bank's annual report of the year 2011, the interest revenue obtained by depositing money was the main revenue of the Bank and this data underlying the establishment of the resource development department. The Bank undertook revenue generation policies and developed profit-oriented projects. The seven projects are located in Ankara and İstanbul in high-value areas in terms of the property value. The common aim of these projects is to create the highest revenue. By producing of these seven built-environment projects, the Bank has achieved its goal of revenue generation by producing . This is because urban planning has been transformed and started to be used as a tool for accumulation of the capital which is an easy way for generating revenue. Besides, for an institution which is equipped with authority and supported by the Ministry, it is a much easier way to reach revenue quickly.

Similar to this, the Bank's feature of being an academy for urban planners has also been transformed. It could be said that the Bank abandoned some of the methods gradually which were firstly implemented by the Bank. For example, to make plan production process shorter, the colloquiums were reduced. The archive that shed light on the planning history of Turkey was also destroyed. Besides, the number of produced plans by the Bank's personnel has decreased and the Bank gave weight on plan production by a bidding system. As a result, the quality of the plans reduced in

time. In short, it is obvious that the position of the Bank in terms of planning activities has undergone a structural change.

The Bank was establishing its perspective of the public interest by way of supplying services to local administrations. However, by using the planning discipline as a tool in the production of profit-oriented projects, the Bank has created a situation that contradicts its past. The Bank aimed to stay at equal distance to all citizens with its comprehensive planning activities. However, these profit-oriented projects were developed for upper-income groups of society. Since the target of the Bank is to obtain resources and quicker and easier resource generation could be achieved by producing projects for upper-income groups. In addition, the new land acquisition methods have brought with new practices that foster the usage of planning as a rent increasing tool.

The change in the Bank's approach to urban planning could be understood from the lawsuits. Four of the seven projects were commenced a lawsuit. Before the project was tendered, plan modification has been implemented. In these implementations, the Bank maintains the projects with the coordination of the Ministry. The areas which are subjected to project development are generally revised and approved by the Ministry in the direction of the decree-law No. 644 and Law No. 3194. By these arrangements, the plan is prepared for the projects. From these lawsuits, it could be concluded that with these projects, the key principles of planning and urbanism have been violated. In the past, all planning activities were supervised by standards and methods like the technical specification, colloquiums and so on. However, the supervising process is not implemented during the production of these projects. Thus the decision-making process is held by the contractors.

Starting from the 1980s, the state played a passive role in the construction sector. As time passed, the state has taken a regulatory role in housing production by the establishment of HDA. Therefore the function of the state in the construction sector has changed and it became more active in the built environment production process. As mentioned previously, resource development is a method used by many

institutions in Turkey. One of the most powerful actors is undoubtedly HDA. HDA was established in 1984 and since then it was seen as Turkey's most powerful real estate developer. In 2001, Emlak Bank has gone into liquidation by transferring its banking activities to other banks. The most crucial transfer, though, was the transfer of its tasks, responsibilities and real estates to HDA. At the same time, the General Directorate of Land Office was closed and its land stock, in addition to that of Emlak Bank, was transferred to HDA. In short, in 2001, two institutions that provide state subsidized loans to the lower and middle-income group were passivized. In 2005, HDA was given the authority to produce and approve urban development plans, becoming a powerful institution that shapes the built environment (Balaban, 2008). HDA has been developing projects with two methods. The first method is a social housing program which aims to satisfy the needs of lower and middle-income group. The second method is the revenue sharing method which is based on revenue, not housing (TOKI, n.d.). This model which is also used by the Bank is based on project development aiming at high-income groups. HDA could produce projects directly itself or through Emlak Konut Real Estate Investment Company. The project is developed through a partnership of private sector actors. The projects developed with the revenue sharing model constitute 14% of the total projects and the remaining part consists of social housing projects (TOKI, n.d.). HDA justifies the projects developed by revenue sharing method as a way of funding housing projects targeting low and middle-income groups (TOKI, n.d.). Project tenders done by revenue sharing method are not subject to the Public Procurement Law; instead, they are tendered within the framework of HDA's own specification. The projects within the revenue sharing method are constructed in big cities like Ankara and İstanbul. The projects are produced and constructed by private sector actors and HDA does not intervene in the process. During the production process, all the decisions about the architectural features or spatial organization of the buildings are left to the decision of contractors (Aysev Deneç, 2013). That is because the main aim of this method is profitability and production speed. The institution, Emlak Konut Real Estate Investment Company is another actor in the construction sector in Turkey. It has

been obtaining projects with a revenue-sharing model, defined as “the most important resource development activity in the firm” (Emlak Konut Real Estate Investment Company, 2017).

As mentioned previously, HDA is one of the powerful real estate developers in Turkey and this institution has been developing projects by revenue sharing method since 2004. Thus, to understand whether the acquired knowledge of the Bank on planning made a difference in profit-oriented project production, the comparison of these two actors, Ilbank Co., and HDA, has a significant meaning. The areas where these profit-oriented projects were constructed within the revenue sharing method are generally located in Ankara and Istanbul. The location of the lands subjected to projects shows that the target group of the projects is the high-income group. These two real estate developers, HDA, and the Bank have building projects in big cities. The procurement process of the project has the same stages. The project is put out as a tender within the framework of the institutions’ own specification. Tenderers are the actors of the private sector which are generally big construction firms. Both of the institutions do not include in project production intensively. That is why the main objective is profitability in addition to the project's completion in a short time and construction firms are free in the decision-making process in a way that allows them to maximize profits for their respective companies.

This picture shows that there is no significant difference between these two actor’s project production methods. However, it was expected that the Bank’s acquired knowledge and experiences should have make a difference in each stage of these projects’ production processes.

CHAPTER 5

CONCLUSION

5.1. Summary and the Findings of the Research

The question that this thesis aimed to answer was, “*Did the Bank’s approach on public interest and urban planning change over time?*” In order to answer this question, this thesis attempted to obtain sufficient knowledge on the Bank’s past and current policies by conducting semi-structured interviews and reviewing previous studies about the Bank, namely institutional theses, institutional annual reports, and online sources. While searching for the answer, the following questions were also aimed to be answered;

- What are the positive/negative effects of the Bank of Provinces, now named “Ilbank Joint Stock Company”, on the history of urban planning?
- What are the changes in the Bank's perspective on planning over the years?
- What are the outcomes that the Bank faced after becoming a company?
- What is the meaning of the current position of the Bank for Turkey in terms of urban planning?

Turkey’s local government banking model was also discussed within the aspect of its similarities and differences in comparison with other samples. In this sense, all of the local government banking models in countries possess the same aim, namely the improvement of local governments. To achieve this goal, local governments are generally supported by credits to sustain their services production duty. However, the Bank of Provinces supports local governments technically, in addition to its financial supporter role, a case which is not seen generally in other countries. The economic

dimension of urban planning was not the primary concern of the Bank over the years. This is how the Bank of Provinces differentiated itself from other examples in the world. The services provided by the Bank were never been served for revenue generation activities. However, the local government banking models in other countries have recreated themselves through this circulation of revenue generation activities. On the other hand, in Turkey, the Bank' primary focus was providing public service, most important of which were urban planning and planning activities in the other investment sectors in the city. The Bank was a major contributor to the planning and urban development system in Turkey. For a long period, it was the sole institution where urban planning discipline has been performed. By this duty, the Bank has distributed the public resources to local authorities more efficiently. Thus, the Bank has been the decisive actor in urban strategies. It has pioneered for the planned development of cities and a great number of cities' plans were developed. In the direction of economic and political development of Turkey, the local governments were supported both financially and technically to make them perform effectively. Starting from the 1980s, with the deregulations in the planning system, urban planning started to be used as a tool with the purpose of maximizing the rent with the direction of requests made by the private sector. Plans lost their identity and they become open to interventions. Parallel to these alterations, comprehensive rational planning became dysfunctional due to the rise of partial planning. As a result of these processes, the Bank was affected directly in terms of the plan production processes.

The assumption presented by the thesis was the changing relationship between the "planning activity" and "revenue generation". Until the 1980s, the planning was an activity provided for improving the cities and making them meet investment projects like superstructure and infrastructure. Thus, the planning activity used to have a crucial role forming the future of the cities. The Bank provided the planning activity to the municipalities as a public service for a long period of time. The main objective was the provision of this service to support the planned urbanization of cities rather than revenue generation.

Most of the local governments banking examples in other countries, have given priority to the process of revenue generation. Due to this tendency, they have supported their members only by providing them with resources. The same approach can be observed in the planning processes of the recent projects that are implemented by the Bank. When the seven projects are examined, it is clear that the Bank used urban planning activity only to obtain resources. The data obtained from various sources for this study proves the assumption made at the beginning of the thesis. This shows that the urban planning for the Bank has fallen to the second step and the revenue generation has gained more priority. As mentioned previously, planning focuses on public interest by providing advantages for the majority of the society not just for the private entities. On the other hand, revenue generation is shaped within the market mechanism and generated revenue is mostly distributed to private entities. From this perspective, planning and revenue generation stand at the opposite poles as public and private.

The interviewees from the Bank stated that the need for resource development emerged with the self-sufficiency discourse. Reformulation of planning and transformation of the Bank has happened simultaneously. At the end of these developments, the Bank's point of view has turned into a profit-based approach. When the Bank's know-how and experiences in planning are evaluated, it was expected that the Bank pays regard to the planning principles in the projects that it developed. As mentioned before, these projects are profit-oriented investments thus the main criterion is profitability. Under these circumstances, the key principles of planning and urbanism have been abandoned. It is indeed a great contradiction that one department of the Bank does implementations in the direction of planning principles while the other ignores this.

The Bank was always criticized for not searching for way to generate its own revenues. For example, the report prepared from METU, Department of Urban Policy Planning and Local Governments (UPL, 1996) suggested that the Bank needed to give priority to reaching self-sufficient status. Also, in the World Bank

(2002) and Inbucon Management Consultant (2001) reports, the Bank was proposed to be an entrepreneurial, autonomous, profit-making institution. By taking part in revenue generation activities, the Bank started to act in line with recommendations in the reports. That is because the some of reports prepared for the Bank stated that the Bank could only reach an autonomous structure by acting in the direction of neoliberal policies.

As mentioned before, seven profit-oriented projects were produced by multi-partnered structures under the coordination of the Bank and the Ministry. As observed in those seven projects, the Bank had new position in its relationship with the Ministry and this new position is also important for understanding the current situation of the Bank clearly. It is still the subsidiary institution of the Ministry. For the aim of taking part in revenue generation activities, firstly the Bank was transformed, then the Ministry was equipped with new duties. The structural transformation happened not only in the Bank but also in many other public institutions and they were strengthened by new authorities to promote built environment investments. Parallel to other institutions, the built-environment production activities were initiated with Bank-Ministry coordination. However, it could be understood from the interviews that this close relationship has driven the Bank to act with the direction of the Ministry's demand. At this point, it is clear that the Bank fell into a contradiction in the manner of the autonomy concept.

5.2. Policy Implications

Despite the radical transformation it has gone through, the Bank should maintain its supportive role for local governments. It is carrying on its main task which is to provide services to local governments in terms of finance, consultancy, implementation, technical support and education related objectives. Thanks to this, the Bank ensures that the municipalities continue providing local services to their citizens. This is such a crucial role for local governments in Turkey because especially smaller municipalities are in the need of such financial and technical support. Although plan production demands from the Bank have declined and it has

lost its power when compared to its previous status, the Bank's knowledge and experiences are still valuable for the municipalities. Hence it could be said that the Bank of Provinces should continue helping and guiding municipalities and special provincial administrations financially and technically.

One of the inferences from the thesis that the Bank's experiences and know-how could not be seen in any stage of the projects developed recently. However, it is clear that the Bank has made significant contributions to planning so as to improve urban planning system in Turkey. Starting from this point of view, it was expected that the projects developed by the Bank should have been differentiated from similar projects of other institutions. As mentioned before, when the Bank is compared to HDA; there seem no significant differences between projects developed by these two actors. The acquired knowledge of the Bank on planning should have made a difference in profit-oriented project production. In that case, the Bank could have been more active in the decision-making process. Its extensive knowledge in urban planning should be used in decision-making processes and its personnel should be included in the planning processes.

5.3. Recommendations for Further Researches

In this thesis, the main question was whether the acquired knowledge of the Bank on planning makes a difference in its approach to profit-oriented project production. In this direction, the seven profit-oriented projects have been evaluated in light of the Bank's extensive knowledge of the urban planning system. The projects were developed by the revenue sharing method which is used by many other public institutions and one of them is HDA. In this thesis, a comparison has been made between the projects developed using the revenue sharing model by HDA and Ilbank Co. According to final findings, there is no significant difference between the projects from the standpoint of the production of the project, involvement of the project in decision-making processes. Still, the knowledge and experiences could make differences in project production processes from construction firms' side. *Thus, one of the future research topics could be the evaluation of these profit-oriented*

projects from the viewpoint of construction firms. For this aim, the research could be conducted on construction firms which are produced projects for both the Bank and the HDA with a revenue sharing model.

This thesis also focused on the impact of the Bank's structural changes on its relations with the municipality. However, this analyze was done with an emphasis on the Bank's side. Thus, *the impact of the changing structure of the Bank on the relationship between the Bank and municipalities from the municipalities' side* could be evaluated.

Moreover, the Bank has made great contributions to urban planning discipline and sought new implementations in order to improve the urban planning system in Turkey. These contributions constituted of publishing a specification which is a guide book for planners, setting up participatory decision-making process through colloquiums, obtaining plans through urban planning competitions and adopting new research methods in planning processes. In the light of what has been aforementioned, it was seen as an academy for planners where they carried on education after finishing their university years. From this point of view, all these experiences and knowledge on planning *whether the Bank has contributed any discourse in planning terminology* is a question.

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APPENDICES

APPENDIX A: APPROVAL LETTER FROM METU HUMAN SUBJECTS ETHICS COMMITTEE

UYGULAMALI ETİK ARAŞTIRMA MERKEZİ
APPLIED ETHICS RESEARCH CENTER



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19 ARALIK 2018

Konu: Değerlendirme Sonucu

Gönderen: ODTÜ İnsan Araştırmaları Etik Kurulu (İAEK)

İlgi: İnsan Araştırmaları Etik Kurulu Başvurusu

Sayın Doç.Dr. Osman BALABAN

Danışmanlığını yaptığınız Şelale BALAMBAR'ın "İller Bankasının Dönüşümü Üzerine Yeniden Düşünmek" başlıklı araştırması İnsan Araştırmaları Etik Kurulu tarafından uygun görülerek gerekli onay 2018-FEN-076 protokol numarası ile araştırma yapması onaylanmıştır.

Saygılarımla bilgilerinize sunarım.


Prof. Dr. Tülin GENÇÖZ

Başkan


Prof. Dr. Ayhan SOL
Üye


Prof. Dr. Ayhan Gürbüz DEMİR (4.)
Üye


Prof. Dr. Yaşar KONDAKÇI
Üye


Doç. Dr. Emre SELÇUK
Üye


Doç. Dr. Pınar KAYGAN
Üye


Dr. Öğr. Üyesi Ali Emre TURGUT
Üye

APPENDIX B: THE PROJECTS OVERVIEW

PROJECT NAME	LOCATION	DEVELOPERS	SCOPE OF PROJECTS	TARGET GROUP	SUBJECTED TO CASE?	MAJOR OBJECTIONS	PROJECTS' PHOTOS
Piazza Shopping Center and Office Buildings	İstanbul/Maltepe	Salacak & Rönesans Construction Firms	Mixed-used development: flats and commercial units	upper-income group	Yes	<ul style="list-style-type: none"> • Increase in traffic density • Reduction in social reinforcement • Privileged construction rights 	
Referans Kartal Towers	İstanbul/Kartal	Kiler Group & Biskon Construction Firms	Mixed-used development: flats and commercial units	upper-income group	No		
Mesa Koza 66	Ankara/Büyükesat	Mesa Mesken Sanayii	Residential development: flats	upper-income group	Yes	<ul style="list-style-type: none"> • Privileged construction rights • Increase in population density 	

28156 Block / 2 Parcel	Ankara/Yıldızevler	Özaras Group, İntekar Yapı, & Güven Construction Firms	Mixed-used development: flats and commercial units	upper-income group	Yes	<ul style="list-style-type: none"> • Increase in population density • Reduction in social reinforcement • Plan modification without compulsory reasons 	
28375 Block / 3 Parcel	Ankara/Yıldızevler	Özaras Group, İntekar Yapı, & Güven Construction Firms	Mixed-used development: flats and commercial units	upper-income group	Yes	<ul style="list-style-type: none"> • Increase in population density • Privileged construction rights • Disparity btw upper and sub-scale plans • Plan modification without compulsory reasons 	
Kumru Ankara	Ankara/Yıldızevler 2	Kuzu Group	Mixed-used development: flats and commercial units	upper-income group	Yes	<ul style="list-style-type: none"> • Increase in population density • Privileged construction rights • Disparity btw upper and sub-scale plans • Plan modification without compulsory reasons 	
Bulvar Loft	Ankara/Kızılcaşar	Akfen Construction Firm	Mixed-used development: flats and commercial units	upper-income group	No		
ESN Twin Towers	Elazığ/Merkez	Esenler & Şevket Demir Construction Firms	Mixed-used development: flats and commercial units	upper-income group	No		

APPENDIX C: TURKISH SUMMARY/TÜRKÇE ÖZET

1970’li yıllar itibariyle Keynesçi politikaların zayıflaması ve monetarist görüşün güç kazanmasıyla, neo-liberal yaklaşımların temelleri atılmaya başlanmıştır. 1980’li yıllarda neo-liberalizmin yayılmaya başlamasıyla, birçok dünya ülkesi bu süreçten doğrudan ve dolaylı olarak etkilenmiştir. Neo-liberalizmin beraberinde getirdiği “katılım, yerelleşme, yerel özerklik, özgürlük, demokrasi” söylemleri, ulus-devletin dinamiklerini sarsmıştır. Bu süreçle birlikte merkezi-yerel yönetim arasındaki ilişkiler yeniden şekillenmiş, yerelin kendi hizmetini kendisinin sağlaması vurgusu dönemin ulus ötesi kuruluşlarınca çokça yapılmıştır.

Bu dönemde neo-liberal dalganın vurguladığı yerelleşme kavramı, Türkiye’de birçok kamu kurumunun da tasfiye edilmesiyle kendisini göstermiştir. Bunun nedeni olarak; yerel yönetimlerin ulus ötesi para piyasalardan aracısız olarak yararlanmalarının önünü açmak olarak gösterilebilir (Keskinok, 2003). Ulus ötesi kuruluşlar, bu hedeflerini gerçekleştirmek amacıyla, belediyelerin uzun yıllar boyunca düşük faizli kredi temin ettikleri ve finansal desteğin yanı sıra teknik destek ve danışmanlık hizmetlerine de başvurduğu, Türkiye’ye has bir model olarak 1933 yılı itibariyle faaliyetini sürdüren İller Bankası’nın dönüştürülmesini savunmuşlardır.

İller Bankası, kentlerin planlı gelişimine öncü ve destek olmak amacıyla, Mustafa Kemal Atatürk’ün talimatıyla 1933 yılında kurulmuştur. Ülkemizin, ulusal kalkınma hamlelerinden biri olarak tasarlanan Banka, yerel yönetimlerin ihtiyacı olan alt ve üst yapı yatırımlarının finansal, teknik açıdan desteklenmesi ve danışmanlık hizmeti verilmesi gibi faaliyetleri kapsayan bir hizmet ağına sahip olmuştur. Bu hizmetlerden biri ve kuşkusuz en önemlisi olan “kent planlama” faaliyetini, İller Bankası 1980’li yıllara kadar belediyelere sunan tek kurum olmuştur. Bu özelliğiyle de Banka’nın, Türkiye kent planlama disiplinine sağladığı katkı oldukça büyüktür. Banka, plan yapan tek kurum olma özelliğiyle de, plancılar için “okul” olarak da görülmüştür. Ayrıca dünyadaki yerel yönetim bankacılığı modelleri arasında, İller Bankası farklı

bir yere sahiptir. Bu yapısıyla da tekil bir örnek olarak gösterilmektedir. Banka yapısal deęişim sürecine girdiđi döneme kadar, kamu yararını gözeten uygulamalar geliştirmiş ve bu doğrultuda hamleler gerçekleştirmiştir.

İller Bankası, neo-liberal politikaların Türkiye’de ağırlık kazanmasıyla birlikte, yaklaşık 30 yıla yayılan yapısal deęişim sürecine girmiştir. 2011 yılında şirket statüsü kazanmış ve bünyesinde yeni kurulan “Kaynak Geliştirme Dairesi”yle birlikte, kar amaçlı proje üretme yetkisi elde etmiştir. 2013 yılı itibariyle de, Çevre ve Şehircilik Bakanlığı işbirliğiyle projeler üretmeye başlamıştır. Bu kapsamda, hasılat paylaşım modeliyle toplam yedi proje üretilmiştir. Projelerden elde edilen gelirin %50’si, Çevre ve Şehircilik Bakanlığı’nın “Dönüşüm Fonu”na aktarılmakta, kalanı ise yeni projelerin üretilmesi amacıyla kaynak olarak Banka tarafından kullanılmaktadır.

Banka, kurulduđu tarih itibariyle, birçok kentin planını üretmiş ve günümüzde de halen üretmeye devam etmektedir. Dolayısıyla, bu alanda sahip olduđu bilgi birikimi ve deneyimi oldukça büyüktür. Kent planlama faaliyetini, planlamanın önemini anlamış bir kurum olarak, belediyeler adına yerine getirmiştir. Türkiye’nin kent planlama disiplininin teorik ve pratik anlamda şekillenmesini sağlamıştır. Böyle bir kurumun tasfiye edilmesiyle birlikte, Banka’nın planlamaya ve dolayısıyla kamu yararına bakış açısında deęişimlerin yaşandığı açıktır. Banka günümüzde kar amaçlı projeler üretmektedir. Buradan hareketle; *bu tezin amacı İller Bankası’nın kamu yararına ve planlamaya bakış açısındaki deęişimini anlamaktır.* 1980’li yıllar öncesinde kent planlama faaliyeti, yatırıma yön veren bir hizmetti. Fakat 1980’li yıllar sonrasında yapısal deęişiklikler neticesinde, yatırım faaliyetleri planlamayı yönlendirir hale gelmiştir. Dolayısıyla, kentte artık planlama ve kaynak geliştirme faaliyetlerinin kullanılış şekli, amacı, kullanım sırası ve önceliđi deęişmiştir. Bu varsayımın doğru olduğunu gösteren bulgu ise Banka’nın yürüttüđu yedi projenin dördüne, planlama esasları ve şehircilik ilkelerini ihlal ettiđi gerekçesiyle dava açılmış olmasıdır.

Bu arařtırmada, Banka'nın planlama alanındaki birikimi ve kamu yararına bakıř aısını hangi alanlar zerinden kurduđunu anlamak iin, nitel arařtırma yntemlerinden yararlanılmıř ve 24 uzman ile yz yze veya mail zerinden grřme sađlanmıřtır. Ayrıca akademik kaynaklar, kurumsal raporlar ile grřmeler desteklenmiřtir. Grřmecilerden yedisi, Banka bnyesinde halen alıřmakta olan, drd ise Banka'nın gemiř dnemde alıřmıř ve emekli olmuř personellerdir. On bir grřmecinin, Banka'nın gemiř dnem uygulamaları, planlama alanında geliřtirdiđi yeni yntemler, evre ve řehircilik Bakanlıđı ve belediyeler ile iliřkilerinin anlařılması konusunda grřlerine bařvurulmuřtur. Ayrıca yedi serbest řehir plancısı ile Banka'nın zel sektr ile iliřkisi, zel sektr denetleme mekanizması ve plan kalitesindeki deđiřim konuları irdelenmiřtir. Banka ile dođrudan iliřki kurmuř on sekiz uzman, planlama disiplinini yakından ilgilendiren yasa deđiřiklikleri zerine grřlerini bildirmiřlerdir. Bu bilgiler dođrultusunda, Trkiye'de deđiřen yasalar ile birlikte Banka'nın ynetim sistemindeki konumu anlařılmaya alıřılmıřtır. Bu grřmelerin yanı sıra, drt akademisyen ve iki inřaat firması temsilcileri ile grřme sađlanarak Banka'nın kamu yararına ve planlamaya bakıř aısındaki deđiřimi ve son dnemde yrttđ kar amalı projelerdeki pozisyonu incelenmiřtir.

Tez beř blmden oluřmaktadır. Tezin ilk blm giriř blm olup, tez sresince iřlenecek konunun nemi, neden alıřıldıđı, temel argmanları ve buna ynelik kanıtları iermektedir.

Tezin ikinci blmnde ise dnyadaki yerel ynetim bankacılıđı rnekleri ve bunların İller Bankası ile karřılařtırması yer almaktadır. Farklılařan noktaları anlamak, İller Bankası dnřmnn altında yatan sebepleri kavramak aısından nemlidir. Bu blmde yapılan analizler neticesinde; İller Bankası diđer yerel ynetim bankacılıđı rneklerinde olduđu gibi kentlerin kalkınmasına ve geliřmesine destek olmaktadır. Bu anlamda ođu bankacılık rneđiyle ortaklařmaktadır. 1980li yıllarda yapılan dzenlemeler ile Banka ve belediyeler artık uluslararası fonlardan yararlanmaktadır. Sermaye piyasalarına entegre olma sreci sonucunda edindiđi yeni

misyon ile Banka yurt içi ve yurt dışı her türlü fondan kaynak sağlamaktadır. Yaklaşık son 30 yıldır yürüttüğü bu uygulamayla birlikte artık diğer dünya örnekleriyle benzerlik taşımaktadır. Benzerliklerinin yanı sıra farklılaştığı alanlar da bulunmaktadır. Farklılaştığı alanlardan en önemlisi ise; İller Bankası'nın yerel yönetimlere finansman ve teknik destek sunmasıdır. Banka belediyelerin hizmetlerini belediye adına gerçekleştirir yani hizmet üretim süreçlerine aktif olarak dâhil olur. Bu açıdan, Banka yerel yönetim bankacılığı örneklerinden ayrılmaktadır. Diğer taraftan dünya örneklerinde, İller Bankası gibi sürece doğrudan dâhil olan birkaç Latin Amerika ülkeleri dışında örnek bulunmamaktadır (Davey, 1988). Bundan dolayı, Banka piyasanın dikkatini çekmeyi başarmıştır. Dünya'daki yerel yönetim bankacılık örneklerinde genellikle finansal destek rolü daha ağır basmaktadır. İller Bankası'nda ise durum biraz daha farklıdır. Banka finansal, teknik destek ve danışmanlık hizmeti sunar. Teknik desteklerinden biri olan kent planlama bir süre sonra mekânsal boyut kazanır ve kentte ekonomik değer oluşumunu sağlar. Bu açıdan bakıldığında dünya örnekleri ile İller Bankası'nın farklı noktalarda durdukları açıktır. Dünya örneklerinde aktörlere finansal destek sunulur ve bu yolla hizmet oluşturulur. İller Bankası'nda ise yerel yönetimlere önce planlama hizmeti sunulur, kent gelecekteki formuna kavuşturulur ve daha sonrasında planlama kararları yatırıma yön verir. Söz konusu kurumların planlama ile kaynak yaratım sıralanmasındaki tutumlarının farklılaşmasının sebebi ise kamu yararına bakış açılarıdır.

Türkiye yerel yönetimleri; belediyeler, il özel idareleri ve köyler olmaz üzere üç kademededen oluşmaktadır. İller Bankası 1945 yılı itibariyle yetki alanına söz konusu üç alt birimi de alarak yerel yönetim bankasına dönüştürülmüştür ve Banka'nın bu tarih itibariyle yerel yönetimler ile ilişkisi devam etmiştir. Bu ilişki çift yönlü olarak değerlendirilebilir. Banka'nın yerel yönetimlere karşı yükümlülüklerinden ilki üstlenmiş olduğu veznecilik hizmetidir (Kestane, 1996). Bunu belediyelere ve il özel idarelerine nüfuslarına göre çıkan payı dağıtarak yapar. Ayrıca Belediyeler Fonu ve Mahalli İdareler Fonu'ndan faydalanmalarını sağlar. Diğer sorumluluğu ise yerel yönetimlerin kentsel hizmet gerçekleştirmelerine yardımcı olmak, bunu

kolaylaştırmak için kredi vermek yani kamu kaynakları vasıtasıyla finansal destek sunmaktır. Üçüncü olarak yerele teknik destek sunar. Bunu da belediyelerin yatırım ihtiyaçlarının tüm aşamalarını belirleyip değerlendirerek en son hizmetin uygulanması noktasına kadar tüm aşamalarda yer alır. (Kestane, 1996) Banka bu hizmetlerinin karşılığında, genel bütçenin belediyeler ve il özel idarelerine ayrılan payından %2'lik bir kesinti yapar.

Tezin üçüncü bölümünde ise İller Bankası'nın kamu yararına ve planlamaya bakış açısı irdelenmiştir. Kamu yararının net bir tanımı konulamamış olsa da kamuyu yani toplumun çıkarlarını bireysel çıkarlardan önde tutan bir eylemdir ve değişen koşullarına göre yeniden tanımlanan bir kavramdır (Karaca & Nilgün, 2011, s. 77). Kamu hizmeti tanımı incelendiğinde ise doğrudan kamu sektörü eliyle sunulması esasına dayanır ve temelinde kamu yararını barındırır (Altın, 2013). Bu açıdan bakıldığında, İller Bankası da kamu yararını, sunduğu hizmetler üzerinden sağlamıştır. Banka'nın kamu yararını kurduğu alanlardan birisi planlama ile ilişkisidir. Banka 1980'li yıllara kadar Türkiye'de plan yapan tek kurum olma özelliğine sahip olmuştur ve bu yetkisiyle *kamu kaynaklarını yerele adil ve eşit biçimde dağıtmayı* hedeflemiştir. Banka bu dağıtımı, belediyeler adına belediyelerin planlarını yaparak sağlamıştır. Sadece planlama değil, diğer alt ve üst yapı eksikliklerini belediye adına yerine getiren İller Bankası, bu rolüyle yerelin sunduğu hizmetin devamlılığını sağlamıştır. Belediyeler, özellikle küçük ölçekli belediyeler, finansal ve teknik yetersizliklerinden dolayı bu desteğe ihtiyaç duymaktadır. Kılıç ve Gül, tarafından, 2015 yılında farklı ölçeklerdeki belediyeler ile İller Bankası'na duydukları ihtiyaç üzerinden bir araştırma yürütülmüştür. Bu araştırmadan çıkan en kritik sonuç ise, özellikle küçük ölçekli belediyelerin İller Bankası'nın desteğine, halen ihtiyaç duymalarıdır (Kılıç & Gül, 2015). Bu özelliğiyle de, İller Bankası'nın kamu yararını sağladığı diğer alan ise *yerel yönetimlere finansal ve teknik destek sunarak onları yapabilir kılmaktır*.

İller Bankası, plancılar için bir *okul* olarak görülmüştür. Böyle bir algının gelişmesinin sebebi birkaç başlık altında değerlendirilebilir. Banka salt fiziksel

planlama deęil kentin ekonomik, sosyal, kltrel, politika ve idari boyutlarını da dahil ederek Trkiye’de kapsamlı planlama pratięini geliřtirmiřtir. Bu sreçleri de yine İller Bankası’nca geliřtirilmiř bir katılımcı planlama pratięi olan *kolokyumlar* ile devam ettirmiřtir. Kolokyum sreçleri retilen tm planlarda uygulanan bir denetim mekanizması olup, planın tm paydařlarının katılımıyla gerekleřtirilen ve planın tm detaylarıyla tartiřıldıęı srelerdir. Bunun yanı sıra, İller Bankası plan yapımı esnasında uygulanması zorunlu maddelerden oluřan “*řehir ve kasabaların İmar Planlarının Dzelmesine ait Teknik řartlařma*” yayınlamıřtır. Sz konusu řartnameden, 3194 sayılı kanununun 13. Maddesine ynelik hazırlanan İmar Planı Yapılması ve Deęiřikliklerine Ait Esaslara Dair Ynetmelik’te “*İmar planları, İller Bankası teknik řartnamesine gre hazırlanır*” ibaresiyle bahsedilir. Bu hkm, İller Bankası’nın Trkiye planlama disiplini zerindeki gcn gstermektedir. Dięer taraftan, Banka planlama srecinin nemli bileřenlerinden olan arařtırma ařamasına da nemli katkılar koymuřtur. Banka *Calsat* adlı bir Fransız mimarın arařtırma metodunu tercme ederek planların arařtırma evrelerinde kullanmaya bařlamıřtır. Kenti ok boyutlu olarak ele alan ve bu deęerlerini de plan yapım srelerine dahil eden bu metot, gnmzde kullanılan arařtırma metotlarının nvesini oluřturmuřtur (Kiper & Gezim, 2013). Bu arařtırma yntemine ek olarak, 1964 yılında Paris’in planlanması iin hazırlanmıř olan, kentin fiziki, demografik ve sosyoekonomik verilerini kapsayan *Paris Atlası* Trke ’ye evrilerek bir deęerlendirme tablosu oluřturulmuřtur (Glge, 2010). Bu soruların yer aldıęı tablolar, plan yapımı talep eden belediyelere gnderilerek, ilgili alan hakkında veri toplanması saęlanmıřtır. Grldę zere, İller Bankası btncl olarak retmeye alıřtıęı planlama faaliyetini yeni arařtırma yntemleri, denetleme mekanizmaları ve rehberler ile bir adım teye gtrmeye alıřmıřtır. Kentin gelecekte alacaęı formu belirleyen kurum olarak, planlamanın gcnn farkındalıęıyla bu sreci yrtmřtr. Buna ek olarak bu uygulamalar sayesinde planlamanın rant temelli kullanımının da nne gemiřtir. Buradan da anlařıldıęı zere; kent planlama alanında elde ettięi sonsuz deneyim ve birikim sebebiyle de plancılar aısından okul olarak anılmıřtır. Bankanın bu yeniliki abaları, Banka’da alıřan ve Banka’ya iř reten plancıların da kent planlama

alanında aktif kalmasını sağlamıştır. Emanet usulü üretilen planlar vasıtasıyla, *Banka personeli plan yapım süreçlerinin merkezinde yer almıştır*. İhale usulü yürütülen süreçlerde ise, serbest planlama bürosu sahibi plancılar, Banka'ya uzun yıllar boyunca plan üretmişlerdir. Bu iki plan üretim modelinde de, Banka'nın kentlerin mekânsal problemlerine yanıt arayışı neticesinde ürettiği yenilikçi çabalar, plancıların planlama faaliyetlerinin bir parçası olmasını sağlamış ve bilgi birikimlerine katkı sağlamıştır. Bu rolüyle de Banka plancılar açısından uzun yıllar boyunca bir *eğitim kurumu* işlevi görmüştür.

Banka özel sektörün kamu kaynaklarından beslendiği bir dönemde kurulmuştur. İller Bankası, kentsel kalkınma hedefiyle yerelin altyapı hizmetlerini sunmaları konusunda finansal ve teknik destek sunmak amacıyla kurulmuştur. Bu doğrultuda uzun yıllar boyunca piyasa koşullarında henüz yeterli birikime sahip yüklenici/yatırımcı kuruluşların olmaması sebebiyle fiili üretim ve yatırım doğrudan Banka eliyle gerçekleştirilmiştir. Hatta Banka tarafından yine piyasada yerli yatırımcıya destek olmak için iki önemli yatırım şirketi kurulmuş, bunlar aracılığıyla üreticinin yerli mal ve hizmetlere erişiminin artırılması ve finansman desteği sunularak desteklenmeleri sağlanmıştır (Güler, 2016, p. 249). 1980'li yıllar itibariyle serbest plancıların piyasada çalışmaya başlamalarıyla birlikte Banka, özel sektörün de iş ürettiği bir kurum haline gelmiştir. Bu süreçlerde, Banka piyasa üzerindeki denetim mekanizmasını sürdürmüştür. Kolokyum geleneğini, ihale usulü üretilen işlerde de devam ettiren Banka, planların katılımcı bir pratikle üretilmesi ilkesini benimsemeye devam etmiştir. Ayrıca, *denetleme ve düzenleme rolünün* getirmiş olduğu tarafsızlık ilkesini her zaman muhafaza etmiş ve piyasaya iş üreten plancılara eşit ve adil davranmaya çalışmıştır. Diğer bir konu ise Banka'nın merkezi ve yerel yönetim sistemi içerisinde üstlenmiş olduğu roldür. Banka, Türkiye idari teşkilatı içerisinde bir yerinden yönetim kuruluşu olarak adlandırılmaktadır. Bu şema içerisinde, hizmet yönünden yerinden yönetim kuruluşları altında, 1980'li yıllara kadar sahip olduğu KİT statüsüyle yer almıştır (Gözler, 2018). Bu pozisyonu ve üstlenmiş olduğu görevlerden de anlaşılacağı üzere, yerel yönetimler ile yakın bir ilişki içerisinde olmuştur. Diğer taraftan, Çevre ve Şehircilik Bakanlığı'nın ilgili

kuruluşu olması sebebiyle de bu iki kurum arasında vesayet ilişkisi vardır (Gözler, 2018). Banka'nın, belediyelere ve il özel idarelerine nüfuslarına göre çıkan payı dağıtması görevi ve bakanlığın ilgili kuruluşu olması, merkezi yönetim organı gibi davrandığını da göstermektedir. Bu da Banka'nın merkezi ile yerel yönetim arasındaki *aracılık rolüne* işaret etmektedir.

Ülkemizde varlığını genişleterek koruyan tek kurum belediyeler olmuştur (Güler, 2013, p. 195). Belediyeler kendilerine verilen görevler itibariyle 3 temel işleve sahiptirler. Bunlardan birincisi kentlerde gündelik yaşamı devam ettirme işlevidir. Bu kapsamda kendilerine verilen tüm görevleri ortak yaşamın devamlılığı için yerinde ve hızlıca yerine getirirler. İkinci olarak işgücünün kendini yeniden üretmesine yardımcı olurlar. Bu fiziksel koşulları yani beslenme, barınma, ısınma gibi temel ihtiyaçların yanı sıra kültürel, eğitim, dinleme gibi ihtiyaçları da kapsar. Bunları yerine getirerek bir yandan da işgücünün de devamlılığını sağlamış olmaktadırlar. Üçüncü olarak ise sahip oldukları yetkiler sebebiyle, sermaye birikime doğrudan veya dolaylı olarak katkı sağlarlar. Altyapı yatırımları ve bunların arasında özellikle kentsel planlama uygulamaları diğer bir ifadeyle sermayeye kaynak aktarımı anlamına gelmektedir (Güler, 2013, pp. 198-203). Uluslararası piyasalar Türkiye'deki belediyelere 1980'li yıllara kadar erişememiştir. 19.yy itibariyle liberal yerel yöneticilik, yetki ve kaynakların merkezden yerel yönetimlere aktarılmasını öngörmüştür. Bu yaklaşımla birlikte belediyelerin fiili dolaşımını başlatmak için yeni bir sürece girilmiştir. Buna ilk olarak, farklı kurumlarca hazırlanan raporlar, düzenlenen sempozyumlar ve toplantılar ile hem yerelin hem de İller Bankası'nın yeniden yapılandırılması çalışmaları ile başlanmıştır. Genel olarak bu raporlarda, Türkiye'nin yerel yönetim finans sisteminin zayıf olduğu, kaynakların yetersiz olduğu ve Banka'nın kaynaklarını da etkin kullanamadığı, Banka'nın yoğun olarak merkezi yönetim vesayeti altında olduğu ve belediye hizmetlerinin Banka'ca yürütülmesi sebebiyle yerelin giderek pasifize olduğu belirtilmiştir. Bu doğrultuda kendine yetebilen, bankacılık faaliyetlerinin artırıldığı, kaynak gereksiniminin uluslararası piyasadan temin edildiği, girişimcilik özelliğinin ön plana çıkarıldığı bir Banka yaratma görüşü ve önerileri ortaya çıkmıştır. Banka'nın dönüşümü hem

doğrudan Banka'ya yapılan müdahaleler ile hem de dolaylı olarak yerel yönetimlerin yeniden organize edilmesi yönünde çıkan yasalar ve yönetmelikler aracılığıyla devam etmiştir. Bu uygulamaların sonucusu ise 2011 yılında çıkan 6107 sayılı yasadır. Bu yasa sonucunda İller Bankası anonim ortak şirketi statüsü kazanmıştır.

Tezin dördüncü bölümünde Banka'nın planlamaya ve kamu yararına bakış açısındaki değişim, üçüncü bölümde belirtilen başlıklar üzerinden değerlendirilmiştir. Türkiye 1980'li yıllara kadar planlamayı ekonomik yeniden yapılanmanın bir aracı olarak görmemiştir. Fakat bu tarihten sonra, yeni popülist söylemler ve sermayenin yeniden elde edilmesi politikasıyla, planlama da ekonomik süreçlerin sürükleyicisi haline gelmiştir. 2000'li yıllara gelindiğinde ise, ekonomik kalkınma açısından kentlerin önemi daha da artmıştır. Ayrıca yine 1980'li yıllarda artan yerellik söylemiyle birlikte, belediyelere de plan yapma yetkisi verilmiş ve böylece İller Bankası'nın plan yapma yetkisi açısından tekil pozisyonu ortadan kalkmıştır. Yeni yasalar ve uygulamalar neticesinde, Banka'nın bu yıllar itibariyle başlayan yapısal değişimi en son 2011 yılında şirket statüsü kazanmasıyla noktalanmıştır. Yaklaşık bu 30 yıllık dönüşüm süresince, Banka iç ve dış dinamiklerden oldukça etkilenmiştir.

Bu dönemde, Banka'nın Türkiye yönetsel yapısı içerisinde kurduğu yatay/dikey ilişkileri ve planlamaya olan bakış açısındaki değişim incelenmiştir. Yatay ilişki olarak Banka'nın belediyeler ile olan ilişkisi ve dikey ilişki olarak da Banka'nın Çevre ve Şehircilik Bakanlığı ile kurduğu ilişki konu edilmektedir. Banka'nın belediyeler ile olan ilişkisi, belediyelerin 3030 ve 3194 sayılı kanun ile plan yapma yetkisini elde etmeleri sonucunda değişmiştir. Bu yetkiye ulaşan ve plan yapma yetkisinin gücünü fark eden belediyeler kendi planlarını kendileri yapmak istemiş ve burada Banka'ya olan ihtiyaçları azalmıştır. Görüşmecilere göre; bu yetki sonrası, kendi planlarını kendileri yapıp onaylamak isteyen belediyelerin sayılarının çoğalmasıyla birlikte, Banka'nın ilgilendiği plan sayısı ve büyüklüğü de azalmaya başlamıştır. Küçük ölçekli belediyeler ise Banka'ya plan yaptırmaya devam etmişlerdir. Çünkü plan yapım süreçleri için ayrıca bir bütçe ayırmak istememişlerdir. Ayrıca belediye sayısındaki değişimler de Banka'nın belediyeler ile

ilişkinini ve plan kalitesini değiştiren dinamiklerden biridir. Belediye sayısı 2008 yılında en yüksek seviye olan 3,225'e ulaşmıştır (T.C. İçişleri Bakanlığı, 2018). Belediye sayısındaki bu artış ile Banka'nın ürettiği plan sayısı da artmaya devam etmiştir. 3194 ve 3030 sayılı kanunlar sonrasında iş yoğunluğunun azalması beklenirken, Banka'nın 2000'li yıllara kadar ürettiği plan sayısının artan bir eğilim ile devam ettiği görülmektedir. Görüşmecilerden edinilen verilere göre; kendi planını üretmek isteyen ve süreci başarıyla yürütemeyen belediyeler de 2005 yılına kadar ürettikleri planları Banka'ya göndermeye ve yardım istemeye devam etmişlerdir. Daha sonra 2005-2013 yılları arasında çıkan yasalar neticesinde belediye sayısında %53 azalma gerçekleşmiş ve 2018 yılında 1.398 sayısına ulaşmıştır (T.C. İçişleri Bakanlığı, 2018). Bu gelişmeler neticesinde, 2000'lerin ortasından itibaren Banka'nın ürettiği plan sayısı azalmaya başlamıştır. Kısacası, 1980li yıllar itibariyle çıkarılan yasalar sonrasında, Banka alt ve üst yapı projelerinin yapımı ve uygulanması ile danışmanlık ve denetim hizmetleri vermeye devam etmiştir. Fakat plan üretim süreçleri üzerinden kurulan Banka-belediye ilişkisinin, çıkarılan yasaların da etkisiyle zayıfladığı açıktır. Teknik destek açısından yaşanan bu değişimlere paralel olarak Banka'nın belediyelere finansal destek sunduğu alanlarda da dönüşümler yaşanmıştır. Banka'nın yatırım programına giren çeşitli işlerin finansmanında kullanılan Belediyeler Fonu 2002 yılında kaldırılmıştır. Bu uygulama ile İller Bankası'nın artık kamu kaynaklı fonlar üzerinden yerel yönetimlere destek vermeyi bıraktığı görülmektedir. Bu durumda belediyelerin uluslararası piyasalardan borçlanarak alt ve üst yapı yatırımları gerçekleştirmeye ağırlık verdiği söylenebilir. Bankanın yerel yönetimlere teknik ve finansal destek sunmaya devam ettiği fakat bu alanlarda eski gücünü ve tekil rolünü kaybettiği, kamu temelli bakış açısından saptığı açıktır.

Türkiye yönetim yapısı içerisinde İller Bankası'nın dikeyde ilişki kurduğu kurum ise Çevre ve Şehircilik Bakanlığı'dır. 2011 yılında şirket statüsü kazanan İller Bankası, edindiği yeni yetkiler ile birlikte, Çevre ve Şehircilik Bakanlığı ile yapılı çevre üretim süreçlerinde aktif rol almıştır. İki kurum arasında imzalanan protokoller ile kar amaçlı projeler üretilmeye başlanmıştır. 2013 yılında yoğunlaşan bu işbirliği

neticesinde, Banka'nın ismi Bakanlık ile daha çok anılmaya başlanmıştır. Söz konusu gelişmelerin etkisiyle, Banka'nın sahip olduğu merkezi ve yerel yönetimler arasındaki aracılık rolünün işlevini yitirdiği, Banka'nın değişen ilişkilerinden ve yönetim sistemi içerisindeki mevcut pozisyonundan açıkça anlaşılmaktadır.

Banka'nın kurumsal ilişkiler üzerinden belediye ve bakanlık ile değişen ilişkisine ek olarak, planlamaya olan bakışı da zaman içerisinde değişmiştir. Altaban'a göre; 3194 sayılı kanunla birlikte belediyelere geçen plan yapma ve onama yetkisine, belediyeler halihazırda sahip oldukları personel sayısı ve yeterlilikleri ile hazır değildiler (Çiftçi Sert, 2018, p. 90). Bu koşullar altında belediyelerce üretilen planların da kalitesi beklenen seviyeye ulaşamamıştır. Bu dönemde artan belediye sayısı ile birlikte, İller Bankası ihale usulü plan üretim süreçlerine ağırlık vermeye başlamıştır. İhale usulü plan yapım sürecinde; kamu kaynağı sermaye grupları arasında yeniden paylaşılır. Emanet usulü plan üretim sürecinde ise bunun tam tersi bir durum vardır yani kaynağın sermaye grupları arasında paylaşımı bir ölçüde engellenir (Güler, 2013, p. 296). Bu durumda, ihale usulü plan üretim süreçlerine ağırlık verilmesi; kamu kaynağının piyasa içerisinde bölüşümünün önünü açmıştır. Bunun yanı sıra, belediyelerin kendi planlarını üretme ve onaylama yetkisiyle birlikte, Banka'nın plan üretim süreçlerini denetleyen yapısı ortadan kalmış ve takip mekanizmasını yitirmiştir. Buna ek olarak, Banka'nın belediye adına ürettiği planın, son aşamada yine belediyenin müdahalesine açık olması sebebiyle, planlar kimliğini ve yaptırım gücünü kaybetmeye, rant temelli uygulamaların aracı haline gelmeye başlamışlardır. Tüm bu süreçlerin sonunda Banka planlama alanındaki hâkimiyetini kaybetmeye başlamıştır. Bu değişime paralel olarak kamu yararını sağlamaya çalıştığı diğer alanlarda da değişimler yaşanmıştır.

Tezin dördüncü bölümünün ikinci kısmında Banka'nın kamu yararına ve planlamaya bakış açısının değişimi, 2013 yılı itibariyle geliştirmeye başladığı kar amaçlı projeler üzerinden değerlendirilmiştir. Banka'nın 2011 yılında kurulan Kaynak Geliştirme Dairesi ve 644 sayılı kanunla yetki ve sorumlulukları yeniden düzenlenen Çevre ve Şehircilik Bakanlığı, hasılat paylaşım modeliyle çeşitli üst yapı projeleri geliştirmeye

başlamıştır. Banka kurulduğu tarih itibariyle planlama faaliyetini yerele kamu kaynağının eşit dağıtımına dayanarak yürütmüştür. Fakat hasılat paylaşım modeliyle üretilen yedi kar amaçlı projenin üretim aşamaları incelendiğinde, planlama disiplininin sadece bir rant artırıcı araç olarak kullanıldığı açıktır. Söz konusu projelerin üretimi esnasında, proje alanının plan değişikliğine konu olması ve Çevre ve Şehircilik Bakanlığı tarafından re'sen onaylanması ile alana ayrıcalıklı yapılaşma hakkı verildiği görülmektedir. Planlama esasları ve şehircilik ilkelerinin alana tanımlanan yeni plan kararları ile ihlal edildiği, bu yedi projenin dördüne dava açılmasından anlaşılmaktadır. Ayrıca bu projelerde, parsel ölçeğinde plan kararı üretilmesi, planlama bütünlüğü ve hiyerarşisini de ihlal etmektedir. Banka'nın bu döneme kadar benimsediği ve uyguladığı kapsamlı planlama anlayışı ile çelişen bu uygulama, Banka'nın kent planlamaya ve kamu yararına bakışının da değiştiğinin kanıtıdır.

Diğer taraftan Banka, personeli açısından okul olma özelliğini de yitirmiştir. Bakanlık ile geliştirilen yedi projenin yüklenicileri ile yapılan görüşmelerden, Banka'nın süreçlere aktif olarak dahil olmadığı anlaşılmıştır. Banka'nın, projenin en yüksek gelir getirecek şekilde tasarlanması yönünde alınacak kararları genellikle firmaya bırakmış olduğu görülmüştür. Buna göre; Banka'nın personelini üretim süreçlerine dahil ederek personelini süreç içerisinde aktif tutma eğiliminin de ortadan kalktığı anlaşılmaktadır. Diğer taraftan, zaman içerisinde kendi ürettiği ve uygulamaya koyduğu metotlarının bazıları günümüzde uygulanmamaktadır. Örneğin, Banka'nın denetim mekanizmalarından biri olan kolokyumlar son dönemlerde artık yapılmamaktadır. Diğer taraftan Banka'nın okul olarak anılmasında etkili olan, planlama tarihi açısından çok değerli materyallere sahip olan arşivini koruyamamış, tamamını günümüze kadar muhafaza edememiştir. Banka'nın cumhuriyet döneminin önemli mimarlarından Seyfi Arıkan tarafından tasarlanan tescilli binası yıkılmış ve Banka bu duruma sessiz kalmıştır. Görüldüğü üzere, İller Banka'sı kendini ve geçmişini var eden değerlerine sahip çıkamamıştır. Buna ek olarak, Banka geliştirdiği kar amaçlı projelerde de kendi geliştirdiği metotlardan yardım ve destek almamıştır. Son olarak, Banka'nın piyasayı denetletici düzenleyici rolü, artık büyük

inşaat firmaları ile işbirliği yapmasıyla yok olmuştur. Banka'nın piyasa üzerindeki denetleyici ve düzenleyici rolüyle kurmuş olduğu kamu yararı algısının da aşındığı görülmektedir.

Görüldüğü üzere; Banka'nın planlamaya ve kamu yararına bakış açısı yıllar içerisinde değişmiştir. Bu değişim 30 yıla yayılan bir süreç içerisinde gerçekleşmiştir. Tez süresince yapılan araştırmalar göstermektedir ki iç ve dış dinamiklerin değişimi neticesinde artık devlet inşaat sektörünün aktörlerinden biri olmuştur. 2003 yılından itibaren yaygınlaşan kentsel dönüşüm uygulamaları ve kaynak geliştirme faaliyetleri neticesinde, kent toprağı kent bütünlüğünü bozan parsel bazında dönüşümler maruz kalmıştır (Turan, 2008, s. 9). Bununla birlikte artık kent, üzerinden kaynak geliştirme öncelikli hedef olmuş, planlama ise sadece ekonomik boyutu etkileyen ve değiştiren bir araç haline gelmiştir. Bu durumda varsayımın doğruluğı kanıtlanmıştır. Günümüzde, yatırım kararları ve kaynak geliştirme faaliyetleri kente yön vermektedir. Planlama ise bu hedefe ulaşma sürecinde kullanılan basamaklardan biri olmuştur.

Dünya örneklerinde olduğu gibi Banka henüz tam olarak özerk bir yapıya kavuşmamıştır ve bu konu özelinde geçmiş dönemlerde Banka oldukça eleştirilmiştir. Özerkleştirme ile amaçlanan, merkezi yönetim tarafından kullanılan yönetsel denetim mekanizmasına son verilmesi ve yerine piyasanın kendi dinamiklerine göre oluşturduğu denetim mekanizmalarının devreye sokulmasıdır. Dolayısıyla özerkleşen yapı, piyasa gerekliliğine göre hareket edebilecektir (Güler, 2013, pp. 19,20). Buradan yola çıkarak, mevcut durumda Banka'nın yapılandırılmadan öncesine göre daha serbest hareket ettiği, serbest piyasaya dahil olduğu, yeni kaynak geliştirme faaliyetlerini misyon edindiğı anlaşılmaktadır. Fakat diğer taraftan, artan bir eğilim ile, Bakanlık güdümünde hareket etmesi bu özerklik söylemi ile çelişki oluşturmaktadır. Bununla birlikte, Banka'nın günümüz faaliyetleri değerlendirildiğinde, yerel yönetimler ile kurduğu ilişkinin zaman içerisinde zayıfladığı, diğer taraftan ilgili kuruluşu olduğu Çevre ve Şehircilik Bakanlığı ile

adının daha çok anıldığı görülmektedir. Bu durum da Banka'nın kuruluş misyonundan uzaklaştığını açıkça göstermektedir.

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Bölümü / Department Kentsel Politika Planlaması ve Yerel Yönetimler

TEZİN ADI / TITLE OF THE THESIS (İngilizce / English) : The Changing Relationship Between Urban Planning and Revenue Generation in Local Government Banking: The Case of İlbank In Post 2011 Era

TEZİN TÜRÜ / DEGREE: **Yüksek Lisans** / Master **Doktora** / PhD

1. **Tezin tamamı dünya çapında erişime açılacaktır.** / Release the entire work immediately for access worldwide.
2. **Tez iki yıl süreyle erişime kapalı olacaktır.** / Secure the entire work for patent and/or proprietary purposes for a period of **two years.** *
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