

Higher Education Finance and Cost-Sharing in Turkey

I. A Brief Description of the Turkish Higher Education System

The 1981 Law on Higher Education radically restructured the higher education sector in the Republic of Turkey. It established the Council of Higher Education (YOK) as a Constitutional body, responsible for guiding important activities of higher education institutions including planning, organization, governance, instruction and research. Access to higher education institutions was centralized in the YOK and a central university exam was introduced (Mizikaci 2006). In addition, student contribution fees were introduced in public universities and provisions were made for non-profit foundations to establish higher education institutions.

“Higher Education” in Turkey is defined as all post-secondary programs of at least two years duration. The system consists of universities and non-university institutions of higher education. Universities are composed of faculties offering bachelor’s level, graduate and advanced professional programs. Attached to universities, as well, are affiliated, non-university entities providing two-year vocational programs. There are 82 higher education institutions in Turkey including 54 public and 24 private universities, two public Institutes of Technology and 2 private Vocational Schools of Higher Education. In 2004 there were a total of 1,820,994 students in Turkish higher education (Mizikaci 2006).

Turkey has achieved significant and accelerating improvements in access to higher education, especially since the 1970s. According to UNESCO data, the percentage of the relevant age cohort enrolled in tertiary education went from 4 percent in 1965 to 18 percent in 1995 to 29 percent in 2004 (UNESCO Institute for Statistics 2006). Nevertheless, in the last ten years only one-third of exam takers are able to find a place in the university (Mizikaci 2006).

As of 2004, enrollment in the private universities accounts for only about 5.7 percent of the total (Mizikaci 2006). In the long run, private universities offer a way to meet increasing demand for higher education and to relieve some of the financial pressure on the government. In the near future, however, YOK estimates that enrollment in private universities will not exceed 10 percent of total enrollment, so the state universities will continue to carry the major burden of higher education in Turkey.

The numbers of students to be admitted to undergraduate programs (2-year and 4-6 year) are determined annually by the Council of Higher Education, upon the recommendations of universities. The Council, upon the recommendation of the Inter-university Council, determines the common course requirements of the programs. Universities are free to determine the rest of the curricula, all course contents, grading systems and degree requirements. Teaching methods and grading are prerogatives of the individual instructors.

Private universities are under the supervision of the Council of Higher Education and their programs must be regularly accredited. They have to conform to the basic academic requirements and structures set forth in the law. Apart from this, private universities are free to manage their own affairs according to the rules and regulations adopted by their

boards of trustees (the majority of whom, in most cases, are lay members). Their boards of trustees also establish their tuition fee levels.

The government funds public higher education institutions based on a line-item budgeting system. In recent years, the subsidy allocated to higher education has experienced a relative decrease. In 2004, the government allocated 0.93 percent of GNP to higher education or USD1,311 per student, an amount significantly lower than the OECD mean average of USD7,023 (Mizikaci 2006). This underfunding has had an impact on quality and access.

Until 1984, the public universities charged no tuition. Higher Education Law No.2547 introduced tuition, called contribution fees, to Turkish higher education starting with the 1984-85 academic year. These contribution fees cannot exceed 25 percent of the total state expenditure per student and represent only about 4 to 5 percent (2004) of the total revenues of state universities (Mizikaci 2006). Tuition fee levels in public institutions are centrally determined and all universities charge the same tuition fee levels for the same programs. Student and parental contribution to the costs of higher education in public institutions in Turkey ranges from a low of 950 Turkish Lira [\$1,145] to a “moderate” high of 4,100 TL [\$4,940].

The view held by the Council of Higher Education is that higher education is a semi-public service with an associated cost that must be partly borne by those benefiting from it. The Council stresses that in order to reconcile quantity with quality a healthy competitive environment must be created in the provision of this service, whereby state and private universities in Turkey will compete not only among themselves, but also with universities abroad.

Low-income students at public universities can avail of the Student Loan Scheme whereby their contribution fee are transferred directly to the universities and repaid with a fixed repayment rate upon graduation. They can also get education subsidy loans for living expenses. Students at private universities are not eligible for either type of loan (Mizikaci 2006). As of 2006-07, 570,000 students benefited from the student loans (Dogan 2008). The interest rate is determined according to Consumer Price Index (CPI) of State Statistical Institution (based on inflation). Interest on the loans is accrued during the lending period, but not during the grace and repayment periods. Repayment starts 2 years after graduation and paid to the Higher Education Credit and Hostels Institution, or Yurt-Kur, in quarterly installments. The total repayment period is equal to half-time of the lending period (Eurydice 2008).

A sizeable portion of the students are also eligible for living in the subsidized Yurt-Kur dormitories, where they only pay about one-third of the total cost (Eurydice 2008).

II. Estimated Expenses of Higher Education

Turkey

Higher Education Expenses Borne by Parents and Students

First Degree, Academic Year 2005-06

[National currency Turkish Lira converted to \$US by 2006 PPP of \$1 = TL 0.901*]

		Public		Private
		<i>Low Public</i>	<i>High Public</i>	<i>Average Private</i>
<i>Instructional Expenses</i>	One Time Fees	n.a.	.n.a.	n.a
	Tuition	TL 58 [\$64]	TL490 [\$ 543]	TL4,505 [\$5,000]
	Books & Other Educational Expenses	TL305 [\$338]	TL532 [\$590]	TL 455 [\$505]
	Subtotal Costs of Instruction	TL363 [\$403]	TL1,022 [\$1,135]	TL4,960 [\$5,505]
	<i>Student Living Expenses</i>	Lodging	TL100 [\$110]	TL1,000 [\$1,110]
Food		TL300 [\$330]	TL900 [\$1,000]	TL900 [\$1,000]
Transportation		TL60 [\$67]	TL500 [\$555]	TL500 [\$555]
Other Personal Expenses		TL100 [\$110]	TL1,000 [\$1,110]	TL1,000 [\$1,100]
Subtotal Cost of student living		TL560 [\$620]	TL3,400 [\$3,775]	TL4,900 [\$5,440]
Total	TL923 [\$1,025]	TL4,422 [\$4,910]	TL9,860 [\$10,945]	

Low Public: Humanities and Social Sciences program, and students residing at state dormitories.

High public: High cost programs, i.e. medical sciences, state conservatories, and students residing at either private dormitories or shared apartments.

Average Private (Bilkent University data): Tuition is fixed for all programs. Students living in double-room dormitories on campus. (Tuition and lodging are determined in dollar amounts by the university).

* OECD (March 2008). Purchasing Power Parities. Main Economic Indicators.

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Last updated: April 2009.

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HHM/BJ/PNM July 2008