

Dear Deputy Minister,
Our dear Ambassador to the European Union,
Honourable Board Directors,
Honourable President of Inspection Board of the Prime Ministry and his Vice Presidents,
Presidents of the Inspection Boards of Ministries and their Vice Presidents and
Honourable, respectable guests,

Today we actually came together here with a very important agenda. With the resource of 1.6 million EUR funded by European Union, we are altogether in the opening conference of the European Union Project on Strengthening the Coordination of Anti-Corruption Policies and Practices. The issue of anti-corruption is a very important issue on its own. The issue of anti-corruption ranks the first among the subjects underlying the economic and social problems that we are experiencing currently. The importance of the studies that we have to carry out in terms of transparency and accountability is highly obvious. It is needless to say that the concept of corruption can also be assessed in a limited sense. However, I would like to note that we are obliged to assess the content of this concept in a wider sense and to produce ways of solution. When analysed within this framework, in failure to carry out a tax obligation, to pay premiums incomplete and failure to carry out tax obligations concerning 75 million people, shall we assess such issues within this scope? Shall we assess the practices of government executives leading to use of excess public resources in a tender where it is required to use less public resources within this scope? Or shall we assess a hospital's increasing the number of examinations, analyses and surgeries unnecessarily to get more public resources within this scope? When we assess all of them altogether, we can assert that they are very important works to be done actually.

As our President of Inspection Board has mentioned in his speech that when the recent 10 years are considered, we actually see that very important regulations have been realized one by one regarding these issues. In this sense, especially with the Law No: 5018 on Public Financial Management and Control, very important regulations have been made in our expenditure system and an important step has been taken with regard to the fact that whether expenditures made are carried out duly or not. Basic principles, rules have been determined here. By imposing obligation on public institutions and organizations to share their activity reports with public opinion with this law, publicity and transparency have been ensured, too. The authorities of Court of Accounts carrying out audit on behalf of the Grand National Assembly of Turkey have been expanded. Internal audit units and internal control systems have been established within institutions. The commission for improving transparency and strengthening anti-corruption – our Ministry of Labour, our Ministry are also members of this commission – and the affiliated executive board, an executive board, including Prime Ministry Investigation Board have been established. By means of activating several institutions such as Council of Ethics for Public, Public Auditing Board on Right to Information, we can say that very important steps have been taken on ensuring transparency in anti-corruption.

Within this scope, I believe that it is for our benefit to analyse the fight against informal economy within this concept. Turkey has also made very important progress in the fight against informal economy in the last 10 years. You would see that in scientific, academic world, the ratio of informal economy was mentioned as 50% 10 years before whereas that ratio has been decreased to 27% today. It is needless to say that this is not sufficient; in this subject, we are obliged to carry out more activities. In this sense, I believe that the establishment of the Revenue Administration and Financial Crimes Investigation Board, works of Revenue Administration together with Social Security Institution are important. One of the most important factors in making important progress in the fight against informal economy is to ensure access to data. I would like to give an example on this subject: For instance, in the Social Security Institution, within protocols, made in approximately 60

organizations and institutions, within the last 3 years, 1,5 million unregistered have become registered. 80.000 workplaces have been registered.

We see that by removing barriers to data access; removing barriers for public institutions and organizations to access data, we eliminate this issue to a very important extent. It is required that specified authorities in public have to access moveable property and real property of real and legal people with economical value definitely. When this access is ensured, relevant technical infrastructure is established, we eliminate the issue of informal economy to a very important extent. With regard to the subjects that shall be analysed within the concept of anti-corruption, I would like to give a few examples with regard to our Ministry: thanks to the change of legislation and automation, relating to unions with regard to the determination of registered number of workers, who are member of unions, and determination of authorized unions, and thanks to the establishment of electronic infrastructure, we have achieved clarification. To give an example on this subject, since July 2009 statistics were based on declaration, 5 398 000 workers were declared and 3 232 000 workers were declared as union members. In other words, 60% of our workers in total were union members. With the legal regulations made and the technical infrastructure achieved, we have determined the figures that are required where aforementioned figures were real. As of 1 January 2013, there are 10 881 000 workers, according to data of Social Security Institution, 1 000 000 of them are union members. With these regulations, the actual number of workers, who are union members, is revealed: it is seen clearly that it is approximately 10%.

Lastly, I also would like to mention this: as it is the Ministry of Labour very important studies have also been carried out in the field of health recently. By utilizing technical infrastructure, I would like to give an example: as a result of only two implementations, at least approximately 2 billion TL were saved. With the implementation of E-prescription and palm vein pattern recognition, the violations that we experience in the field of health have been eliminated to a very important extent and the additional saving that only these two implementations have brought is approximately 2 billion TL.

Thus, when we consider all of these implementations together, we can clearly assert that in Turkey, very important works have been carried out in our institutions in terms of anti-corruption. I think that this is important in terms of Turkey and I would like to state that these works, carried out in the coordination of Prime Ministry Inspection Board, are extremely important. Especially I would like to state that the project, brought to agenda today, would make very important contributions to this challenge. I would like extend my sincerest greetings and regards to all our colleagues, contributed, and also to participants here and I thank you.

Esteemed Fatih ACAR

Republic of Turkey

Undersecretary of the Ministry of Labour and Social Security