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**“ECONOMIC AND SOCIAL ISSUES OF EAST AND SOUTHEAST  
TURKEY: POLICY IMPLICATIONS”**

**by**

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## **ABSTRACT**

Today, the Southeastern and Eastern (SE&E) parts of Turkey are facing many problems. The clear difference in economic development between the Western and Eastern parts of Turkey has dropped the Eastern part into deep crises. Many have debated these crises and postulated different causes. Some say that it is an identity crisis and some argue that there is no substance, the economic bias, created against the Eastern part of Turkey which on the whole is inhabited by a different ethnic group. In this study, the current educational institutions and the economic situation in this region and the role of pre-university education in economic development of these parts of Turkey will be analyzed. Thus, the educational, economic and social structures of the SE&E parts of Turkey will be compared with Turkey as a whole. Based on these findings generalization will be made on factors causing the political instability that have been ongoing for many years in SE&E. The study will put forward suggestions for solutions to these problems.

**Keywords:** Education, Poverty, Regional Disparities, Southeast Turkey

## **1. INTRODUCTION**

The Southeastern and Eastern (SE&E) parts of Turkey are undeveloped economically, socially and politically due to populist and misguided policies applied by the Turkish governments for many years. The clear difference in economic development between the Western and Eastern parts of Turkey has caused a significant economic crisis in the East. After much debate different causes for this crisis have been postulated. Some say that it is an identity crisis. Others argue that there is no substance, the economic bias, leveled at the Eastern part of Turkey that is occupied mostly by a different ethnic group. This underdevelopment has become a fate of this region. There are many factors which undermine economic development. One of the most important of these factors is the lack of education. Thus, in order to develop this region and remove inequalities, educational development will play a very important role.

In this study, the educational and economic structures of SE&E regions, which consist of 23 provinces, are analyzed and their current positions are shown with the help of economic and educational indicators. For comparison of this region with the rest of Turkey, an econometric study, Analysis of Variance (ANOVA) Test was used. As expected, the findings of the study showed a great instability against SE&E regions with comparison with the rest of Turkey. The region is both economically and socially less developed compared to the rest of Turkey. Based on the findings, in order to cure these instabilities and inequalities in SE&E regions, some policy suggestions are made. The policy implications of the study are to effect extensive family planning and land reform, to revise incentives and credit policies to increase, to improve social infrastructure facilities, to develop a qualified labor force, to increase the number of boarding schools, and to revise the educational systems in these regions.

## 2. EDUCATIONAL STRUCTURE OF TURKEY

### 2.1 Educational Structure of Turkey

Education in Turkey is organized and administered by the Ministry of National Education (MNE). The ratio of MNE budget to GNP was 2,65 percent and ratio of the MNE budget to consolidated budget is 7,6 percent in 2002 (MNE, 2002). The key to making education more widely available is the human and financial resources devoted to it. The recent prolongation of compulsory education from five years to eight years, combined with Turkey's young population, requires increasing budgetary allocations for education much more than has taken place hitherto. It is recommended by UNESCO that it be increased to 6 percent of GNP. The indicators developed by the OECD Centre for Educational Research and Innovation have shown the public investment in Turkey to be the lowest amongst OECD countries (3,5 percent compared with the OECD average of 5,7 percent of GDP) (OECD, 2001). In addition, expenditure per student is the lowest in Turkey amongst the OECD countries (OECD, 2002).

Economic and political development is not possible without educational development. The more educated human resources you have, the faster the economy can develop. An established and functional education increases productivity and helps in achieving and maintaining stability in a country. It is also a means to pass value and knowledge from generation to generation. Besides it is the key variable in achieving for social mobility (Ozturk, 2001).

**Table 1. Number of Schools, Students, Teachers and Schooling Rates According to Educational Levels (2000-2001)**

<b>Primary Education</b>	Number of Schools	Number of Students	Number of Teachers	Number of Students per Teacher	Schooling Ratio (%)
<b>Turkey</b>	<b>35,043</b>	<b>10,342,730</b>	<b>375,477</b>	<b>27,5</b>	<b>98</b>
<b>SE&amp;E</b>	<b>10,907</b>	<b>2,677,000</b>	<b>70,758</b>	<b>37,8</b>	<b>90</b>
<b>High School</b>	Number of Schools	Number of Students	Number of Teachers	Number of Students per Teacher	Schooling Ratio (%)
<b>Turkey</b>	<b>2,638</b>	<b>1,489,865</b>	<b>72,586</b>	<b>20,5</b>	<b>37</b>
<b>SE&amp;E</b>	<b>758</b>	<b>228,665</b>	<b>9,612</b>	<b>23,8</b>	<b>27</b>
<b>Voc. / Tech. High School</b>	Number of Schools	Number of Students	Number of Teachers	Number of Students per Teacher	Schooling Ratio (%)
<b>Turkey</b>	<b>3,425</b>	<b>826,705</b>	<b>66,150</b>	<b>12,5</b>	<b>20,5</b>
<b>SE&amp;E</b>	<b>445</b>	<b>67,016</b>	<b>6,342</b>	<b>10,5</b>	<b>8</b>

Source: DIE (State Institute of Statistics), MEB (Ministry of National Education)

### **3. ECONOMIC AND EDUCATIONAL STRUCTURE OF SE&E**

#### **3.1 The Structure of SE&E**

SE&E regions represent not only socio-economic differences but also cultural differences, as compared to other regions of Turkey. Turkey is divided into seven geographical regions, namely Marmara, Aegean, Mediterranean, Black Sea, Central Anatolia, East and Southeast Anatolia regions. The total number of provinces in Turkey is 81. SE&E covers 216,820 km<sup>2</sup>, which is 27.8 percent of Turkey, and 18,8 percent of the population (12.7 million) live in this area (Table 2). SE&E regions have 23 provinces, namely Adıyaman, Ağrı, Ardahan, Batman, Bingöl, Bitlis, Diyarbakır, Elazığ, Erzincan, Erzurum, Gaziantep, Hakkari, Iğdır, Kars, Kilis, Malatya, Mardin, Muş, Siirt, Şanlıurfa, Şırnak, Tunceli and Van.

The general characteristics of the SE&Es are summarized as below (Ozturk, 1997):

1. The region is agriculture-orientated with 76 percent of the population employed in this sector.
2. Population growth rate is higher than country's overall population growth rate.
3. Employment of women is above the national average.
4. The income level and growth is lowest in these regions.
5. Because of inadequate infrastructure facilities, the economy of the region is not integrated with the national economy and this leads to inefficient production, particularly in agricultural products.
6. Social environment is less developed.
7. Infrastructure investments are inadequate.
8. Employment facilities are limited.
9. The productivity of all factors of production is low, especially labor force.
10. The rate of emigration out of region is high, particularly the brain drain.
11. Inadequate education and health facilities.
12. The rate of illiteracy is the highest in these regions.
13. The rates of female students to total graduates are lowest in these regions.
14. Most of the population speaks their native language (Kurdish) at home and Turkish outside.

#### **3.2 Educational Structure of SE&E**

One of the important problems for the SE&E is education. Education is an investment that has a high cost-effectiveness ratio. Especially in the undeveloped regions, the level of inequality

can be reduced, the number of experienced and qualified personnel can be increased, and by giving importance to education, faster economic growth will be achieved. Also, new investment areas can be anticipated due to improved education. So, it can be said that education plays an important role for decreasing the inequalities between the regions in socio-economic development.

The most important factor that affects productivity and efficiency is the number of educated people. Since illiteracy is common in SE&E, productivity is low as a result compared to the rest of Turkey. Migration from villages to city centers, because of terrorism and economic problems, is another reason that affects education, thus bringing inadequate and poor education to the SE&E. Sahin et al. (2000, p.213-36) studied the efficiency of education in SE&E and proposed that illiteracy is significantly high in both regions, the female student to population ratio is significantly lower, and students are generally less successful in nationwide general proficiency examinations (OSS) compared to all other regions.

These shortages of teachers still continue. In the year 1998, 4,422 primary schools remained closed due to terrorism, security problems and shortage of teachers in SE&E region. The teachers that are sent to this region are newly qualified university graduates. However, the region's people are very sensitive and they need education that target linguistic difficulties. In addition, this region is neglected in that officials to whose reputations are suspect and who are often autocratic are sent to this region as a penalty. Social sources of failure in education were studied by Sahin et al. (2000, p.83-113) in terms of the distinguishing characteristics of SE&E regions, from both practical and theoretical standpoints. The findings indicated inequality of educational opportunity rooted in geographical, economic, social (cultural, linguistic), and political factors. They concluded that, in the lights of political theories and their applications to education, it is speculated that the type of democracy practiced in Turkey is the main cause of inequality.

### **3.2.1 Primary Education**

Although primary schooling ratio in Turkey is 98 percent, there are many cities below this average. Schooling ratio in Erzincan is 69 percent, which means that 31 percent of the children did not go to the primary school. This ratio is 73 percent in Bitlis and 75 percent in Muş (DPT:

2002, 65-6). There were 35,043 primary schools (10,907 in SE&E), 375,477 teachers (70,758 in SE&E) and 10,342,730 students (2,677,000 in SE&E) in the 2001-2002 academic year ( Table 1). The average number of students per teacher is 27,5 in Turkey and 37,8 in SE&E. The most serious problem here is the number of closed schools and the lack of teachers. According to statistics, 4,422 primary schools were inactive because of the lack of teachers and security problems in 1997 (PPD, 1997). Statistics show that the ministry of education has appointed enough teachers to this region. In fact, most of these teachers do not want to go to this region due to terrorism and limited social life and that is why many of these teachers leave their jobs.

### **3.2.2 High Schools**

The schooling ratio is low in high schools, which is 37 percent in Turkey and 27 percent in SE&E. This ratio is 60 percent in Ankara, and 52 percent in Eskişehir. However, it is 13 percent in Bitlis and Ağrı, and 11,5 percent in Van and Şırnak. In Turkey, there were 2,638 high schools (758 in SE&E), 72,586 teachers (9,612 in SE&E) and 1,489,865 students (228,665 in SE&E) in the 2000-2001 academic year (Table 1). The number of students per teacher is 20,5 in Turkey and 23,8 in SE&E.

### **3.2.3 Vocational and Technical High Schools**

There were 3,425 vocational and technical high schools (445 in SE&E), 66,150 teachers (6,342 in SE&E), and 826,705 students (67,016 in SE&E) in the 2000-2001 academic year in Turkey. The number of students per teacher was 12,5 in Turkey and it was 10,5 in SE&E (Table 1). The schooling ratio is lowest in these schools that are 20,5 percent in Turkey and 8 percent in SE&E regions.

## **3.3 Economic Structure of SE&E**

The regional inequalities in Turkey are not a new phenomenon. In the light of current data and statistics, it is seen that the Eastern and Southeastern parts of Turkey are both economically and socially undeveloped as compared to western parts of Turkey. Here, SE&E are analyzed both economically and socially to show the regional inequalities. One of the serious problems in this region and the whole of Turkey is the undeveloped human resources. This problem is increasing day by day due to increasing military expenditure, public deficits and huge debts. Increasing this expenditure significantly reduces the availability of public funds for education and health.



Considering per capita GDP in 2000, it is seen that it is highest in the west compared to SE&E. Per capita GDP in Kocaeli was 4,376 million Turkish lira (TL) when it was only 319 million TL in Hakkari. Also the average per capita GDP is 780 million TL in SE&E region, while it is 1,760 million TL for overall Turkey. Per capita GDP is 319 million TL in Hakkari, 349 million TL in Ağrı, 339 million of TL in Şırnak, 356 million TL in Muş and 361 million TL in Bitlis provinces.

**Table 2. Some Social and Economic Indicators of Turkey (2000)**

<b>REGIONS</b>	<b>Total Bank Deposits</b> Per capita (Million TL)	<b>Total Bank Credits</b> Per Capita (Million TL)	<b>Number of Private Cars</b> Per 1,000 Population	<b>GDP Per Capita</b> At 1987 Prices in Million TL	<b>Population</b>	<b>Population Per Doctor</b>
<b>SE&amp;E</b>	<b>200</b>	<b>125</b>	<b>20</b>	<b>780</b>	<b>12,700,000</b>	<b>1,575</b>
<b>TURKEY</b>	<b>1,503</b>	<b>705</b>	<b>65</b>	<b>1,760</b>	<b>67,845,000</b>	<b>788</b>

**Source:** DIE (State Institute of Statistics), DPT (State Department of Planning), SB (Ministry of Health)

The role of the agriculture sector is very important in the economic activity of SE&E. 35 percent of GDP is provided by this sector in SE&E. However, the share of the agriculture sector in Turkey's GDP is 18 percent. According to the 2000 population census, 42 percent of the region's population lives in rural areas while the remaining 58 percent live in urban areas. By looking at the development levels of the provinces of eastern Turkey, it was found that these were on the average at the 36th order in 1973 according to State Institute of Statistics (SIS) researching and they ranked at 56th position in 1985 according to the State Planning Organization research (DPT, 1985).

There is high emigration from villages to cities centers because of economic and terrorism problems. This immigration causes new investments that have no productive value and also creates marginal sectors. Another problem of SE&Es are the number of incomplete investments. About 140 projects, which consist of cement, food products, fertilizer, forestry products and clothing projects, are subsidized by the government and are incomplete. At the same time, many private sector investments were also not completed or operated with low capacity due to financial difficulties, lack of machines, management problems, and inadequate business capital and unqualified personnel.

Some resources were transferred to undeveloped cities from developed cities in various ways. However, the development levels of these cities do not change. This can be seen in the period of 1986-1996 (PPD, 1997). The resources of a city whose expenditure revenue ratio is lower than 1 are transferred to the cities whose ratios are higher (greater than 1). In Kocaeli, Bursa, İstanbul, İçel, Zonguldak and Ankara, the ratio of expenditure to revenue is lower than 1. This means that government revenues collected from these cities is more than expenditure. However, when we compare the revenues collected and the expenditures made in the Eastern part of Turkey, we are faced with the very important fact that state expenditures in SE&E are 2 to 8 times more than their revenues (Dag, 1995).

This is normal, because the income levels of these cities are very low as compared to the western parts and the economic activities in this region are limited. In brief, there is no income to be taxed. Therefore, the revenues of the SE&E are low and their expenditures are higher. Although more money is spent in the SE&E than revenue generated, the financial difficulties remained the same and no investments were made that would create employment. When we look at the details of the expenditures of this region, we see that these are the inappropriate expenditures, which do not increase production capacity and public revenues because the biggest share of these expenditures go to the personnel and the military.

In spite of all these economic problems, there are some projects that aim to increase production, income and employment. One of the biggest and most important projects is the **South East Anatolian Project (SEAP)**, which is also called **GAP** in Turkish. It is the most important and inclusive project aimed at decreasing the disparities in regional development disparities in Turkey. Mardin, Gaziantep, Adiyaman, Diyarbakir, Sanliurfa, Siirt, Batman and Sirnak are the provinces which are covered in the project. The realization of SEAP's policies will contribute greatly to development in the economic and social structure of the region. It is also expected to contribute directly and indirectly to the Turkish economy as a whole. The project is an integrated development project encompassing agriculture, transportation, industry, health and other sectors. It also includes dams, hydroelectric power stations, irrigation facilities and other policies affecting the infrastructure. The much-awaited SEAP is in its final stage. However, the success of the project depends upon the availability of technicians and skilled labor, that is,

well-educated human resources which can be manipulated by technical and vocational institutions.

The agricultural sector rather than the industrial sector is very important in the macroeconomics activity of SE&E. This has caused a “brain drain” from this region to the developed regions of Turkey. The other reasons for “brain drain” are limited social life, low wages, limited employment opportunities, and inadequate education, health and social security provision. According to the Unemployment Office data, 19 percent of the registered labor force and 30 percent of the unemployed people are in the SE&E. The rate of unemployment in the 15-19 age group is 15 percent, it is 43 percent in the 20-24 age group and 21 percent for the 25-29 age group. The total rate of unemployment for these three groups is 80 percent in the total unemployment rate (TOBB, 1994). In addition, the Gulf Crisis brought many changes to the economic and political horizon of the world. The Southeastern part of Turkey is no exception. This region had seen a flourishing import and export trade with the surrounding countries. But after the Gulf war, the embargo on Iraq not only crippled Iraq’s economy but also the economy of these regions.

### 3.4 Social Indicators

In SE&E regions a Feudal system is dominant, which means that land is owned by a few. In the study conducted by Ergil (1995), it was established that 82.2 percent of the local people are without any land, that land is owned by 17.8 percent of the people (Table 3). Land distribution is highly distorted, as 2.4 percent of the population owns more than 1,000 acres of land. If one considers that these big landowners are using the state property land as well, the land ownership (use) becomes even more uneven. This is reflected in the very extreme uneven distribution of income in this region.

**Table 3. Land Ownership and Cultivation in SE&E Regions (1995).**

<b>Acre</b>	<b>Number of persons</b>	<b>%</b>
<b>Don't have</b>	1,041	82.2
<b>0-99</b>	117	9.2
<b>100-499</b>	31	2.4
<b>500-1000</b>	9	0.7
<b>1000+</b>	31	2.4
<b>Unable to use*</b>	38	3.0
<b>Total</b>	1,267	100.0

\* Because of evacuation of village

Source: Ergil (1995, p.10)

It is important to note that most of the people in the SE&E spend their spare time at cafes (Table 4). This is due to the limited economic activities and unemployment that prevails in the region.

**Table 4. Leisure Time Activities in SE&E Regions (1995).**

Activities	Number of persons	%
1. No answer	111	8.8
2. Sitting at home	94	7.4
3. Sitting at café	322	25.4
4. Reading newspaper at home and café	213	16.8
5. Watching TV at home and café	137	10.8
6. Both 4 and 5	89	7.0
7. Relaxing at home or café	39	3.1
8. Housekeeping	47	3.7
9. Others	215	17.0
<b>Total</b>	<b>1,267</b>	<b>100.0</b>

Source: Ergil (1995, p.9)

Another indicator of wealth of the provinces is the savings in the banks. The bank deposit per person is the lowest in SE&E region and highest in the west of Turkey (Table 2). For 2000, the bank saving per person was 5,288 million TL in Ankara and 4,555 million in Istanbul while it was 71 million TL in Ağrı and 84 million TL in Mus. This is because most people in this region either have no income at all or have a very low income. Thus, as expected, bank savings of these peoples are lower than the west of Turkey.

Automobile ownership is another welfare indicator that can be used to compare the standard of living in Turkey. In 2000, there were 4,422 million private cars in Turkey and 22 percent of these cars were in Istanbul. The average automobile ownership in Turkey is 65 per 1,000, but it is 5 in Şırnak and 7 in Muş (Table 2).

### 3.4.1 Population

The population of Turkey was 56.4 million in 1990 and 67.8 million in 2000. According to the 2000 population census, the population growth rate was 1,8 percent throughout Turkey and 1.9 percent in the SE&E. In 1990, the fertility rate in Turkey was 5.26 percent and it was 6.87 percent in SE&E. About 18,8 percent of the population live in SE&E.

### 3.4.2 Health

There are also regional inequalities in health provision. The population per doctor is 788 in Turkey and there are 8 cities below this average, Ankara, Istanbul, Izmir and other western cities (Table 2). There were about 86,000 doctors for year the 2000 and half of these doctors were practicing in these three cities alone. Although the population per doctor is 317 in Ankara

and 487 in Istanbul, in Muş it was 3,629 and 4,196 in Ağrı. Thus, special measures have to be taken in the region for solving health related problems because of the current inadequate provision. Although health facilities are increasing, health problems are also increasing.

#### **4. TESTS FOR THE SIGNIFICANT DIFFERENCES**

##### **4.1 Source of Data Used in the Study**

In comparing the economic and social indicators of the SE&E with the rest of Turkey, various education statistics, health and income values are used. These welfare indicators for the SE&E and Turkey are given in Tables 1 and 2.

##### **4.2 Results of Analysis and Interpretation**

Using the data of ANOVA test on the economic and social indicators of the SE&E and the rest of Turkey on data given, significant differences were discovered. Examining the test results, in general it can be said that the SE&E are both economically and socially less developed as compared to other regions of Turkey. All the results that are obtained from this analysis are match expectations.

Examining the number of students per teacher in primary schools, it is seen that the mean is 37,8 for SE&E and 27,5 for Turkey. The number of students per teacher in primary schools is significantly higher in the SE&E compared with the rest of Turkey. This is no surprise as teachers do not want to go to the SE&E regions due to existing security and social problems. In fact, the average number of students per teacher given is even higher because the numbers of teachers estimated indicates the appointments made by the Ministry of Education. Most of the appointed teachers do not go to the SE&E because of the existing problems. The numbers of teachers who refuse to go to the SE&E after their appointments are not indicated in any documents.

The numbers of students per teacher in high schools is found to be significantly different between the SE&E and Turkey. This is due to unequal distribution of teachers in this region. Statistics show that 15 percent of the students are studying in high schools in these regions, but only 13 percent of teacher numbers allocated to this region. This ratio is lower because a large number of these teachers will not go to this region due to the aforementioned problems.

The test results for the number of students per teacher in vocational and technical high schools concludes no difference in the SE&E and Turkey. This can be explained by student preference for “artisans schools” and “vocational works” rather than vocational schools in the SE&E.

Examining the number of patients per doctor, the mean is 1,575 for SE&E and 788 for Turkey. Test results concluded a significant difference between two means. Although 18,8 percent of the population live in the SE&E regions, only 9,5 percent of doctors practice in these regions. The low number of doctors in the SE&E region is due to limited social life and security problems. Consequently, the number of patients per doctor in the SE&E is very high.

Test results on car ownership revealed a significant difference between the means of the SE&E and Turkey. Automobile ownership is very low in SE&E region as compared with overall Turkey due to the relative backwardness and low-income level of people. Statistics show that, 20 people out of 1,000 have car in SE&E region, but it is 65 overall in Turkey. This is three times greater. Thus, clearly there is a direct relationship between the income level of people and automobile ownership.

Examining the expenditures/revenues of provinces ratios of SE&E and rest of Turkey, the SE&E has a ratio of 4.57 while the rest of Turkey has 1.36. As anticipated, test results demonstrate a significant difference between these regions. The expenditure is greater than the collected taxes (revenues) in SE&E because there is no income to be taxed. The vast proportion of expenditure in the SE&E is allocated to the personal expenditure, which is more than double the personal expenditures in the rest of Turkey due to current unique structure of SE&E.

For bank savings per person, the test results illustrate a significant difference between the SE&E and the rest of Turkey. People in the SE&E have little or no savings compared to the rest of Turkey. There are two reasons for this. First, a large proportion of the population, due to unemployment have no income, or they are on a very low income and hence have no money to save and second, the traditional preference that SE&E people have for investing their money in gold jewellery means that they do not invest in saving.

Per capita GDP of the SE&E region has a mean of 780 million TL and this is 1,760 million TL for Turkey. A significant difference is shown between these regions. Per capita GDP is significantly lower in the SE&E region as compared to the rest of Turkey. This is to be

expected, as everyone is aware of the uneven distribution of income in Turkey, among people as well as among regions.

## **5. CONCLUSION**

### **5.1 Summary of the Study**

In this study, SE&E regions are compared with the rest of Turkey (Non-SE&E) with respect to their economic and social (welfare) indicators. By using ANOVA test, 8 economic and social indicators of the SE&E and the rest of Turkey are compared to detect if there is a significant difference. Test results concluded that in 7 of these indicators (which are stated below) SE&E regions are relatively poor compared to the rest of Turkey. These economic and social indicators are:

1. Number of students per teacher in primary education
2. Number of students per teacher in high schools
3. Number of patients per doctor
4. Number of persons owning a car
5. Expenditures / revenues of provinces
6. Bank savings per person
7. Per capita GDP of provinces

These differences were caused mainly because of lack of teachers, closure of schools, incomplete projects, inadequate infrastructure facilities, capital outflow, non-productive investments and high personnel expenditure. However the test revealed that there is no significant between these regions as regards the number of students per teacher in vocational and technical high schools. Low ratio of students to teachers in vocational schools in the SE&E was explained by the fact that due to financial problems students had to seek employment to earn their living. The student teacher ratio in vocational schools in the SE&E region was significantly indifferent from the rest of Turkey, as the students choose to go to the “artisans schools” or directly to work.



## 5.2 Policy Implications

Disorders in economic and population structures form the basis of the problems faced by SE&E regions. Although some medium and short-term measures have been taken to cure the economic and social problems in the SE&E, they only attempt to solve the problems in the short-term because of political and social concerns. The measures that could be taken to solve the economic and social problems of the SE&E are listed in this section. The success of these measures depends on their sustainability and continuity for a long period of time as a state policy.

The high fertility rate, inequality in education and health provision, employment problems and restricted job opportunities in the SE&E region gives rise to the high rate of internal migration. This also takes the form of urban migration. This situation results in the increase in the consumption and investment expenditures areas and also triggers the formation of ghettos around the suburbs of the cities receiving these immigrants. Generally, consumption and investment expenditure are spendings that do not generate economic wealth and they tend to result in a higher prices but no increase in real income. As a result, already restricted government revenues will be more inadequate and will cause disabilities in investments. In this respect, the first measure that should be taken is to encourage a fall in the fertility rate while, at the same time respecting the beliefs, traditions and customs of the people of the region. When the family structure of this region is analyzed, it is seen that families are larger than in other regions of Turkey. This factor increases the burden on welfare education and health levels of this region. On average, educated families, particularly educated women, have 1,4 children and uneducated families have 5,1 children in the SE&E regions (Ozturk, 2001). Thus, more emphasis has to be put on education. Extended education of parents, especially of mothers, tends to improve the treatment of children, especially the daughters. The gap between the opportunities for education for sons and daughters is smaller when parents are more educated. Therefore, an effective and extensive family planning has to be applied to this region.

Secondly, the labor force in SE&E, like the labor force in the country in general is unqualified. An unqualified labor force is the most important reason for low productivity and the subsequent low income of the labor force. Turkey's and SE&E's basic problem is the tendency of the people to consume more than they produce. The solution of this problem is to develop a qualified labor force. The government's role is to carry out an effective human resource

development to create a qualified labor force. Currently, developed countries have a qualified labor force of 70-80 percent while in Turkey this ratio is around 20 percent. It even falls to 5 percent in the SE&E. Monetary incentives and rotation procedures of the teachers, so far, failed to solve this problem. It will only be possible to attract qualified teachers to the SE&E if these regions are made more socially attractive centers. Creating a socially attractive ethos in SE&E will also encourage the move of investors to these regions, which means that the local people will be employed in their regions. Small, isolated communities seen frequently in SE&E have to be avoided and efforts should be made to concentrate the population in larger villages.

Another important problem in the SE&E is the unorganized labor market. According to the Labor and Employment Offices, there tends to be a mismatch between job vacancies and job seekers. The result of this is for potential of all factors of production; especially the labor force is not reached. The Labor and Employment office should assume the responsibility for organizing the local job market and advise the government on its educational policies.

The agricultural sector plays an important role in the economic structure of the SE&E, especially as most employment arises from this sector in the economy. Currently, most of the SE&E are engaged in single-product agriculture. At the least, regions with appropriate weather conditions should engage in a multi-product type of agriculture. Since the partial completion of SEAP which has made water available to the area, it has been possible not only to harvest more types of agricultural products throughout the year but also to increase yields. In addition, SE&E are regions rich in natural resources. Mineral and natural resources found in these regions will not only serve the development prospects but will also enable the employment of the surplus of agricultural workers. In addition, an effective and extensive Land Reform has to be applied in SE&E regions.

Especially in Eastern Anatolia region, husbandry is an important economic activity. The lack of incentives and plants for processing the products of this sector and also unqualified personnel results in low efficiency levels. The inadequacies of the processing plants cause problems in animal exports and in the development of side-sectors. In addition, people of the region need to be educated in the concepts of husbandry. For that reason, the number of polytechnic and vocational high schools or courses must be increased.

Incentive policies for SE&E must be reviewed and revised. They have to be insulated from political choices. As the incentives are concentrated on the establishment of projects, many projects are left unfinished. The incentives should be offered at the beginning of a project but they should also be implemented oblige the owner to produce. In fact, according to surveys and views of Commerce & Industry Chambers incentives, credit rules and applications problems are among the priority problem areas. Also, bureaucratic barriers on electricity and infrastructure building establishment of projects have been another problem area.

According to the field surveys in SE&E entrepreneurs in the region do not have sufficient access to technical consultancy and supervising services. As mentioned above, the current incentive system and regulations cause already restricted capital to be misused and many projects left unfinished. SE&E does not only need new projects but also the complementation of the old semi-finished projects. Some banks do not accept the properties of this region as a collateral for allowing credit for projects. Thus, this problem must be solved.

It is nearly impossible to attract private sector investors to these provinces without proper transportation and communication networks, cultural activities must al so be improved and adequate health services provided. The Turkish Directorate of Electricity (TEK), Turkish Telecommunication (TT), Turkish State Railways (DDY), and Turkish Airlines (THY) services should be arranged to attract investors to these regions by offering discounts. Priority must be given to local firms, which have used investments made by the state. If this practice is not allowed, the investors of the region will also leave like the investors from other regions.

A similar organization like the “European Investment Bank” (which has been helping the development of less developed regions in Europe) must be established after consulting with the entrepreneurs of the region. In the management of this bank representatives of local entrepreneurs must take responsibility. Also, this bank must apply lower credit interest rates to the SE&E in addition to the priority rights. This will generate activity in the regions economy and will tend to be an income source for the entire economy. In fact, the low interest rates applied to the credits were one of the most important factors chosen by the entrepreneurs of the regions.

A great number of students are unable to continue their education due to the closure of schools and the lack of teachers. Therefore, in order to solve this problem, schools should be reopened at the earliest opportunity and teachers should be appointed or hired at premium incentives. Most education systems are directly managed by central or state governments, which put a great deal of effort into dealing with such issues as teacher salary negotiations, school construction programs, and curriculum reform. This central management, which control even teaching procedures and the classroom environment, allows little room for the flexibility needed for effective learning. The main ways in which the government can help to improve the quality of education are setting standards, supporting classroom practice known to improve achievement, adopting flexible strategies for the acquisition and use of inputs, and monitoring performance. Generally, however, these steps have not been taken because of the burden of existing education spending and management practices and the vested interests associated with them.

As the main problem of SE&E is economic, due to poverty, people living in these regions are unable to send their children to day schools. Thus, there is great need for boarding schools (providing boarding, lodging, and food as well as education for free) in these regions. This is the only way to reduce the burden on parents and to educate the masses at the same time. Flexibility in combining and managing inputs and monitoring performance is vital for effective schooling. The education system is rigidly centralized; for instance, a central authority selects and purchases textbooks and prescribes teaching methodology. School governing bodies, principals, and teachers, with their intimate knowledge of local conditions, are best able to select the most appropriate teaching methodology. Under the right circumstances, making schools and higher education institutions accountable to parents, communities, and students helps bring about more effective learning and hence improve the quality of education. Three conditions are necessary for this result: shared goals regarding the learning objectives of the school, professionalism on the part of teachers, and autonomy for the schools to allow them to choose appropriate teaching strategies. In short, a revised educational system has to be applied in these regions.

Education is intensely political: it affects the majority of citizens, involves all levels of government, and almost always makes up the single largest component of public spending in

developing countries. However, public subsidies for education are usually biased in favor of the elite. Prevailing systems of education spending and management often protect the interests of teachers' unions, university students, elites, and the central government rather than those of parents, communities, and the poor. There are, however, strategies that can ease change. Financing and management reforms are best introduced in parallel with the expansion of educational opportunities. Sometimes the change itself makes for expansion, for example, when prohibitions on the private sector are lifted. Increased cost sharing in public higher education is politically most feasible when it is linked to expansion of opportunities for higher education. Building national consensus involves stakeholders in the education system in national consultation mechanisms. Increasing the involvement of parents and communities by making schools autonomous and accountable can offset the power of vested interests. It is also critical for increasing flexibility and improving the quality of teaching. Careful design of reform measures is necessary to avoid disrupting the vital links among education sub sectors. An essential, although often neglected, step is the provision of appropriate resources and mechanisms to accompany policy changes.

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