

Chapter 10

The Potential Correlation Between Organizational Structure and Financial Sustainability in Turkish Local Government: The Case of Mugla Municipalities

Ceray Aldemir

Muğla Sıtkı Koçman University, Turkey

Tuğba Uçma Uysal

Muğla Sıtkı Koçman University, Turkey

ABSTRACT

Throughout the membership process of the EU, Turkey has undergone various transformations in public administration structure. For this reason, the financial and public transformation experienced by Turkey in the Europeanization process must be evaluated. Financial localization and financial sustainability (FS) in local governments are one of the reflections of this transformation. Despite being a non-profit structure, financial sustainability seems to be extremely important in terms of local government units. Financial and economic crises, especially those at global level, have highlighted the need to address FS in non-profit bodies. In the light of the above-mentioned explanations, this chapter analyses the potential correlation between organizational structure and FS in Turkish Local Government—focusing on 14 municipalities in Muğla City—by conducting in-debt interviews. Therefore, the main aim of this chapter is to show the interest of local governments to use voluntary reporting, in terms of ethical-social-environmental, as a tool for financial sustainability.

DOI: 10.4018/978-1-5225-3713-7.ch010

INTRODUCTION

In Turkey's local governments' history, it is obvious to see that the Western system of local governments is not too old. Most of the services provided by local governments in the West were carried out by institutions such as artisan organizations and foundations in the Ottoman Empire. After the declaration of the Republic in 1923, a foundation of a monumental structure was laid, and a different structure was made from the Ottoman. Along with the first constitution adopted in 1924, local governments were regarded as a part of the administration. And this was later found in all ongoing constitutional arrangements. Today, within the Turkish Administration system, local administrations are defined as "Public corporate entities established to meet the common local needs of the inhabitants of provinces, municipal districts and villages. Their establishment and structure are determined by law. Decision-making organs of local administrations are elected (by free elections, secret ballot, universal suffrage) as described in law. The formation, duties and powers of the local administrations shall be regulated by law in accordance with the principle of local administration. The formation of local administrative bodies into a union with the permission of the Council of Ministers for the purpose of performing specific public services; and the functions, powers, financial and security arrangements of these unions, and their reciprocal ties and relations with the central administration, shall be regulated by law."

When one focuses on this definition, it can be said that the transfer and sharing of authority between the central government and the local governments constitutes the backbone of the Turkish Local Government system. Studies in the literature have also shown that resource sharing between local governments and central government is the most important issue of public financial systems (Yılmaz, Emil, & Kerimoğlu, 2012, p. 37) Article 127 of the Constitution is also worthy of the importance of this issue. According to this; local administrations should be allocated financial resources in proportion to their functions. But despite this provision of the Constitution, the most important problem that local governments face today is that there is no effective model for allocating national resources among governments (Kerimoğlu & Yılmaz, 2005).

Throughout the membership process of the European Union, Turkey has undergone various transformations in this sense. For this reason, the financial and public transformation experienced by Turkey in the Europeanization process must be evaluated. Localization, financial localization and financial sustainability in local governments are one of the reflections of this transformation. Despite being a non-profit structure, financial sustainability seems to be extremely important in terms of local government units. Financial and economic crises, especially those

22 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage: www.igi-global.com/chapter/the-potential-correlation-between-organizational-structure-and-financial-sustainability-in-turkish-local-government/200128

Related Content

"Imperialism" and "Federalism": The Ambiguity of State and City in Russia

Adrian Campbell (2016). *Theoretical Foundations and Discussions on the Reformation Process in Local Governments* (pp. 353-372).

www.irma-international.org/chapter/imperialism-and-federalism/154532

A Comparative Study of Local Governments in the Constitutions of Selected EU Countries and Turkey

Ayşe Güner and Rusen Keles (2016). *Comparative Studies and Regionally-Focused Cases Examining Local Governments* (pp. 349-363).

www.irma-international.org/chapter/a-comparative-study-of-local-governments-in-the-constitutions-of-selected-eu-countries-and-turkey/157526

The Satisfaction of the Citizens with the Place and the Impact of This Evaluation on Local Government Management: A Comparative Study in Argentinian Cities

Héctor Oscar Nigro and Sandra Elizabeth González Císaro (2016). *Comparative Studies and Regionally-Focused Cases Examining Local Governments* (pp. 294-322).

www.irma-international.org/chapter/the-satisfaction-of-the-citizens-with-the-place-and-the-impact-of-this-evaluation-on-local-government-management/157524

Challenges in Institutionalizing Democratic Governance via Popularly Elected Mayor: The Case of Jamaica

Eris Dawn Schoburgh (2017). *Handbook of Research on Sub-National Governance and Development* (pp. 344-367).

www.irma-international.org/chapter/challenges-in-institutionalizing-democratic-governance-via-popularly-elected-mayor/172910

Democratic Preferences of the Indirectly-Elected Mayor, Open or Locked-In: A Contribution to the “Difference Hypothesis”

Werner Pleschberger (2016). *Theoretical Foundations and Discussions on the Reformation Process in Local Governments* (pp. 110-139).

www.irma-international.org/chapter/democratic-preferences-of-the-indirectly-elected-mayor-open-or-locked-in/154522