

CHAPTER – 8

FINANCING the UNIVERSITIES

THE PRIVATE UNIVERSITIES

As a matter of policy, there is no direct governmental funding either for development or for recurring expenses for institutions in the private sector. It is true that Education Foundations have been established in the provinces and also at the federal level to give some grant-in-aid to educational institutions in the private sector. However, the working of these foundations has been far from satisfactory, and off and on their working has been frozen. In any case, the funds available to the foundations are woefully inadequate to make any reasonable improvement in the working of private educational institutions by enhancing the quality of their education or enabling them to meet the demands of social equity. The table given below gives the expenditure incurred by private educational institutions during the academic year 1999-2000, as brought out in the report of the Federal Bureau of Statistics: (1)

Table-1
Expenditure incurred during the academic year: 1999-2000
Whole of Pakistan

(Rs ('000'))

Level	Teaching Staff	Non-Teaching Staff	Repair and maintenance of machinery	Purchase (Store & Stationery)	Traveling / POL / Transport	Utilities, electricity, gas, water.	Rent of building	Repair and maint. of building	Misc.	Total
Pakistan General	5946379	1068756	132091	266530	137868	612924	1004891	285178	532992	9987609
Technical/ Professional / (Under Graduate)	112896	46355	5115	7837	3107	23483	37731	4413	17549	258436
Technical / Professional / Graduate & Post Graduate)	635069	173659	12863	58673	33190	113209	84649	41695	267425	1420432
Vocational	103342	33411	11929	7864	4714	29870	35432	4879	10778	242219
Total	6797686	1322181	161998	340904	178879	779486	1162703	336165	828744	11908746

The above table shows an expenditure of almost Rs.12 billion by private institutions at all levels. The income generated by private institutions comes from various sources, as indicated by the Census Report as under:

- | | | |
|----|--------------------------|-----|
| a) | Income from tuition fees | 58% |
| b) | Admission fees | 28% |
| c) | Donations | 9% |
| d) | Other sources | 5% |

According to the Statistics Bureau Report, the gross income generated by all types of private educational institutions during the year under report was Rs.21 billion, of which Rs.19 billion came from private institutions of the general type. The income generated by the technical / professional graduate and post-graduate private educational institutions was about Rs.2 billion. (1)

The above statistics show that there are a large number of private educational institutions which are "for profit". This picture is also true for private educational institutions in the tertiary educational sector. At the same time, some of the best higher educational institutions in the private sector are "not for profit". This mixed picture will continue; and given the inability of the public sector to meet the demand for education, or to improve the quality of existing institutions, no steps should be taken to discourage even the "for profit" educational institutions. Pakistan has a capitalistic structure of society, and there are wide disparities in individual incomes. Consequently, if some people have the means to purchase education within the country, they should be able to do so. Consequently, the answer would not lie in discouraging private institutions merely because they happened to be "for profit", but a mechanism should be evolved where those who can obtain admission on merit, should be looked after so as to ensure some equity in private educational institutions. Institutions run by Trusts, some Muslim Welfare Organizations and Missionary Organizations are not for profit and show a welcome spirit of community service.

On occasions fears have been expressed that some private educational institutions which are operating "for profit" may be totally exploitative in character. There are also

instances where some unscrupulous operators have collected fees from the students and then vanished. Such people will have to be differentiated from those who are operating genuinely and imparting education of a reasonable standard, but are "for profit". The safeguards would be:

- a) implementation of the laws providing for the registration of private educational institutions;
- b) the functioning of an organization for quality control and accreditation;
- c) the market mechanism will take care of issues like high fees and reasonable provision of other amenities.

In the Universities Sector, private educational institutions are looking after almost 18% of the enrolment. According to the Education Policy 1998-2010, the enrolment in private educational institutions of higher learning will eventually be 40% of the total. (2)

Private educational institutions will always follow the demand in the market. Consequently, the private universities in Pakistan have established disciplines like medicine, information technology, business administration, teacher training, etc. Planners should be cognizant of this trend and should so plan that the vital non-market driven disciplines are not forgotten. Public sector institutions of Higher Education should be encouraged to have excellence in such disciplines.

Some planners are worried about the over production or saturation in certain disciplines. As a result of this, there is a waiting time before employment for graduates in

some disciplines. The answer really does not lie in panic stop start operations responding to every temporary over production. Unfortunately, there is no long-term manpower planning in the country and nor has it been possible to predict the behaviour of the economy some years ahead, so that the required manpower could be produced.

The globalization of the economy has introduced yet another complicating factor in the economy. There is bound to be large scale shifting of skilled manpower to different regions of the world, in accordance with requirements. It is, this movement, that our planners will have to predict and guide the educational system to produce the required manpower. In short, we should be looking at the global economy rather than the national economy in terms of manpower planning.

Another useful avenue to explore would be the establishment of meaningful endowments. A part of the income from such endowments can be used to assist quality private educational institutions in the social sciences. The endowments should be in the nature of non-lapsable funds which can be invested in safe government securities to provide for a secured source of supplementary financing of the educational efforts.

At the moment, the general policy of the government is to exempt the educational sector from certain taxes on the import of educational equipment. This should be further extended. Some liberal policy on the allotment of land for educational institutions should also be enforced, wherever state land is available. Indeed, the recent example of the Aga Khan University is worth citing. The Sindh Government has considerable state land in Karachi. It is public knowledge that over the years a lot of that land has been encroached and possession taken over un-authorizeably. This land has often been sold over and over.

Also, many governments in the past have given large portions of this land to undeserving persons or for dubious causes. It took the Aga Khan University years of effort and the intervention of the Chief Executive of Pakistan to obtain allotment of 400 acres of land to set up a world-class College of Liberal Arts and Sciences. Interestingly enough, when determining the cost of the land, every functionary through whom the case passed increased the cost to take it to almost prohibitive levels. This was a fit case for the Government of Sindh to have exercised its discretion and given the land either totally free or at nominal costs.

Another interesting episode in clumsy governmental handling is the imposition by the Government of the Punjab, of an excise duty on private educational institutions. The unscrupulous ones simply reached an understanding with the relevant staff who showed a small percentage of the enrolment. The amounts saved were shared between institutions and the assessing staff. The real sufferers were those who were genuinely in the field of education, for they were assessed to pay large sums as excise duty. Fortunately, the excise duty was subsequently abolished. However, an institution like the Lahore University of Management Sciences is still being pursued by the Government of the Punjab for payment of arrears of excise duty.

There has been talk of treating education as an industry. The whole concept is not to penalize people investing for the provision of education, but to give them the facilities and conveniences that would accrue to any industrial enterprise.

**RECOMMENDATIONS for PRIVATE INSTITUTIONS of
HIGHER LEARNING**

Private institutions of Higher Learning should be encouraged by:

- a) Simplifying the procedures for the grant of charters.
- b) Setting up an endowment fund, the proceeds of which can be used to give financial assistance to private educational institutions of quality.
- c) Wherever state land is available, it should be offered to educational institutions at nominal cost.
- d) Educational institutions should not be taxed in the form of excise duty, etc.
- e) Import of all equipment for educational institutions should be exempted from payment of duty.
- f) The government must avoid any direct regulatory efforts on private higher educational institutions. Regulations, if any, should be only for the purpose of quality control, and it should be carried out through an independent body set up by the UGC.

PUBLIC SECTOR UNIVERSITIES:

Enrolment in the universities in Pakistan for the year 1999-2000 is as under, as gathered by the University Grants Commission: ⁽³⁾

a)	Public sector universities	135,743
b)	Private sector universities and degree awarding institutions	21,491

The above enrolment of public sector universities does not cover the enrolment in the Allama Iqbal Open University, which offers courses at varying levels ranging from certificates and diplomas to Graduate and Post-graduate degrees and even Ph.D. degrees. They claim their enrolment in the graduate level and upward to be quite substantial, going as high as 300,000. (4)

The above table will show that public sector universities are still shouldering the major burden of Higher Education in the country. This percentage is expected to alter with the private sector eventually enrolling almost 40% of the total.

DEVELOPMENT EXPENDITURE of PUBLIC SECTOR UNIVERSITIES:

The government, through the Annual Development Programmes, has shouldered the entire developmental expenditure of public sector universities. The details of governmental investments in the higher levels of education have been dealt with in detail in the chapter dealing with the Five Year Plans. However, suffice it to say that the total developmental investment in universities has not been adequate to:

- a) Meet the demand for new places.
- b) Ensure proper up-keep of the existing infrastructure.
- c) Quality improvement, including human resource development.

Till the middle of the Eighth 5-Year Plan, (5) some conscious and cohesive effort was possible for developing the university sector on meaningful lines. However, from the year 1996-97, the concept of the Annual Rolling Plan has been adopted. The result is that the developmental allocations for universities have now boiled down to small-

uncoordinated schemes reflecting the immediate felt needs of each university, rather than a coordinated development effort in perspective.

A list of the schemes included for the Public Sector Development Programme (PSDP) 2000-2001 of the University Sector will highlight the above point: ⁽⁶⁾

<i>Sr. No.</i>	<i>Name, Location</i>	<i>Original ADP 2000-01</i>
1	PUNJB UNIV. LAHORE. Estb. of Instt. of Bio. Chem., and Bio-Technology in the University of the Punjab, Lahore	10.074
2	UNIVERSITY OF ENGG. & TECH., LAHORE Development Project of University of Engg. & Tech., Lahore, Phase-II	4.050
3	B.Z. UNIVERSITY, MULTAN Dev. of B.Z. Univ. Multan Phase-I	15.000
4	Estb. of College of Engg., at BZ University, Multan	20.000
5	ISLAMIA UNIVERSITY, Bahawalpur Establishment & Dev. of Islamia University, Bahawalpur, Phase-II	20.000
6	FATIMA JINNAH WOMEN UNIVERSITY, RAWALPINDI. Development of Fatima Jinnah Women University, Rawalpindi.	15.000
7	UNIVERSITY OF KARACHI Establishment of 3rd world centre for science & Technology in chemical sciences (Ph-II) HEJ Research Institute of Chemistry, Univ. of Karachi.	40.000
8	Improvement of existing facilities at the University of Karachi, Karachi	40.000
9	UNIVERSITY OF SINDH Provision for basic facilities and infrastructure for newly created centre for health and physical education, University of Sindh, Jamshoro.	4.649
10	SHAH ABDUL LATIF UNIV. Dev. of Shah Abdul Latif Univ. Khairpur (Phase-I)	10.000
11	Dev. of Shah Abdul Latif Univ. Khairpur (Phase-II)	5.000

12	MEHRAN UNIV. OF ENGG.& Tech., Jamshoro Up-gradation of Sindh Univ. Engg. College as Mehran Univ. of Engg. & Tech. Jamshoro, Phase-I.	19.298
13	Establishment of Department of Textile Engg. at Mehran University of Engg. & Tech., Jamshoro	15.000
14	NED UNIV. OF ENGG. & TECH, KARACHI Dev. & Strengthening of Academic facilities at NED University of Engg. & Tech., Karachi under 8th five year plan.	13.000
15	QUAID-E-AWAM UNIVERSITY. Establishment of Quaid-e-Awam University of Engg. & Tech., Nawabshah	9.487
16	GOMAL UNIV. D.I. KHAN. Estab. of Gomal University D.I. Khan, Phase-II.	10.000
17	NWFP UNIV. OF ENGG. & Tech., Peshawar. Establishment of New Campus for NWFP Univ. of Engg. & Tech., Peshawar at Jalozai. Phase-I.	15.000
18	Link Programme b/w NWFP Univ. of Engg. & Tech., Peshawar & George Washington Univ. USA. (Federal Component)	7.800
19	Immediate needs of the installation of lab. equipment received under the Japanese grant in aid at NWFP University of Engg. & Tech., Peshawar.	1.481
20	PESHAWAR UNIVERSITY. Establishment of Centre for Bio-Technology, University of Peshawar, Peshawar.	1.000
21	HAZARA UNIVERSITY. Establishment of Hazara University for Management & Engineering Sciences, NWFP.	1.000
22	UNIV. OF BALOCHISTAN, QUETTA Development of Computer Science Department Univ. of Balochistan, Quetta	22.000
23	UNIVERSITY OF ENGG. & TECH., KHUZDAR. Construction of Teachers Hostel at Balochistan University of Engg. & Tech., Khuzdar.	1.000
24	QUAID-E-AZAM UNIV., Islamabad Scheme for dev. of Quaid-e-Azam Univ. Phase-III (1994-95 to 1988-99)	20.000
25	Up-gradation of Computer Science Deptt. into Instt. of Information Technology including Internet /Network at Quaid-i-Azam University, Islamabad	20.000
26	A.J.K. UNIVERSITY, Muzaffarabad Dev. of University of Azad Jammu & Kashmir, Muzaffarabad, Phase-II.	12.000

27	ALLAMA IQBAL OPEN UNIVERSITY, ISLAMABAD Establishment of Allama Iqbal Open Univ. including ODA's Assistance.	20.000
28	UNIVERSITY GRANTS COMMISSION PROJECTS Support to Scientific Talent Financial Assistance for Ist Class M.Sc Degree Holders and Foreign Qualified M.Sc (Engg) M.Phil and Ph.D.	3.000
29	Awards for Best University Teachers, UGC, Islamabad	2.000
30	Curriculum Development by UGC, Islamabad.	2.000
31	PAKISTAN STUDY CENTRE Development project of National Instt. of Pakistan Studies (NIPS) Quaid-e-Azam Univ. Islamabad.	0.299
32	Revised Development Project of Pakistan Study Centre, University of Balochistan, Quetta	1.000
33	Establishment of Pakistan Study Centre, University of the Punjab, Lahore.	3.095
34	AREA STUDY CENTRES Revised Development Project of Area Study Centre, University of Balochistan, Quetta	1.000
35	AGRICULTURE UNIV. FAISALABAD Improvement of existing facilities and other development activities at university of Agriculture, Faisalabad	19.000
36	Immediate need for the repairs and renovations of old buildings of Univ. of Agri. Faisalabad and C.V.S, Lahore	8.162
37	Establishment of Agri. College at Dera Ghazi Khan as constituent College of University of Agriculture, Faisalabad.	2.000
38	B.Z. UNIV. MULTAN. Estb. of University College of Agriculture at Bahauddin Zakariya University, Multan	0.920
39	UNIVERSITY OF ARID AGRICULTURE, RAWALPINDI Development of Academic Facilities at Univ. of Arid Agriculture, Rawalpindi.	15.000
40	NWFP AGRICULTURE UNIVERSITY PESHAWAR Immediate repair of hostel residences and Academic Blocks of NWFP Agri. Univ. Peshawar.	2.400
41	SINDH AGRI. UNIVERSITY, TANDOJAM Establishment of S.Z.A. Bhutto Agriculture College, Dokri, Sindh	20.000
42	Construction of Hostel for 250 students at Sindh Agriculture Univ. Tandojam	4.000
43	Strengthening the facilities for Education & Research at Sindh Agriculture University, Tandojam.	1.000

44	COLLEGE EDUCATION (FEDERAL) Establishment of Federal College of Arts & Design, Jamshoro	15.000
45	National College of Arts, Lahore Providing Furniture equipment for furnishing of newly constructed multi-storeyed building, National College of Arts, Lahore.	4.972
	TOTAL:	476.687

Another point which emerges from the above, is the fact that institutions which have an aggressive leadership have managed to formulate their programmes and get them included in the Public Sector Development Programme, whereas institutions remotely located or with administrations that are not so aggressive, are left out. Eventually, this would lead to a deprivation of certain institutions and fields, resulting in distortions.

RECOMMENDATIONS:

- a) The University Grants Commission must formulate a Five-Year Plan for a coordinated development of public sector universities.
- b) Allocation of annual funding must be done in accordance with this plan.
- c) Institutions which do not have aggressive management, should be assisted by the UGC in plan preparation, so as not to be left behind.
- d) The existing executive decision in the Planning Commission whereby no new schemes are being accepted, should be revised, as some of the universities have managed to get disproportionately huge allocations.

FUNDING of UNIVERSITIES through the MINISTRY of SCIENCE & TECHNOLOGY

In the financial year 2000-2001, the Ministry of Science & Technology was given a large block allocation of Rs.5 billion for the development of Science and Technology. This allocation came about as a result of the adoption of the plan for Science and Technology in the country. The following allocations have been made by the Ministry of Science and Technology, acting totally on its own, without consulting the Ministry of Education, the Ministry of Finance, the Planning Commission or the University Grants Commission. (7)

Table

<i>S. No.</i>	<i>Title of Project / Programme</i>	<i>Total cost in Million Rupees</i>	<i>Current Year allocation in Million Rupees</i>	<i>Current Status</i>	<i>Proposed Future Actions with dates</i>
1	Development of S&T Manpower through Indigenous Ph.D. (300 Scholarships)	603.9	50.0 (for 100 scholars)	-PC-I approved -131 Candidates will be selected -Matching of Supervisors completed	-Placement of students in universities to e finalized -Enrollment of 10% students in Pvt. Universities -Bio-data of supervisors to be sent to Subject Committee for clearance
2	Scholarships for Ph.D. Studies in S&T (Local) Open Competition (200 Scholarships)	259.00	63.40 (for 100 scholars)	-Scheme approved by ECNEC -Execution by UGC -2500 applications received	-GRE (General) type Balanced Test Paper to be prepared by NUST -UGC to conduct test within 15 days -Final selection by PMC for 200 scholars

3	Curriculum Development	9.00	3.25	-PC-I approved -Curriculum for 12 disciplines of Agriculture reviewed so far through 14 meetings of experts -15 more subjects incorporated in present curricula -All funds released	-Execution of Project by UGC -Inclusion of name of sponsoring agency in the curricula development
4.	Strengthening of Science Faculties of selected universities of Pakistan	1020.00	520.00	-25 PC-I is submitted by UGC (24 for universities and 1 for Government College Lahore -6 PC-I approved by DDWP in principle subject to minor amendments	-Execution of approved PC-Is -Submission of 19 PC-Is after amendments recommended by DDWP -Approval of PC-I by DDWP.
5.	Teachers and Researchers Overseas Scholarship Scheme (TROSS) 100 Scholarships	826.0 (FEC 804.2)	466 m (FEC 30.0) for 30 scholars	-Relaxation of GRE score has been approved by ECNEC -Working papers and field-wise merit lists of short-listed candidates ready for final selection of PMC -Short listed candidates advised to secure / intimate admission at good universities abroad	-Review by subject committee -Final selection of candidates by PMC
6.	Availing Services of 50 Expatriate Pakistani / Foreign Experts	30.0 (for 25 expatriates)	14.5	-PC-I approved for 25 expatriate experts -63 organizations were approached -16 requests received	-Placement of experts -Issuance of letters to universities / organizations -Meeting of PMC for selection of experts
7.	Post-Doctoral Fellowship (50)	103.475 (FEC 95.97)	36.0 (FEC 34.5) for 50 fellows	-PC-I approved -133 applications received -Scrutiny of applications and short-listing completed	-List of 50 candidates to be prepared on merit -Cases to be sent to Subject Committee for clearance -Release of FEC

8.	Development of High Level S&T Manpower through Split Ph.D. Programmes	334.25 (FEC 289.80)	7.5 (for 50 scholarships)	-Scheme approved by ECNEC on 16.4.2001 -Applications invited through advertisement in the Press -1300 applications received	-GRE type selection tests to be arranged -Short-listing of 300 applications -Provisional selection of 200 scholars -Final selection and placement of 100 scholars -Development of linkage between local and foreign supervisors
9.	Strengthening of Polytechnics	100.00	100.00	-Feasibility report approved -PC-I prepared and circulated among the provinces for their comments and funding of recurring cost	-Submission of PC-Is for each province separately -Inviting of provincial reps. In the DDWP meeting
10.	Consultancy Programme for Strengthening of Faculty in Universities and R&D Organizations	39.414	39.414	-PC-I approved -Invitation of proposals through a letter from universities / R&D organs. As well as through add. -138 requests received	-Scrutiny and approval of applications on the basis of Impact Factor -Examination by subject committee -Meeting of PMC
11.	Strengthening of Universities, Institutes or Centres in Priority Areas to enable them to conduct Ph.D. level Training	1787.011	647.864	-6 Nos of S&T departments selected for up-gradation as Pakistan Institute of Pure and Applied Sciences (PIPAS) -Umbrella PC-I submitted	-Submission of PC-Is for the 1 st Phase for one year -Cost of each PC-I may not exceed Rs.40 million
12.	Research Support Programme for Active Scientists / Technologists of Pakistan	30.00	--	-PC-I reviewed	-PC-I revision -Approval of DDWP
13.	Participation of Scientists / Technologists in Seminars / Symposia Abroad	34.00	--	-PC-I reviewed	-PC-I to be revised for 34 million

14.	Continuing Education Technicians Working in Universities and R&D Orgns. At reputed institutions abroad	38.776	38.776	-PC-I reviewed	-PC-I to be revised
15.	Strengthening of R&D Organizations in Priority Fields	2675.255	671.483	-11 R&D organizations were selected for up-gradation as Pakistan Institute of Technology (PIT)	-Preparation of individual PC-I for each organization -1st Phase for one year -Cost of each PC-I may not exceed Rs.40 million
16.	Creation of fund for providing spare parts to Departments of Universities / Institutes / R&D organizations	35.0	35.0	-PC-I approved by DDWP -550 requests received -Funding of Spare Parts started -Fund for 3 quarters released	-Execution of Projects by PCST -Preparation of 2 nd Phase of Project
17.	Repair / Maintenance of Laboratory Equipment and Training of Lab. Technicians / Engineers of R&D Orgns. Universities / Deptts./ Institutes of Pakistan	35.00	35.0	-PC-I approved which was prepared by PCST and transferred to PCSIR for execution	-Execution of Project
18.	Establishment of Virology Laboratory at CAMB, Lahore	39.920	11.820	-PC-I approved by DDWO on 12.2.2001	-Execution of PC-I
19.	Up-gradation of Centre for Molecular Biology CAMB Lahore	39.700	12.2	-PC-I approved by DDWP	-Execution of PC-I
20.	COMSTECH Science and Technology Research & Training Centre (RTC) Islamabad	39.800	39.800	-PC-I approved by DDWP	-Execution of PC-I

The entire disbursement was without a master plan and totally arbitrary. The UGC was involved at a later stage for drawing up the smaller schemes. The larger schemes and allocations were made directly by the Ministry of Science & Technology and in an arbitrary fashion. It is this adhocism and the unwillingness of people to act in concert with others involved in the field, that has created the present critical conditions. This must be avoided, so that meager resources can be properly used.

RECURRING GRANTS

As has been explained earlier, the funding of Public Sector Universities was taken over by the Federal Government in 1979. The object of the exercise was to relieve the provinces of this burden, and to enable them to divert this sum for the eradication of illiteracy and achieving universal primary enrolment.

The provincial governments have totally absolved themselves of the funding of universities, except for a minor grant given to the University of Arid Agriculture, Rawalpindi by the Government of the Punjab and the Fatima Jinnah Women's University, Rawalpindi, which is funded by the Government of the Punjab on its own insistence.

The table below gives the financial position of the universities for the year 1995 to 2000.

Table

Financial Position of Universities – 1995 to 2000_(a)

<i>Particulars</i>	<i>1995-96</i>	<i>1996-97</i>	<i>1997-98</i>	<i>1998-99</i>	<i>1999-2000</i>
<i>Government Grants</i>					
Annual Grant	1853.331	2046.453	2212.917	2119.673	2269.546
Supplementary Grants	10.000	30.000	25.000	0.000	134.176
Research Grants	29.000	12.650	42.000	72.700	41.500
Grant from Provinces	19.701	8.213	32.696	21.674	22.680
Total	1912.032	2097.316	2312.613	2214.047	2467.902
<i>Own Income</i>					
Own Resources (Tuition Fees etc.)	998.579	1095.201	1368.612	1744.888	1963.015
Self-Financing	140.606	203.902	169.218	300.663	303.716
Total	1139.185	1299.103	1537.830	2045.551	2266.731
Grand Total	3051.217	3396.419	3850.443	4259.598	4734.633
Own Income % age vs Govt. Grant	37.3	38.2	39.9	48.0	47.9

The above picture will show that the percentage of self-generated income in the universities has consistently risen from about 37% in 1995-96 to 48% in 1999-2000. This is a healthy trend, showing that the universities realize the need for making efforts to generate more funds. The Self-financing Scheme has also contributed towards this trend in bringing in revenue, and changing the attitude of universities. The Ministry of Finance has taken the stand that it is not committed to fully finance any deficit raised by universities. Their view is that the funds given to the universities are in the form of grant-in-aid, and the universities being independent, have to explore ways and means for meeting their expenditure over and above the grants.

The above contention of the Ministry of Finance may be correct; but then it should be realized that the universities for the purpose of pay and allowances have been brought on the national pay scales. This means that any increases allowed by the governments to their employees are automatically made effective for university employees. The universities are, consequently, subjected to unplanned and adhoc increases allowed by the government from time to time. The government, more often than not, has refused to make necessary additional payments to universities. The table below gives the impact on the universities of decisions of the federal government in the past:

**Financial Impact of Special Additional Allowance @ 20% and 25%,
Increase in Pension and Adhoc Relief of Rs. 100/- p.m. (B)**

S.No.	Name of University	Impact of 20%	Impact of 25%	Pension	Total	Impact Rs 100/-	G. Total
1	University of Karachi, Karachi	8,407,776	6,045,192	4,806,144	19,259,112	1,039,800	20,298,912
2	NED Univ. of Engg & Tech., Karachi	2,796,600	2,908,463	372,000	6,077,063	409,800	6,486,863
3	Sindh Agriculture Univ., Tandojam	4,877,940	6,584,508	820,000	12,282,448	901,200	13,183,648
4	University of Sindh, Jamshoro	9,214,392	7,450,860	4,302,000	20,967,252	1,045,200	22,012,452
5	Univ. of Engg. & Tech., Nawabshah	1,254,888	1,298,772	55,568	2,609,228	419,400	3,028,628
6	Mehran University of Engg. Jamshoro	4,343,000	2,692,000	930,000	7,965,000	381,000	8,346,000
7	SAL University, Khairpur	2,656,920	3,078,744	190,762	5,926,426	177,600	6,104,026
8	Univ. of Engg. & Tech., Lahore	5,330,400	5,556,500	1,605,000	12,491,900	708,600	13,200,500
9	University of the Punjab, Lahore	6,605,940	13,468,770	7,800,000	27,874,710	2,001,000	29,875,710
10	Univ. of Engg. & Tech., Taxila	1,025,184	1,204,524	72,709	2,302,417	160,800	2,463,217
11	Univ. of Agri., Faisalabad	8,914,056	8,854,845	5,025,000	22,793,901	1,200,600	23,994,501

12	B.Z. University, Multan	2,888,712	3,526,596	600,000	7,015,308	520,200	7,535,508
13	Islamia Univ., Bahawalpur	3,966,612	3,533,904	532,022	8,032,538	474,000	8,506,538
14	Univ. of Arid Agri., Rawalpindi	1,566,660	798,765	0	2,365,425	102,000	2,467,425
15	University of Peshawar, Peshawar	11,235,948	7,596,984	651,660	19,484,592	1,003,800	20,488,392
16	Univ. of Agriculture, Peshawar	3,111,504	2,177,250	950,000	6,238,754	289,200	6,527,954
17	Univ. of Engg. & Tech., Peshawar	2,413,212	3,376,831	927,012	6,717,055	413,400	7,130,455
18	Gomal University, D.I. Khan	3,864,684	4,208,475	543,744	8,616,903	595,200	9,212,103
19	Univ. of Balochistan, Quetta	4,278,540	3,088,956	560,000	7,927,496	447,000	8,374,496
20	Univ. of Engg. & Tech., Khuzdar	665,736	710,004	3,600	1,379,340	77,400	1,456,740
21	Quaid-e-Azam University, Islamabad	4,485,744	3,057,036	1,025,000	8,567,780	349,800	8,917,580
22	AIOU, Islamabad	3,595,464	4,611,915	710,000	8,917,379	578,400	9,495,779
23	IIU, Islamabad	2,513,875	2,832,855	336,560	5,683,290	412,200	6,095,490
24	AJK Univ., Muzaffarabad	4,055,724	2,862,675	561,489	7,479,888	384,000	7,863,888
	Total Universities:	104,069,511	101,525,424	33,380,270	238,975,205	14,091,600	253,066,805

The grants given by the government do not fully meet even the pay and allowances in the universities, as is obvious from the table given below: (a)

<i>Particulars</i>	<i>1995-96</i>	<i>1996-97</i>	<i>1997-98</i>	<i>1998-99</i>	<i>1999-2000</i>
Total Government Grants	1912.032	2097.316	2212.613	2214.047	2467.902
Pay and Allowances	1994.730	2112.753	2213.086	2298.479	2583.912
% age of Pay & Allow. Vs Annual Grant	107.6	103.3	100.0	108.4	113.9

The universities have done a good job of increasing their income from their own sources. There is, however, a limit beyond which they will not be able to increase without causing large-scale student unrest. The impression given by all governments is that

Higher Education is the right of every citizen who so wishes, and that it will be provided virtually free. The governmental resources do not enable it to deliver on this impression. It is, therefore, essential that the government must, as a matter of policy, come out and state that:

- a) Higher education is not the right of everyone.
- b) Higher education admissions will be totally on merit.
- c) Since Higher Education leads to economic empowerment, the recipients must pay for their education in full, either immediately (if they are in a position to do so), or on a deferred basis at a later stage when they earn sufficiently. This would be a Qarz-e-Hasna.

The table below gives the fees charged in some of the public sector and private sector institutions:

Table
Fee structure of public and private universities
Year 2000 ^(a)

<i>Name of University</i>	<i>Fee per annum</i>
<i>Public Universities</i>	
University of Karachi	Rs.2,150
University of Peshawar	Rs.1,620
University of Engg. "& Tech., Lahore	Rs.8,745
NWFP Agricultural University, Peshawar	Rs.2,840
<i>Private Universities</i>	
Aga Khan University, Karachi	Rs.228,000
Lahore University of Management Sciences, Lahore	Rs.291,200
Sir Syed University of Engg. Science & Tech., Karachi	Rs.70,000
Hamdard University, Karachi	Rs.86,000
GIK Institute of Engg. Sciences and Tech., Topi	Rs.150,000

The public sector universities in some cases are not charging even 10% of the cost of education as tuition fees from students. Perhaps an extreme case could be cited of the NWFP University of Engineering & Technology, Peshawar where the monthly tuition fees are only Rs.100. This is not the full story of subsidy given in Higher Education. The university charges nominal fees for the hostels, the electricity consumed therein, transport, etc. In some cases, even residences of employees on campus are charged electricity on a fixed basis. There are stories of people doing their cooking on electric appliances, because of the fact that they have to pay fixed charges for electric consumption. The universities will have to take difficult decisions and increase the tuition, fees sufficiently to meet the ever-rising costs of their sustainability.

The cost of utilities has been consistently rising over the years, which continue to claim a larger percentage of the university budget. The table below gives the percentage of expenditure on utilities versus the annual grant given by the government:

Breakup of Utility Expenditure ⁽⁸⁾					
Particulars	1995-96	1996-97	1997-98	1998-99	1999-2000
Utilities (Gas, Water, Electricity)	182.973	295.222	337.030	408.762	413.481
POL	34.149	43.499	47.985	56.929	69.985
Telephone	23.522	22.726	27.401	30.175	52.931
Total	240.644	361.447	412.416	495.866	536.397
% age of Utilities vs Annual Grant	13.0	17.7	18.6	23.4	23.6

The allocations for Research continue to be meager and need to be drastically increased, if the universities are to play a meaningful role in society. The table below gives the expenditure on University Research: (a)

<i>Particulars</i>	<i>1995-96</i>	<i>1996-97</i>	<i>1997-98</i>	<i>1998-99</i>	<i>1999-2000</i>
Research	32.414	31.545	41.336	63.013	56.455
%age of Research vs Govt. Grant	1.7	1.5	1.8	2.8	2.3

The faculty strength has not increased significantly in the last five years, and in the year 1999-2000 all the universities combined have a faculty of 6048. The alarming fact is that out of this, only 1826 have Ph.D. degrees, whereas all others are M.A. or M.Sc. Given the fact that in Pakistan an M.A. degree is awarded after 16 years of education, whereas in the USA a Bachelor degree is awarded after 16 years of education, this means that in Pakistan the universities are staffed with internationally under-qualified persons and in the context of globalization Pakistani degrees will not be acceptable. The UGC should consider to launch a Five-Year Crash Pilot Project, so that the shortfall of the minimal / requisite number of Ph.Ds. is made good locally by each university, by 2006.

The teacher-student ratio is reasonable. On the average it has varied between 17 and 20 students per teacher during the last 5 years. This ratio varies from 7 students to one teacher, to 30 students to a teacher in different universities.

RECOMMENDATIONS

1. The Universities are generally poorly funded. They are given a grant of less than Rs.20,000 per student per annum. This grant needs to be reviewed and increased substantially to enable them to improve quality.
2. The present system of government grants is not based on any scientific method. There must be a fresh assessment of the needs of every university, and grants should include some bonus for better academic performance.
3. Universities must make greater efforts to economize on present spending.
4. Subsidies in user charges of all types should be withdrawn.
5. The fees must be fixed for each course on the basis of full charges plus 25%.
6. All admissions must be on merit. A "means test" should be applied after admission; and appropriate reductions should be made to enable all admitted students to continue their studies.
7. Where the fees are reduced, the reduction should be treated as 'Qarz-e-Hasna' to be reimbursed to the institution at a later stage when the student starts earning.

CONCLUSION:

The private sector though at a disadvantage has shown ability to look after itself financially. Any encouragement in the shape of reduction of taxes on educational materials, preferential tariff for utilities and grant of land on concessional rates would go

a long way in encouraging the private sector. Under no circumstances should the government make efforts to control the fee structure. The market mechanism must decide this.

The public sector needs increased funding immediately to allow it to prevent further deterioration of quality. The government should not force the public sector universities to charge very low fees. In fact, the universities should be encouraged to increase the fees gradually so that those who have the ability to pay must bear the full cost of their education and something over and above, so as to subsidize their less fortunate brethren.

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CHAPTER – 9

SELF-FINANCE in UNIVERSITIES in PAKISTAN

Almost all over the world, institutions of Higher Education are facing serious fiscal pressure and constraints. An increasing level of enrolment pressure is seen due to expansion at the secondary level, and the perception of higher income associated with university degrees. The unit cost of Higher Education simultaneously tends to rise higher due to increasing cost of books, equipment, etc. This has resulted in the compression of per student expenditure and in lower spending per student by governments. The increasing demand for Higher Education places and growing constraints on public budgets is a principal source of strained relations between the state and the academic community. Almost no government in the world is able to support high-grade university and college systems exclusively from its own resources. At the same time, governments find various claimants for money from other sectors such as Primary and Secondary Education, housing, health, infrastructure, law and order, etc. This relegates Higher Education to non-priority areas. There is also the factor of growing dissatisfaction with the performance of public sector institutions. This is the pattern which has emerged in the late nineteen nineties almost all over the world, and is reflected in the UNESCO publications and World Bank Reports. ^{(1) (2) (3) (4)}