TUSIAD WORK GROUP ON FIGHT AGAINST INFORMAL ECONOMY

The OECD and The European Commission Missions

March 2009

Working Group's Objective

To take or recommend actions that focus on establishing structural mechanisms, providing practical solutions and monitoring progress to reduce the informal economy, which is one of the most important obstacles to establishing fair competition in Turkish economy and enhancing the competitive power and social prosperity of the Country

Platform for Fight Against Informal Economy

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Platform's Objective

To improve the formal economy,

through:

- **Supporting the public administration's decisions and implementations to formalize the economy**
- **Identifying the flaws in the said implementations and suggesting corrective measures**
- **Measuring the effectiveness of the implementations and sharing the findings with related institutions and public-at-large**
- **Providing policy briefs and action proposals**
- **Participating in the decision making process of the public administration**

in order to:

- **Increase efficiency and competitive power in the economy**
- **Improve investment climate by preventing unfair competition**
- **Support sustainable growth**
- **Ensure that tax policies are adopted by the society**

Platform for Fight Against Informal Economy

Platform's Bodies

- Plenary Council
- Platform Coordinator
- Executive Board

Plenary Council

- Founding Plenary Council consists of presidents of 14 major professional organizations, labor unions and other related NGOs
- Convenes once a year, to approve past year's annual report and following year's business plan and budget

Coordinator

- Appointed by the Plenary Council for 3 years
- Chairs the Executive Board

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Executive Board:

- Composed of 21 members, including the Chair
- 14 members appointed by the civil sector organizations in the Plenary Council
- 6 remaining members appointed by the decision of the Plenary Council upon proposal of the Coordinator
- Members must have at least 10 years of professional experience and serve for 3 years
- Board convenes at least once a month

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Duties and Powers of the Executive Board:

- Make implementation decisions and implement them in line with policies, goals, objectives and principles laid down by the Plenary Council
- Conduct practices that will ensure coordination between the public and private sector organizations working to improve formal economy
- Develop criteria to measure efficiency of actions to prevent informality
- Review current legislation in terms of consistency with principles of improving formal economy, develop proposals to eliminate contradictions
- Form and communicate opinion on draft legislation for its consistency with principles of improving formal economy
- Conduct and cause to conduct public opinion formation programs, campaigns, meetings, publications, research and training efforts to improve formal economy
- Establish work groups to support the above activities

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Duties and Powers of the Coordinator:

- Ensure the efficiency and productivity of the Platform
- Ensure the execution of the resolutions of the Executive Board, monitor implementation of such resolutions
- Ensure the efficiency and productivity of work groups, refine their proposals and submit them to the Executive Board
- Provide the opinion of the Executive Board on resolutions and legislation regarding the improvement of formal economy, to all related bodies
- Represent the Platform
- Establish the necessary mechanisms to inform the public about the works of the Platform
- Establish an Advisory Board consisting of representatives from NGOs who have adopted the principle of supporting the improvement of formal economy
- Measure the efficiency of actions to prevent informality and share them with the public-at-large

Communications Plan

Objective of Campaign

Raising awareness

Explaining damages to consumers, society and national economy

Adopting

Convincing for the necessity of fight

Behavior Modification

Public policies encouraging going formal

Supervision, deterrent measures and social pressures

Fight against Informality

Strengths	*Weaknesses*
• Rightful purpose • Strong allies • Support from public administration	• Cost incerase on various stakeholders • Unemployment pressure • Difficulty/unwillingness of supervision • Lack of coordination in the public sector
Opportunities	*Threats*
• Social support and consensus • Change of social expectations	• Incomplete information / disinformation • Lack of faith in success

Stakeholders

Stakeholders	Purpose	Role in process	Relational premise
TÜSİAD Members	National Development	Campaign owner	Internal communication campaign
Leaders of Professional Organizations and Chambers	Public influence, sustaining commercial profitability	Pressure group	Common platform with administration
Policital Parties	National development	Ally	Visits and legislative proposals
Media / Opinion Leaders	National development	Promotion and support line	Rountable information meetings
NGOs / Laber Unions	National development	Supportive, influential	NGO platform
Universities/Academicians	National development	Advice and persuasion	Legislative working papers preparation
International Organizations	National development	Advice and persuasion	Forums, projects and funds
Members of Professional Organizations and Chambers	Sustaining commercial profitabitiy	Pressure Group	Campaign

Target Group

Individuals:
"Own your tax" program focused on women and students

Bureaucracy:
Public servants of all levels

Local Administrators:
Information for supervisory people

Media:
Journalists and editors of referential power

Teachers:
Tax consciousness made part of curriculum in schools

Parliament:
Defender/protector of our taxes

Effective Use of Information Technologies (e-Government)

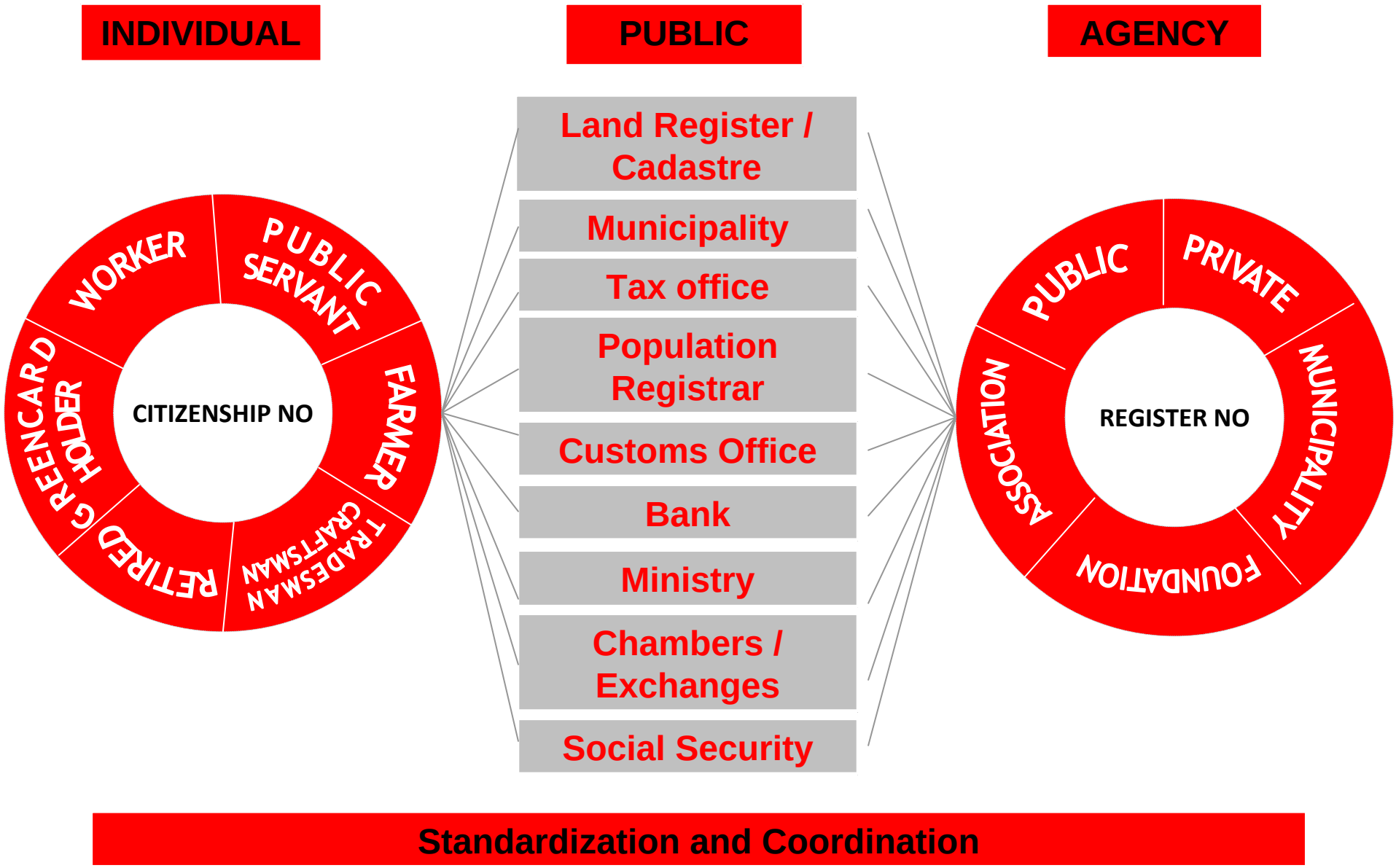
e-Government Strategy

- Use of a (Pivot) Reference Number (Citizenship No, Registry No) for all relations of individuals and institutions with the public bodies
- Handling of all information exchange between individuals / institutions and the public bodies through such Pivot Reference No.
- Taking up an inventory of all assets (movable and immovable) of public agencies and organizations, and standardize the information for all applications

  For example:
  - Standardization of address information
  - Taking up an inventory of all land (public and private) and classification by characteristics
  - Classification of immovables registered with municipalities

- Mandating a public agency of top level to ensure coordination between the said public agencies and organizations

e-Government



e-Government Action Plan

- Providing systems analysis, hardware and software support to e-Government works, undertaken by the Ministries and/or relevant agencies
- Providing advice and technical support as needed
- Providing assistance for staff training
- Encouraging development of software needed for such projects
- Realizing and rewarding support activities