

Introduction

The purpose of this paper is to put the Turkish private pre-primary, primary, and secondary school sector under magnifier with an intention of making a comparison with public schools from the perspectives of access and equity. The primary focus will be on the choice and financial perspective, both from the individual (family) level and institutional (school) level for the latter. The main goal is to address the barriers to equality of educational opportunity within Turkish context and to provide policy recommendations to senior ministry officials as a target group of audience.

The first part of the paper gives brief information about the private schools and their physical capacity in Turkey, forming a basis for the potential they supply to help public schools increase their quality by reducing the public system's load. The second section examines what private education offers different from public education and lays out why it is important that Turkish children should have choice. The third part identifies broader systemic causes from the perspectives of psychological and political perceptions, and supply- and demand-side financial barriers. The final section offers three policy recommendations, with the first two which also exist internationally suggesting new points of view for Turkish education system and the last one calling for a stimulating domestic financial climate both for the families and private institutions. Namely, policy recommendations for implementing voucher plans, contracting for the delivery of education services and helping to create private entrepreneurship such as Education Management Organizations can have a great impact on Turkish schools by increasing efficiency and offering a higher quality apart from forming a competitive education environment for public institutions, which desperately need a *force majeure*.

I. Private Schools in Turkey

The population of private school students in Turkish education system currently comprises less than 2 percent of all primary and secondary students. The issue has been a hot debate especially in the last two decades when the government of mid-1980s decided to bring a more liberalized understanding in education with the belief that apart from the public system, third persons can also provide a quality education and lighten the heavy load of the Ministry of National Education by employing teachers and staff in private sector and add value to the economic system which would require a significant starting investment.

Having said that, though, the private schools -with an approximate capacity of 500,000 students- have a matriculation of slightly more than half of this figure. The figures are clear, but the causes, even the existence of private schools have been under intense discussion. One common point from different opinion holders, however, emphasizes the fact that there are a number of barriers to equality of educational opportunity for Turkish children to go to the private school of their choice.

According to the Ministry of National Education's data belonging 2004-2005 academic year, the total number of private pre-primary institutions was 567, primary schools was 676, and secondary schools was 650. The total number of enrollments, in the same order were 17,969, 172,348 and 71,253. As for the number of teachers, the numbers were 1,437, 18,003 and 8,972. With these figures, private institutions constituted roughly 4.1 percent of pre-primary students, 1.6 percent of primary students, and finally, 2.3 percent of secondary pupils. Overall, the total number of private school students was merely 1.9 percent of the pie.

When Turkish Republic celebrated the 80th anniversary of its proclamation in 2003, the population had increased by 10 fold, the number of students had jumped by 46 times, and the number of teachers had boosted by 44 times (Ministry of National Education, 2003). Nevertheless, overall educational spending and educational spending per pupil struggled over the years even to maintain its levels. Between 2000 and 2005, the proportion of the budget of Ministry of National Education to the consolidated (national) budget was between 6.91 percent and 9.57 percent. As for the proportion of the Ministry's budget to the national wealth (GNP), the figures were between 2.29 percent and 3.09 percent. The figures of another developing country, Mexico, can be helpful in order to make a meaningful comparison. During his visit to Harvard Graduate School of Education (November 18, 2005), Mexican Secretary of Education pointed out that his country's educational spending constituted more than 7 percent of Gross National Product and a hard-to-believe 27 percent of national budget. The bottom line is that Turkish education system still seems to be unaware of the role of private education while the state faces a huge public spending need for the education of approximately 98.1 percent of 14 million students in formal primary and secondary education and 3.5 million students in non-formal education.

II. What Private Education Offers

Two different public surveys conducted by Turkish Private Schools Association and *Mülkiyeliler Birliği* (Ankara University School of Political Science Alumni Association) reveal that in terms of different criteria such as educational quality, laboratory and research facilities, faculty quality, administrative quality, and most of all,

college placement, at least eight of the best ten high schools across the nation were private schools. These institutions offer a better learning environment by providing smaller class sizes -mostly lower than 20 on average-, top-notch faculty members, high-quality social, cultural, and athletic infrastructure as well as the latest technological products serving educational purposes. Almost all of the Turkish private institutions provide a curriculum targeting to teach two foreign languages, many of them use international education models such as Montessori, and a group of schools are authorized by the International Baccalaureate (IB) Organization to offer the Diploma Program while a number of institutions have been members of European Council of International Schools (ECIS); thus, are -in a way- accredited by international organizations in their academic, educational, and social quality.

A. Achievement Measurement-I: University Entrance Exam

Since 1974 when the college placement system was organized in a centralized structure and the university entrance became possible only after being successful in a nation-wide exam, virtually all parents and students have started to follow the academic success of high schools by their university placement statistics. This exam is conducted by a public institution, Student Selection and Placement Center (ÖSYM), and every year schools are listed in their categories, such as classical high schools and Anatolian High Schools (the highly demanded schools teaching Math and Science in either English, German, or French). The achievement levels in terms of college placement for public and private schools between 2000 and 2004 are as follows:

Table 1. The comparison of private and public schools in university entrance exam between 2000-2004.

School Type	Number of Test-Takers	Number of Students Placed in College	Achievement (%)
Public Schools (classical)	1,052,592	101,491	9,64
Private Schools (classical)	18,512	10,527	56,87
Public Anatolian High Schools	248,840	129,627	52,09
Private Anatolian High Schools	58,766	36,574	62,24

Source: Student Selection and Placement Center (cited from Turkish Private Schools Association's web site, www.ozokbir.org).

B. Achievement Measurement-II: High School Entrance Exam

On the other hand, another major achievement criterion is nation-wide High School Entrance Exam (OKS) which is similar to university entrance exam except the fact that it is administered by the Ministry of National Education. The aim of the exam is to select the students who are willing to take high-level academic challenge during their high school years.

The Ministry's data for İzmir, the third largest city in Turkey, provides a striking example for the case of private schools, which is no different from the generic view of private schools in the country. Next to the total number of schools in İzmir, the number of private schools are given in parentheses. Both the number of schools and the number of private schools participating in high school entrance exam can change slightly from year to year.

Table 2. High School Entrance Exam (OKS) results in İzmir.

Year	Total Number of Schools	Number of Private Schools in Top 10	Number of Private Schools in Top 20
2003	598 (30)	10	17
2004	614 (31)	10	18
2005	645 (33)	10	20

Source: Ministry of National Education, General Directorate of Education Technology, Ankara.

C. Achievement Measurement-III: Standardized Tests of Ministry of National Education

The final achievement measurement is the standardized tests of the Ministry of National Education, most of which have been conducted on a province base. Therefore, this part of the paper could only lay out one particular city, İzmir, as in the case of OKS. Similar to OKS, the standardized exams by the Directorate of National Education in İzmir provide how competitive the private schools are in the region based on the academic listings of schools. Tables 3 and 4 reveal the results of the standardized exams conducted on January 6, 2003 among the 6th and 7th grade students, and on December 29, 2004 among the 6th, 7th and 8th grade students,. Again, the number of private schools are given in parentheses next to the total number of schools.

Table 3. The standardized exam results in İzmir on January 6, 2003.

Grade Level	Total Number of Schools	Number of Private Schools in Top 10	Number of Private Schools in Top 20
6	620 (30)	9	17
7	591 (30)	8	16

Source: The Directorate of National Education, İzmir.

Table 4. The standardized exam results in İzmir on December 29, 2004.

Grade Level	Total Number of Schools	Number of Private Schools in Top 10	Number of Private Schools in Top 20
6	650 (29)	10	16
7	648 (30)	8	16
8	644 (28)	10	19

Source: The Directorate of National Education, İzmir.

III. Barriers to Private Education

A. Psychological and Political Perceptions

One of the major reasons why private education has difficulty to proceed in Turkey is the fact that public opinion strongly favors free access to education and that education should only and always stay as a public service. For this reason, political and psychological factors should be seen as the biggest barriers. While there have been significant improvements in the digestion of private education especially in the last two decades, starting from the senior-level officials at the ministry who come from public education background, many decision-makers still have difficulty to consider private education as a replacement of public service and a serious method of lowering government spending by transferring some percentage of educational spendings to private persons and families. In fact, as Lin (1999, p.147) points out similarly in Chinese case, the Turkish government officials, too, repeat their “active encouragement and vigorous support” for the private schools but this only represents words, rather than actions.

As for the families, the parents have been concerned about sending their children to private schools because of a number of reasons. Unlike the popular belief that these institutions offer educational services by charging a tuition, there are many families -from

middle class in particular- who believe that private schools serve the privileged and they offer a segregated learning atmosphere excluding the majority of the population.

According to a public survey conducted by Taylor Nelson Sofres Siar in May 2000, even the private school parents have been concerned about these schools' climate of exploiting their children despite the facts that they also perceive these institutions as spending more time with their children, that they found these institutions competent in their ability of preparing their kids better for business life, and finally they deserved their tuition when the educational quality would be concerned. On the other hand, when responding to the question of why these schools have not been preferred by others, private school parents pointed out that public school parents might favor the opinions that these institutions have been based on profit rather than quality education and that they face disciplinary problems. Some of these paradoxical responses become more negative when potential parents express their reasons of not choosing these schools. However, the results could easily be interpreted in the way that even the families whose income level have been sufficient were reluctant of choosing a private school and the opinions were based on perceptions or assumptions rather than concrete observations.

Having said these, the accepted wisdom that financing barrier has been still a major issue facing private education has a point. Indeed, one of the main reasons limiting the number of students attending private schools in Turkey is the taxation and other financial policies both for institutions and families. Currently, private schooling is no different from a typical manufacturing industry or services sector in Turkey, and financial policies weaken the affordability of private schools by making their prices more expensive despite the fact that a great majority of Turkish private schools have been

sensitive in not increasing their price levels over the inflation. Some of the financial policies putting pressure on private school prices are explained in the next section.

B. Supply-Side Financial Barriers

1. Investment Incentives and Corporate Tax

Education sector, in its nature, has a need for substantial starting expenses and physical infrastructure aside from the necessity for continuous spending in technology and research facilities in order to stay competitive and to offer quality education services. On the other hand, the fierce competition and non-growing population in private schools force these institutions to break even in their income statements. As a generally accepted view based on Turkish school managers' experiences, a private school needs between 8 to 20 years before declaring an added financial value. When it is taken into consideration that most of the private schools in Turkey have a history of less than 20 years, it could easily be seen that there are still numerous institutions being so far away from financial gains. This view, however, has not changed the position of financial policy makers in the Ministry of Finance about even thinking the possibility of lowering corporate tax bracket for private institutions which seriously suffer capital losses due to inflation over the years.

While the Turkish governments have been very generous in providing investment incentives to major sectors such as exporting, automobile industry, textiles, and financial services, private schooling still needs to catch the attention of policy makers in their role of educating the citizens of the country. Until only last year, these institutions paid a 19.8

percent stoppage tax calculated on the basis of physical investment facilities, discouraging many institutions to undertake new investments.

2. Social Security System for the Retired Faculty

Since the retirement age from the public schools used to be 38 for female teachers and 43 for male teachers for many years until recently, almost all of the private schools currently employ young-age retired faculty members who are experienced and at the most mature years of their profession. On the other hand, prevailing social security system in Turkey requires all private institutions to pay a so-called “social security support premium” for the retired faculty coming from public schools. Paradoxically, the salaries of those educators were already deducted a social security premium for 20 years or more before they had retired to work elsewhere. Currently, the amount which has to be paid by the private schools to Social Security Administration is 30 percent of the gross salary of the retired faculty.

3. Utility Payments

Until last year, compared with public schools, private institutions were paying their utility bills on the basis of a different and more expensive price list since their unit costs were calculated in a separate format. Whereas utility payments seem to make slight differences on the cost management side, paying almost double for these services compared with public schools causes the tuition level of private institutions to rise even more (Eraslan, 2004).

C. Demand-Side Financial Barriers

1. Taxation on Family Income and Lack of Government Support

While so low as a percentage, a number of Turkish families prefer to forego their right of sending their children to public schools on the basis of higher quality expectations from private institutions. Despite the fact that their tax contribution to the government budget has not been used in their children's educational needs, these families are given the chance of deducting their private school payments from their income tax only by a very little percentage. In fact, the Ministry of Finance decided only recently to increase this deduction level to 15 percent of cumulative family earnings, and yet this amount is far away from average tuition levels. As of 2005-2006 academic year, the private schools' average tuitions in İzmir excluding VAT are 6,414 TL (\$4,751) in lower school, 7,059 TL (\$5,229) in middle school, and 7,384 TL (\$5,469) in high school with an approximate TL/\$ exchange rate of 1.35 (Eraslan, 2005).

In order to fully deduct private education payments from their income, private school parents need to earn 42,760 YTL (\$31,674) for their lower school children, 47,060 YTL (\$34,859) for their middle school children, and 49,227 YTL (\$36,464) for their high school children. These figures are impractical for the majority of Turkish families, the middle-class in particular, given that Gross National Product per capita by the end of 2005 is expected to be -all-time high of- \$5,000. The fact that other expenses such as tuition VAT, nutrition, transportation, uniforms, relatively more expensive foreign language books in private schools, and stationery even raise the expenditures more for the parents.

2. Value Added Tax (VAT)

Currently Turkish families have been paying 8 percent VAT for their children's education in private schools. When approached from the private schools that this sector gives a unique service for the society and produces public good, the Ministry of Finance brings a counter argument that the VAT level is already so low as opposed to other goods and services; nonetheless, mainly in the food industry, there are various products which have VAT as low as 1 percent.

IV. Policy Recommendations

Since this section will include policy recommendations on the basis of invigoration of private schooling, there is a need to digest the existence of private schools and understand their role in education systems. Jimenez, Lockheed, and Paqueo (1991) state that since the school managers feel more responsive to the needs of students and parents, private schools increase efficiency aside from revenue mobilization. The authors provide evidence from the case studies which compare private and public secondary education in Colombia, the Dominican Republic, the Philippines, Tanzania, and Thailand, where private school students generally outperform public school students on standardized math and language tests. The findings of these studies remain the same even after holding constant for the fact that "private school students in these countries come from more advantaged backgrounds than their public school counterparts." (p. 205) Besides, the introductory findings show that private schools' unit costs are lower than those of public institutions.

James (1989), on the other hand, describes the potential advantages of private service provision under three headings. One is that private education allows some reliance on voluntary payments and reduces the necessary amount of taxation. The second is that diverse organizations are better able than government to offer a heterogeneous product mix and therefore supply separate choices about other services. And the last one is that, similar to Jimenez, Lockheed, and Paqueo's argument, privatization has an advantage of lower costs because of avoiding constraints on factor utilization, wage floors and bureaucratic red tape keeping the public costs high. In short, the research evidence concludes that governments need to reconsider policies controlling the participation of private sector in education systems.

A. Voucher Plans

The first recommendation calls for the Turkish government to pay, at least, the equal of public spending-per-pupil amount to the willing families should they favor a choice of a private school. Evidence for such a policy can be seen in the case of Netherlands, where each family gets a voucher equivalent to the per capita cost in the local public school which must be spent on education (James, 1989). Whilst the issue of national voucher plans has been discussed in the last couple of years in Turkish private education sector as a means of offering an alternative for families to send their children to the school of their choice, there is still no serious move from the side of government to consider voucher plans as a way of increasing public schools' quality while lowering public spending. While West (1997, cited in Carnoy) finds vouchers to be appealing since they aim to increase competition among private and public institutions by driving

down the cost without sacrificing from quality, Turkish authorities find the privatization of education too much for the politicians and the public to accept, as in the case of British government in the early 1980s (Chitty, 1989, cited in Psacharopoulos). The main reason, as briefly summarized above in the barriers to private education, has been the political perception that education is nothing more than a public service and it is yet to be seen too early for the central authority to provide public grants to private institutions in the form of voucher plans.

According to Carnoy (1998), the famous economist Milton Friedman first conceptualized the vouchers in mid-1950s as a means to increase the quality of the schools, control the public educational spending with a target of privatizing of education services despite the fact that many states have been concerned only recently about the educational quality and lesser government budgets. Friedman proposed an entitlement (voucher) for each child which can be used at any institution, either public or private, and thus offered choice for families in participating schools.

Before the quality issue could be discussed in Turkish public schools, the system first needs to overcome the challenge of responding to the schooling needs of increasing population. It would not be an overstatement of saying that the quality in public schools has been out of reach because of the public schools' dominating enrollment of 98.1 percent of total enrollment. The overwhelming role of public schools leaves the Turkish system with no other choice of bringing in the supply of private education in order to reduce the public's share and to use government spending to serve the quality expectations of the society. The research evidence provides a plausible case from Chile, where the voucher plan of 1981 caused a "flight from public education." (Carnoy, 335)

A voucher is no panacea by any means. The effects of voucher plans may change depending on the public's position and voucher reforms may end up with different outcomes. Nonetheless, research evidence provides persuasive outcomes, as in the case of Wisconsin voucher plan. The study of Witte, Thorn, and Prichard (1996, cited in Carnoy) acknowledges that in Milwaukee, the voucher plan for low-income elementary school pupils ended up with higher satisfaction of parents and students. In other words, evidence suggests that parents using vouchers with a choice of moving their children from a public school to a private one feels better off (Carnoy, 1998).

Another study of Angrist, Bettinger, Bloom, King, and Kremer (2001) gives a more striking example from Colombia where one of the largest school voucher programs, the *Programa de Ampliación de Cobertura de la Educación Secundaria* (PACES), provided over 125,000 pupils with vouchers covering more than half the cost of private secondary school. The PACES program's effects are reliable in the sense that many vouchers were assigned by lottery. The findings of the study suggest that lottery winners ended up with higher educational attainment, mainly because of reduced grade repetition, they received higher test scores, and they had a lower probability of teen cohabitation or employment. Most of all, PACES vouchers had a stronger impact on girls' education compared with the education of boys.

PACES vouchers had significant impacts on the outcomes. The lottery winners were most likely to attend private schools, which may be better than the public institutions, and since the vouchers could be renewed depending on satisfactory academic performance of the students, lottery winners had to devote more effort to school. According to the authors, demand-side programs like PACES can provide a cost-effective

way to increase educational attainment besides academic achievement, at least in countries like Colombia where there is a weak infrastructure in public system and well-developed private education sector, very similar to Turkish context.

B. Contracting for the Delivery of Education Services and Education Management Organizations (EMOs)

The second recommendation I would suggest, similar to the case of voucher plans, has been an unfamiliar policy for Turkish education system so far. This is simply contracting with the private sector for the delivery of educational services, professional services and the provision of educational infrastructure which may not find many proponents from the ministry because of the heavily centralized structure of Turkish system today. The so-called ‘contract schools’ are known as the private sector organizations which deliver education services resulting from government contracts. According to Taylor (2003, p. 158) “contracting can be defined as a purchasing mechanism used to acquire a specified service, of a defined quantity and quality, at an agreed-on price, from a specific provider, for a specified period.” (cited in LaRocque 2005). From the educational view, “contracting involves a government agency entering into an agreement with a private provider to procure a service or a bundle of education services in exchange for regular payments.” (LaRocque, p. 2)

Contracting offers various benefits such as improving the quality of spending on the basis of efficiency, allowing governments to bypass inflexible salary scales and civil service restrictions, and increasing transparency of government spending (LaRocque, 2005) whereas it also has a number of shortcomings such as its expensiveness compared

to traditional procurement methods and its potential of causing corruption apart from the probability of loss of government accountability and control (Savas, 2000, cited in LaRocque). Three contracting types could be suggested for the delivery of education services in Turkey:

- **Management Contracts:** In this model, a private educational provider replaces the public service by using the government infrastructure whereas the staff are still employed by the public. The Contract Schools in the US can be exemplified as international samples in this model (LaRocque, 2005).
- **Operational Contracts:** Such contracts are similar to management contracts with the only exception of employment of staff by the private provider. According to LaRocque (2005), *Colegios en Concesión* (Concession Schools) in Bogotá, Colombia, and *Fe y Alegría* education in Latin America and Spain can be offered as international examples.
- **Service Delivery Contracts:** This type of contracting has also similarities with management and operational contracts except the fact that the educational services are delivered in privately owned facilities. In global perspective, LaRocque (2005) exemplifies government sponsorship of students in private schools in Côte d'Ivoire, alternative education in New Zealand, and educational service contracting in Philippines.

Higher efficiency and lower unit costs in private schools raises another policy recommendation of private management of public schools. In this model, an Education Management Organization (EMO) gets involved in a direct contracting of a public school. Lawton (2004, p.5) describes EMOs as “management companies employed by governing boards of districts or charter schools to manage one or more aspects of school

operations” and points out that their services can change from technical assistance to accounting and information systems, from curriculum design and tutoring to assistance with hiring educational managers and teachers. Charter schools in USA can be presented as a case of private management of public schools. According to LaRocque (2005), in 2004-2005, there were 535 public schools being managed by 59 EMOs in 24 states and the District of Columbia in United States. The number of schools under private management has increased nearly four times from the figure in 1998-1999 and the number of students increased by some 40,000 from 2003-2004 to become 240,000 in 2004-2005 (Molnar et al, 2005, cited in LaRocque). On the other hand, Colombian example of *Colegios en Concesión* which were developed in the late 1990s and began operating in 2000 also provide similar trends, with 25 schools serving over 26,000 students are expected to grow to 45,000 students in 51 schools -5 percent of public school coverage in Bogotá-. The fact that both the number of schools and students have been increasing sharply in two different country contexts gives a signal about the effectiveness of EMOs and their roles, and why such a model should be considered without political and psychological prejudices.

C. Supply- and Demand-Side Incentives

One of the major reasons limiting the number of students attending private schools in Turkey is the taxation and other financial policy burdens both for institutions and families. From the perspective of the institutions, the major policy recommendations would be to create new investment incentives, a different corporate tax climate for private

education sector with lower tax brackets, and a new understanding in social security payments for the retired faculty members.

One major incentive is the exemption of the newly founded institutions from corporate tax for a certain number of years. Recently, the formerly abolished incentive which gives the new schools to be exempt from corporate tax for five years following their establishment has been restarted. Nevertheless, the policy seems to be very impractical because of the fact that education, as a sector with remarkable starting expenses coupled with fierce competition, needs more than five years so that a newly established institution can announce a gain in its income statement. Therefore, there is a need to extend the exemption period of corporate tax in order to encourage private school investments, in developing regions of the country in particular.

Another corporate tax incentive to be suggested is the tax bracket from which the private schools pay their corporate taxes. Currently, the corporate tax is 33 percent for all the sectors and the government has been working a reduction; however, education sector -with its long-haul horizon- deserves to be treated in a different format from the manufacturing industry and other services. The Minister of National Education declared very recently before the public that the total tax amount 1,700 private schools paid last financial year was slightly more than a mere \$20 million, which is a very insignificant revenue for consolidated national budget. With a public spending per student of more than \$1,000 (excluding the physical investments such as building new schools) according to the minister's personal declaration made just before the end of 2005, the private schools help the ministry to get rid of a budget load by around \$300 million with approximately 265,000 students (Ministry of National Education, 2005). While the

complete abolishment of corporate tax in private schooling causes a little revenue loss for the government, each student enrolled in private schools helps the ministry to allocate another \$1,000 for public school pupils. On the other hand, such an abolishment could result in -as high as- a 12 percent lower tuition level for an average private school with 900 matriculated students (Eraslan, 2004), which in turn may boost the private school enrollments. In short, corporate tax reductions would clearly end up with win-win repercussions both for private schools and the public system.

As for the social security payments of the retired faculty, Turkish private schools have been paying a 30 percent of the gross salary of each retired teacher to the social security system according to the Act 4956 ratified in 2003. Since the retired faculty were already deducted a social security premium from their salaries for at least 20 years before they have started to work in private schools, social security support premium is only contributing to higher tuition levels in these institutions. As of April 2004, a mid-size private school with 900 pupils and 150 faculty members and staff with a retired employee population of 40% has to pay an additional 8 percent for its retired people in its overall cost structure (Eraslan, 2004). Given that the inflation rate in Turkey has been around 8 percent, an abolishment of such unjust payment to the social security system may mean a no increase in the prices of private schools, which could be a simple way of increasing their enrollments.

On the other hand, from the perspective of families, 8 percent value added tax (VAT) paid on private school bills is discouraging and turns out to be an additional burden for parents. My main suggestion is that the VAT for private education should be lowered or completely terminated and I argue that it is unfair to ask from the families to

pay an additional tax while they are reducing the load of government in terms of educational spending. A good example of the impact of reduced VAT is the case of transportation taxation. When the Ministry of Finance, surprising many, lowered the VAT from 18 percent to 8 percent for transportation payments in January 2005, the annual payments in families' transportation budget remain virtually unchanged despite the uptrend in oil prices.

I also suggest that there is a need for a new understanding from the government to support families by offering a full tax deduction, the so-called educational tax credits, for the education bills they pay for their children. Lieberman (1989, p.119) calls this as a "tax-payer rationale" in addressing the best way to strengthen parental choice of schools when he argues that public policy should seek to strengthen parental ability to pay for education. Nonetheless, Turkish Ministry of Finance only recently provided an inadequate tax deduction of 15 percent over the cumulative earnings of each family for their children's educational spendings. As given in the earlier sections, 15 percent tax deduction is impractical for most of the Turkish families, especially for middle-class who form the majority of private school parents.

While roughly 2 percent of the families choose to enroll their children in private schools and forego their educational-spending-per-pupil allocations to help the Ministry to have more funds in the public system, there is no government support by any means for private school families. On the other hand, Turkish system has no familiarity with grants or long-term loans, which can help the families significantly to afford their children's education bills.

Research evidence lays out numerous examples of government support for families in a number of countries. One policy from Scotland (Walford, 1989) is the introduction of the Assisted Places Scheme which suggests a direct financial support to the Scottish families. By the beginning of 1990s, one in eight pupils in private secondary schools held an Assisted Place. Walford argues that when establishing the scheme, the Conservative government had implied that private schools were better than local authority maintained schools. Moreover, the scheme which put emphasis on parental choice was “centrally concerned with the selection of able children from maintained schools and the provision of a strongly academic education for them.” (Griggs, 1985, p.89, cited in Walford, 1989)

Conclusion

While the population of private school students in Turkish education system comprises roughly 2 percent of all primary and secondary students, these institutions still have slots waiting to be filled for nearly 235,000 students. The crowded public system trying to cope with almost 14 million students does not seem to have a luxury of ignoring unused places in private schools whereas public schools suffer from crowded classrooms, inadequate facilities, inefficient management, student achievement, and quality.

Two different public surveys reveal that private education in Turkey offers educational quality, laboratory and research facilities, faculty and administrative quality, and most of all, success at college placement. Private schools offer a better learning environment thanks to smaller class sizes with most of them less than 20 on average, top-notch faculty members, high-quality social, cultural, and athletic infrastructure as well as

latest technological products serving educational purposes. Besides, the great majority of Turkish private institutions are able to teach two foreign languages, some of them use international education models, a number of institutions are authorized by the International Baccalaureate (IB) Organization to offer the Diploma Program, and another group of schools are members of European Council of International Schools (ECIS) and accredited by international organizations in their academic, educational, and social quality.

While the infrastructure and international recognition of Turkish private schools offer a strong learning environment, a number of barriers prevent these institutions to have a greater role in the system. Arguably the leading factor is the political perception that education should only and always stay as a public service. In spite of the significant improvements in the digestion of private education especially in the last two decades, the majority of -especially appointed- officials coming from public education background, are skeptical about the role of private education as a replacement of public service. In fact, private schools are yet to be seen as intermediary institutions which can reduce government spending and thus help the ministry to allocate more funds for public system. This perception also causes financial barriers both for private schools which have to overcome heavy financial commitments to public agencies, and for families who are required to pay high taxes for their children's education bills without any kind of government support at all. Moreover, the private school payments are not fully tax deductible for parents, which makes these institutions even less affordable, particularly for middle-class families whose children constitute the major beneficiaries.

Since the school managers feel more responsive to the needs of students and parents, private schools increase efficiency (Jimenez, Lockheed & Paqueo, 1991). Research evidence from the case studies which compare private and public secondary education in Colombia, the Dominican Republic, the Philippines, Tanzania, and Thailand show that private school students generally outperform public school students on standardized math and language tests. In addition, the introductory results of studies lay out that private schools' unit costs are lower than those of public institutions. All these findings conclude that governments need to reconsider policies controlling the participation of private sector in education systems.

Three policy recommendations are suggested to increase the participation of private schools in Turkish system. The first one is the voucher plans, which is found by West (1997, cited in Carnoy) to be appealing since they aim to increase competition among private and public institutions by driving down the cost without sacrificing from quality. Introduced by Milton Friedman as a means to increase the quality of the schools (Carnoy, 1998), not only can vouchers provide a broader spectrum of choice, but also this system might help to control the public educational spending. The second policy recommendation is the contracting with the private sector for the delivery of educational services, professional services and the provision of educational infrastructure. The 'contract schools' are known as the private sector organizations which deliver education services resulting from government contracts. According to LaRocque (2005), contracting is aimed to provide benefits such as improving the quality of spending on the basis of efficiency, allowing governments to bypass inflexible salary scales and civil service restrictions, and increasing transparency of government spending. On the other

hand, higher efficiency and lower unit costs in private schools also create a basis for another policy which involves an Education Management Organization (EMO) to take care of a public school, such as charter schools in the US or *Colegios en Concesión* (Concession Schools) in Colombia which were developed in the late 1990s. The final recommendation is within the domestic context which suggests a more entrepreneur-friendly environment for private schools in terms of taxation, investment incentives, and social security payments for the young-age-retired faculty from public schools, and choice-friendly environment for families from the stand points of VAT and government support either in the form of full tax deduction for education bills or grants and long-term loans that can ease the private education's affordability.



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