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EVALUATION OF OUTPUTS OF FINANCIAL SUPPORTS PROVIDED BY THE AHILER DEVELOPMENT AGENCY

MASTER'S OF ART THESIS

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Supervisor: DR. ERKAN ALSU

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Evaluation of Outputs of Financial Supports Provided by the Ahiler Development Agency

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The information contained here is, to the best of my knowledge and belief, accurate. I have read the University's current research ethics guidelines, and accept responsibility for the conduct of the procedures set out in the attached application in accordance with these guidelines, the University's policy on conflict of interest and any other condition laid down by the Gaziantep University Research Ethics Committee or its Sub-Committees. I have attempted to identify all the risks related to this research that may arise in conducting this research and acknowledge my obligations and the rights of the participants.

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ÖZET

AHİLER KALKINMA AJANSI TARAFINDAN SAĞLANAN MALİ DESTEK ÇIKTILARININ DEĞERLENDİRİLMESİ

ERTEN, Cahit
Yüksek Lisans, İngilizce İşletme
Tez Danışmanı: Dr. Öğr. Üyesi Erkan ALSU
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Türkiye Cumhuriyeti kurulduğu tarihten beri yukarıdan aşağıya doğru politikalarla bölgeler arası gelişmişlik farklarını ortadan kaldırmaya çalışmıştır. Ancak bu politiklalarla bölgeler arası eşitiszliklerin giderilmesinde büyük bir başarı elde edilememiştir. 1990'ların sonunda Türkiye'nin AB'ye katılım hedefi doğrultusunda AB'nin aday ülkelerden katılım sürecinde yapısal politika aracı olarak tepeden inme uygulamalar yerine, yerel aktörlerin etkin olduğu bölgesel politikalar uygulamasını istemiştir. Bu bakımdan Türkiye'de Bölgesel poltikaların oluşturulmasında yeni argümanlar belirlenmiştir. Bu bağlamda 1970'li yılların ortalarında Avrupa Birliği İstatistik Ofisi (Eurostat) tarafından yapılan İstatistiki Bölge Birimleri Sınıflandırmasını baz alarak 5449 kanun ile 2006 yılında İzmir ve Çukurova kalkınma Ajanslarını, 2008 yılında 8 Ajans ve 2009 yılında ise 16 Ajans olmak üzere toplam 26 Bölgesel Kalkınma Ajansı kurulmuştur. Bu çalışmada Ahiler Kalkınma Ajansı tarafından 2010-2015 yılları arasında mali destek programı kapsamında KOBİ'lere sağlamış olduğu finansal desteklerin firmaların kapasitelerinin artırılmasında ne düzeyde etkin bir araç olduğu incelenecektir. Bu kapsamda Bölgesel kalkınma ve kalkınma ajansları ile ilgili kitap, makale ve istatistiki veriler incelenmiş ve destek alan 121 firmanın 89'una anket uygulanmıştır. Anket sonucunda elde edilen bulgular SPSS programı aracılığıyla değerlendirilmiştir. Çalışmanın sonucunda bölgede Ahiler Kalkınma Ajansından finansal destek alan şirketlerin ciro, istihdam, yeni pazarla açılma ve Pazar payında kayda değer artışlar olduğu bulunmuştur. Ancak, ihracat ve AR-GE ve inovasyonda firmaların büyük bir çoğunluğunda önemli artışların olmadığı bulunmuştur.

Anahtar Kelimeler: Bölgesel Kalkınma, Bölgesel Kalkınma Ajansları, Ahiler Kalkınma Ajansı

ABSTRACT

EVALUATION OF OUTPUTS OF FINANCIAL SUPPORTS PROVIDED BY THE AHILER DEVELOPMENT AGENCY

ERTEN, Cahit
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Since its establishment, the Republic of Turkey has tried to eliminate the developmental disparities between regions with policies from top to bottom. However, there was no great success in the elimination of inter-regional inequalities with these policies. At the end of the 1990s, in line with Turkey's EU accession target, the EU asked candidate countries to apply regional policies where local actors are active rather than top-down practices as a means of structural policy instruments in the accession process. In this regard, new arguments have been set for the establishment of regional policies in Turkey. In this sense, based on the statistical region units classification made by the European Union Statistics Office (Eurostat) in the mid-1970s, a total of 26 Regional Development Agencies were established, namely Izmir and Cukurova Development Agency in 2006, 8 Agencies in 2008 and 16 Agencies in 2009 with Law no. 5449. In this study, we examined the effectiveness of the financial supports provided to SMEs by the Ahiler Development Agency between 2010 and 2015 years for increasing the capacity of the firms. In this context, books, articles and statistical data related to regional development and development agencies were examined and 89 of 121 companies that received support were surveyed. Results obtained from the survey were evaluated through the SPSS program. As a reult of the study, there has been found a significant increase in the turnover, employment, openness to new markets and market share of companies that received financial support from the development agency in the region. However, there has been found no increase in the exports and R & D and innovation of the majority of the firms.

Keywords: Regional Development, Regional Development Agencies, Ahiler Development Agency

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LIST OF ABBREVIATIONS AND SYMBOLS

RDA	Regional Development Agencies
AHİDA	Ahiler Development Agency
SME	Small and Medium Enterprises
UNDP	United Nations Development Programme
SPO	State Planning Organization
EU	European Union
NUTS	Nomenclature of Units for Territorial Statistics
TSI	Turkish Statistical Institute
EURODA	European Development Agency
EIB	European Investment Bank
EBRD	European Bank of Reconstruction and Development
IADB	Inter-American Development Bank
UK	United Kingdom
NGO	Non-Governmental Organization(s)
ISO	Investment Support Offices
TURKSAT	Turkish Satellite
SSI	Social Security Institution
TPE	Turkish Patent and Trademark Office
TOBB	The Union of Chambers and Commodity Exchanges of Turkey
BRSA	Banking Regulation and Supervision Agency
R & D	Research and Development

CHAPTER ONE
INTRODUCTION

1.1.INTRODUCTION

Regional development theories and policies, which is one of the most essential areas of work in the era after World War II, lost popularity with the implementation of neoliberal policies in the 1980, but started to regain popularity in the 1990s, with the renewal of the role of the territories in national development and accordingly the increase of the importance of local-specific activities, it became a current issue again with a whole new perspective. In this period, within the framework of ‘‘Governance’’ the regional development agencies began to take the place of the central government as responsible for the achievement of regional development. In the period after 1990, there was a consensus that each region had a different development potential, therefore one type of development implemented by the central government should be abandoned. According to this understanding, instead of the ‘‘top-down’’ management system, ‘‘down-top’’ management system is the key to overall national development. In this system, regions with different development dynamics are encouraged and guided according to their own development axes (Tiftikçigil, 2015).

Development agencies established with new regional development policies aim to make their regions a centre of attraction by exploring the potential of the region and featuring the cooperation of local authorities, private sector and non-governmental organizations (Arslan E. , 2010).

In our country, different regional development strategies have been implemented such as five-year development plans, ıntegrated regional development plans, rural development projects, investment incentives, priority development regions, organized ındustrial zones and small ındustrial zones, since the foundation of the Republic of Turkey. However, after 1980s, especially with the application of Nomenclature of Territorial Units for Statistics (NUTS), which is put into practice in the European Union harmonization process, Turkey was divided into different regions classified by different levels, and RDAs have been established in order to provide more efficient service to the regions and eliminate differences among the regions. In this study, Ahiler Development Agency, established in Nevşehir, operates in region TR71 level 2 that consists of the provinces of Kırşehir, Aksaray, Nevşehir, Kırıkkale and Niğde, was examined.

The main purpose of Ahiler Development Agency (AHİDA), which was established in 2009, is making the region as a centre of attraction by identifying the economic and social potential, promoting the region at national and international levels, supporting activities that are aiming to increase production and employment capacity, analysing and improving the capacity of human resources. At this point, the goals of the Agency can be summarized under three categories as follows; promoting entrepreneurship in the region, increasing physical investments and development of human capital (Dinçsoy, 2015). According to Agency Project and Action Support Regulation Article 47, *"The Agency analyzes the effects and results of the projects and activities that it supports in one year in terms of employment, investment, exports, imports, tourism and other aspects of regional development every two years at the latest and presents these effects and results in annual activity reports which it is obliged to prepare."* However, there has been no study of the substance of this regulation's article until now. Therefore, the purpose of this study is to evaluate the impacts and results of the project supports, which opened between years 2010-2015 within framework of the financial support programs given by AHİDA on SME firms in Aksaray, Kırşehir, Niğde, Nevşehir and Kırıkkale provinces and its contribution to the regional development. This study analyzes the appropriateness of the programme for the region and beneficiaries, whether it is carried out efficiently and effectively and outcomes of the support programs; from all of this, it offers suggestions to shed light on all the new programs to be designed.

This study consists of introduction, theoretical outline and literature review, methodology of the research, findings and conclusion and recommendations. The introduction chapter provides a brief information on regional development, the Ahiler Development Agency and the reason why this study is necessary. In chapter theoretical outline and literature review contain two main section. First section (theoretical outline) has illustrated the concept of "region", "region classification", "development", "regional development", and then has provide information about

Regional Development issue in Turkey, activities done and financial support provided by RDAs, organizational structure and units of Ahiler Development Agency. Second section (literature review) has demonstrated studies on regional development in the world and in the Turkey. In chapter methodology of the research has explained aim, scope, limitations, method, data set, research model, general characteristics of the TR71 region and some features of companies supported by AHİDA. In chapter findings includes the findings and comments obtained by analyzing the data in line with the research questions. Three questions were investigated in the research. Firstly, how the distribution of some indicators was such as turnover, employment, export, R & D and innovation, openness to new markets and market share according to sector, company location and employment of firms in the last year; Secondly, how the distribution of participatory firms ' opinions was on the supports offered by the Development Agency; and finally, assessments have been made about the attractiveness, productivity and effectiveness of the Agency supports and the distribution of the opinions of the participating companies. The final part of the study stated conclusions and recommendations.

CHAPTER TWO
THEORETICAL OUTLINE AND LITERATURE REVIEW

2.1. THEORETICAL OUTLINE

2.1.1. Region

The use of the term “region” has many meanings nowadays, that based on theoretical understandings of the researchers. Etymologically region is defined in Latin as *regio*, which matches to “environment, land”. So, the term’s various meanings make it hard to draw accurate lines between its different meanings (Mengi, 2001). Furthermore, the term enlarged further connotations throughout the history, due to economic, topographic, climatic alikeness of each space. Therefore, the term is used for emphasizing on similarities of some specific lands and for separating the regions from other regions, as well (Eraydın, 2003).

The word “regional” is a term used in the field of urban and regional planning, in particular, in the preparation of national development plans (Turan, 2005). When it is evaluated from the economic perspective, as a unit of analysis and planning, the region is neither as small as a city nor as wide as a country (Casellas & Galley, 1998).

There is no common definition of the concept of “region” that has been brought together on a global basis. The size of the space defined by the word of “region” can vary according to the context (eg. planning) used (city, metropolis, rural area, etc.) as well as differences (economic, social, cultural etc.) in the same context (Bayraktar, 2002). Globalization and regional integration in recent years, economic, social and political changes have made the traditional concept of “region” controversial.

2.1.1.1. Region classification

In a country, in order to monitor the policy to ensure a balanced distribution of regional development among the regions of that country, it is classified with the concept of three regions. These are (Dinler, 2012);

2.1.1.1.1 Homogeneous region

Homogeneity means that all items have the same structure or the same quality. If all the points are as close to each other as possible, it is called homogeneous area. Homogeneous areas are adjacent to each other form a homogeneous region (Dinler, 2005)

2.1.1.1.2. Polarized region

The basic features of such regions are that they have a functional relationship among their elements and that they have a gradual settlement such as big cities, regional centers, middle-sized cities, towns and villages (Keleş, 2006).

Homogeneous regions are determined according to differences in the level of interregional development, and it can be said that the homogeneous region separation is a stationary evaluation. The homogenous region helps to reveal the source of social and economic development differences. According to polarized region discrimination, the relation density of one region to the other region is also taken into consideration (Gündüz, 2006).

2.1.1.1.3. Plan-Program region

Plan-Program region is the whole of the areas within the jurisdiction of the administration in charge of implementing regional policy. According to the planning concept in the country which implements regional planning, the planned region may cover the entire country according to the nature and intensity of the regional problems of the country or may only cover certain problematic regions. If the plan covers all the countries in the region, it is the first type of planning region. Preparing the regional development plan based on the economic field instead of sectoral preparation and controlling the spatial distribution of all economic activities will result in the fair use of undeveloped regions in terms of resources. This plan, which can be applied in the countries that are implementing the regional development plan, the result of the division of the country into regions for the regionalization of the national plan emerges (Dinler, 2005).

Studies of homogeneous and polarized regions are guiding the studies of regional planning. In countries that have emphasized regional planning, the boundaries of regional planning emerge after such studies. In addition, homogeneous and polarized regions take into account the economic structure, the shape of the economic structure, the socio-economic structure of the population and the intensity of economic activities between the region and the environment when making boundaries of a regional planning. On the other hand, The Plan region is the territory that has been established to ensure the preparation and implementation of development plans and to ensure the participation of the region in national development (Ildırar, 2004).

2.1.1.2. Classification of regions according to development levels

According to development levels, regions are divided into developed region, developing region and underdeveloped region.

2.1.1.2.1. Developed region

The developed regions seem to be more advanced economically in terms of social and economic factors compared to the other regions of the country. The developed regions are above the country average in terms of income level, income growth rate, education level and health services. The high level of income in these regions leads to an increase in saving rates. Thus, the increase in the rate of investment in the region demonstrate the continuity (Gündüz, 2006). In another definition; in developed regions, the income level and the income increase are above the country average (Aydemir & Karakoyun , 2011).

2.1.1.2.2. Developing region

The developing regions are regions that are below the country average in terms of income level and growth rate. Resources are not used sufficiently in this region. (Aydemir & Karakoyun , 2011).

2.1.1.2.3. Underdeveloped region

Underdeveloped regions can be defined as regions that have lost their development potential and have no advantage for development. These regions are seen to be lower in terms of income levels and income growth rates than other regions of the country. In such regions economic imbalances are seen. In England, Wales, the Southwest region of England, Southern Italy, Southern France and Southwestern Germany and Eastern, Southeast and Eastern Black Sea regions of Turkey can be shown as examples of such regions (IIdırar, 2004).

2.1.2. Development

Development can be expressed as an act of creating society or communities where everyone can easily access basic rights and health, justice, security, employment and education services and information resources, market conditions operate fairly, is participant, gender balanced, has transparent/accountable management structures, open to democratic and cultural transformations, all disadvantaged groups and strata are not left behind, the problem-solving ability is developed, natural resources are protected and improved, and people are looking at the future with confidence (Işık & Kılınç, 2011).

After the Second World War, the emergence of development as a separate issue has been influential in promoting the economic development of the underdeveloped countries that declared their new independence, or the western countries that are trying to correct postwar economies (Çakmak, 2003). Development must first be the result of strengthening capacity to make people meaningful and productive within society; secondly, to ensure equal distribution of benefits of economic growth and finally, everyone should be given the chance to participate in their work (UNDP, 1992) .

Development has not only economic but also social objectives. Appropriate thresholds need to be explored with subsystems of society such as education, health, social insurance, organization and transport. For this reason, civilization has a close interaction with the process (Chadwick, 1987).

2.1.3. Regional Development

The concept of regional development has entered into the literature of economics after the World War II, and the problem of economic and social development has gained a spatial dimension. In this period; researchers such as Perroux (1950), Hirschman (1958), Rostow (1960), and Mrydal (1971) have been making analyzes on regional development and uneven development (IIdırar, 2004). The birth of Regional Development as a science field is often regarded as 1958, similar to the independent publications of G. Myrdal's (1957) Economic Theory and Underdeveloped Regions and A. Hirschman's (1958) Economic Development Strategy (Malecki, 1991).

In the world, regional development has begun to be addressed with increasing interest as a result of serious economic and social problems in the world since the economic crisis of 1929, followed by the impact of the World War II. The disadvantages of production factors, notably the geographical conditions as well as the effects of crises and wars in the economy, have caused the regions to have an uneven accumulation of capital and serious developmental differences. The impact of wars, the divergence of geographical conditions, the imbalance of capital accumulation led to differences in development between countries and regions. In particular, the 1950s were the period when development began to be implemented with the concepts of Regional policies and Regional planning. It can be said that regional development disparities have led to the development of the concept of regional planning and the emergence of regional development tools (Eraydın, 2003).

Since the distribution of natural and social resources of the country's geography does not provide equality in absolute terms, development does not pass through a balanced process in an absolute sense. The distribution of socioeconomic factors, which have a dynamic structure in the development process, at different densities on the geography have emerged as the reason for the regional development differences. The work done to overcome these disparities and the policies that have been carried out have led to the emergence of regional development (Poroy, 2004).

Regional development means a change in socio-economic structure in addition to income increases in a region. The concept of regional development includes a different and complex network of relations when compared with the concept of national development. Generally it is assumed that encouraging entrepreneurship, improvement of infrastructure, training or environmental protection has resulted in development. The assumptions point to activities that will improve the region's economic and social well-being. Therefore, Regional development can be described as encouragement of entrepreneurship and the mobilization of the region's own resources, improving the level of income and employment of the region, and improving the quality of life (Uzay, 2005).

2.1.4. Regional Development Policies

Regional development policies and practices will primarily be built on local dynamics, and internal potential will be distinguished for relatively underdeveloped regions and centers with high development potential and they will be equipped with innovative, multi-dimensional and diversified instruments. Strategic interventions will be supported by effective coordination mechanisms at the local and the central level, particularly development agencies, with adequate financing. Regional and local economy will be taken as the basis of economic structuring and development, and human resources will be developed in order to support specialization at the local level mainly in underdeveloped regions, entrepreneurship will be spread, and measures will be taken to accelerate local employment and capital accumulation (State Planing Organization, 2006).

2.1.5. The Regional Development Issue in Turkey

In terms of the development policies implemented in the Turkish economy, the year 1960, which the transition to planned development began, and is also the foundation year of the State Planning Organization, is considered to be an important date. The adoption of the plan in Turkey as a means of social order and its transfer to practice has been realized with the 1961 Constitution. In the 1961 Constitution, Economic, social and cultural development is connected to the plan (Tunç, 1997).

2.1.5.1. Regional Development in Turkey (1923-1959)

With the establishment of the Republic, young Turkey was aimed to be reconstructed within the framework of "Statism" principle. The main aim in this period was the redistribution of public services and industrial investments and the development of a railway system linking the countries in order to create a national economy. In this period, taking into account the strategic security situation, the government continued an important application called "industrial insemination" and established industrial facilities in almost every corner of Anatolia (Göymen, 2005). By the 1950s, when the transition to mechanization in agricultural production accompanied the migration from the village to the city, the attention has drawn more and more to the point of inequality between the regions (Gürel, 2011).

2.1.5.2. Regional development in the planned period

With the establishment of the State Planning Organization (SPO) in 1960, planned development programs for regional development started to be implemented.

The SPO has shaped it with eight five-year development plans prepared between 1963 and 2006 for regional development policies. The Ninth Development Plan prepared for the years 2007-2013 has been separated from other plans for seven years (Can, 2011). Finally, the Tenth Development Plan covers the years 2014-2018.

2.1.6. Europeanization Process of the Regional Development Policies

With the impact of structural trends such as globalization and Europeanization, the number of policy transfers has augmented regional development policies. The EU has a significant impact on the regional development agencies in Turkey. In fact, the EU may need to regulate candidate regimes and regulatory reforms necessary to comply with the EU acquis. Essentially, each chapter of the EU acquis communautaire offers opportunities for policy transfer. Regional policy is one of these opportunities (Sobaci, 2008).

2.1.7. NUTS Arrangement in Turkey

Regional Development Agencies were established at NUTS II level so that they could potentially benefit from EU structural funds, as noted in the first legislation that mandated agencies. In 2002, as part of reforms aimed at meeting the EU accession criteria, the Turkish Government redefined the country's territory according to the European NUTS classification system. While the levels of NUTS I and NUTS III correspond to pre-existing regional classifications, so as to fulfill the EU requirement that the NUTS II level territories have populations between 800.000 and 3.000.000 inhabitants, the NUTS II level had to be pieced together from scratch. In consultation with the State Planning Organization (SPO) and the State Institute for Statistics (TUIK), the Council of Ministers united NUTS III provinces to create regions. The Turkish NUTS II regions comprises one to five provinces and combinations were made in consideration of, firstly, population size and, secondly, common socio-economic characteristics. As a result, with some exceptions, the territorial domains overseen by the Turkish RDAs are not consistent with existing sub-national political units. The 26 NUTS II regions range from one to five provinces and between populations over 800.000 and under 4.000.000 (Young-Hyman, 2008).

2.1.8. Regional Development Agencies

Along with globalization, regions have become prominent elements in development, cooperation and competition. In this process, regional development agencies have been established so as to coordinate development activities. Although regional development agencies organize in diverse structure in different countries, the points aimed to be reached are closer for each and every other agencies. Development agencies provide information and guidance for investors on issues, such as transportation, infrastructure, labor and incentives and promote the region in order to be the focal point of new investments. It is stated that regional development agencies operate in five main areas. These are; financial assistance or support, discovery of new investment areas, consultation with SMEs, determination of long-term development goals of the region and contribution to developments in social areas (Arslan K. , 2005).

Regional development agencies can be set up for the main objectives, such as increasing competition power, realizing development goals and attracting foreign investment. According to another definition, regional development agencies are regional organizations aiming to achieve development by being financed by the public, excluding local and regional governments. It is stated that the structure of the regional development agencies is independent of the state, that the objectives should be broad (regional competition, regional development, increase of investments in the region), where multiple instruments can be used (environmental improvement, industrial infrastructure, consultancy etc) (Hughes, 1998).

2.1.8.1. Definition and characteristics of Regional Development Agencies

Regional Development Agencies are defined as public or private sector financed institutions established in an independent administrative structure from the central government, with the aim of improving the entrepreneurial potential of a bordered territory and thereby promoting economic development (State Planning Organization, 2000).

Simultaneously with the developments in the world, the local development initiatives in Turkey have also gained speed. The Law on the Establishment, Coordination and Duties of Development Agencies, which was prepared taking NUTS 2 Level regions as the basis, so as to develop cooperation among the public sector, the private sector and non-governmental organizations in local and regional development, to provide effective use of resources and to ensure regional development with a new motivation by activating local dynamics and internal potential, came into force in 2006 (State Planing Organization, 2006).

Development agencies will be decisive, supportive, and coordinative in region-specific, innovative policies and in self-supporting development financing, especially in high-potential regions (State Planing Organization, 2006).

The Regional Development Agency (RDA) is an operational organization that identifies sectoral and general development problems, chooses from a range of opportunities or solutions to solve these problems, and supports projects that maximize the implementation of solutions (EURODA, 1999).

Development agencies, which are involved in many activities such as job creation, providing spatial balance between rural and urban areas, promoting potential in the region and attracting direct foreign investment, supporting new and old enterprises' growth, are considered as new actors responsible for regional development (Tiftikçigil, 2009). RDAs are regional-based, publicly financed institutions that, apart from the central government and local government main structure, support local economic development, mostly by integrating soft policy instruments (Halkier, 2006).

According to EURADA, an RDA should provide the following characteristics (EURODA, 1999);

- The RDA must be accepted and understood by the existing political structure,
- It should carry out its policies in coordination with other regional institutions,
- Be able to provide the necessary financial resources to sustain the basic structure and to develop new projects,
- It must have an autonomous structure in terms of region-specific decision-making,
- In order to have effective results, it must have strong technical staff.

2.1.8.2. Historical background of Regional Development Agencies

The first regional development agency established in the present sense is the Tennessee Valley Authority (TVA) in the United States. It was established by the Federal Government in 1930 to provide cheap electricity for those living in the drainage basin of the Tennessee River. In the following years, many states have created economic development units to support initiatives in their region and attract investment from outside (Ergun, 1993).

In the following period, inter-regional differences in developed Western countries, especially after the devastating effects of war and rapid technological developments, have risen above the tolerable level. In this context, Paris and its surroundings will reach a greater level of development than the rest of the country's territories, the north / south differentiation in Italy will reach a level that will create totally two different worlds, the collapse of old industrial regions in England, Scotland and Wales, the emergence of the need for structuring has been effective in taking steps towards the creation of policies and mechanisms for regional development in European countries (IIdırar, 2004).

Particularly after the World War II, the understanding of regional politics has changed, and the understanding of local dynamics and the implications of potential action has made Regional Development Agencies widespread in Europe. Initially established in Western Europe to stimulate intra-regional economics and ensure sustainable development, Development Agencies have become one of the tools the EU has been using to reduce regional development disparities since the early 1990s. As Development Agencies started to use the EU Structural Funds, the number, scope and competences of Development Agencies grew rapidly (Can, 2011).

In the United States and Great Britain, the RDAs are semi-autonomous entities that have been in operation since 1960 with the aim of co-ordinating regional development with the private and public sectors, while in Japan and France they were similar to south-eastern Anatolia project in Turkey, to carry out long-term programs to address the problems of underdeveloped regions. However, international organizations (World Bank, UNDP, EU funds and credits, EIB, EBRD, IADB, etc.), which provide great financing to economic and social development in parallel with the governance concept and New Development approach that has become widespread in 1990s, enabled to establish many new development agencies all over the World, and existing development agencies have undergone very important functional and institutional changes over time. Therefore, in the 1990s, a large number of development agencies have emerged that showed significant differences in terms of institutional identities, funding sources, duties and responsibilities, and in relation to central administration, local government and international and transnational organizations (Özen, 2005).

First examples of the RDAs in the EU were established in Belgium, France and Italy in the 1950-60. These countries followed development agencies established in the UK and the Netherlands in the 1970s and development agencies in Spain, Ireland and Germany in the 1980s. The 1990's have been a peak period for the establishment of the RDAs in Europe. In this period, development agencies were established in many countries such as Bulgaria, Poland, Slovakia, Czech Republic, Hungary, Sweden, Slovenia, Estonia, Romania, Portugal (Can, 2011).

2.1.8.3. Activities of Regional Development Agencies

The activities of development agencies are diverse and multifaceted. For this reason, it is very difficult to draw a very general framework. However, in terms of giving an idea, we can briefly summarize the tasks that development agencies around the world often carry out as (Özen, 2005):

- Monitoring the region by creating information banks
- Strategic planning for local / regional development and monitoring its implementation,
- Providing information and technical support for entrepreneurs and investors,
- Supporting the investments of the local entrepreneur
- To carry out publicity activities to attract foreign investors
- Providing information and advice to investors about financing so as to create financial resources for SMEs, to cooperate with local, national and international funds, credit institutions and banks
- Providing support for new inventions and promoting the technology,
- Education
- Tracking infrastructural, road and energy activities,
- Developing the national and international networks of the region

2.1.9. Regional Development Agencies in Turkey

Initially in 1989, the Southeastern Anatolia Project (GAP) and the Entrepreneurship and Support Centers (GİDEM) started to operate in the GAP Region.

These institutions have entered service in Adıyaman, Diyarbakır, Gaziantep, Şanlıurfa and Mardin provinces. Their purpose is to encourage investors and entrepreneurship in the region, to attract local and foreign capital to the region, to provide necessary consultancy services for investors and to take an active role in the development of labor force production and technology. In line with these goals, it is aimed to provide new employment opportunities by transforming production characteristics and resources of the regions (Berber & Çelepçi, 2005).

The first approaches to RDAs in Turkey began in the 1990s. The purpose of this process was to accelerate the process of joining the EU, as well as to mobilize the dynamics of its own internal development of locally expected locality. However, most of these examples have remained in the project phase or some of the issues have not been addressed due to problems at the beginning of the implementation (Berber & Çelepçi, 2005).

Actually, there are a number of structures in Turkey which can be counted as development agencies created by local enterprises, providing a large part of their finances through international funds. However, the idea of establishing 'development agencies that can be financed by the public sources and supervised centrally' has come to the fore in the process of accession to the EU. For this reason, Turkey has committed to establish development agencies in the 2003 Accession Partnership Document in order to benefit both from pre-accession regional development assistance and from EU structural funds after accession (Özen, 2005).

RDAs are unique public institutions for Turkey with its own characteristics, organization structures and situations in the Turkish administration system. Turkey adopts these institutions not only for the process of full membership to the European Union, but also for the framework of new public management and governance. In this sense, new public management can be described as adopting management, values, mechanisms, methods and practices of private sector to public sector; on the other hand, governance can be defined as the process of adopting accountability, transparency, rule of law, strong local institutions, decentralization, cooperation, participation of stakeholders, efficiency and effectiveness to public sector. In this context, RDAs can be seen as the role model for other public institutions based on central and strict perception in the perspective of personal regime and administrative mechanism. The Development Agencies were established in 2006-2009 within 26 Level 2 regions in Turkey to provide planning and development at the local level.

Along with the Regional Development Agencies, investment support offices were set up in 81 provinces.

2.1.9.1. Establishment of RDAs: The legal process

In Turkey; RDAs were founded by law numbered 5449, Law on the establishment and duties of Development Agencies was issued in 2006. In the first part of this law, objective and scope, definitions, establishment, general coordination is stated. The main purposes of RDAs in Turkey are accelerating regional development, providing sustainability and minimising inter-regional and intra-regional development differences in conformity with the principles and policies set in the National Development Plan and Programs through developing the cooperation among public sector private sector and non-governmental organizations, providing the efficient and appropriate utilization of resources and stimulating local potential (Law No: 5449, 2006).

Development agencies carry out their activities as a subsidiary of the Ministry of Development, which was once the Secretariat of State Planning Organization, which was established in 1960. Then it was restructured as the Ministry of Development in 2011 with the Decree Law No. 641 to implement Turkey's development mission. In this sense, one of the Ministry's main duties is coordination role for Development Agencies (Ministry of Development, 2014).

2.1.9.2 General characteristics of RDAs in Turkey

Considering the basic features of development agencies in Turkey, we can say that the development agencies of the world are essentially compatible with common specifications. According to this, we can explain the main characteristics of the development agencies established in our country in the following way (Tamer, 2008):

- Agencies have legal personality. Article 3 of Law No. 5449 states that development agencies have legal personality.
- The agencies were established with an administrative procedure. Law No. 5449 (Article 3/1) in accordance with, the establishment of the agency (and removal), administrative (public) process depends on the decision of the Council of Ministers.
- Agencies have partial autonomy. With Law No. 5449, agencies are designed to have a certain degree of autonomy in the face of political will.

- Agencies have a flexible, dynamic and transparent structure. It is agreed that a website (Article 5/1-l) on which the Agency's activities, financial structure and other matters relating to the Agency will be published in a timely manner, and that the Agency is responsible for financial transparency and accountability (Art.21).
- Agencies will operate in a specific geographical area. Accordingly, the agencies will be established in the Level 2 regions within the framework of the Nomenclature of Units for Territorial Statistics (NUTS), which has been established by the Decision of the Council of Ministers, similar to the European Union Statistical Classification.
- The agencies will operate to promote the socio-economic development of the regions in which they are founded.
- Agency management given to different sections of society and is intended to improve cooperation.
- Agencies have been financed mostly by the public.

2.1.9.3. Duties and authorities of Development Agency

According to Article 5 of the "Law on the Establishment, Coordination and Duties of Development Agencies" no 5449, Duties and responsibilities of the agencies are described as follows (Law No: 5449, 2006);

i. To provide technical support to local authorities on regional planning,
ii. Supporting the implementation of regional activities and monitoring and evaluating the implementation process of activities and projects supported and to present results to the Undersecretariat of Development Ministry,
iii. To contribute into the development of the capacity of the region concerning the rural and local development in harmony with the regional plans and program and support the projects within this extent.
iv. Monitoring other projects conducted by public sector, private sector and NGOs in the region.
v. To develop cooperation among public sector, private sector and NGOs in order to reach regional development objectives.
vi. Using the resources allocated to the agency in accordance with the regional plan and program.

vii. Identifying resources and opportunities for the region, accelerating economic and social development and increasing competition power and supporting other research conducted by other people, institutions and organizations,

viii. Promoting business and investment facilities of the region at national and international level, in close cooperation with other relevant institutions.

ix. Following and coordinating investors' permission and license transactions and other administrative transactions in regional provinces within the extent of the duties and authorities of public institutions and organizations so that they will be finalized within the period specified in the relevant legislation.

x. Supporting small and medium-size enterprises and new entrepreneurs in the various fields such as marketing, management, promotion, production, organization technology, financing, organization, labor force training and financing, by developing cooperation with other relevant institutions.

xi. Promoting activities linked to bilateral or multilateral international programs, which Turkey has participated in the region and contributing to the improvement of projects within the context of these programs.

xii. Preparing a website that includes activities and financial structure of the agency,

2.1.9.4. Organization structure of Development Agencies

The organizational structure of development agencies; development council, board of directors, general secretariat and investment support offices. Subject to the relevant provisions of the Law, the decision-making body is the board of directors, the advisory body is the development council, the executive body is the secretariat general.

2.1.9.5. Financial supports provided by RDAs

Agencies provide financial support to projects and activities in the areas specified in the regional plan and working programmes. Financial support consists of direct financing, direct activity and guided project support and interest and interest-free loan support. However, this part of the study provides information about the total amount of support provided to profit-oriented and non-profit organisations by the call for proposals. Development agencies supported private sector organizations and non-governmental organizations such as public institutions, foundations and associations between 2010 and 2016.

2.1.9.5.1. For profit making organizations

The figure 2.1. illustrates the total amount of support provided to profit making organizations through calls for proposals issued on the basis of Agency between 2010 and 2016. When the figure is examined, it is seen that agencies provide approximately 1.081 billion TL financial support to profit making organizations as of the year.

While the first three agencies providing the most support were Cukurova, Eastern Mediterranean and Central Anatolia Development Agencies, the first three agencies providing the least support were Trakya, Northern Anatolia and Tigris development agencies, respectively.

Figure 2.3. The financial support provided to profit-making organizations

2.1.9.5.2. For non-profit making organizations

The figure 2.2. illustrates the total amount of support provided to non-profit making organizations through calls for proposals issued on the basis of Agencies between 2010 and 2016. When the figure is examined, it is seen that agencies provide approximately 1.504 billion TL financial support to non-profit-making organizations as of the year.

While the first three agencies providing the most support were Istanbul, Izmir and Eastern Mediterranean Anatolia Development Agencies, the first three agencies providing the least support were Mevlana, Serhat and Ahiler Development Agencies, respectively.

Figure 4.2. The financial support provided to non-profit making organizations

2.1.10. Ahiler Development Agency (AHİDA)

Ahiler Development Agency has been set up as per the Board of Ministers Decree no. 2009/15236 published in the Official Gazette with date 25th of July 2009 within the framework of the "Law on the Establishment, Coordination and Duties of Development Agencies" with date 25^{th} of January 2006 and no. 5449. The field of responsibility for the Ahiler Development Agency is the TR71 NUTS 2 Region. The TR71 Region comprises Aksaray, Kırıkkale, Kırşehir, Nevşehir and Niğde provinces (AHİDA, 2017).

2.1.10.1. Organizational structure of Ahiler Development Agency

Ahiler Development Agency consists of two essential bodies, namely the Board of Directors and the Secretariat-General. The Board of Directors, which is the decision making body of the Development Agency, comprises the Provincial Governors, County Council Presidents, Municipality Mayors, Chamber of Commerce and Industry Presidents, a representative from each province attending. As the executive body of the Agency, the Secretariat–General fulfill for the achievement of the goals within the framework of national and regional plans and programs. The

Secretariat–General comprises a Secretary General, who is accountable to the Board of Directors. Experts, support personnel are located in the Nevşehir province and in Investment Support Offices available in Nevşehir, Kırıkkale, Kırşehir, Aksaray and Niğde provinces. There are six units within the Agency, namely, the Planning, Programming and Coordination Unit, the Program Management Unit, the Human Resources and Support Services Unit, the Monitoring and Evaluation Unit, the Promotion and Public Relations Unit and the Investment Support Office(s), which are available in five provinces (AHİDA, 2017).

2.1.10.1.1. Development council

Development Council, which serves as the Agency's advisory body, proposes recommendations on assessing the opportunities and problems of the region. The Council consists of a total of 100 people who are selected among puplic institutions (municipalities, governorates, universities and etc.), the private sector and nongovernmental organizations (chambers, associations, foundations and etc.) (AHİDA, 2017).

2.1.10.1.2. Board of directors

The Agency's decision-making board consists of the provincial governors, municipality mayors, chamber of commerce and industry presidents, county council presidents, representatives in each province takes part in this board (AHİDA, 2017).

2.1.10.1.3. General secretariat

General Secretariat which is the executive body of the Agency that works for the achievement of the goals within the framework of regional plans and national and programs. General Secretariat consists of Secretary General who is responsible to the Board. The Secretary General also manages Agency experts, support personnel and investment support offices (AHİDA, 2017).

2.1.10.1.4. Investment support offices

The investment support offices (ISO) established in the provinces of the region conduct some activities such as making researches about investment opportunities and preparing feasibility reports and data documents. In line with these objectives, they carry out some activities such as consulting, participating in domestic and international fairs, organizing investment tours, and giving information to investors about investment opportunities in region (Toktaş, Sevinç, & Bozkurt, 2013).

TR71 is a NUTS 2 Region constituting 4.1% of Turkey's land area with a surface area of 31,823 km2 and 2% of Turkey's overall population with a population of 1,546,995 people. 1.54% of overall gross added value created in Turkey is provided by the TR71 NUTS 2 Region and 22,9% of this ratio is obtained from the industry sector, 54,4% of it from the services sector and 22,7% of it is from the agriculture sector, thus making the service sector the most important sector in the region (TurkStat 2011, National Calculations). Regional gross domestic product per capita is 18,360 TL (TurkStat 2014, National Calculations).

Regarding socio-economic development rankings throughout Turkey, provinces of the Region are listed at middle levels. According to the socio-economic development index, Aksaray is listed at 55th, Kırıkkale at 41st, Kırşehir at 40th, Nevşehir at 36th and Niğde at 56th place (SEGE 2011, Socio-Economic Development Index of Provinces).

The region is known and recognized throughout Turkey and the world for its rich natural and cultural assets especially due to the hosting of the Cappadocia Region along with its cultural values such as Hacı Bektaş-ı Veli, Ahi Evran-ı Veli, Cacabey, Yunus Emre, and the Abdal (Poet and Folk Musician) culture. Nature tourism, thermal and health tourism, culture tourism, hot air balloon tourism and faith tourism activities are actively carried out in the TR71 NUTS 2 Region. Additionally, TR71 Region NUTS 2 provinces Aksaray, Nevşehir, Kırşehir and Niğde are included in the Thermal Tourism Master Plan announced by the Ministry of Culture and Tourism.

2.1.10.2. Units of Ahiler Development Agency and activities

The main and general activities of the Agency are making the planning studies, supporting and monitoring the project implementations, promoting rural and urban development, improving the cooperation networks, managing the effective use of the regional resources, accelerating the economic and social development, ensuring investment and business opportunities of the region both in national and international level, increasing competitiveness, giving supports the Small and Medium Sized Enterprises and entrepreneurs, making researches to identify the resources and the opportunities of the region, working for the regional promotion of the international programs to which Turkey is attending, and developing social and economic strategies to decrease the inter-regional and intra-regional development disparities.

Alongside the main and general tasks of the Agency, the activities currently carried out by the Agency Units are as follows (AHİDA, 2017):

2.1.10.2.1. Planning, Programming and Coordination Unit (AHİDA, 2017):

- Establishment of a Regional Innovation Strategy by undertaking literature searches
- Establishment of the AHİDA Academy where all regional stakeholders benefit from the training programs and activities of the Agency
- Creating a Renewable Energy Potential Map of the TR71 Region focusing primarily on solar energy
- Current Social State and Immigration Analysis Study which will lay the foundation for Agency's socio-economic studies.
- Researching the Geothermal Potential of the Kırıkkale Province
- Stakeholder Analysis
- Narlıgöl Landscape Studies
- Tourism Sector Improvement Studies in Kırşehir, Aksaray and Nevşehir Provinces
- Making guides for Local Economic and Development Clusters
- Making a Current Sectoral Analysis to lay a foundation for business clusters and to picture the current status of the sectors in the TR71 Region.

2.1.10.2.2. Program management Unit (AHİDA, 2017):

- Within the scope of the newly opened support programs, the Unit takes applications, determines the successful projects and the activities, and signs contracts with the successful project owners.
- Within the scope of Direct Activity Support program, there has been 34 project applications accepted and after the evaluation process 16 applications were contracted.
- Within the scope of Guided Project Support program, two projects were contracted and these projects' opening meeting, pre-contract meeting, pre-

study report, project acceptance, project evaluation and contracting process were all carried out by the Unit.

- Within the scope of Technical Support program, 479 project applications were accepted and the evaluation process of the related projects were carried out and 289 successful projects owners were contracted and transaction processes of the projects were carried out by the Unit.
- Pre-Inspect financial and technical support program applications. Between the years 2010-2016, there has been 1.259 applications that have been pre-inspected and the project evaluation process has been carried out with the Independent Assessors and the Evaluation Committee.
- Make pre-monitoring visits to measure and determine the Risk Analysis of applicants.
- Revise budgets of successful applications if necessary.
- Organize information and promotion meetings for the newly opened support program. Up until today 60 information meetings have been held and 3.857 people were informed. 46 technical support desk meetings have been held and 824 people were informed about project support.
- Organize Project Cycle Management (PCM) training programs for local stakeholders. Up until today 57 PCM training programs have been held and 1.622 people have benefited from these programs.

2.1.10.2.3. Monitoring and evaluation unit (AHİDA, 2017):

- Ensure that projects are carried out in harmony with the regulations and contract terms. The Unit carries out control and inspection activities and provides guidance and support within the scope of the projects.
- Organize Project Implementation training programs for benefactors.
- Control reports and presented documents to make sure they follow certain criteria (appropriateness to purchasing rules, appropriateness of cost, documentation and archiving, appropriateness to visibility and promotion rules).
- Realize payment transactions.
- Examine the changes in the contracts and approve them.
- Evaluate the results of the Programs and carry out an Impact Analysis study.

- Carry out project activities such as monitoring visits, first, interim and final monitoring sessions, equipment control, tender procedures, the control of the tender documents, participating in tenders as observers, report inspections, prepare contract amendments, letter of notifications, addendums, transactions, appropriate cost determination, frontal, interim and final transactions, project finalization processes, post-project inspection.
- Prepare certain reports such as mid-term and annual activity reports and Program Finalization reports.
- Prepare a Successful Projects Catalogue.
- Ensure data and information requests.

2.1.10.2.4. Human resources and support services unit (AHİDA, 2017):

- Provide all the necessary services and resources, including purchasing or renting all kinds of movable property, maintaining equipment, cleaning services, heating, illumination, transportation, alongside carrying out other administrative and financial services.
- Carry out the services regarding Agency's financial affairs.
- Protect Agency's all kind of properties and assets.
- Submit important papers and documents in time.
- Organize paperwork, archiving, documentation services and activities.
- Carry out personnel affairs.
- Layout and implement the Human Resources Policy.
- Coordinate the service procurement personnel regarding work plan activities, and ensure that the related works and transactions are carried out correctly.
- Carry out in coordination with Agency's other Units and Investment Support Offices the personnel's domestic and foreign missions and on-the-job training activities.
- Carry out services regarding civil protection, security, knowledge acquisition and consultation.
- Carry out the paperwork, archiving and documentation of the Secretary General.
- Carry out" Committee on Ethics" activities and prepare the related reports.

- Prepare the "Internal Control Compatibility Action Plan" and ensure a functioning internal control system and create an Agency "Risk Analysis".
- Make the necessary preparations regarding the duties and responsibilities of the Unit for the audit and evaluation activities.
- Carry out the necessary actions regarding audit reports.
- Carry out missions originating from the regulations or the Secretary General regarding the Unit's areas of activities.
- Carry out the furnishing, scheduling, researching activities of the ongoing construction of the Agency's new service building.

2.1.10.2.5. Promotion and public relations unit (AHİDA, 2017):

- Knowledge acquisition through Agency website or provide face-to-face information to visitors.
- Carry out activities regarding Information Center of the Prime Ministry.
- Publish press bulletins related to the Agency's activities, and release updates to Agency's website and social media accounts.
- Take responsibility for the Agency's all information & technology based activities through its information & technology manager.
- Determine the Agency's annual Communication Strategy and carry out activities to promote the determined strategy through promotional materials such as posters, brochures and advertisement campaigns.
- Design and publish the reports of the Planning, Programming and Coordination Unit, prepare regional promotion booklets in twelve languages, make Cappadocia themed souvenirs.
- Create the "Discover Cappadocia" trademark, pursue the trademark process, build a website, make a guide and make souvenirs specifically for this trademark. The Agency has already created a logo for this trademark and registered the trademark.
- Organize Fam-trips in cooperation with Turkish Airlines Cappadocia Directorate and invite press members from countries where the Turkish Airlines has direct flights.

- Host foreign committees and arrange meetings between foreign and local stakeholders.
- Organize Photo-Camping events in TR71 provinces in cooperation with Photography Associations and Culture and Tourism Provincial Directorates.
- Participate in national and international events such as exhibitions, fairs, partnership programs, hot air balloon festivals, etc. with local tourism sectoral representatives.
- Contribute to Konya Plain Project (KOP)'s tourism activities action plan.
- Organize international meetings in coordination with governmental institutions such as the Ministry of Economy and Investment Support and Promotion Agency of Turkey.
- Organize events for disadvantaged groups such as immigrant women, children, etc. within the scope of social responsibility.
- Prepare promotional videos to introduce and promote the Cappadocia Region on a national and international level. Within this scope there has been two tenders held in total and sixteen films were produced, one of them being "Discover Cappadocia", award-winner of the İstanbul International Tourism Films Festival (2nd place).
- Carry out information desk activities of Erasmus+ programs with the Governorship.
- Implement EU projects to which the Agency has applied (Currently one project is being implemented).

2.1.10.2.6. Investment support office(s) (AHİDA, 2017):

- Provide information and guidance to companies that plan on investing in the TR71 provinces, informing them of available State Support programs and how to access and benefit from these programs, and accept Investment Incentive Certificate applicants within Agency's regulatory limits.
- Carry out activities to attract investment and to promote the investment climate of the region, such as participating in various exhibitions in and outside of Turkey, prepare brochures, catalogues and informational documents for potential markets (participating in exhibitions such as Eastern Mediterranean International Travel and Trade Fair, Meditour, etc.)

- Regularly organize “Applied Entrepreneurship Training” and “Project Cycle Management” training programs.
- Organize training programs that aim to increase the corporate capacity of stakeholders, such as “Foreign Trade Training” and “Financial Literacy” training programs.
- Carry out activities in cooperation with the Provincial Health General Directorates in each province for the integration of disadvantaged groups into socio-economic life (currently carrying out the “Prevention of Substance Addiction Program”).
- Provide assistance and project consultation to non-governmental organizations on the provincial level within the scope of the Ministry of Economy’s Improvement of International Competitiveness Support Program (URGE).
- Provide consultancy to projects prepared for EU Grant Programs on provincial levels (Support projects within the scope of Human Resources Development and Erasmus+ programs).
- Provide consultancy within certain business trip programs that aim to promote foreign cooperation and to find foreign markets (such as KOSGEB-supported business trips to Italy and United Arab Emirates).
- Carry out field analysis studies, field trips and studies that aim to create an inventory for specific sectors and the overall investment climate (such as Defence Sector Sub-Industry Inventory example in Kırıkkale).
- Carry out sector and feasibility studies for investments towards prominent sectors (Automotive Sub-Industry Specialization Organized Industrial Zone Feasibility Report in Aksaray)
- Carry out studies in cooperation with the Agency’s other units to discover the region’s investment potential (such as Geothermal Energy Study).
- Provide guidance to investment related projects prepared on provincial levels (such as Niğde Culture Center and Exhibition Area, Apple and Potato Cluster Studies, etc.)
- Provide support with other relevant organizations to studies that aim to identify local agricultural products produced on provincial levels and register them with Geographical Signs (if possible).

2.1.10.3. Supports provided by AHİDA

Ahiler Development Agency may give financial and technical support to regional actors in the area specified in programs, regional plans, annual work program and relevant implementation guidelines in line with eligibility criteria predetermined so as to speed the process of improvement in the region and fulfill activities critical for the region.

Ahiler Development Agency provides financial support for the projects and activities of public institutions and organizations, private enterprises, non-governmental organizations, universities, local administrations professional organizations in the form of public institutions, and unions of such institutions, cooperatives and their unions, along with other natural and legal entities that benefit from the implementation of regional plans and programs under the conditions that are clearly indicated within the annual work program and the application guide. (AHİDA, 2017).

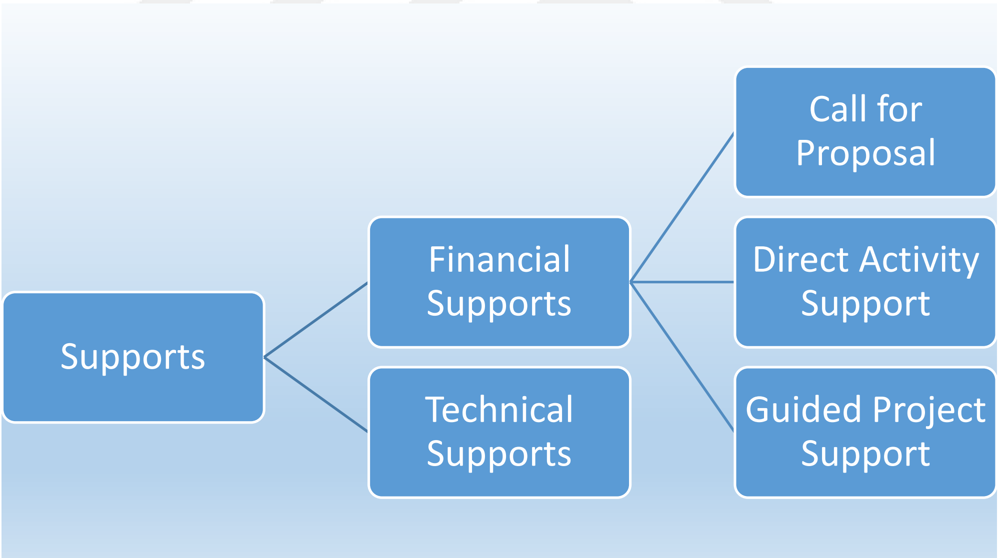


Figure 2.5. Supports provided by AHİDA

2.1.10.3.1. Financial support

Ahiler Development Agency gives financial support, on condition that it is clearly indicated in the annual work program and the application guideline, to the projects and activities of private enterprisers, non-governmental organizations, public institutions, local authorities and their associations, universities, cooperatives and their associations. Financial support given by Ahiler Development consists of direct financial support, interest-free support and interest support. Among these support programs, direct financial support has been utilized the most and the others have yet to be implemented. (AHİDA, 2017).

Financial Support is composed of three Sub-Support Programs (AHİDA, 2017).

1.Call for Proposal is to invite potential applicants to offer their proposals to programs which the subject and conditions are determined beforehand within the scope of a specific support program.

Ever since the establishment of the Agency, there has been 12 Financial Support Programs: Rural Development Financial Support Program, Industry Based on Agriculture Financial Support Program, Small Size Infrastructure Financial Support Program announced in 2010, Tourism Financial Support Program, Improving Innovation in the Production Industry Financial Program and Agriculture and Rural Development Financial Program announced in 2011, Small Size Infrastructure and Sectoral Competitiveness Financial Program announced in 2012, Sectoral Competitiveness Financial Program announced in 2014, Social Development Financial Program and Energy Infrastructure Financial Program announced in 2015, Small and Medium Size Enterprises Improvement Financial Program in 2016.

2. Direct Activity Support is provided by the Agency to benefit from significant opportunities with regards to competitiveness and regional development, to take the necessary precautions to prevent threats and risks towards the regional economy, for researches and planning studies of critical importance, to initiate, implement and contribute to strategic actions with great significance to the region such as preliminary works like feasibility studies for the establishment of institutions and their facilities such as business acceleration centers, technological development centers and techno-parks, and to positively affect and lead decisions regarding large sized investments in a short time period. Direct Financial Support Program has only been implemented in 2013. Within the scope of this program, 882.164,76 TL has been provided and there has been project implementation worthy of 975.618,00 TL in the region. Detailed information is presented below:

3. Guided Project Support is provided by the Agency to accelerate regional development, to strengthen regional competitiveness and to improve the regional business climate.

2.1.10.3.2. Technical support

The main aim of technical activities given by the agency is to support the development and training the human resources of institutions and organizations so as to increase the technical capacities of institutions and organizations without giving any financial support (Toktaş, Sevinç, & Bozkurt, 2013).

2.1.10.4. Revenues and funds

Turkey gives funds among its Regional Development Agencies as follows; firstly, a “central planning committee” consists of the prime minister and several ministers determines a budget for each Agency, according to population, development levels of each region and RDAs’ past performance measures. Secondly, The Secretary General of each development agency is informed about this budget and is asked to prepare a "feasible" plan that identifies how much it will spend for different activities. The proposed plans are assessed by the Ministry of Development which often demands the RDAs to consider their regional plans according to the ministry’s national objectives. Once the plans are approved by the ministry, the funds are released for the upcoming financial year (Kıbrıs & Tapkı, 2014).

2.2. LITERATURE REVİEW

In this section, the study provides information about some important studies on regional development and Regional Development Agencies by years. In relation to the fact that the founding dates of Regional Development Agencies in the world are much earlier than Turkey, the history of the studies for Regional Development Agencies are also dated back to older days. Regional development agencies have been focused on many different disciplines in the world as well as in Turkey and have been approached from different perspectives.

2.2.1. Studies on Regional Development Agencies in the World

Halkier (1992, 1997, 2002, 2006), there were important studies addressed in the context of regional development policies and strategies. These studies, which are based on the internal economic model, include important findings on institutional effectiveness of agencies within framework of Regional Development Agencies and exemplary implementations. Halkier (1992), in this study stated Regional Development Agencies: semi-autonomous tools operating in the regional level. Halkier (1997), it is stated that Regional Development Agencies have different characteristics in the world due to the differences in the regions they are located in and the political processes they are involved in.

Danson & Halkier (1998), in this study argues that the findings of a survey of eight selected development institutions in Western Europe conducted so as to identify the systematic differences between various regional regional development institutions and to highlight the possible origins of this structure. As a result of this study, only half of regional development agencies meet the requirements of development agencies, while the other half usually concentrated on the traditional policy programme.

Damborg, Danson & Halkier (1998), this study provide material for the first major comparative on Regional Development Agencies in Europe. In this context, institutional and other preconditions for successful regional polices are identified, and combined with a broad analytical and geographical coverage that includes Eastern Europe, a clearer picture of the relevance of the RDAs emerges.

Gibbs (1998), in this study outlines a consideration of the new Regional Development Agencies in the English regions, and provides a critique of developments in order to implement sustainable development. Hughes (1998), in this study addressed the role, impact and relevance of the Regional Development Agencies in the UK.

LIoyd (1999), ‘‘The Regional Development Agencies and social inclusion: widening the agenda’’, in this study, the author discusses the effectiveness of the European Objective for economic development in the years following 1994 and has concentrated on local and regional interests in England for the opportunities of more locally owned actions dedicated to achieving social inclusion and that traditional regional policy will be seen as inadequate and addresses the RDAs to consider under the banner of competitiveness with social cohesion.

Webb & Collis (2000), in this study examines Regional Development Agencies and the new regionalism in England. According to research, trans-regional programmes that has been implemented by the state has exaggerated the forces for centralization of control at higher levels of governance to remain strong and overwhelming.

Gibbs (2000), ‘‘Ecological modernisation, regional economic development and regional development agencies’’, in this study, the potential contribution of ecological modernization is analyzed as both theory and guide to pragmatic action by reference to the development of regional policy and regional development agencies (RDAs) in the English regions. The study is considered with a critique of ecological modernisation as a perspective on environmental problems.

Ward, Lowe & Bridges (2003) analyses the evolving role of the RDAs in rural development. It debates on changing the treatment of rural issues in regional development and reflects a shift from national to a more regionalized and differentiated conceptions of rurality, and recommends that the 2001 foot and mouth crisis prompted the rethinking of the "rural” and the "regional” between RDAs.

Halkier (2006), examines the institutions, discourse, and regional development: the Scottish Development Agency and the politics of regional policy. This book proposes an institutionalist aproach which illustrates a relationship between organisations.

Young-Hyman (2008), ‘‘The potential for effective Regional Development Agencies in Turkey: A comparative analysis’’, this paper argues about the success of development agencies established in Turkey within the context of regional economic development and promotes the general discussion of regional economic development in less developed countries which are expected to establish these RDAs. Compared to regional development agencies in Central and Eastern Europe, the study concluded that Turkish RDAs have a unique potential to promote regional economic growth.

OECD (2009), ‘‘Organising for local development: the role of local development agencies’’, this report seeks to determine the contribution made by agencies, companies and institutional bodies that have proven to be a consistent choice of local government leaders over the past 25 years.

Lagendijk, Kayasu & Yaşar (2009), in this study examines the role of Regional Development Agencies in Turkey. This article discusses to what extent the central state is able and willing to devolve authority and resources to the local level and to what extent regional institutional and business settings can hold fertile ground for RDA development. In this context, the authors focused on the broader political-institutional context of region and RDA formation and investigated a detailed case-study of one regional setting, namely Istanbul.

Pearce & Ayres (2009), in this article investigates governance in the English regions with differing perspectives and the evolution of the role of Regional Developmnet Agencies. As a result, it can be inferrred from the study that they represent a significant advance in regional economic policy-making and delivery. Hovewer, Development Agencies lack adequate resources to make an important impact on economic inequalities. They work within complex, competitive structures and little attention has been paid to them in order to assess their effectiveness.

Morris; & Associates (2010), in this study examines multi-sectoral collaboration and economic development: lessons from England's Regional Development Agencies. It describes 13 factors that affect multi-sectoral collaboration in economic development and explain how they are emerged. This study also identifies factors that impact on the development of cooperation between local governments in order to create a regional approach to economic development

Halkier (2011) outlines recent evidence on European experiences and trends in regional development agencies (RDAs) and its role in regional politics in Europe. It can be inferred that European RDAs participate in a thick web of multi-level governance that the dominant strategies focus on strengthening regional competitiveness.

James & Guile (2014), ‘‘Evaluating the transition from Regional Development Agencies to Local Economic Partnerships: The views of SMEs in the British West Midlands’’, this article argues about local institutional partnerships through the research and analysis of the opinions of small and medium-sized enterprises (SMEs) through the lessons learned from the former RDA system and the transition to the new local institutional partnership system. In this study, SMEs expressed uncertainties about the role of the local business partnerships and are concerned about the loss of well-functioning programs and institutional support structures.

Azevedo, Saes, Schneider, Carvalho, Francischini, Santana & Morgulis (2016), this study examines with a comparative analysis of productive development agencies (PDAs) of Brazil (Embrapa, Finep, and ABC Foundation). It concludes that technological inovation requires complementary capabilities that generally are unavailable within the same organization. Furthermore, in general, capabilities can not be bought; they should be constructed within the organization.

2.2.2. Previous Studies on Regional Development Agencies in Turkey

Since 2003, when the Regional Development Agencies were first established in Turkey, there have been many studies on this subject. There are 50 doctoral thesis including 3 doctorates and 47 master's degree registered to the National Thesis Center of the Higher Education Board. 27 of these theses belong to Economics, 12 to Public Administration, 3 to Urbanism and Regional Planning, 4 to Finance, 3 to Business and 1 to Industrial and Industrial Engineering Departments. As can be seen, it is clear that the most contribution to the literature in this regard is from the field of economy. There are many books and articles on regional development agencies other than post-graduate thesis.

Some major studies on regional development and regional development agencies;

Arslan (2004), examines regional planning and Regional Development Agencies as an effective instrument for the elimination of regional development differences. In this study, the author stated that regional planning should be carried out before the five-year national development plans and that the data to be obtained from them should constitute the basis for the national development plan.

Göymen (2005), analyses the evolution of regional policies in Turkey and Regional Development Agencies. According to research, management approaches and policies that do not take into account balanced distribution are not only distanced from social justice, but also difficult to maintain stability and are unable to achieve sustainable development performance. Therefore, decision makers in Turkey are faced with the obligation to develop new approaches, policies and tools that take into account these factors. Regional development agencies are the product of such researches.

Berber & Çelepçi (2005), examined new approaches of the Turkish Regional Development Policies: Development Agencies and their Applicability to Turkey. According to this research, since development agencies in Turkey can not adequately benefit from EU regioanal investment funds, it is not possible to eliminate regional disparities. Therefore, it is inevitable that the central government will continue to implement investments and incentives to eliminate regional imbalances.

Tutar & Demiral (2007), briefly examined the reasons and types of regional imbalances in the world and discussed the process of change in regional development policies. As a result, this study provides information about the establishment stages of regional development agencies in the world, the European Union of Development Agencies (EURODA), the place of the RDAs within the EU, and the effects of regional development and establishment processes of the RDAs in Turkey.

Sobacı (2008), analyzes the establishment of RDAs in Turkey as an example of obligated policy transfer. This article provides information about the conceptual framework of policy transfer and obligated transfer as a subtype of policy transfer. Moreover, the places and positions of EU regional policy and Turkey's regional government and Regional Development Agencies on development concept will be briefly discussed. Tamer (2008), analyzes the position of development agencies in the Turkish legal system. As a result, this study reveales that Regional development agencies are public legal entities because of their intense public features.

Koçak (2010), compared Hungary and Turkey according to their Regional Development Agency practices. This study stated that Hungary and Turkey showed similarities in many respects. Therefore, Hungary was chosen as a comparison. As a result of this study, both central states in these countries attempted to implement EU reforms in the area of regional policy without making any important changes in traditional management systems.

Can (2011), examined the changes in the perception of regional development in the world, the European Union and Turkey and the implications of these changes in practice in the context of the establishment of development agencies in Turkey and the activities carried out so far. In this study he provides information about planning, programming and coordination process, the project and activity support processes and finally investment support and promotion activities, in the case of Izmir Development Agency, which was established as one of the first two agencies of Turkey.

Sevinç (2011), evaluated the effectiveness of regional development policies applied to eliminate imbalances between regions in Turkey. In this study he stated that various development tools were used to eliminate differences between regions. However, as a result of these policies, the objectives were not achieved.

Toktaş, Sevinç & Bozkurt (2013), examined the development of Regional Development Agencies, which became a significant implementation of development policies in regions especially since early 2000s. In this study they emphasized that regional development agencies in Turkey should be empowered as institutions so that they eliminate interregional imbalances and increase citizens ' living standards rather than being a compulsory instrument for adaptation to the European Union.

Çelikkol (2014), evaluated Zafer Development Agency's support programs for the city of Kütahya from 2010 to 2013. As a result of this study, investments that firms can make with their own resources in time or whether they can be made in earlier periods with Agency support.

Tiftikçigil (2015), examined the activities of Development Agencies, established within 26 Level 2 Regions in Turkey. According to this study, the Development Agencies play a significant role in developing a project planning and preparing culture in Turkey. However, it is not known how much contribution they have in regional development since the supports provided for the projects were not analyzed.

Yavuzçehre (2016), examined a comparative analysis of the regional development agencies in Europe and Turkey. This study deduces that the development agencies in Europe and Turkey vary with their objectives, legal positions, and supervisions, whereas, they resembles in terms of their founders, organizational structures, general characteristics, staff employment, fields of activities, project centers and financial sources.

Akbulut & Göküş (2017), examine Regional Development Agencies in The Process of Globalisation and Localisation. In this study they emphasized that regional development agencies should be institutionalized in a structure that acts accordingly with the needs of the region in order to improve localization and participatory development in the future where global competition will continue.

Çelik (2017), examined the comparative analysis of Regional Development Agency (RDA) experiences: UK and Turkey cases. In this study, RDA experiences in England and Turkey show similar and different aspects. As a result of the analysis, one of the most significant differences between these experiences is the strict control of regional development agencies in the United Kingdom.

CHAPTER III
METHODOLOGY OF RESEARCH

3.1. THE AIM OF THE RESEARCH

The purpose of this study is to evaluate the impacts of the project supports, which opened between years 2010-2015 within framework of the financial support programs given by AHİDA on SME firms in Aksaray, Kırşehir, Niğde, Nevşehir and Kırıkkale provinces and its contribution to the regional development.

3.2. THE SCOPE OF THE RESEARCH

This research was conducted within the borders of Aksaray, Kırşehir, Kırıkkale, Niğde and Nevşehir provinces and with SMEs operating in the TR71 region. The questionnaire was administrated on a total of 121 firms. 89 of these companies were surveyed using simple random sampling method.

The research questions discussed in this study are;

1. **Research question:** What is the distribution of the opinions of the companies benefiting from the support offered by the Development Agency?
2. **Research question:** What is the distribution of the opinions of the companies regarding the attractiveness of Agency supports?
3. **Research question:** How does it evolve or change according to certain characteristics?

3.3. THE LIMITATIONS OF THE RESEARCH

The study was limited only to firms established in the city centers of Aksaray, Niğde, Kırşehir, Kırıkkale and Nevşehir provinces. Since this survey is conducted with a limited number of participants, the findings only reflect the ideas of some of the SMEs.

In other words, the number of participants is not sufficient for broad generalization. These results may not reflect the views of the entire population.

3.4. THE METHOD OF THE RESEARCH

In this study, quantitative research approach (Neuman, 2000) was used in order to be able meet the objectives of the study and to test the relationships between the variables in the study. Also the “descriptive research” type and the “field research” pattern were used in the analysis of the variables.

The field survey is a research design (Babbie, 2007) conducted to identify participants' opinions, thoughts, assessments, perceptions, attitudes and behaviors in any subject without interference.

3.5. THE DATA SET OF THE RESEARCH

Based on the primary data source, the research was conducted with the help of a questionnaire with a total of 25 questions to measure the distribution of target SMEs' views on Agency supports. Questions about the company profile provide a brief information about the company and questions about the Agency supports give information about the changes seen in some of the company's indicators after support. The questionnaire was used in a thesis study at Kahramanmaraş Sütçü University in order to evaluate the support program of Eastern Mediterranean Development Agency.

In the study, online survey technique was used as the primary data source. The questionnaire was administrated on a total of 121 firms. 89 of these companies were surveyed. The simple random sampling method was used to reach these people. Respondents were contacted either by telephone, e-mail or other devices in order to ask to partake in an academic research. A link was sent to the firms online via google forms and were requested to fill these forms.

The data obtained from the study were analyzed using statistical techniques such as descriptive statistics and crosstabs analysis used in the SPSS (Statistical Package for the Social Sciences) statistical package software program version 22. The answered questionnaires of 89 participants have been entered in as variables in SPSS version 22.

3.6. RESEARCH MODEL

In this study, hypothesis testing results of the statistical analyses were evaluated starting from descriptive analyses and cross-tab analysis in order to test the research hypotheses.

In this section, cross-tab analysis is used to investigate the connections between the sectors in which firms operate and turnover, employment, export, R & D and innovation, openness to new markets and market share, the connections between company locations and turnover, employment, export, R & D and innovation, openness to new markets and market share, the conncections between the number of employees of the company in the last year and turnover, employment, export, R & D and innovation, openness to new markets and market share.

3.7. GENERAL CHARACTERİSTİCS OF THE TR71 REGİON

The TR71 region consists of 5 provinces: Kırıkkale (TR711), Aksaray (TR712), Niğde (TR713), Nevşehir (TR714) and Kırşehir (TR715). TR71, which is located in Central Anatolia, over a surface area of 31,823 km^2, is divided into 37 districts and 95 municipalities. TR71 ranked 18th among 26 regions in the 2011 Socio-Economic Development Index (SEGE) measured by the Ministry of Development. (The World Bank, 2016).

3.7.1. Demographic Indicators

In this section, the study provides information about total population, population growth rate, migration statistics and household size of the TR71.

3.7.1.1. Total population

As of 2017, TR71 has a population of 1.56 million. The total population of the TR71 constitute about 2% of the general population of the Turkey. The population of the region did not increase much over the years.

5

Table 1.1. Total populations by years

	2013	2014	2015	2016	2017
TR71	1.510.080	1.508.199	1.515.228	1.546.995	1.560.774
Turkey	76.667.864	77.695.904	78.741.053	79.814.871	80.810.525

Source : (TurkStat, 2017).

3.7.1.2. Population growth rate

As of 2017, population growth rate of TR71 is 9,1 and has shown a fluctuating trend over the last five years. The annual population growth rate dropped from 20.1 ‰ between 2015-2016 to 9.1 ‰ between 2016-2017 (TurkStat, 2017) .

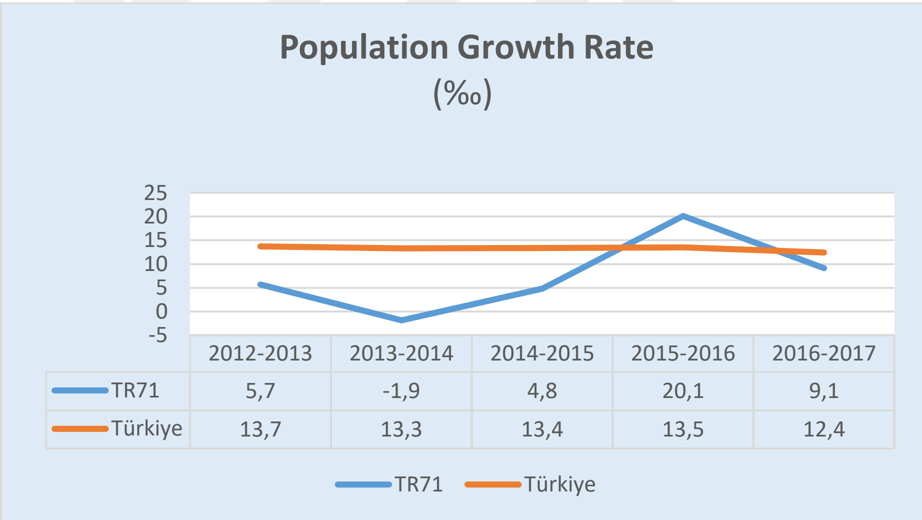


Figure 2.6. Population growth rate by years,

3.7.1.3. Migration statistics

As of 2017, when the migration statistical data of TR71 region is examined; immigration was 63.367, and migration was 68.983. According to the results observed from table, it is understood that the region of TR71 is a region that emigrates outwards.

Table 3.2. Migration statistics by years

Year	Region	Immigration received	Given migration	Net migration
2016-2017	TR71	63.367	68.983	-5616
2015-2016	TR71	68.724	61.636	7088
2014-2015	TR71	61.740	68.826	-7086
2013-2014	TR71	59.839	76.631	16792
2012-2013	TR71	62.892	70.530	7638

Source : (TurkStat, 2017)

3.7.1.4. Household size

As of 2017, when the household size of TR71 area is examined; it was observed as 3.3 and continues to follow a trend below the Turkish average. Overall, the average household size of Turkey and the TR71 region tends to fall from 2013 onwards.

Table 3.3. Household size by years

	2013	2014	2015	2016	2017
TR71	3,5	3,4	3,3	3,3	3,3
Turkey	3,6	3,6	3,5	3,5	3,4

Source: (TurkStat, 2017)

3.7.2. Labor and employment

The labor force participation rate, unemployment rate and employment rate were analyzed for the 2014-2017 period with data from TurkStat labor force statistics for the provinces of TR71. Since the data published by TurkStat are only by the scale of Level 2 regions as the largest spatial scale between 2014-2017, labor indicators have been evaluated on the level of TR71 region.

3.7.2.1. Labor Force participation rate

As of 2017, the labor force participation rate is 50.6% in TR71 region. This ratio was lower than the national average in 2014 and 2017 (48,5%, 50,6% respectively). Hovewer, the regional average was higher than the national average in 2015 and 2016 (51,6%, 52,6% respectively).

Table 3.4. Labour force participation rate by years

	2014	2015	2016	2017
TR 71	48,5	51,6	52,6	50,6
Turkey	50,5	51,3	52	52,8

Source: (TurkStat, 2017).

3.7.2.2. Unemployment rate

As of 2017, the unemployment rate is 11,4% in the TR71 region. This ratio was lower than the national average in 2014 and 2015 (7,7%, 9,9% respectively). Hovewer, the regional average was higher than the national average in 2016 and 2017 (13,4%, 11,4% respectively).

Table 3.5. Unemployment rate by years

	2014	2015	2016	2017
TR 71	7,7	9,9	13,4	11,4
Turkey	9,9	10,3	10,9	10,9

Source: *(TurkStat, 2017).*

3.7.2.3. Employment rate

As of 2017, the employment rate is 48,8% in the TR71 region. This ratio (44,7%) was lower than the national average in 2014. Hovewer, the regional average was higher than the national average in 2015, 2016 and 2017 (46,5%, 47,9% and 48,8% respectively).

Table 3.6. Employment rate by years

	2014	2015	2016	2017
TR 71	44,7	46,5	47,9	48,8
Turkey	45,5	46	46,3	47,1

Source: (TurkStat, 2017).

3.7.2.4. Total employment rate of the agricultural sector

As of 2017, the total employment rate of the agricultural sector is 29,2% in the TR71 region. This ratio was higher than the national average between the years 2014-2017. It has shown a downwards trend over the years.

Table 3.7. Total Employment rate of the agricultural sector by years

	2014	2015	2016	2017
TR 71	34,3	32,7	32,3	29,2
Turkey	21,1	21,6	19,5	19,4

Source: *(TurkStat, 2017).*

3.7.2.5. Total employment rate of the industry sector

As of 2017, the total employment rate of the industry sector is 21,7% in the TR71 region. This ratio was lower than the national average in between the years 2014-2017. It has shown an upwards trend over the years.

Table 3.8. Total Employment rate of the industry sector by years

	2014	2015	2016	2017
TR 71	17,8	18,3	19,8	21,7
Turkey	27,9	27,2	26,8	26,5

Source: *(TurkStat, 2017).*

3.7.2.6. Total employment rate of the service sector

As of 2017, the total employment rate of the service sector is 49,1% in the TR71 region. This ratio was lower than the national average in between years 2014-2017.

Table 3.9. The total employment rate of the service sector by years (%)

	2014	2015	2016	2017
TR 71	47,9	48,9	47,9	49,1
Turkey	51	52,2	53,7	54,1

Source: *(TurkStat, 2017).*

3.7.2.7. The number of establishments registered to SSI

As of 2016, when the data in the table are examined, the number of establishments registered to the Social Security Institution in the TR71 region was 26.750. It has shown an upwards trend over the years (Social Security Institution, 2016).

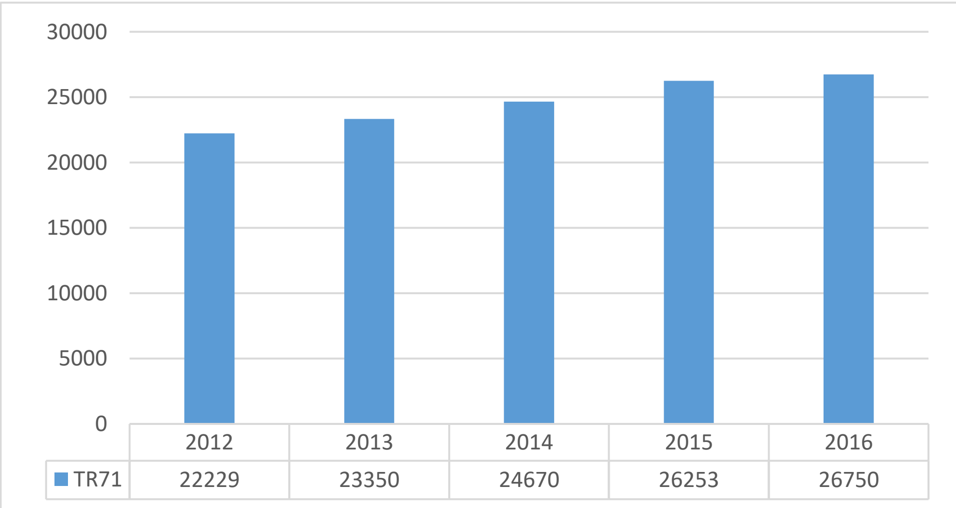


Figure 3.1. The number of firms registered to SSI

3.7.2.8. The number of employees registered to SSI

As of 2016, when the data in the table were examined, the number of employees registered to Social Security Institution in the TR71 region was 179.729. It has shown an upwards trend from 2012 to 2015. Hovewer, it experienced a downwards trend in 2016 (Social Security Institution, 2016).

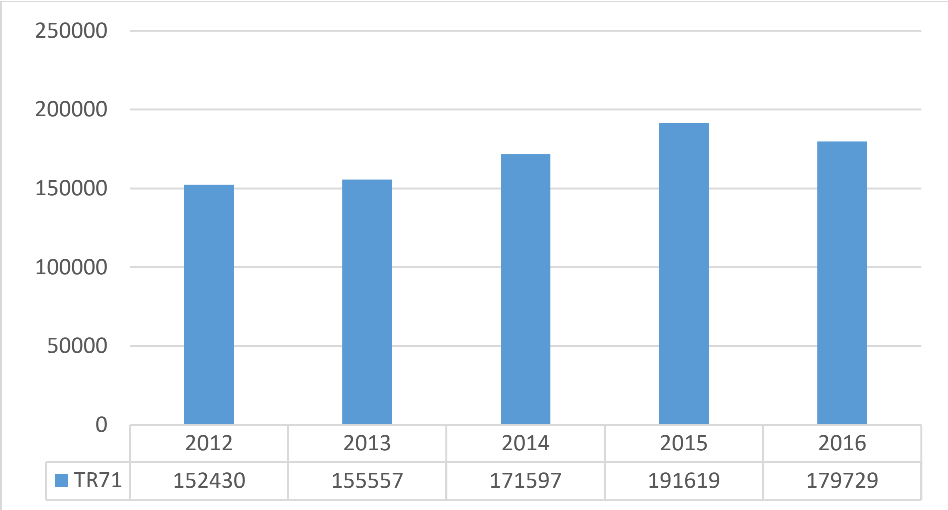


Figure 7. The number of employees registered to SSI

3.7.3. Foreign Trade

According to the table, foreign trade of TR71 increased from 2013 to 2015. There was a decrease in 2015, but after 2016 there was an increase. But in 5 years there was no significant increase in the export market. The volume of TR71 exports increased to 428, 9 million USD in 2017 from 416,6 million USD in 2013. Also import increased to 433,6, million USD in 2017 from 327, 6 million USD in 2013. The total trade volume accounted for 862.5 million USD in 2017.

Table 3.10. Export and import by years

	Years	Import (Bin $)	Export (Bin $)
TR71	2013	327.621	416.608
	2014	350.564	428.505
	2015	340.441	355.551
	2016	357.059	376.635
	2017	433.623	428.945
Turkey	2013	251.661.250	151.802.637
	2014	242.177.117	157.610.158
	2015	207.234.359	143.838.871
	2016	198.617.392	142.544.457
	2017	233.791.662	157.055.371

Source: (TurkStat, 2017)

3.7.3.1. Leading sectors for TR71 exports

According to TurkStat, the first 5 product groups exported from TR71 region in 2017 were plastics and rubber products, machinery and equipment not elsewhere classified, food products and beverages, metal goods industry (except machinery and equipment), chemical substances and products.

Table 3.11. TR71 Region's top 5 product groups (2017)

Product Group	Amount (Usd)
Plastic and rubber products	166.460.358
Machinery and equipment not elsewhere classified	57.297.458
Food products and beverages	52.148.173
Metal goods industry (except machinery and equipment))	40.439.380
Chemical substances and products	33.054.418

Source: *(TurkStat, 2017).*

3.7.3.2. The top five countries in which exports are made

As of 2017, when the data in the table were analyzed, the first five countries which the most export was made from TR71 region were Iraq, Germany, USA, Iran and Egypt, respectively. It can be seen that the country we make exports the most among these countries is Iraq with about 30 million Usd.

Table 3.12. Top 5 countries exported most from TR71 (2017)

Country Name	Amount (Usd)
Iraq	29.396.862
Germany	26.617.751
The United States	26.036.018
Iran	21.295.005
Egypt	21.208.522

source : (TurkStat, 2017)

3.7.4. Indicators of Innovation

According to the Oslo manual, innovation is defined as ‘‘the implementation of a new or significantly improved product (good or service), or process, a new marketing method, or a new organizational method in business practices, workplace organization or external relations’’ (OECD, 2005). According to this definition, there are 4 types of innovation (product, process, marketing and organizational innovation). Innovative indicators such as Patents, Utility models, Trademark and Industrial design, which are generally referred to as industrial property rights, are used to measure the types of innovations (Ministry of Development, 2017).

3.7.4.1. The number of patent and utility model applications

The table gives information about the number of patent and utility model application numbers. It can be seen that the number of patent applications did not increase much between 2013-2017. The patent numbers are still low. The number of patent applications decreased from 37 in 2013 to 27 in 2017. In addition, there was no remarkable difference in the number of utility model applications between 2013 and 2017. 29.971 patent applications were made in Turkey between 2013 and 2017 years, and 17.092 utility model applications were made in the same years.

Table 3.13. The Number of patent and utility model applications by years

Year	Patent Application Numbers		Utility Model Application Numbers	
	TR71	Turkey	TR71	Turkey
2017	27	8.625	21	3256
2016	28	6.445	21	3457
2015	31	5.512	14	3451
2014	14	4861	13	3474
2013	37	4.528	22	3454
Toplam	137	29.971	91	17.092

Source: (Turkish Patent Institute, 2017).

3.7.4.2. The number of trademark and industrial design applications

The table gives information about the number of trademark and industrial design applications. When we examine the provinces of the TR71 region in terms of trademark and industrial design application, which is one of the indicators of innovation, it can be seen that 2.726 Trademark application and 157 industrial applications were made between 2013-2017. When we compare 2016 with 2017, there was a 137 increase in trademark applications and as of 2017, 631 applications were realized in the TR71 region. Moreover, 61 industrial design application numbers were made in 2017 with an increase of 38 compared to 2016. 487.083 trademark applications were made in Turkey between 2013 and 2017 years, and 41.806 industrial design applications were made in the same years.

Table 3.14. The Number of trademark and industrial design applications by years

Year	Number Of Trademark Applications		Number Of Applications For Industrial Design	
	TR71	Turkey	TR71	Turkey
2017	631	106.099	61	8.533
2016	494	94.575	23	8.371
2015	495	95.962	28	8.291
2014	571	97.142	18	8.395
2013	535	93.305	27	8.216
Toplam	2.726	487.083	157	41.806

Source: (Turkish Patent Institute, 2017).

3.7.5. The Number of Established and Closed Companies

This table gives information about the number of established and closed companies in the TR71 region. 2.871 companies were established in the TR71 region between 2013-2017. On the other hand, 585 companies have been closed within the same years. When we compare the TR71 region with Turkey, the percentage of the established and closed companies is 0,9% and 0,8%, respectively.

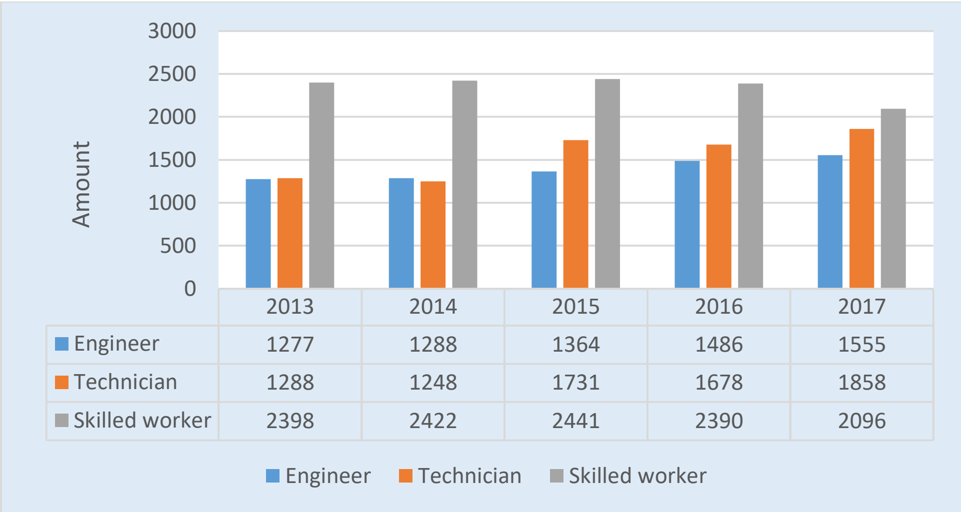
Table 3.15. The Number of established and closed companies

Year	Number of Established Companies		Number of Closed Companies	
	TR71	Turkey	TR71	Turkey
2017	665	73.783	99	14.701
2016	646	63.709	111	11.038
2015	668	66.701	86	12.114
2014	476	57.710	129	14.002
2013	416	49.028	160	15.538
Toplam	2871	310.931	585	67.393

Source: (TOBB, 2017)

3.7.6. Industrial Capacity Report Data

According to the capacity reports between 2013-2017, the number of engineers increased from 1.277 to 1.555 in 2017, the number of technicians increased from 1.288 to 1.858, and the number of skilled craftsmen increased from 2.398 to 2.096 (TOBB, 2017).



	2013	2014	2015	2016	2017
Engineer	1277	1288	1364	1486	1555
Technician	1288	1248	1731	1678	1858
Skilled worker	2398	2422	2441	2390	2096

Figure 3.3. Capacity report personnel change by years

3.7.7. Financial Indicators

In this part of the study we explained the amount of deposit, credit and savings per person, which is the financial indicators of the region of TR71.

3.7.7.1 Amount of deposit per person

According to figures, while the amount of deposits per capita in 2013 was 5.241 TL in the TR71 region, this amount increased by 60% to 8.392 TL in 2017. In general, the TR71 region follows a trend above Turkey's average in terms of the amount of deposits per capita (BDDK, 2017).

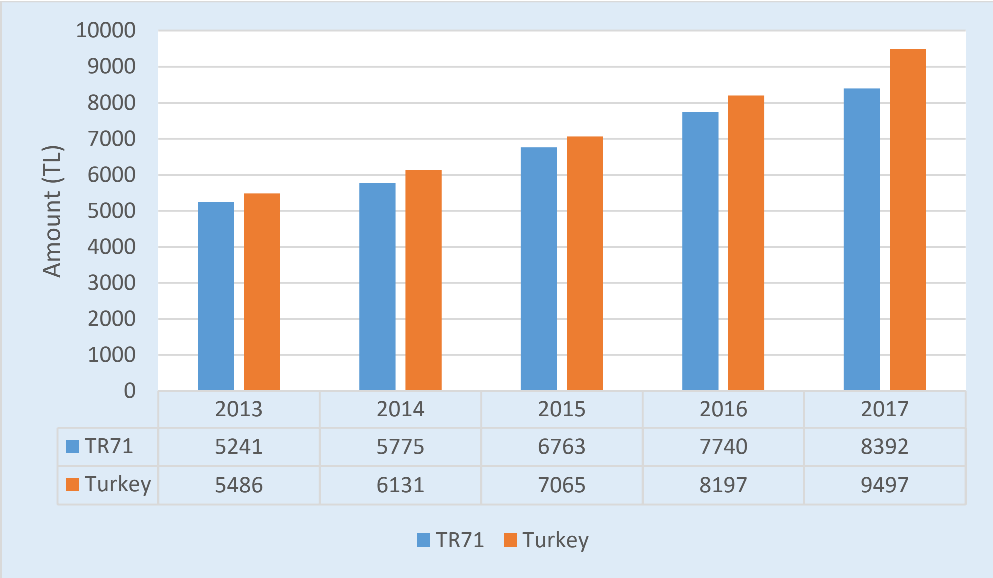


Figure 3.4. Deposit amount per person by years

3.7.7.2. The credit amounts per person

According to figures, while the amount of cash loans per capita in 2013 was 6.480 TL in the TR71 region, it reached 12.186 TL with an 88% increase in the last five years. The TR71 region is behind the Turkish average in terms of the amount of credit loans per capita (BDDK, 2017).

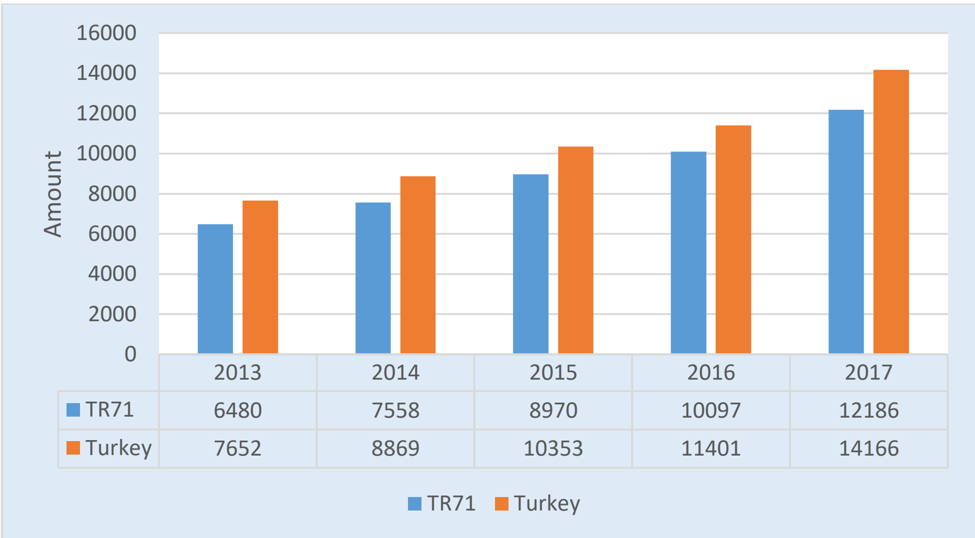


Figure 3.5. Credit amounts per person by years

3.7.7.3. The amount of savings per person

TR71 region generally shows a linear increase in terms of amount of savings per capita within the recent years. While the figure was 4.259 TL in 2013, this figure reached 6.684 TL with a 57% increase in savings amount by 2017. In general, the amount of savings per capita in the TR71 region is increasing and Turkey is looking closer to the average (BDDK, 2017).

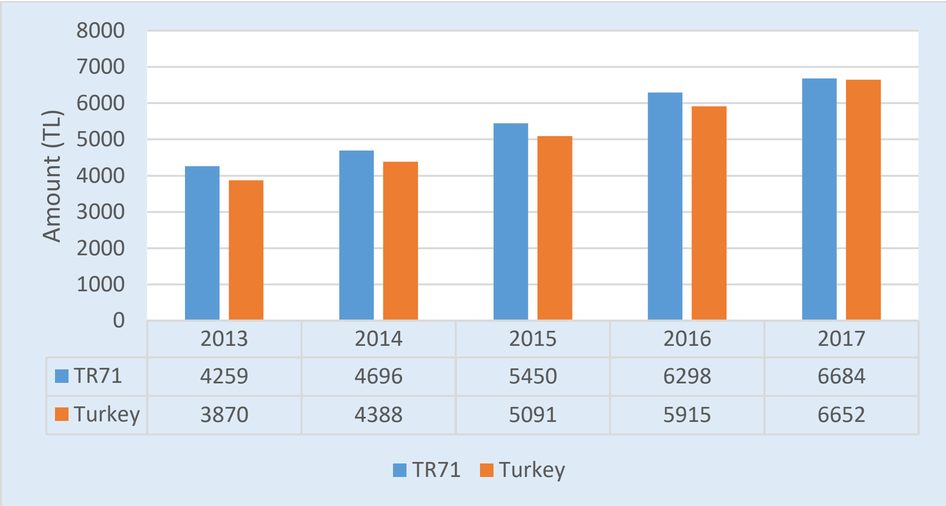


Figure 3.6. Saving amounts per person by years

3.8. SOME FEATURES OF COMPANIES SUPPORTED BY AHİDA

In this part of the study we provide information about establishment places and dates of the companies, sectoral distribution of companies, scale of companies, the company's turnover in the last 1 year and the market area of companies supported by the Development Agency according to the results obtained from the survey.

3.8.1. Company Establishment Date and Location

The Figure 3.7. provides information about percentages of company's establishment dates in the TR71 sub-region which consists of five provinces (Aksaray, Kırıkkale, Kırşehir, Niğde ve Nevşehir). While it can be seen that 71% of the companies which make up the majority of the surveyed companies was established in 1991 and later, 19.1% of the companies were set up between 1950 and 1990. 10% of the companies participating in the survey left the establishment history question unanswered.

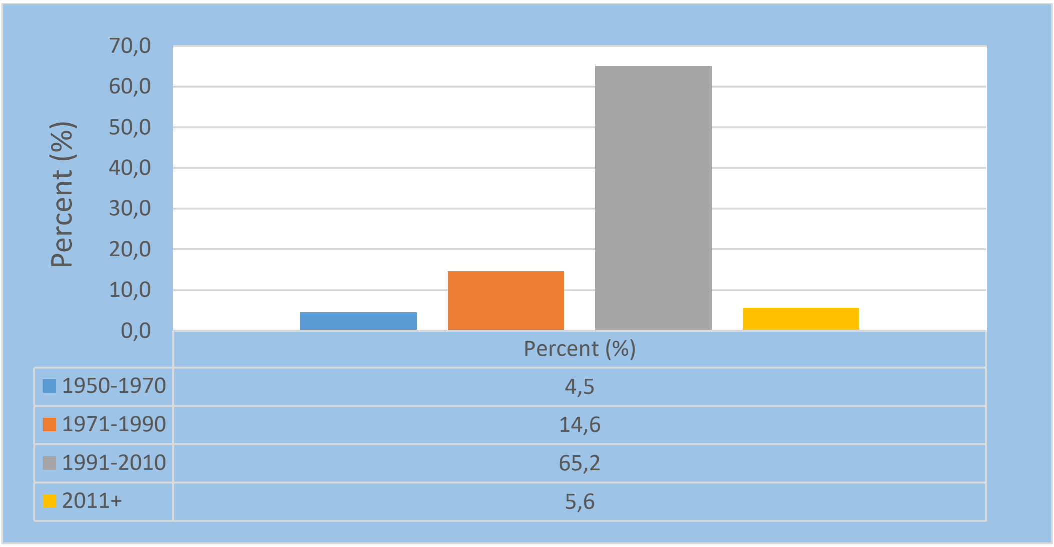


Figure 3.7. Company establishment dates

The Figure 3.8. illustrates company establishment locations in TR71. A total of 87 companies including Niğde (23,6%), Aksaray (22.5%), Nevşehir (22,5%), Kırıkkale (15,7%) and Kırşehir (15,7%) contributed to the survey in the region.

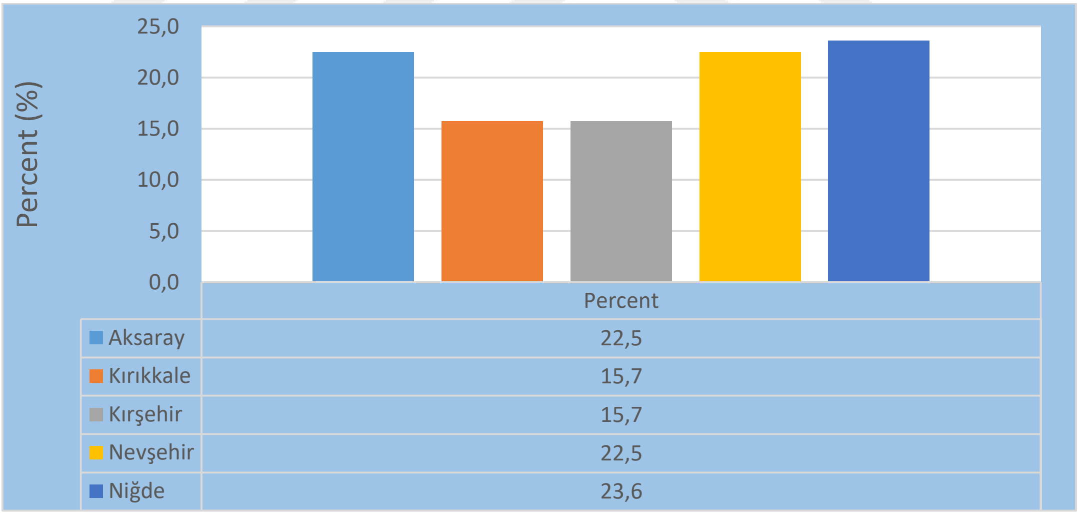


Figure 3.8. Distribution of number of firms participating in survey

3.8.2. Sectoral Distribution of Supportive Firms

As we can see from the graph, among the companies participating in the survey, 58,4% were from the manufacturing/industry sector, 24,7% were from the food and agriculture sector, 16,9% from the service and tourism sector.

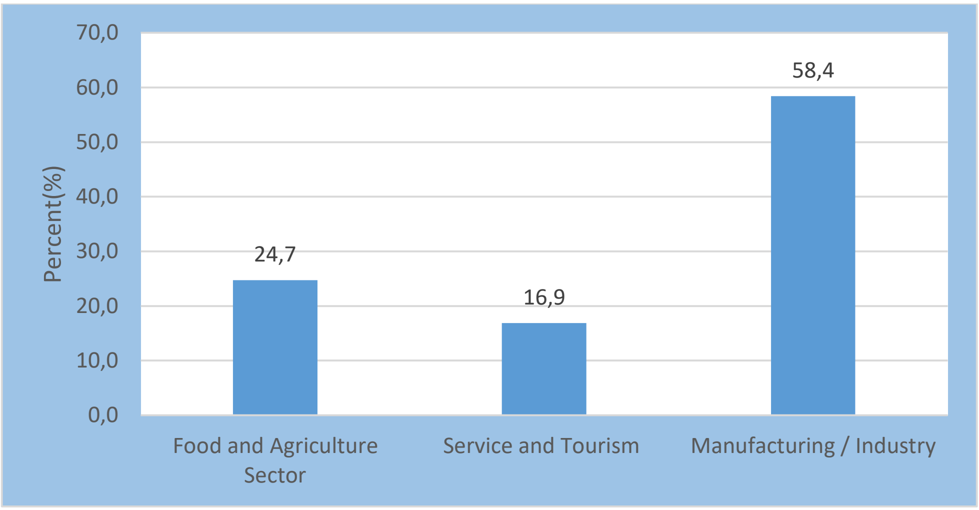


Figure 3.9. Sectoral distribution of supportive firms in TR 71

3.8.3. The number of Employees and the Scale of Firms

The Figure 3.10. demonstrates the scale of companies of different sizes, in TR71 small companies, the ones employing between 10 and 50 employees, are responsible for the largest share of employment (57%). Micro, medium and large companies account for 17%, 14% and 12% of total employment, respectively.

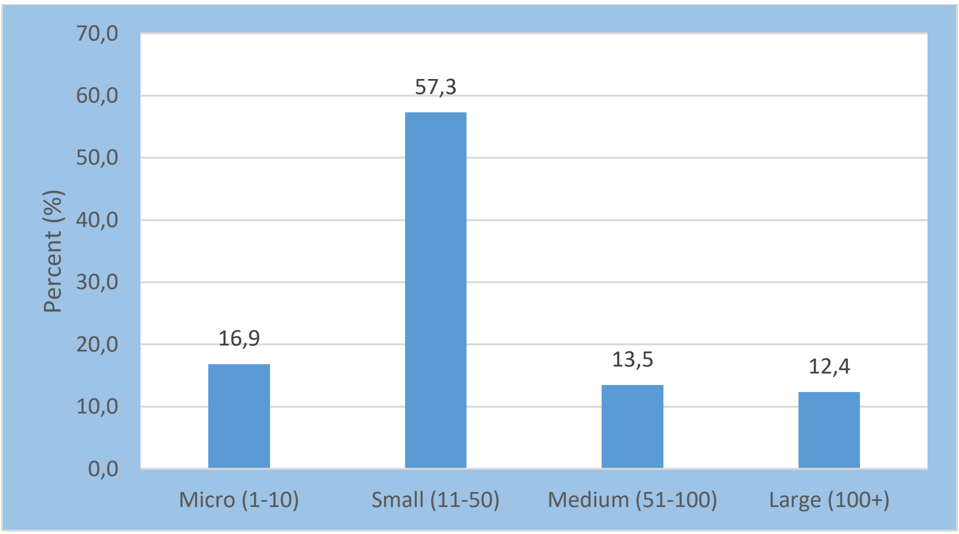


Figure 3.10. The number of employed persons in the last 1 year

3.8.4. The company's Turnover in the Last 1 Year

The Figure 3.11. illustrates the percentage of company's turnover in the last 1 year. The answering of our question by the companies accounted for 96,5%. We can see that small companies made up for the largest share of turnover (57,3). Micro, medium and large companies accounted for 17%, 14% and 12% of total turnover, respectively.

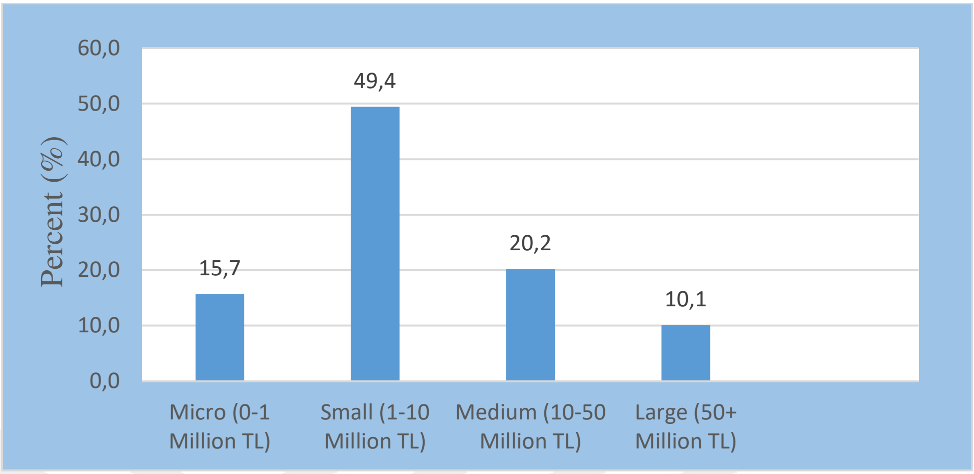


Figure 3.11. The scale of the support companies (turnover)

3.8.5. The market Area of Firms

We asked to surveyed firms where their market area was. According to the answers for the question in Table 3.16. the majority of the participants (70,8%) stated that they had a market share throughout Turkey. Abroad export (29,2%) followed these. Only local province and only TR71 region had the smallest share.

Table 3.16. The market area of firms

		Percent (%)
Only Local Province	Yes	12,4
	No	87,6
Only TR71 Region	Yes	15,7
	No	84,3
Turkey	Yes	70,8
	No	29,2
Abroad Export	Yes	29,2
	No	70,8

CHAPTER FOUR
FINDINGS

4.1. FINDINGS

This section includes the findings and comments obtained by analyzing the data in line with the research questions. Three questions were investigated in the research. Firstly, how the distribution of some indicators was such as turnover, employment, export, R & D and innovation, openness to new markets and market share according to sector, company location and employment of firms in the last year; Secondly, how the distribution of participatory firms ' opinions was on the supports offered by the Development Agency; and finally, assessments have been made about the attractiveness, productivity and effectiveness of the Agency supports and the distribution of the opinions of the participating companies.

4.1.1. Changes in Some Indicators of Firms According to Sector

In this section, cross-tab analysis is used to investigate changes in some key features of firms after using Agency support and the connections between the sector in which firms operate and turnover, employment, export, R & D and innovation, openness to new markets and market share.

4.1.1.1. The connections between the sector and turnover

The Figure 4.1. demonsrates distributions of the sector in which the firms operate and the turnover of the companies which participated in the survey. According to these results, a large majority of companies participating in the survey expressed an increase of between 11 and 25 percent. When the sectors are examined, it is observed that the most increases in turnover were experienced in the manufacturing sector. Although nearly 10 companies in the service and tourism and manufacturing sectors stated that there was no increase in turnover, there was an increase in all companies in the food and agriculture sectors.

In addition, some companies in the food and agriculture and manufacturing sectors experienced an increase over 51%, while services and tourism sectors did not have an increase over 51% in any company.

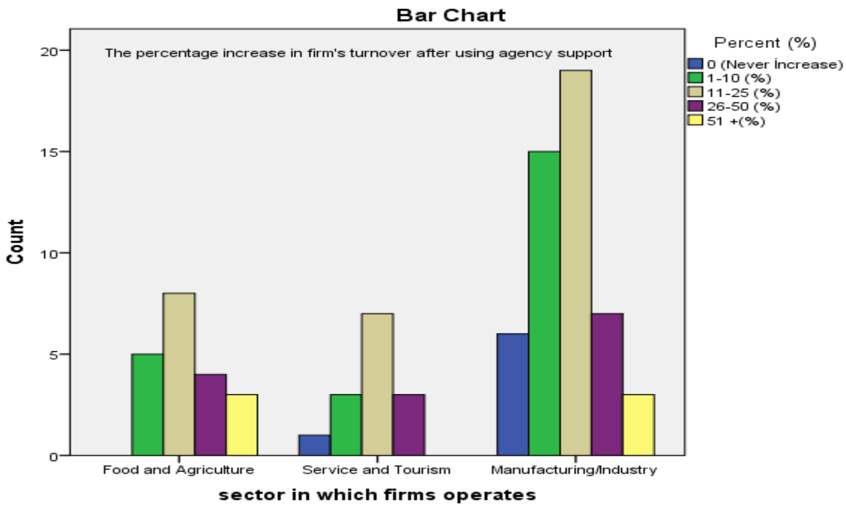


Figure 4.1. The changes in the turnover according to sectors

4.1.1.2. The connections between the sector and employment

The Figure 4.2. demonsrates distributions of the sector and the employment of the companies which participated in the survey. According to these results, a large majority of companies participating in the survey expressed an increase of between 1 and 10 percent. When the sectors are examined, it is observed that the most increases in employment are experienced in the manufacturing sector. Although nearly 10 companies in the service and tourism and manufacturing sectors stated that there was no increase in employment, there was an increase in all companies in the food and agriculture sectors.

In addition, some companies in the food and Agriculture and manufacturing sectors experienced an increase over 51% in employment, while services and tourism sectors did not have an increase over 51% in any company.

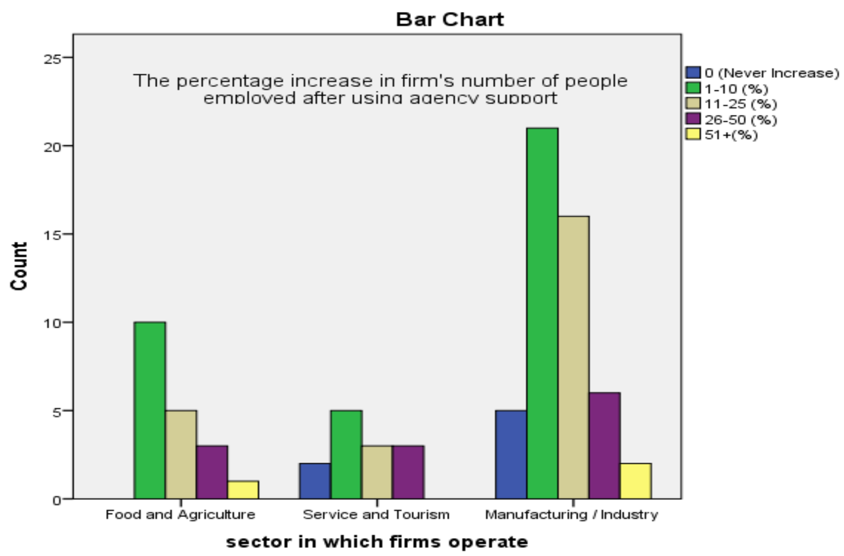


Figure 4.2. The changes in the employment according to sectors

4.1.1.3. The connections between the sector and export

The Figure 4.3. demonsrates distributions of the sectors and the export of the companies which participated in the survey. According to these results, a large majority of companies participating in the survey stated that there was no increase in exports. When the sectors are examined, it is observed that the most increases in export are experienced in the manufacturing sector. While service and tourism sectors did not have an increase over 11% in the export, some companies in agriculture and food and manufacturing sectors expressed an increase over 50%.

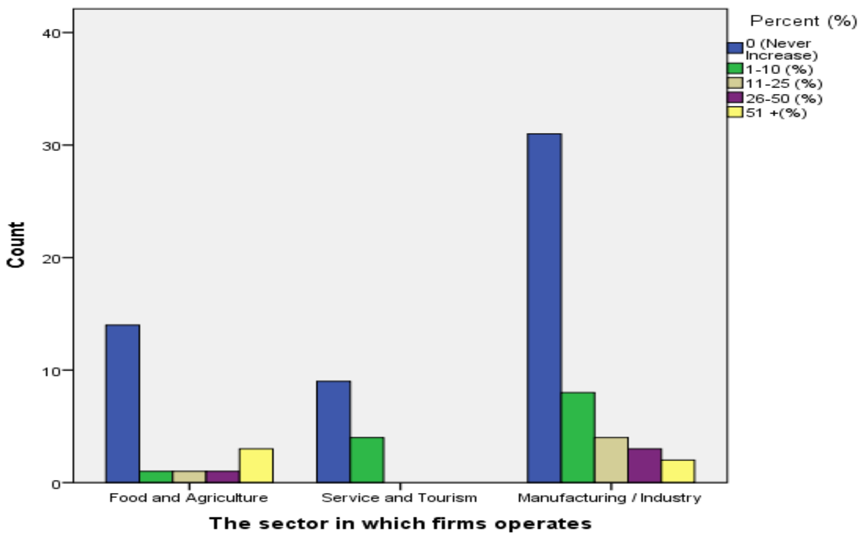


Figure 4.3. The changes in the export according to sectors

4.1.1.4. The connections between the sector and R & D and innovation

The Figure 4.4. demonsrates distributions of the sector and R & D and innovation of the companies which participated in the survey. According to these results, a large majority of companies participating in the survey stated that there was no increase in R & D and innovation. When the sectors are examined, it is observed that the most increases in R & D and innovation are experienced in the manufacturing sector. While service and tourism sectors did not have an increase over 26% in the R & D and innovation, some companies in agriculture and food and manufacturing sectors expressed an increase between 25 and 50 percent. In addition, no company has experienced an increase over 50%.

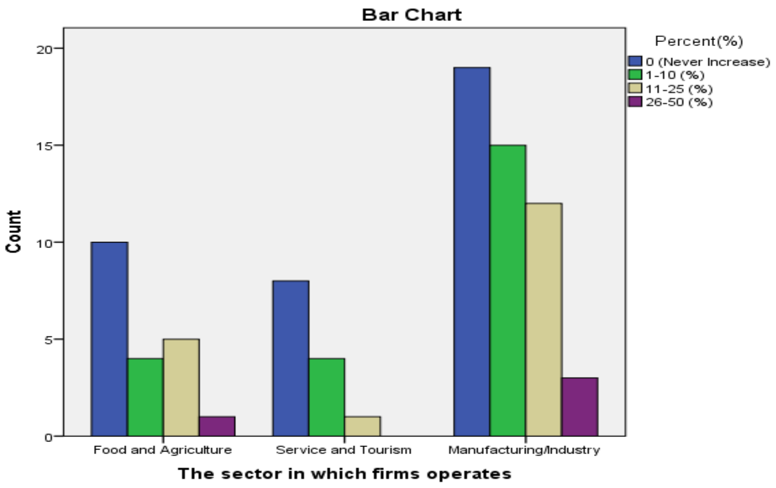


Figure 4.4. The changes in the R & D and innovation according to sectors

4.1.1.5. The connections between the sector and openness to new markets

The Figure 4.5. demonsrates distributions of the sector and openness to new markets of the companies which participated in the survey. According to these results, a large majority of companies participating in the survey expressed an increase of between 11 and 25 percent. When the sectors are examined, it is observed that the most increases in openness to new markets are experienced in the manufacturing sector.

In addition, some companies in the food and agriculture and manufacturing sectors experienced an increase over 51% in employment, while services and tourism sectors did not have an increase over 51% in any company.

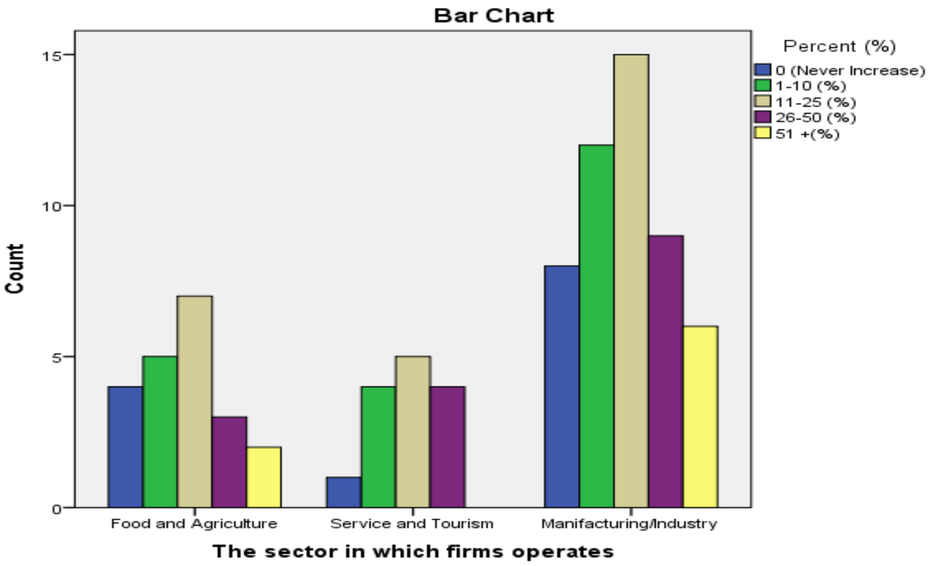


Figure 4.5. The changes in the opening to new markets according to sectors

4.1.1.6. The connections between the sector and market share

The Figure 4.6. demonsrates distributions of the sector and market share of the companies which participated in the survey. According to these results, a large majority of companies participating in the survey expressed an increase of between 1 and 10 percent. When the sectors are examined, it is observed that the most increases in market share are experienced in the manufacturing sector.

In addition, some companies in the food and agriculture and manufacturing sector experienced an increase over 51%, while services and tourism sectors did not have an increase over 51% in any company.

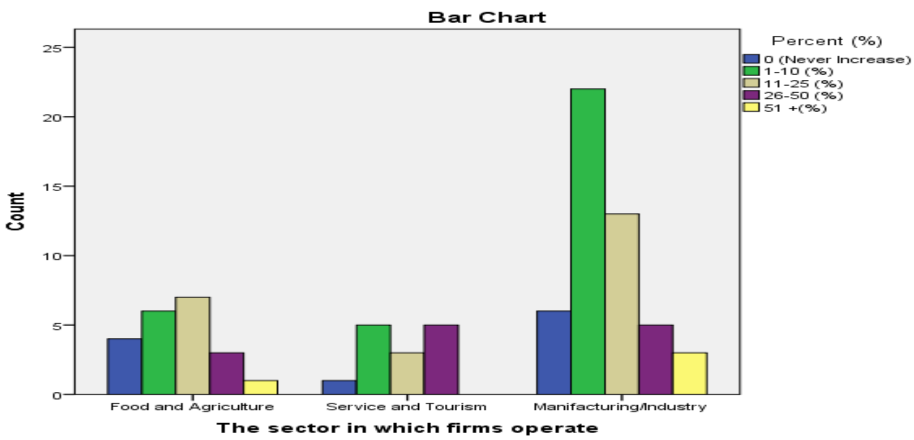


Figure 4.6. The changes in the market share according to sectors

4.1.2. Changes in Some Indicators of Firms According to Company Location

In this section, cross-tab analysis is used to investigate changes in some key features of firms and the connections between company location and turnover, employment, export, R & D and innovation, openness to new markets and market share.

4.1.2.1. The connections between company location and turnover

Figure 4.7. demonsrates distributions of company location and turnover of the companies which participated in the survey. According to these results, a large majority of companies participating in the survey expressed an increase of between 11 and 25 percent in the turnover. When the firms are examined according to their place of establishment, some firms in Aksaray, Kırıkkale and Nevşehir did not experience any increase, while some firms in Niğde and Kırşehir have expressed an increase.

In addition, some companies in Kırıkkale, Nevşehir and Niğde experienced an increase over 51% in turnover, while companies in Aksaray and Kırşehir did not have an increase over 51% in any company.

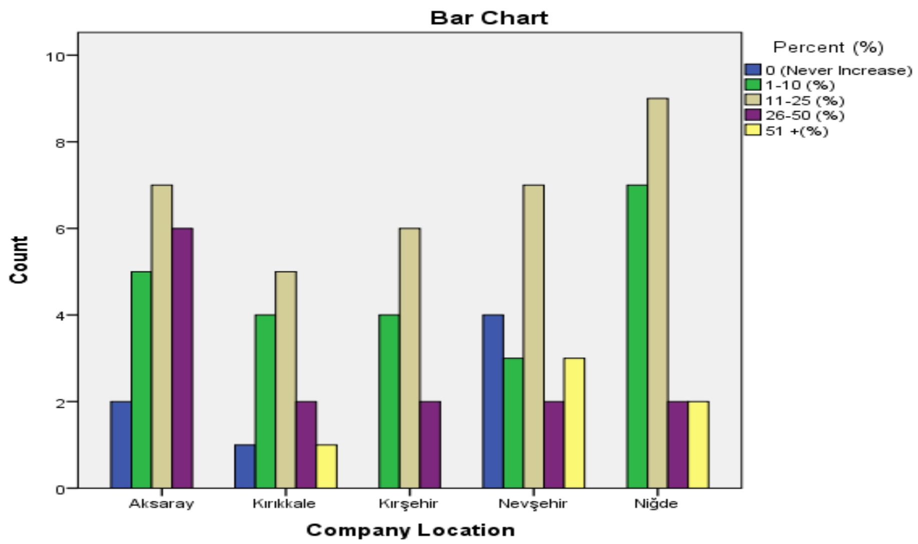


Figure 4.7. The changes in the turnover according to company location

4.1.2.2. The connections between company location and employment

The Figure 4.8. demonsrates distributions of company location and employment of the companies which participated in the survey. According to these results, while a large majority of companies in Aksaray, Kırşehir, Niğde participating in the survey expressed an increase of between 1 and 10 percent in the employment, companies in Kırıkkale stated an increase of between 11 and 25 percent. When the firms are examined according to their place of establishment, although some firms in Aksaray, Kırıkkale, Nevşehir and Niğde did not experience any increase in employment after using Agency financial support, most of firms in Kırşehir have expressed an increase.

In addition, some companies in Aksaray and Niğde experienced an increase over 51% in employment, while companies in Kırıkkale, Nevşehir and Kırşehir did not have an increase over 51% in any company.

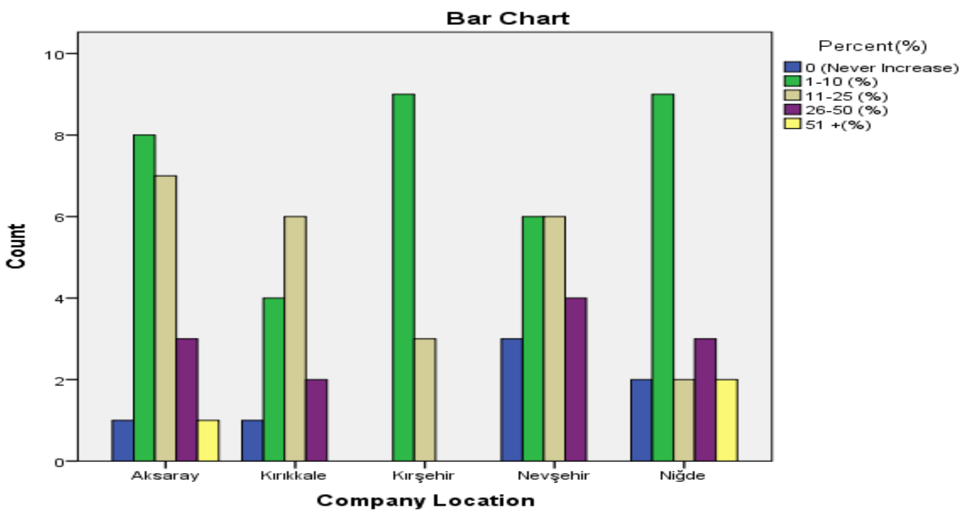


Figure 4.8. The changes in the employment according to company location

4.1.2.3. The connections between company location and export

The Figure 4.9. demonsrates distributions of company location and exports of the companies which participated in the survey. According to these results, a large majority of companies in Aksaray, Kırıkkale Kırşehir, Nevşehir and Niğde participating in the survey did not experience any increase in the exports. When the firms are examined according to their place of establishment, it is observed that the majority of firms have expressed no increase in exports in Aksaray province.

In addition, some companies in Kırşehir and Nevşehir experienced an increase over 51% in export, while companies in Aksaray, Kırıkkale and Niğde did not have an increase over 51% in any company.

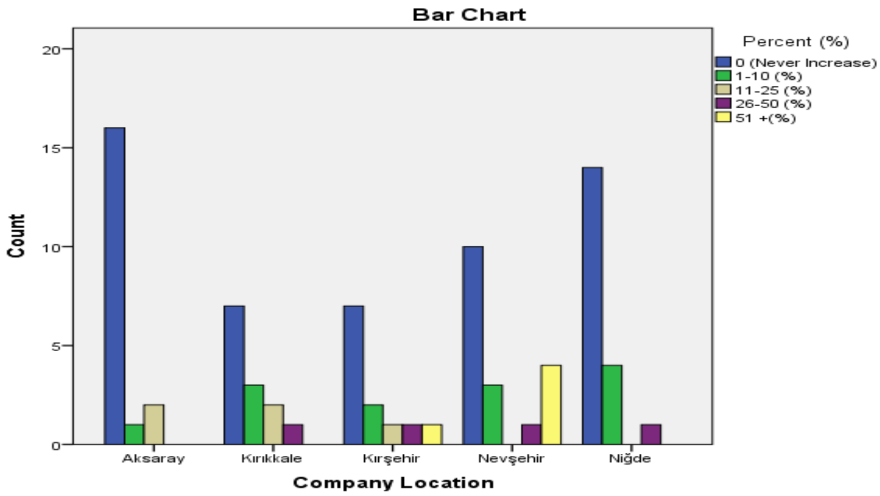


Figure 4.9. The changes in the export according to company location

4.1.2.4. The connections between company location and R & D and innovation

The Figure 4.10. demonsrates distributions of company location and R & D and innovation of the companies which participated in the survey. According to these results, a large majority of companies in Aksaray, Kırıkkale Kırşehir, Nevşehir and Niğde participating in the survey did not experience any increase in the R & D and innovation. When the firms are examined according to their place of establishment, it is observed that the majority of firms expressed no increase in R & D and innovation in Nevşehir and Niğde province. In addition, there was no increase over 51% in all provinces.

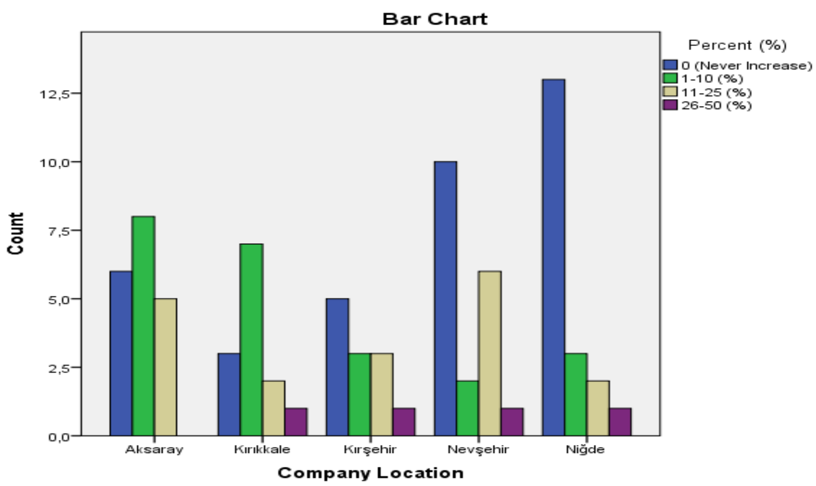


Figure 4.10. The changes in the R & D and innovation according to company location

4.1.2.5. The connections between company location and opening to new markets

The Figure 4.11. demonsrates distributions of company location and opening to new markets of the companies which participated in the survey. According to these results, while a large majority of companies in Aksaray, Kırıkkale and Nevşehir participating in the survey expressed an increase of between 11 and 25 percent in the opening to new markets, companies in Kırşehir and Niğde stated an increase of between 1 and 10 percent. When the firms are examined according to their place of establishment, although some firms in Aksaray, Nevşehir and Niğde did not experience any increase in employment after using Agency financial support, most of firms in Kırıkale and Kirşehir have expressed an increase.

In addition, some companies in Kırıkkale, Nevşehir, Kırşehir and Niğde experienced an increase over 51% in openness to new markets, while companies in Aksaray did not have an increase over 51% in any company.

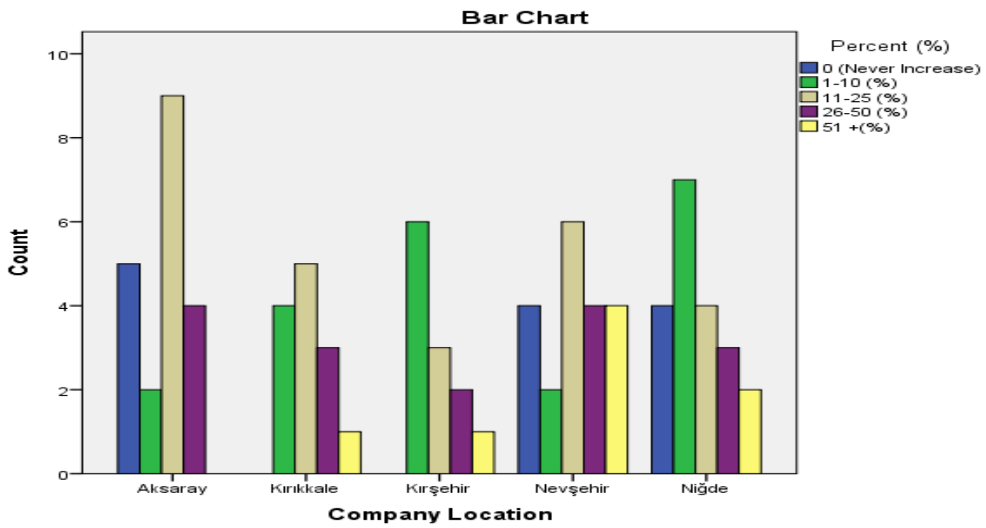


Figure 4.11. The changes in the openness to new markets according to company location

4.1.2.6. The connections between company location and market share

The Figure 4.12. demonsrates distributions of company location and market sahare of the companies which participated in the survey. According to these results, a large majority of companies in Aksaray, Kırıkkale, Kırşehir, Nevşehir and Niğde participating in the survey expressed an increase of between 1 and 10 percent in the market share. When the firms are examined according to their place of establishment, although some firms in Aksaray, Kırıkkale Nevşehir and Niğde did not experience any increase in market share after using Agency financial support, most of firms in Kirşehir have expressed an increase.

In addition, some companies in Nevşehir, Kırşehir and Niğde experienced an increase over 51% in market share, while companies in Aksaray and Kırıkkale did not have an increase over 51% in any company.

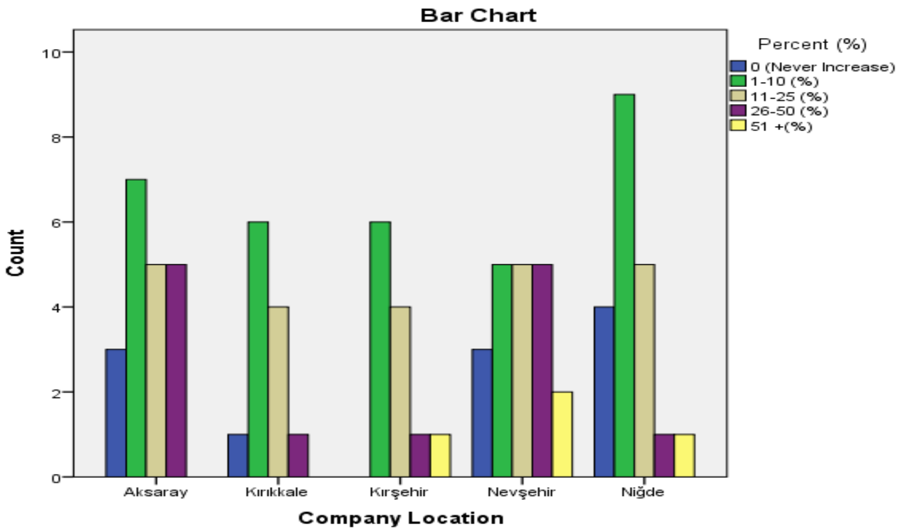


Figure 4.12. The changes in the market share according to company location

4.1.3. Changes in Some Indicators of Firms According to Number of Employees in the Last Year

In this section, cross-tab analysis is used to investigate changes in some key features of firms after using agency support and the connections between number of employees of the company in the last year and turnover, employment, export, R & D and innovation, openness to new markets and market share.

4.1.3.1. The connections between number of employees of the company in the last year and turnover

The Figure 4.13. demonsrates distributions of the number of employees of the company in the last year and turnover of the companies which participated in the survey. According to these results, while the majority of firms, which the number of persons employed is between 1-10, 11-50 and 51-100, had an increase of between 11 and 25 percent in their turnover, the firms, which the number of persons employed is over 101, had an increase of between 1 and 10 percent. When the firms are examined according to their number of employees in the last year, it is observed that the most increases in turnover are experienced in the number of employed from 11 to 50. Although approximately 7 firms, which the number of persons employed is between 1-10, 11-50 and 101+, stated that there was no increase in turnover, the firms, which the number of persons employed is between 51 and 100, expressed no increase.

In addition, some companies, which the number of persons employed is between 1-10 and 11-50 experienced an increase over 51% in turnover, other firms, which the number of persons employed is between 51-100 and over 100 did not have an increase over 51% in any company.

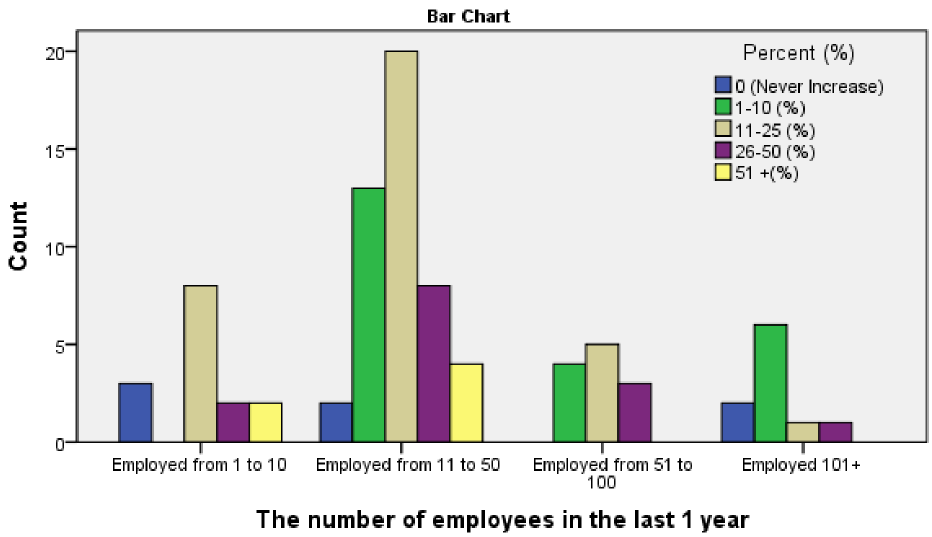


Figure 4.13. The changes in the turnover according to the number of employees

4.1.3.2. The connections between the number of employees of the company in the last year and employment

The Figure 4.14. demonsrates distributions of the number of employees of the company in the last year and employment of the companies which participated in the survey. According to these results, while the majority of firms, which the number of persons employed is between 11-50, 51-100 and over 100, had an increase of between 1 and 10 percent in employment, the firms, which the number of persons employed is between 1 and 10, experienced an increase of between 11 and 25 percent. When the firms are examined according to their number of employees of in the last year, it is observed that the most increases in employment are experienced in employed from 11 to 50. Although approximately 7 firms, which the number of persons employed is between 1-10, 11-50 and 101+, stated that there was no increase in employment, the firms, which the number of persons employed is between 51 and 100, expressed no increase.

In addition, some companies, which the number of persons employed is between 11 and 50 experienced an increase over 51% in employment, other firms, which the number of persons employed is between 1-10, 51-100 and over 100 did not have an increase over 51% in any company.

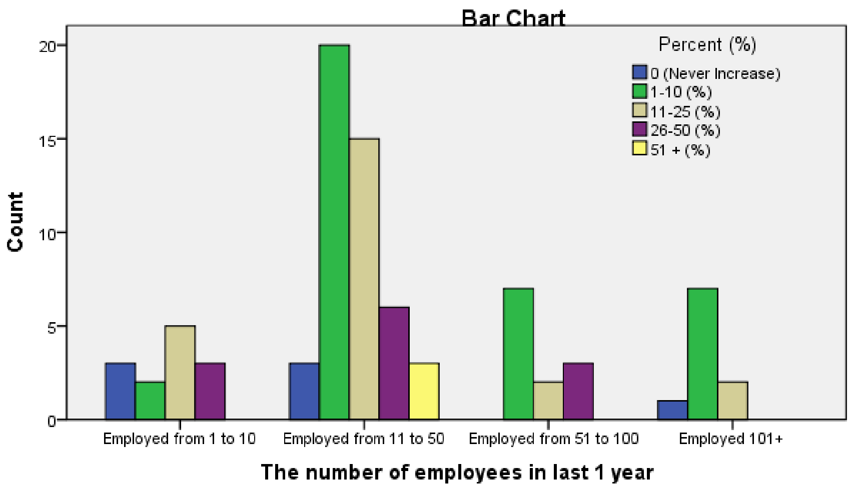


Figure 4.14. The changes in the employment of companies according to the number of employees

4.1.3.3. The connections between number of employees of the company in the last year and export

The Figure 4.15. demonsrates distributions of the number of employees of the company in the last year and export of the companies which participated in the survey. According to these results, when taken into consideration the size of employment of firms, it is observed that the most increases in export are experienced in employed from 11 to 50. Most of the firms stated that there was no increase in exports.

In addition, some companies, which the number of persons employed is between 1-10 and 11-50 experienced an increase over 51% in employment, other firms, which the number of persons employed is between 51-100 and over 100 did not have an increase over 51% in any company.

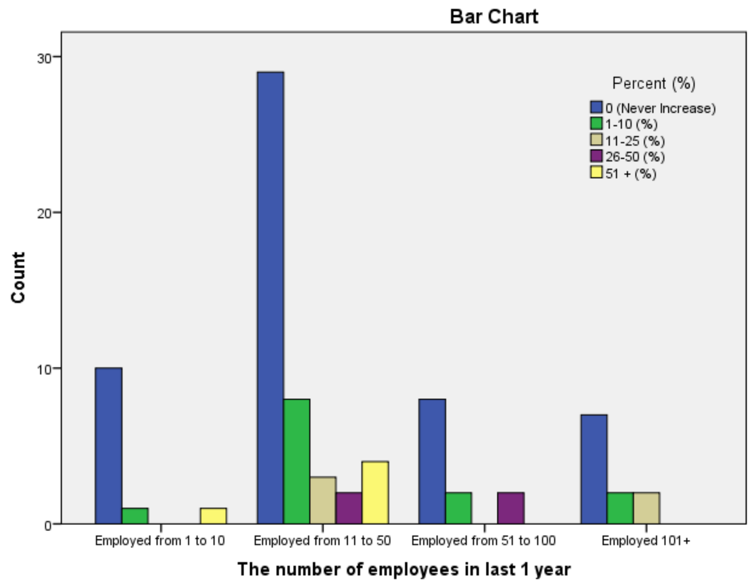


Figure 4.15. The changes in the export according to the number of employees

4.1.3.4. The connections between number of employees of the company in the last year and R & D and innovation

The Figure 4.16. demonsrates distributions of the number of employees of the company in the last year and R & D and innovation of the companies which participated in the survey. According to these results, when taken into consideration the size of employment of firms, it is observed that the most increases in R & D and innovation are experienced in employed from 11 to 50. Most of the firms stated that there was no increase in R & D and innovation.

In addition, there was no company that experienced an increase 50% or more in R & D and innovation.

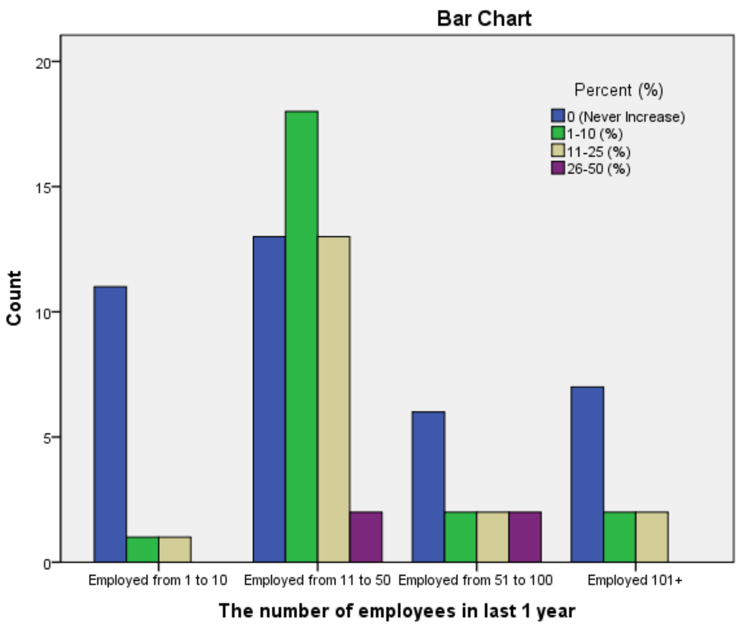


Figure 86. The changes in the R&D and inovation according to the number of employees

4.1.3.5. The connections between the number of employees of the company in the last year and openness to new markets

The Figure 4.17. demonsrates distributions of the number of employees of the company in the last year and opening to new markets of the companies which participated in the survey. According to these results, while the majority of firms, which the number of persons employed is between 1-10 and 11-50, had an increase of between 11 and 25 percent in openness to new markets, the firms, which the number of persons employed is between 51-100 and over 100 experienced an increase of between 1 and 10 percent. When taken into consideration size of employment of firms, it is observed that the most increases in openness to new markets are experienced in employed from 11 to 50.

In addition, some companies, which the number of persons employed is between 1-10 and 11-50 experienced an increase over 51% in employment, other firms, which the number of persons employed is between 51-100 and over 100 did not have an increase over 51% in any company.

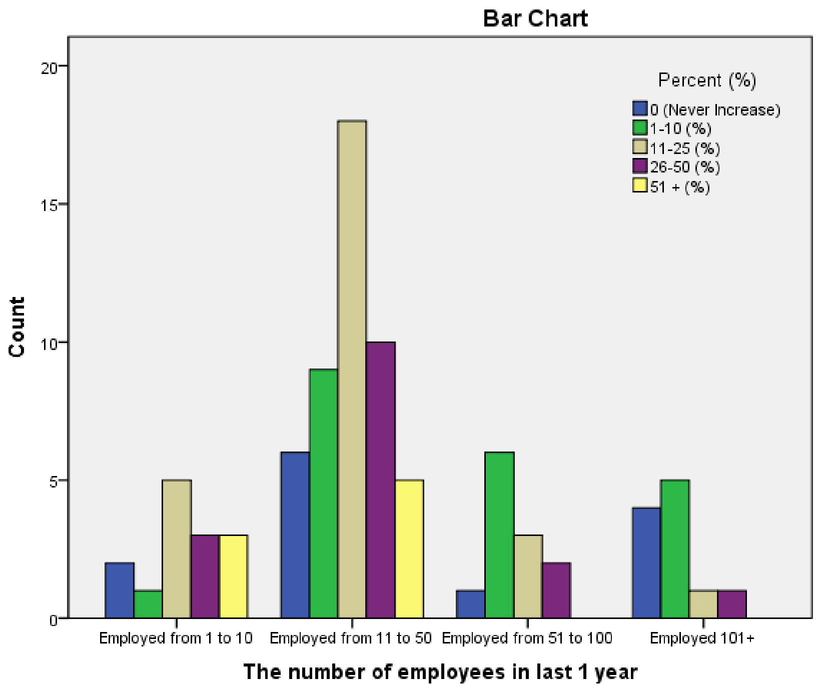


Figure 4.17. The changes in the opening to new markets according to the number of employees

4.1.3.6. The connections between the number of employees of the company in the last year and market share

The Figure 4.18. demonsrates distributions of the number of employees of the company in the last year and market share of the companies which participated in the survey. According to these results, a large majority of firms, which the number of persons employed is between 1-10, 11-50, 51-100 and over 100, had an increase of between 1 and 10 percent in market share. When taken into consideration size of employment of firms, it is observed that the most increases in market share are experienced in employed from 11 to 50. Although approximately 10 firms, which the number of persons employed is between 1-10, 11-50 and 101+, stated that there was no increase in market share, the firms, which the number of persons employed is between 51 and 100, expressed no increase

In addition, some companies, which the number of persons employed is between 1-10, 11-50 and over 100 experienced an increase over 51% in market share, other firms, which the number of persons employed is between 51 and 100 did not have an increase over 51% in any company.

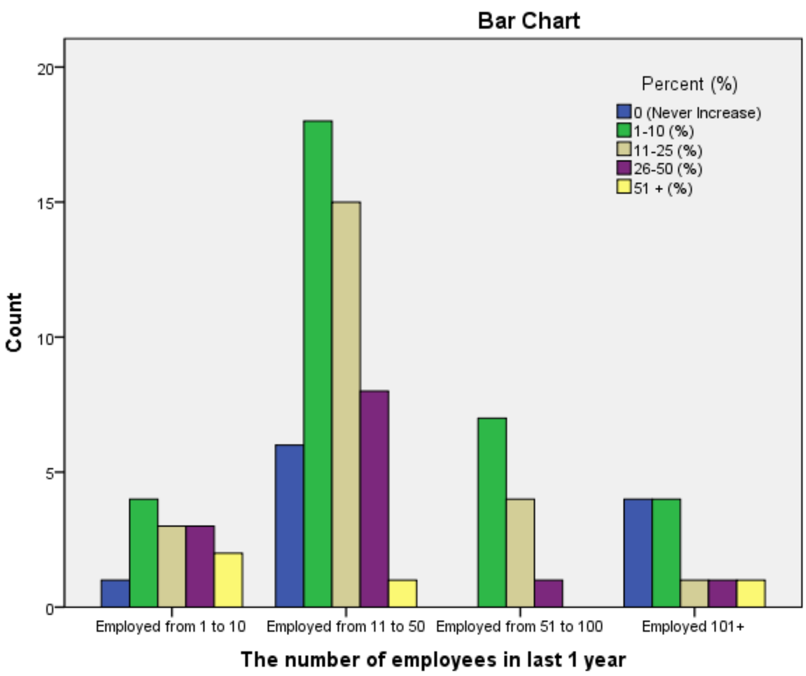


Figure 4.18. The changes in the market share according to the number of employees

4.1.4. Evaluations on productivity of agency supports

This part of the study provides information about the ways for companies to be aware of agency support programs, the attraction of agency support programs, effectiveness of communication with agency staff and problems encountered during the support process, the sufficiency of agency support programs, increases in some economic indicators of firms, the main reasons for applying for Agency supports, suitability of Agency supports to the conditions of the region, requests to reapply for Agency supports, the most important area for businesses to focus on competition and factors negatively affecting the competitiveness of firms.

4.1.4.1. Ways for companies to be aware of Agency support programs

According to survey results, 51.7% of the companies expressed that consultancy was the most effective method so as to know about the agency's support in the promotion of Agency support programs compared to agency presentation, media and other ways which consist of 41.6%, 30.3% and 15.7%, respectively.

Table 4.1. Ways for companies to be aware of Agency support programs

		Percent (%)
Agency presentation	Yes	41,6
	No	58,4
Media	Yes	30,3
	No	69,7
Consultancy	Yes	51,7
	No	48,3
Other	Yes	15,7
	No	84,3

4.1.4.2. The financial attractiveness of Agency support programs

The distribution of sample according to the question "What is your opinion on the attractiveness of agency support in terms of grant amount? is as follows: The majority of the companies (64.0 %) found the agency support attractive, (15.7%) of companies did not find it attractive, (12.4%) of companies found it very attractive, (4.5%) of companies had no idea and (3.4%) of companies found it not attractive at all.

The distribution of sample according to the question "What is your opinion on the attractiveness of agency support in terms of requested guarantee amount? is as follows: Almost half of the companies (48.3 %) found the agency 'support attractive, (22.5%) of companies had no idea, (16.9%) of companies did not find it attractive, (6.7%) of companies found it not attractive at all and (5.6%) of companies found it very attractive.

The distribution of sample according to the question "What is your opinion on the attractiveness of agency support in terms of co-financing amount? is as follows: Almost half of the companies (48.3 %) found the agency 'support attractive, (31.5%) of companies had no idea, (10.1%) of companies find it not attractive, (5.6%) of companies found it not attractive at all and (4.5%) of companies found it very attractive.

The distribution of sample according to the question "What is your opinion on the attractiveness of agency support in terms of prepayment percentage? is as follows: Approximately, 45% of the companies found the agency 'support attractive, almost quarters of the companies (23.6%) did not see agency support attractive, (18%) of companies had no idea, (9. %) of companies found it very attractive and (4.5%) of companies found it not attractive at all.

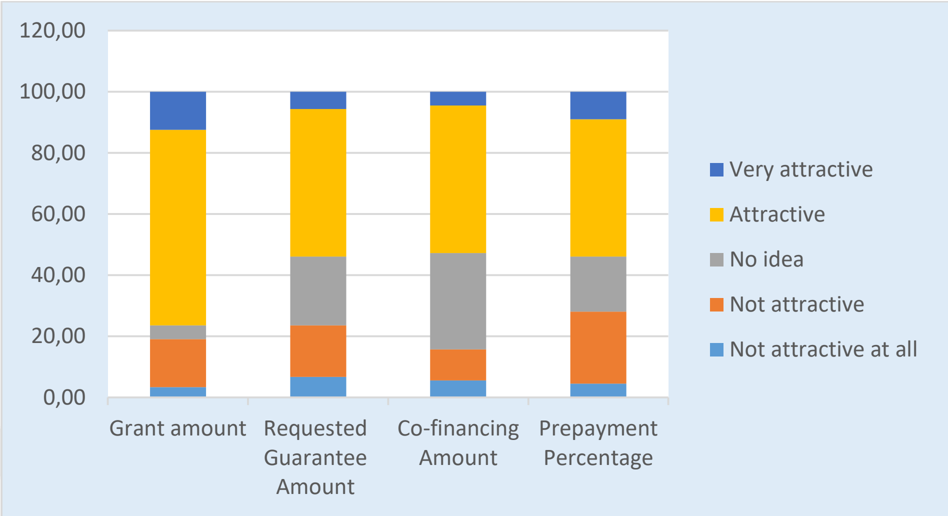


Figure 4.19. The attractivenes of the support programs according to applicants

4.1.4.3. Effectiveness of communication with Agency staff

This question measured the degree of effective communication conducted by the agency staff during the support process. When the answers were analyzed, 93,3 % of companies considered that the agency staff communicated well towards them.

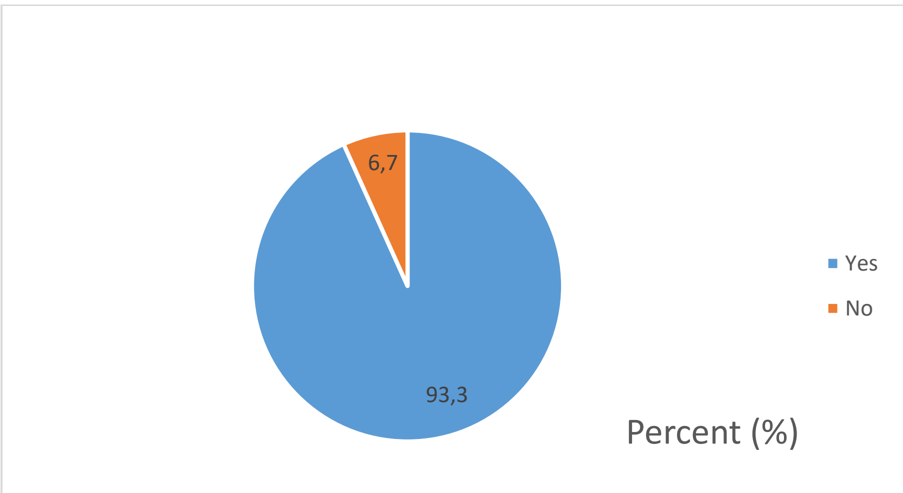


Figure 4.20. The communication of beneficiary companies with the agency staff

4.1.4.4. Problems encountered during the support process

One of the research questions in the study is ''What was the most important problem encountered during the support process?'' This question was formulated as an open ended question in the questionnaire. When the answers were evaluated, there was around 25 different responses. The most frequently repeated responses were classified as ''There was no problem'', ''Bureaucracy and Paperwork'', ''Payments'', ''Tender process and Purchases'', ''Other''. As it is indicated, more than half of the companies (53.9%) expressed that they had no problem during the support process. However, some companies claimed that they had some problems such as bureaucracy and paperwork, payments, tender process and purchases.

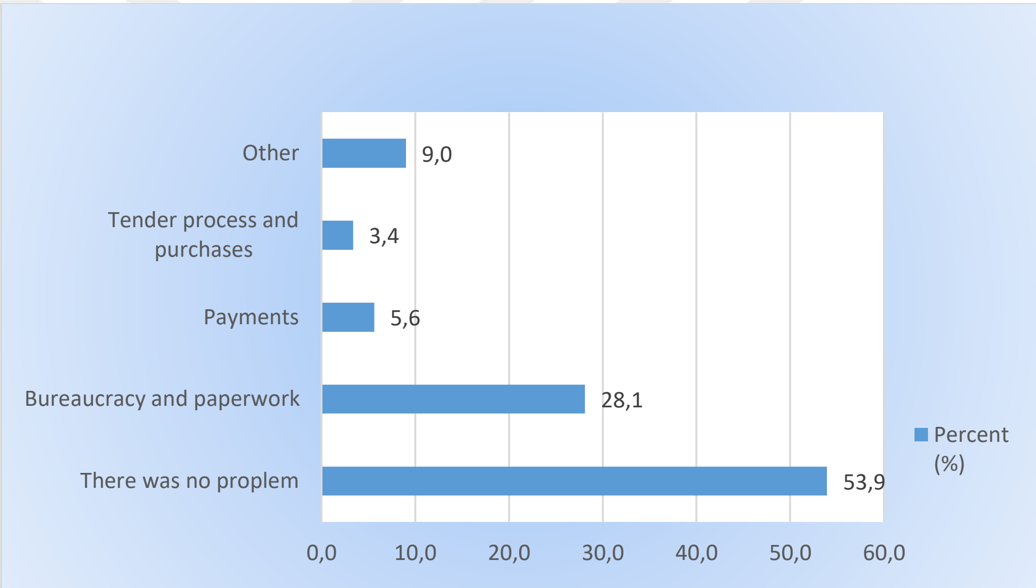


Figure 4.21. The problems encountered during the support process

4.1.4.5. The Sufficiency of support provided by the Agency

As it is apparent in the Figure 4.22. more than half of the companies (50.6%) considered that the amount of supports given by agency was inadequate in order to implement the project. However, about 35% of companies stated that supports given by the agency was adequate, followed by 13,5% undecided.

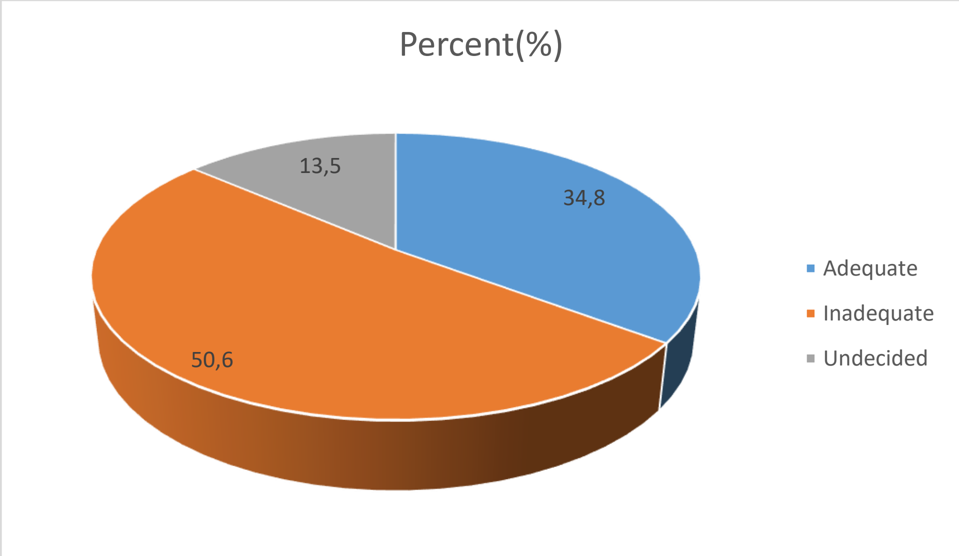


Figure 4.22. The sufficiency of the Agency support

4.1.4.6. The increases in some economic indicators of firms

This section of the study provides information about the increases in some economic indicators of companies such as turnover, employment, exports, R & D and innovation, openness to new markets and market share after using agency supports.

4.1.4.6.1. Increases in turnover

The companies answering our question accounted for 94,3%. According to the result of survey, 38,2% of companies has stated an increase between 11 and 25% in turnover after using support from the agency. However, 7,9% of companies stated that they never had an increase in the number of people employed.

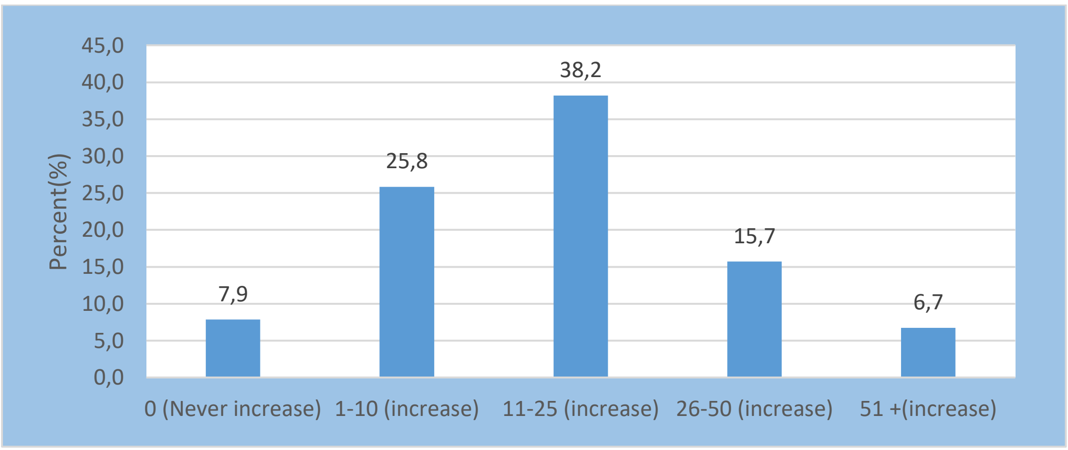


Figure 4.23. The increases in the turnover of supported companies

4.1.4.6.2. Increases in employment

The Figure 4.24. below shows the percentage of the increase in the number of people employed in companies after using agency support. 7,9% of companies stated that they never had an increase in the number of people employed. However, most of the companies (84,3%) reported that the number of people employed rose. Moreover, 40,4% of the companies expressed that the number of people employed went up on a percentage between 1 and 10, 27% of the companies expressed that the number of people employed rose to a percentage between 11 and 25, 13,5% of the companies expressed that the number of people employed rose to a percentage between 26 and 50%, 3,4% of the companies reported that the number of people employed increased a percentage over 50. 7,8% of the companies didn't fill the survey.

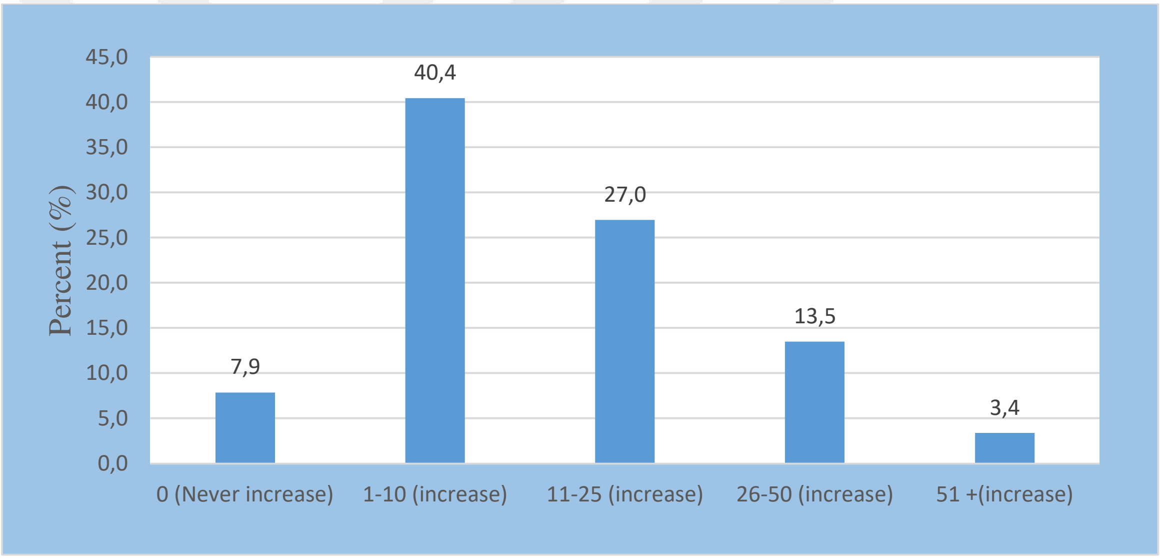


Figure 4.24. The increases in the employment of supported companies

4.1.4.6.3. Increases in export

The Figure 4.25. below shows the percentage of export increases in companies after benefiting from agency support. Most of companies (60,7%) stated that they never had an increase in their export. On the other hand, some companies (39,3%) reported that exports rose.

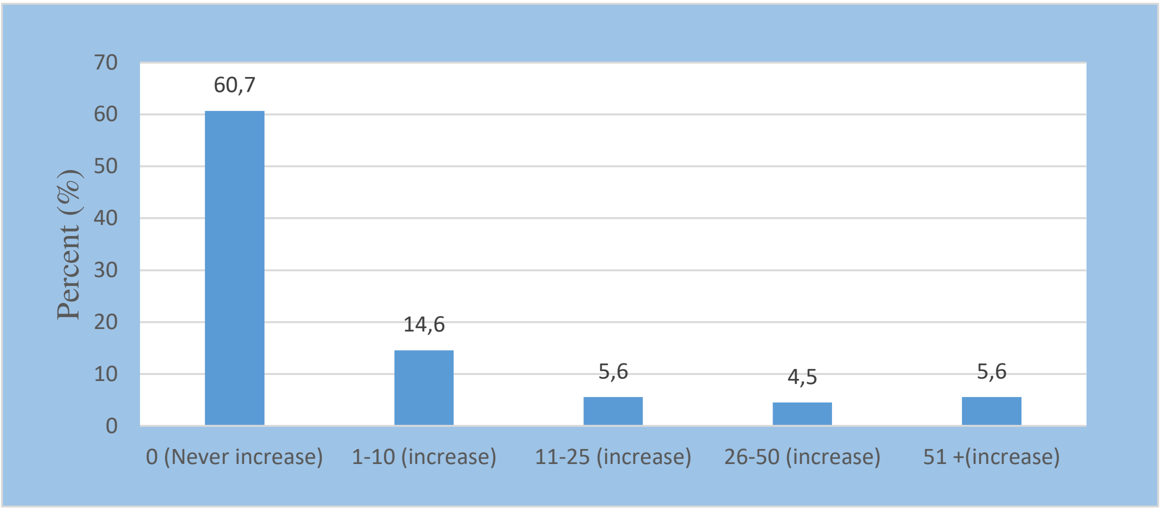


Figure 4.25. The increases in the export of supported companies

4.1.4.6.4. Increases in R & D and innovation

The Figure 4.26. below depicts the proportion of increased R & D and innovation investments in companies after benefiting from agency support. Most of companies (41,6%) stated that they never had an increase in their R & D and innovation investments. However, some companies (58,4%) reported that R & D and innovation investments rose. 25,8% of the companies expressed that R & D and innovation investments went up on a percentage between 1 and 10, 20,2% of the companies that expressed that R & D and innovation investments rose to a proportion between 11 and 25, 4,5% of the companies that expressed that R & D and innovation investments rose to a proportion between 26 and 50. Moreover, 7,9% of the companies didn’t fill the survey.

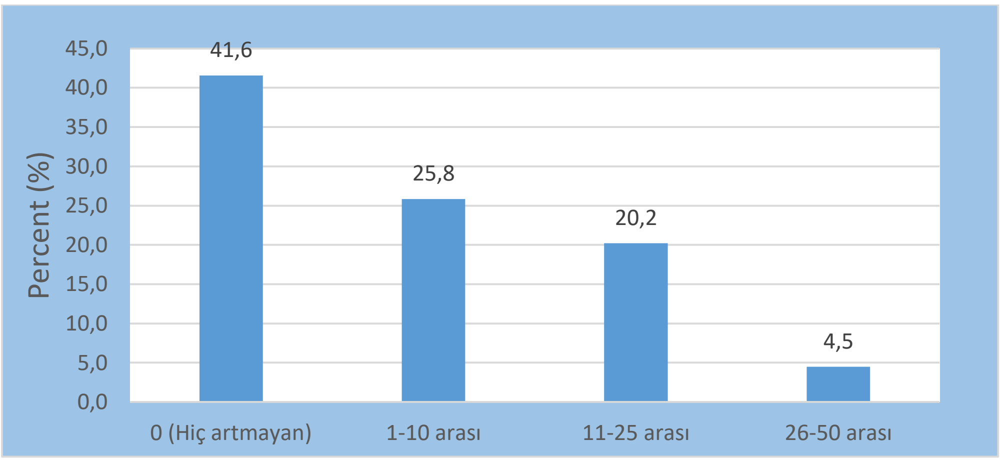


Figure 4.26. The increases in the R & D and Innovation of supported companies

4.1.4.6.5. Increases in the openness to new markets

The Figure 4.27. below depicts the proportion of increase in the number of new markets in companies after benefiting from agency support. 14,6% of companies stated that they never had an increase in the number of new markets, while most of the companies (80,9%) reported that the number of new markets rose. 23,6% of the companies expressed that the number of new markets went up on a percentage between 1 and 10, 33,3% of the companies expressed that the number of new markets rose to a proportion between 11 and 25, 18% of the companies expressed that the number of new markets rose to a proportion between 26 and 50, 9% of the companies reported that the number of new markets increased a proportion over 50, 4,5% of the companies didn't fill the survey.

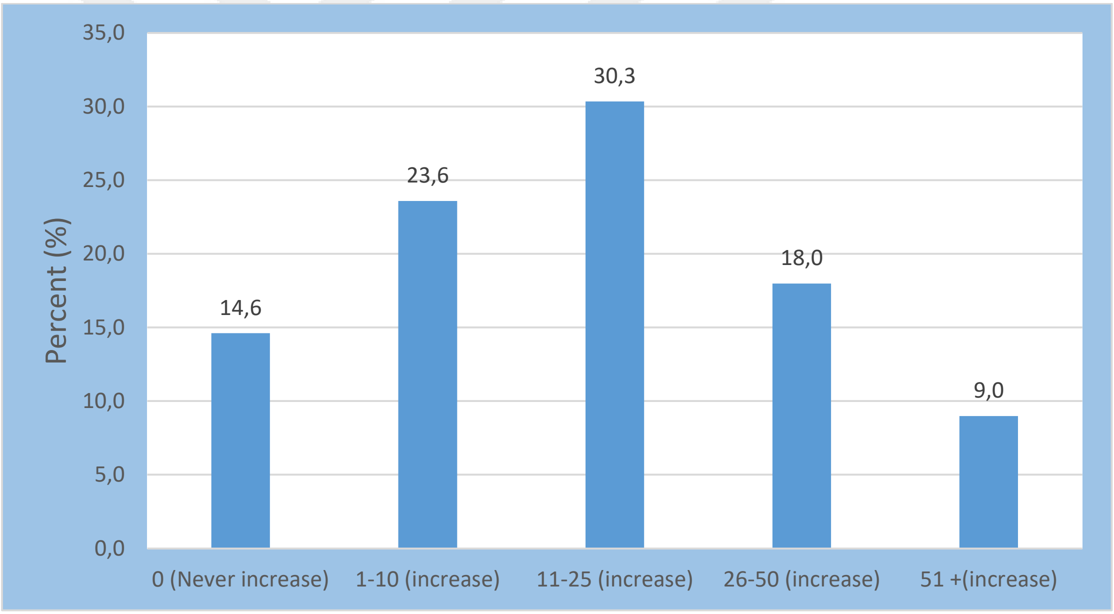


Figure 4.27. The increases in the new markets of supported companies

4.1.4.6.6. Increases in the market share

The Figure 4.28. below depicts the proportion of increase in the market shares in companies after benefiting from agency support. 12,4% of companies stated that they never had an increase in the number of market share, while most of the companies (82%) reported that the number of market share rose. 37,1% of the companies expressed that the number of market share went up on a percentage between 1 and 10, 25,8% of the companies expressed that the number of market share rose to a proportion between 11 and 25, 14,6% of the companies that expressed that the number of market share rose to a proportion between 26 and 50, 4,5% of the companies reported that the number of market share increased a proportion over 50, 5,6% of the companies didn't fill the survey.

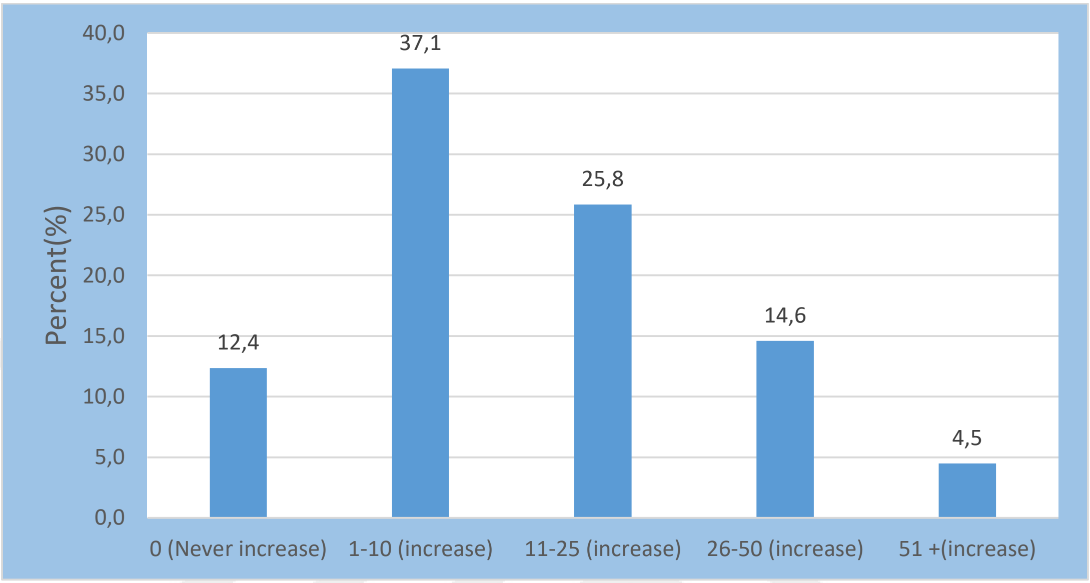


Figure 4.28. The increases in the market share of supported companies

4.1.4.7. The main reason for applying to Agency support

When the companies are questioned about 'the main reasons for applying to agency support', they mostly (80,9%) expressed "Increase in the efficiency of production", (67,4%) of companies expressed "To raise product quality", and (61,8%) of companies expressed "Increase competitiveness at the regional level'as the highest influential reasons. (27%) of companies expressed "Increase competitiveness at the international level", (31,5%) of companies expressed "Increase our knowledge and ability as a company" and (32,6%) of companies expressed "Provide prestige and recognition to our company" were the least important motivations behind applying as shown in Table 4.2.

Table 4.2. The reasons for applying to supports

		Percent (%)
To raise product quality	Yes	67,4
	No	32,6
Increase in the efficiency of production	Yes	80,9
	No	19,1
Increase competitiveness at the regional level	Yes	61,8
	No	38,2
Increase competitiveness at the national level	Yes	39,3
	No	60,7
Increase competitiveness at the international level	Yes	27,0
	No	73,0
Increase our knowledge and ability as a company	Yes	31,5
	No	68,5
Provide prestige and recognition to our company	Yes	32,6
	No	67,4

4.1.4.8. Suitability of Agency supports to the conditions of the region

Most of the firms involved in the survey (82%) stated that agency programs are in line with the conditions and needs of the region. However, 18% of the companies claimed that agency programs are not suitable for the conditions and needs of the region.

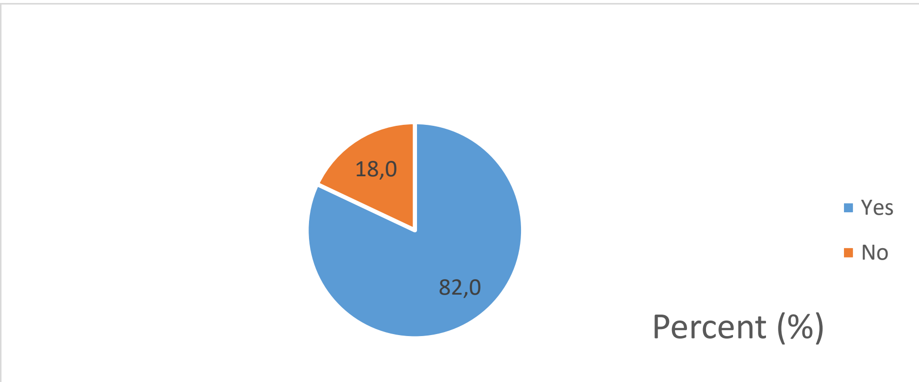


Figure 4.29. The suitability of Agency supports to the conditions of the region

4.1.4.9. Requests to reapply to Agency support

As shown in the Figure 4.30. 84,3% of the companies consider reapplying to agency supports. On the other hand, companies that don't consider to reapply and the undecided companies account for 1,1% and 14,6% respectively.

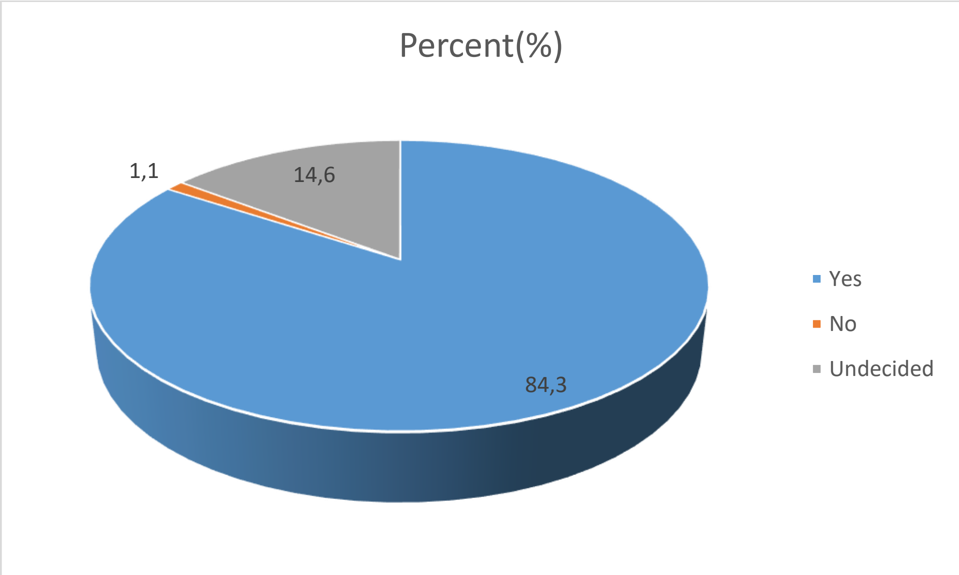


Figure 4.30. The request to reapply to Agency support

4.1.4.10. The Most important area for businesses to focus on competition

As shown in Table 4.3. the most important area that businesses need to focus in terms of competitiveness for implementing sustainable improvement into companies are stated respectively as 'Identify, choose from, and acquire new technologies (68,5%)', 'Increase product and service quality (66,3%) 'Reduce production and service cost (50,6%)' and 'Entering new markets (44,9%)'. On the other hand, 'Improvement of existing products/services (37,1%)' was the least important motivations behind the goals of the companies.

Table 4.3. The most important area for businesses to focus on competition

		Percent (%)
Identify, choose from, and acquire new technologies	Yes	68,5
	No	31,5
Improving the management functions of the organization	Yes	30,3
	No	69,7

Increase product and service quality	Yes	66,3
	No	33,7
Reduce production and service cost	Yes	50,6
	No	49,4
Entering new markets	Yes	44,9
	No	55,1
Increasing market share	Yes	42,7
	No	57,3
New product or service development	Yes	43,8
	No	56,2
Improvement of existing products /services	Yes	37,1
	No	62,9

4.1.4.11. Factors negatively affecting the competitiveness of firms

When the companies were questioned about ‘‘the main factors that affect negatively the competitiveness’’, they mostly stated ‘Rise in production costs (73%), ‘Lack of qualified human resource’ (60,7%) and ‘Rise in employment costs (42,7%)’ as the highest influential reasons. On the other hand, ‘Inadequate product/service quality’ (15,7%), ‘Financing problems related to sales and marketing’ (21,3%), ‘Infrastructure problems’ (22,5%) and ‘Financing problems to increase production’ (37,1%)’ were the least important motivations behind applying as shown in the Table 4.4.

Table 4.4. The factors negatively affecting the competitiveness of firms

		Percent (%)
Infrastructure problems	Yes	22,5
	No	72,5
Rise in employment costs	Yes	42,7
	No	57,3
Rise in production costs	Yes	73,0
	No	27,0

Inadequate product/service quality	Yes	15,7
	No	84,3
Financing problems related to sales and marketing	Yes	21,3
	No	78,7
Financing problems to increase production	Yes	37,1
	No	62,9
Lack of qualified human resource	Yes	60,7
	No	39,3

4.1.5. The effects of Agency supports

This part of the study provides information about the results achieved by firms thanks to Agency supports, companies' ability to do projects without agency supports, obtaining income after Agency supports and benefit-cost assessment of Agency supports.

4.1.5.1. Results achieved by firms thanks to Agency support

The Table 4.5. illustrates the impact of agency supports on firms that operates in the TR71 region. We asked to firms whether they have achieved any goals with these supports, or not. As it is indicated, almost all of the firms (97.8) stated that they had effect on their firms. 65.2% of surveyed firms reported they had an increase in production efficiency. 59.6% of the firms reported that they had an increase in their product’s quality. 55.1% of firms stated that they had an increase in competitiveness at regional level. On the other hand, some companies stated that they haven’t experienced any increase in their competitiveness at national and international levels (71.9% and 83.1%, respectively), technical knowledge and ability (67.2%) and company’s prestige and recognition (67.4%).

Table 4.5. The results achieved by firms after using Agency support

		Percent (%)
There was no effect	Yes	2,2
	No	97,8
	Yes	65,2

Increased production efficiency	No	34,8
Our product quality has risen	Yes	59,6
	No	40,4
Competitiveness has increased at regional level	Yes	55,1
	No	44,9
Competitiveness has increased at national level	Yes	28,1
	No	71,9
Competitiveness has increased at international level	Yes	16,9
	No	83,1
As a company, our technical knowledge and ability has increased	Yes	34,8
	No	67,2
Our company's prestige and reputation has increased	Yes	32,6
	No	67,4

4.1.5.2. Companies' ability to do projects without agency support

According to responses, 56.2 % of the companies considered that they could do it in the longer term without agency support and 27% of the companies consider that they could do it with other financial resources. A total of 83.2% of the firms stated that they could make investments whether there is a given support or not. However, 16.9% of the companies expressed that they couldn’t do it without any support.

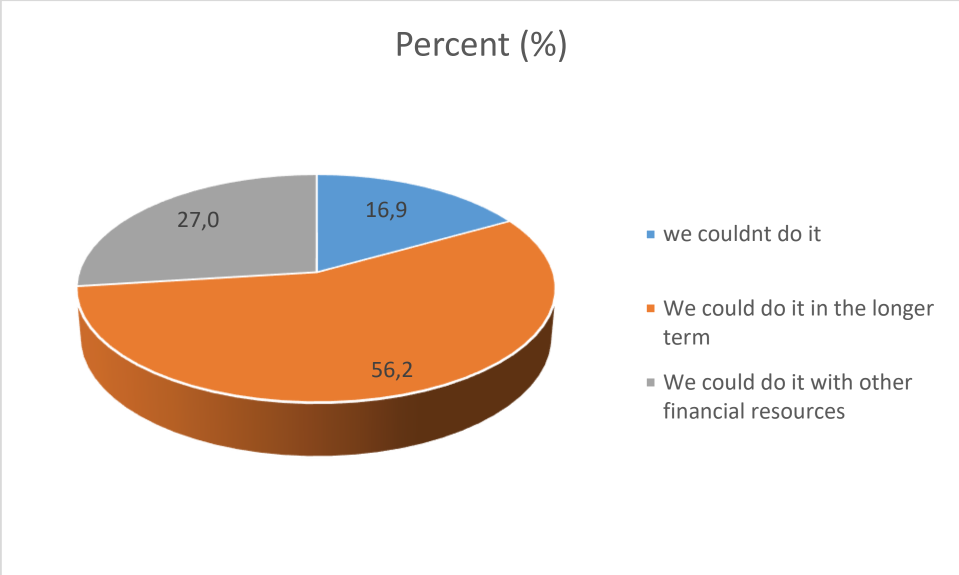


Figure 4.31. Companies' ability to do projects without agency support

4.1.5.3. Obtaining income after using Agency support

As it can be derived from the Figure 4.32., 46,1% of the companies stated that they started to earn money 1 or 2 years after the project was completed. 42,7% of the firms reported that they started to earn money as soon as the project was completed. On the other hand, 10,1% of the companies claimed that they haven't started to earn money yet.

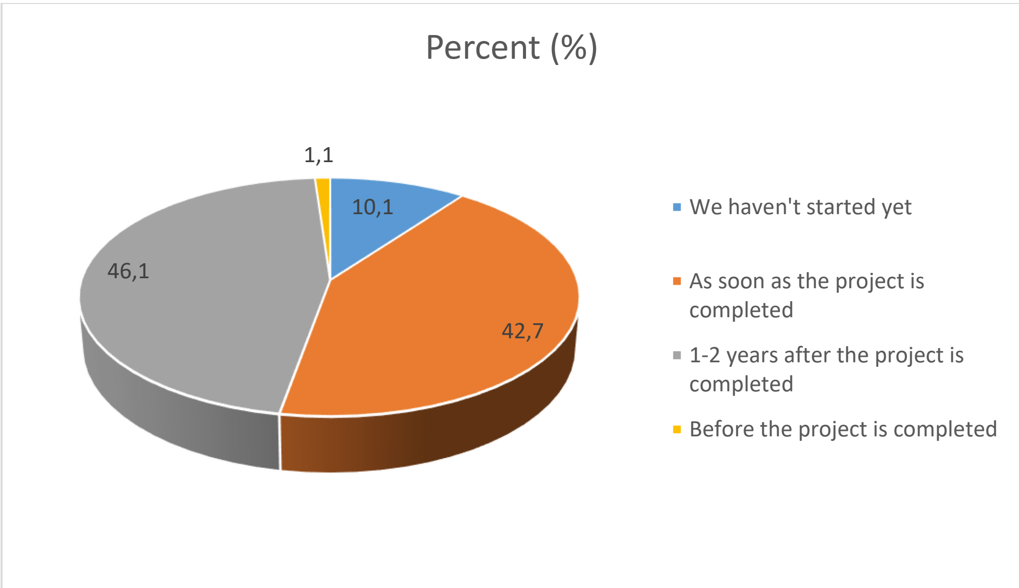


Figure 4.32. Obtaining income after agency support

4.1.5.4. Benefit-cost assessment of Agency support

The Figure 4.33. demonstrates percentages of the question ‘‘Are the benefits of Agency support more than the cost?’’. 36% of the companies stated that the benefits of the agency support are more than the cost. However, most of the firms reported that its benefits are less than the cost or equal, 31,5 % and 32,6%, respectively.

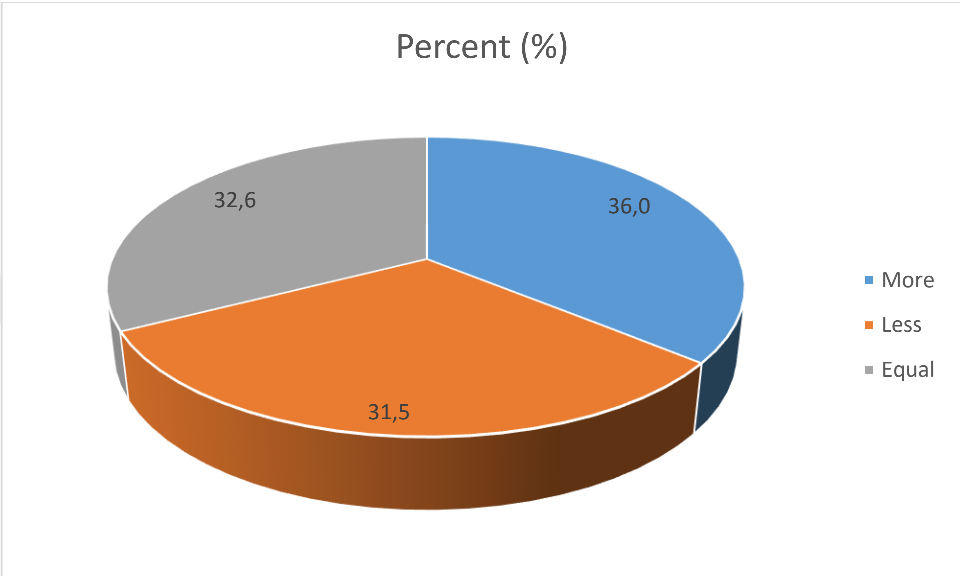


Figure 4.33. Benefit-cost assessment of Agency support

CONCLUSION AND RECOMMENDATIONS

CONCLUSION

In parallel with the developments in the world with globalization, transformations have begun to take place in the understanding of regional development. Top-down policies are replaced by a new system dominated by local governments. In this system, development agencies have been an important institution for the provision of local and regional development.

As a result of the literature studies, the majority of the studies conducted on regional development agencies have been carried out for the institutional structure, functioning and theoretical infrastructure of the agencies. In this study, however, unlike previous studies, it tries to explain the impact of the financial support provided by the Ahiler Development Agency by showing a distribution of companies operating in the TR71 region.

Cross-tab analysis is used to ensure the objectives of the study results. Firstly, quantitative data have been gathered by online survey channels, Secondly, it was analyzed and presented as described in the research. SPSS software for statistical analysis was used for analyzing quantitative data, and descriptive statistics were used which summarized the demography of the main variables of the study which is presented as tables and charts. Finally, in the study, the effect of performance indicators of a firm's turnover, employment, export, R & D and innovation, openness to new markets and market share has been measured.

The majority of the surveyed companies (71%) were established in 1991 and later, 19% of the companies were set up between 1950 and 1990. 10% of the companies which participated in the survey left the establishment history question unanswered. A total of 87 companies that answered the survey includes companies from Niğde (23,6%), Aksaray (22.5%), Nevşehir (22,5%), Kırıkkale (15,7%) and Kırşehir (15,7%)

provinces. In TR71, the small companies that responded to the survey, the ones employing between 10 and 50 employees consist of the largest share of employment (57%). Micro, medium and large companies accounted for the 17%, 14% and 12% of total employment, respectively. The answering of our question by the companies accounted for 96,5%. Small companies made up the largest share of turnover (57,3%). Micro, medium and large companies accounted for the 17%, 14% and 12% of total turnover, respectively. According to the answers for the question; the majority of the participants (70,8%) stated that they had a market share throughout Turkey. Companies with abroad export (29,2%) followed these. “Only local province and the TR71 region” had the smallest share.

According to the empirical findings of the study, 65% of the companies benefiting from the financial support programs of the Development Agency, which has opened in the region between the years of 2012-2015, consist of firms that was established between the years of 1990-2011. When the sectoral distribution of these firms is examined, it appears that more than half of the firms operate in the manufacturing sector. Furthermore, the firms operating in the manufacturing sector experienced the most increase in their economic indicators after using Agency support.

When the scale of firms is taken into consideration, it is observed that a large majority of firms are small firms or enterprises with an annual turnover of 1-10 million. In addition, when we look at the market areas of the companies receiving support, 70% of the firms have a market area throughout Turkey and 30% of firms make exports.

There has been a significant increase in the turnover, employment, openness to new markets and market share of companies that received financial support from the development agency in the region. However, there has been no increase in the exports and R & D and innovation of the majority of the firms.

80% of the firms receiving support from the Development Agency aimed to increase production efficiency. Moreover, a large number of firms have applied for Agency support to improve product quality and increase regional competitiveness. When the company's benefits are analyzed after Agency support, it is observed that the highest increases were experienced in production efficiency, product quality and regional competitiveness. According to these data, there is a positive connection between the intention of firms to apply for agency support and the increases seen in firms after support.

The majority of firms have expressed that they found supports provided by the Agency to be attractive. In addition, the support provided was found to be in accordance with the conditions and needs of the region, the companies communicated effectively with the Agency employees, and the majority of the firms did not have any problems in the support process. However, most of the firms that experienced problems have stated that they have problems such as bureaucracy and paperwork, payments and tender process and purchases.

The most important areas for companies that benefit from the Development Agency support that focus on increasing their competitiveness are: increasing new product development, increasing product and service quality and reducing production and service costs. On the other hand, the reasons that negatively affect the competitiveness of companies are: high production costs, inadequacy of qualified human resources and high cost of employment.

RECOMENDATIONS

In the light of the findings obtained from this study, It is possible to propose some measures to contribute to regional development in order to enrich the content of the financial support programs of the Ahiler Development Agency, and to improve the quality of supported projects as well as to improve project monitoring processes as follows:

1. Narrowing down the areas to focus on projects to be supported within the scope of the program, and privatization of program priorities in line with the needs and development potentials of the companies in the region;
2. Designing long-term programs that will enable companies in the region to elevate their capacity to a certain level since it is difficult to create a socioeconomic impact on the required level of short-term programs;
3. Providing individual guidance on qualified project design to firms with the call for program;
4. Minimizing the probability of termination by determining the current and potential institutional and application risks for the projects by working with companies individually before signing the project contracts;

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