FINANCIAL RESOURCES OF STATE UNIVERSITIES IN TURKEY

Hasan TOSUN
Full Professor, Eskişehir Osmangazi University, Eskişehir- Turkey
htosun@ogu.edu.tr

ABSTRACT
In Turkey, the financial resource of state universities is mainly depending to the national centralized budget. The amount of financial resources to a university is determined after end of a series negotiations with the central government for each year. The total budget of a state university is classified into five main headings: (1) personnel expenses, (2) Social Security Premium expenses, (3) purchase of goods and services, (4) current transfers and (5) capital investment. There are different classifications related to the categorization of universities in the world. One of them is college age. In other words, the foundation year is considered in the classification. In Turkey, 103 state universities were established between 1933 and 2011 during the Republic period. These universities are divided into six separate categories by the author according to their year of establishment. In the study the financial data belonging to the period 2010-2014 was utilized. According to these data, the state universities totally received TL 9.33 to 15.19 billion (US\$ 5.94 to 7.91 billion) per year from the central budget in the working years. The paper summarizes the final data of a study performed on the share of the state budget of the state universities in Turkey and evaluates the distribution of state resources according to the university categories.
Keywords: financial resource, higher education, state university, university category

Introduction

Universities should be a higher education institution to be integrated with the industry and producing information rather than the institutions that carry out classical education and training services, in developed countries mostly transform their researches to the society. Universities in relevant countries are supported by the governments in order to transform and accelerate transformation, which is considered as a strategic change. It should be noted that state support for North American universities is largely towards to research and development projects. It has been stated that should be followed in detail how the results are reflected in society. Leifner (2003) states how to allocate resources according to performance for a higher education institution. Winston (1998) stated that the transformation in universities must be ensured and that higher education institutions must not be managed like a company and underlined that certain balances within the institution must be absolutely protected. For this reason, Author thinks that studies have been carried out and methods have been proposed which include specific evaluation criteria in order to make the universities more effective and productive (Tosun, 2004, 2006, 2011, 2015, 2016, 2019a and 2019b).

As of the end of 2019, there are 130 public universities across the country, and these universities receive a significant portion (more than 95%) of their budgets from the central government budget. The state allocates an average of US\$ 10-12 billion each year to universities. These budgets are finalized every year as a result of interviews by officials from universities and the Ministry of Finance. No performance indicators are taken into account when distributing the budget. In this study, the financial resources of public universities are explained and the University categories proposed by the author are evaluated on the basis of these resources. At the end of the study, it makes recommendations by distributing the resources received from the central government budget depending on the performance values of universities.

Materials and Methods

A public budget is a document that determines the income and expenses of the state for a certain period of time as an estimate, contains issues related to the collection of its revenues and realization of its expenses. In the law on public financial management and control No. 5018, the central government budget is defined as "the law showing the income and expense estimates of the state administrations within the scope of the central government, authorizing and allowing their implementation and execution". The budget, prepared by the government as a draft law for each year, is submitted by the Council of Ministers to the Grand National Assembly of Turkey at least 75 days before the financial year and is discussed and decided by the financial year.

The values transferred to public institutions within the framework of the budget law are outlined under three main headings: (1) general budget administrations (Table I), (2) special budget administrations (Table II) and (3) regulatory and supervisory organizations. The budget of the Higher Education Council and related organizations has been allocated within the scope of special budget administrations (Table II). The total budget of a state university is classified into five main headings: (1) personnel expenses, (2) Social Security Premium expenses, (3) purchase of goods and services, (4) current transfers and (5) capital investment.

Categorization of universities in developed countries can be done according to different factors such as age of establishment, teaching area, scientific yield, budget income levels, etc. In Turkey, so far, no assessment has been made on this basis. But after that, it is necessary to conduct such studies in order to make healthier determinations and shape the quality of teaching. In this study, all state universities in the country were classified into six separate categories, taking into account the years of establishment of the university. The main reason for creating categories according to the year of establishment is that universities are funded largely from the state budget, they invest with the government support they receive, and these investments constitute a significant accumulation depending on the years. Table 1 introduces the categories of state universities, established between 1933 and 2011 in Turkey. In Turkey. The hundred-three state universities were established between 1933 and 2011 during the Republic period. In this study, the financial resources of state universities were discussed on the basis of the categories defined in Table 1.

Table 1. The categories of State Universities on the basis of collage age.

Category	Number of Universities	Range for establishment year	The Covered Universities
A	9	1933-1971	İstanbul, İstanbul Teknik, Ankara, Ege, Karadeniz Teknik, Orta Doğu Teknik, Atatürk, Hacettepe and Boğaziçi.
B	10	1973-1978	Anadolu, Çukurova, Dicle, Cumhuriyet, Fırat, İnönü, Ondokuz Mayıs, Selçuk, Uludağ and Erciyes.
C	9	1982-1987	Akdeniz, Dokuz Eylül, Gazi, Marmara, Mimar Sinan Güzel Sanatlar, Trakya, Yıldız Teknik, Yüzüncü Yıl and Gaziantep.
D	25	1992-1994	Abant İzzet Baysal, Adnan Menderes, Afyon Kocatepe, Balıkesir, Bülent Ecevit, Celal Bayar, Çanakkale Onsekiz Mart, Dumlupınar, Gaziosmanpaşa, Gebze Yüksek Teknoloji, Harran, İzmir Yüksek Teknoloji, Kafkas, Kahramanmaraş Sütçü İmam, Kırıkkale, Kocaeli, Mersin, Muğla, Mustafa Kemal, Niğde, Pamukkale, Sakarya, Süleyman Demirel, Eskişehir Osmangazi and Galatasaray.
E	41	2006-2008	Adıyaman, Ahi Evran, Aksaray, Amasya, Bozok, Düzce, Erzincan, Giresun, Hitit, Kastamonu, Mehmet Akif Ersoy, Namık Kemal, Ordu, Recep Tayyip Erdoğan, Uşak, Ağrı İbrahim Çeçen, Artvin Çoruh, Batman, Bilecik Şeyh Edebali, Bingöl, Bitlis Eren, Çankırı Karatekin, Karabük, Karamanoğlu Mehmetbey, Kırklareli, Kilis 7 Aralık, Mardin Artuklu, Muş Alparslan, Nevşehir, Osmaniye Korkut Ata, Siirt, Sinop, Ardahan, Bartın, Bayburt, Gümüşhane, Hakkâri, Iğdır, Şırnak, Tunceli and Yalova.
F	9	2010-2011	Abdullah Gül, Bursa Teknik, Erzurum Teknik, İstanbul Medeniyet, İzmir Kâtip Çelebi, Necmettin Erbakan, Türk-Alman, Yıldırım Beyazıt, Adana Bilim ve Teknoloji.

Results and Discussion

As detailed in the previous section, the estimated budgets of 103 public universities taken into account in the study of Tosun (2015) are given in 6 separate items. Table 2 also shows the change in the values of expenditure items contained in line II of the central government budget law by year on the basis of the total budget for all state universities in Turkey. Figure 1 graphically presents the distribution of relevant data for each working year. According to these data, more than 50% of university budgets are allocated for personnel expenses. If personnel expenses are assessed together with Social Security State premiums, they exceed 60% of the budget. The share of capital expenditures, including the expenditure item of the University's investments, in the total budget is 22.0% on average. The share of purchases of goods and services in the budget was 14.3% on average.

Universities should ensure optimization in spending items given in the budget and use resources more effectively and efficiently. For this purpose, the author appropriates to examine the expenditures of universities in three separate items (total budget, personnel expenses and capital expenses) contained in the budget according to the defined categories of universities. In Table 3, the ratio of the total budget values given to universities to the defined University categories is presented as numerical size in line II of the central government budget law. A graphical representation of the four-year average values of the relevant data is given in Figure 2a. As can be seen from the relevant table and figure, universities in Category A, consisting of 9 universities, receive about 1/4 of the central

budget of the higher education system, which includes 103 universities (25.3 percent). The other 1/4 of the total budget belongs to 25 universities in Category D (24.6 percent).

Table 2. Expenditure items and their values coming from the Central Government Budget for all state universities considered in the study.

Expenditure items	2010 Amount (TL) x 1000	Rate (%)	2011 Amount (TL) x 1000	Rate (%)	2012 Amount (TL) x 1000	Rate (%)	2013 Amount (TL) x 1000	Rate (%)
Personnel	4.718.388,0	50,5	5.827.938,0	50,7	6.693.091,0	52,6	8.005.798	52,7
SSP*	914.550,0	9,8	1.030.721,0	9,0	1.153.877,0	9,1	1.362.838	9,0
PGS**	1.336.157,0	14,3	1.574.652,0	13,7	1.858.978,0	14,6	2.193.536	14,4
Current Transfers	206.404,6	2,2	688.157,5	6,0	246.259,0	1,9	269.650,5	1,8
Capital Investment	2.161.643,0	23,2	2.363.332,0	20,6	2.762.422,0	21,8	3.362.056	22,1
Total	9.337.142,6	100	11.484.800,5	100	12.714.627,0	100	15.193.878,5	100

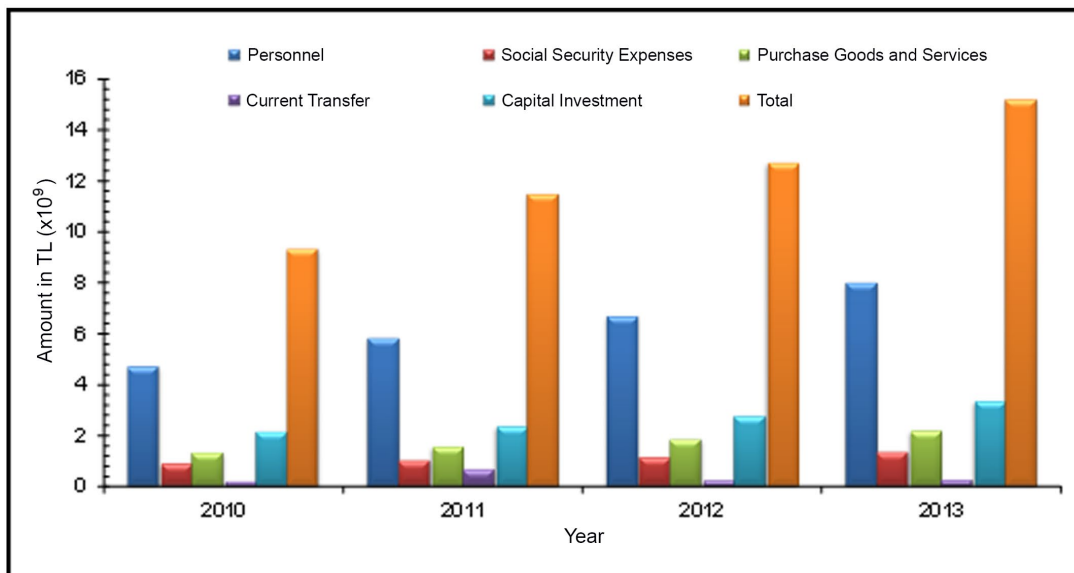(*****)Social Security Premium expenses (******) Purchase of Goods and Services

Figure 1. The values of expenditure items for all state universities considered in the study.

Table 3. Total budget amount for university categories

| University Categories	2010 Amount (TL) x 1000	Rate (%)	2011 Amount (TL) x 1000	Rate (%)	2012 Amount (TL) x 1000	Rate (%)	2013 Amount (TL) x 1000	Rate (%)
A-Category universities (9)	2.477.635,0	26,5	3.034.409,0	26,4	3.140.705,0	24,7	3.586.037,0	23,6
B-Category universities (10)	1.733.366,0	18,6	2.109.517,0	18,4	2.266.005,0	17,8	2.623.311,0	17,3
C-Category universities (9)	1.479.321,0	15,8	1.866.247,5	16,2	1.961.841,0	15,4	2.326.808,5	15,3
D-Category universities (25)	2.377.406,6	25,5	2.810.255,0	24,5	3.092.767,0	24,4	3.660.160,0	24,1
E-Category universities (41)	1.269.413,0	13,6	1.664.372,0	14,5	2.112.753,0	16,6	2.542.871,0	16,7
F-Category universities (9)	-	-	-	-	140.556,0	1,1	454.691,0	3,0
Total	9.337.141,6	100	11.484.800,5	100	12.714.627,0	100	15.193.878.5	100
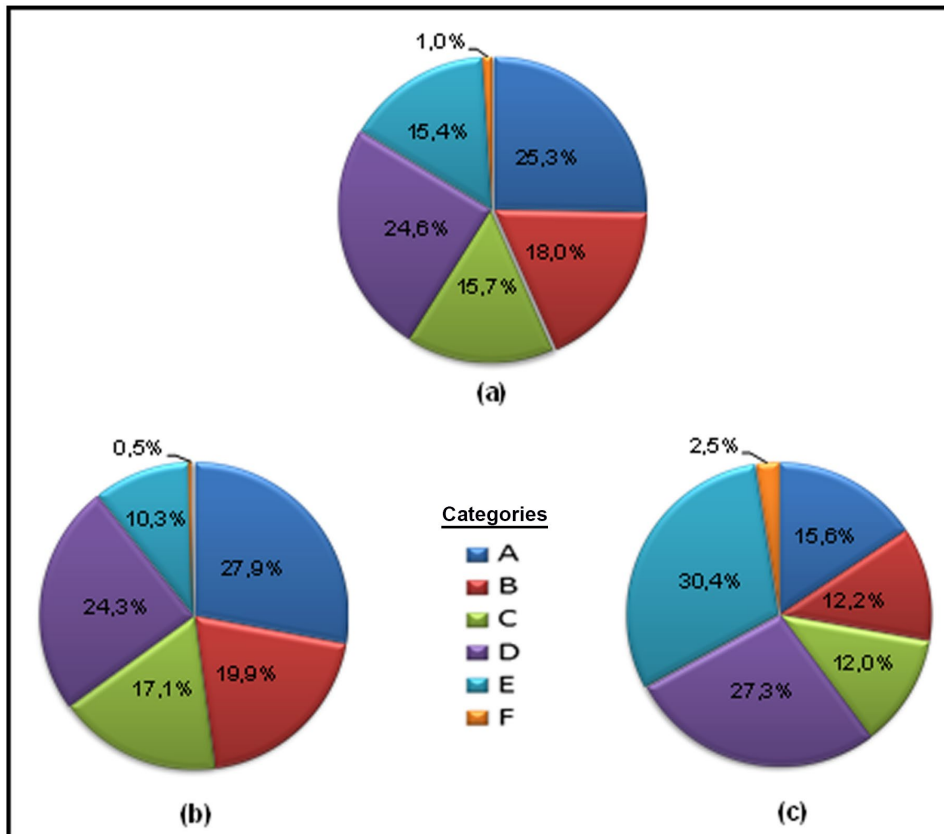
Figure 2. The distribution of expenditure items versus university category: (a) Total budget, (b) Personnel and (c) Capital Investment

Assessment with personnel expenses included in the public budget of universities is presented in Table 4. A graphical representation of the four-year average values of the relevant data is given in Figure 2b. According to these data, approximately one-third of personnel expenses are used by Category A universities (27.9 percent). Of this item, category D universities received a share of 24.3 percent, while for Category E universities, which included a total of 41 universities, share 10.3 percent on average. This unbalanced result is generally resulted from administrative staff numbers.

Table 4. Personnel expenses amount for the university categories

University Categories		2010 Amount X 1000	Rate (%)	2011 Amount X 1000	Rate (%)	2012 Amount X 1000	Rate (%)	2013 Amount X 1000	Rate (%)
A-Category universities)	(9	1.408.218,0	29,8	1.658.163,0	28,5	1.826.528,0	27,3	2.087.987,0	26,1
B-Category universities)	(10	979.320,0	20,8	1.169.729,0	20,1	1.325.622,0	19,8	1.522.578,0	19,0
C-Category universities)	(9	838.883,0	17,8	1.003.046,0	17,2	1.132.721,0	16,9	1.327.583,0	16,6
D-Category universities)	(25	1.149.596,0	24,3	1.425.838,0	24,4	1.622.756,0	24,2	1.935.454,0	24,2
E-Category universities)	(41	342.371,0	7,3	571.162,0	9,8	775.767,0	11,6	986.544,0	12,3
F-Category universities)	(9	-	-	-	-	9.697,0	0,2	145.652,0	1,8
Total		4.718.388,0	100	5.827.938,0	100	6.693.091,0	100	8.005.798,0	100

The capital investment expenditure item contained in the budget is a meaningful parameter that reveals the state of university investments. The distribution of this item by University categories for the four study years is presented in Table 5. In this item, a significant part of the budget is taken up by Category E universities, which include 41 universities established between 2006-2008 (average 30.4 percent). Another important portion of the

capital expenditures belongs to 25 universities established between 1992 and 1994 and included in Category D (average 27.3%). A graphical representation of the relevant data is presented in Figure 2c along with other data.

Table 5. The capital investment expenditure for the university categories

University Categories		2010		2011		2012		2013	
		Amount x1000	Rate (%)	Amount x1000	Rate (%)	Amount x1000	Rate (%)	Amount x1000	Rate (%)
A-Category universities)	(9	336.396,0	15,6	381.350,0	16,1	439.212,0	15,9	504.965,0	15,0
B-Category universities)	(10	259.110,0	12,0	302.856,0	12,8	326.651,0	11,8	403.504,0	12,0
C-Category universities)	(9	244.992,0	11,3	295.261,0	12,5	325.956,0	11,8	420.066,0	12,5
D-Category universities)	(25	662.854,0	30,7	648.971,0	27,5	720.260,0	26,1	833.677,0	24,8
E-Category universities)	(41	658.291,0	30,4	734.894,0	31,1	859.343,0	31,1	974.094,0	29,0
F-Category universities)	(9	0,0	0,0	0,0	0,0	91.000,0	3,3	225.750,0	6,7
Total		2.161.643,0	100	2.363.332,0	100	2.762.422,0	100	3.362.056,0	100

Conclusions

Currently the higher education institutes in Turkey are far from being homogeneous and productive. Most of them only have a functionality on education of young people, not on scientific research. Universities should have an institutional characteristic that illuminates the environment and influences social life rather than being classical institutions that provide normal education and carry out public affairs. Therefore, the performance of all higher education institutions in Turkey should be measured, their allowances should be given depending on their performance, and they should be transformed into institutions that are more effective in the production and transfer of information. For this, the method suggested above can be used effectively.

In Turkey, there is a board that evaluates the performance of universities within the higher education system. This board tries to do its duty in good faith by staying within the existing system. However, radical transformation should be achieved in the higher education system. The performance of universities should be determined every year using the method suggested above and state appropriations should be allocated according to the performance of universities. For example, universities should receive one-third of their total budget from local authorities. Universities should receive these fees each year in return for projects to be prepared in specific subjects, such as earthquake, flood, urbanization, social tissue treatment, mental health rehabilitation, water, land and mines, as well as for the effective use of local natural resources. It is clear that the issues mentioned above can be checked by a well-defined system on performance evaluation for the higher education system.

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