

The Contribution of the Private Sector to Higher Education in Pakistan with Particular Reference to Efficiency and Equity

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Abstract

In 1947 there was not a single private university in Pakistan. The number of private universities has increased during the last two decades. Despite increase in their number no in-depth study has been conducted to explore the contribution of the private sector to higher education in Pakistan, especially in the context of its efficiency and equity. The present article explored the contribution of the private sector with particular respect to efficiency and equity in higher education provision in Pakistan. A study of 10 private universities/degree awarding institutes within the twin cities Rawalpindi and Islamabad was employed. The data were collected from administrators, the faculty and students through separate structured questionnaires. The data were complemented by interview with senior management of the sampled privately managed higher education institutions.

The main research question was as follows:

To what extent does the private sector contribute to efficiency and equity in higher education provision in Pakistan?

On the basis of the study recommendations are made to improve the efficiency and equity of provision for higher education.

Key Words Private Sector, Degree awarding higher education institutions, Higher Education (HE), Efficiency, Equity, Costs sharing, Monitoring, Tuition fees, Scholarship, Loans and Fee concession.

Introduction

In Pakistan at the time of its independence, August 1947, there was only one university, the University of Punjab, Lahore and almost forty colleges. The government established new colleges and universities but was not in a position to provide adequate financial and physical resources to undertake the restructuring of the educational system and also its expansion to meet the demands of the students. In this context the private sector developed providing opportunities to students seeking higher education opportunities by opening privately managed higher education institutions in the country. The private sector education will be defined as all formal institutions that are not public, and may be found, owned, managed and financed by actors other than the state.

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We begin with some definitions of higher education, efficiency and equity. "Education is a process through which a nation develops its self consciousness by developing the self consciousness of the individuals who compose it". (Khalid, 1998; p.14). Another definition of education is that "it is a social institution which provides mental, physical, ideological and moral training to the individuals of the society, so as to enable them to have full consciousness of their mission, purpose in life and to equip them to achieve that purpose" (Ahmad, 1984; p.37).

Equity refers to how the outputs and costs of education are distributed between individuals and groups in society. It is often stated that in both developed and developing countries the children of better off families are more likely than those from poorer families to enter university; higher education is usually, but not always, subsidized by the government; and on completing their education, graduates usually enter higher paid and higher status jobs than those without a degree. Many commentators argue that this situation in which access to higher education is differently distributed between social groups and where a large part of cost of higher education is met by the exchequer rather than by the student themselves is inequitable (Unpublished ADB Report 2005).

Efficiency refers to the use of resources in such a way as to maximize the educational output(s) possible from their use. In the context of education efficiency is of two types. Internal efficiency which is concerned with efficiency within the education system; and external efficiency, which refers to the relationship between the education system and the general economy. According to Mace 'one argument often associated with the World Bank and those espousing a more market based system of education provision is that more involvement of communities and parents in the payment for education will encourage greater efficiency'.(Unpublished ADB Report 2005).

From the above definitions it would appear that education is seen as a process of the intellectual development of individuals through which their potentialities are developed and the culture of the people is transmitted to the following generations. But education also contributes to the economic and political development of the individual and society at large. This is best achieved when the higher education is efficiently and equitably provided.

There are different points of view regarding the role of higher education. Some people are of the view that higher education is an important factor for the socio-economic development of any society. Education today has become the most potent instrument, not only for social and cultural changes but also for the economic development of society. Ali (1997) states that "rapid economic development of a nation lies in the provision of education and skilled manpower". Education generates not only new ideas and competency in individuals; it also accelerates the pace of technological transformation. To economists higher education is seen as preparing people

for making better choices and providing them with the skills and attributes to lead a better life and, in addition, will contribute to the socio-economic development of the country. (For example see Blaug 1972 and Becker 1976).

The latter view is reflected in the Education Policy Draft (Government of Pakistan, 1998) which states that the type and quality of education imparted to the youth of today will provide future leadership in various fields that will successfully steer the country towards socio-economic development in the years to come. Therefore higher education may be seen as a prime concern of the society, the government and the individual.

Participation of the private sector in the educational system and its development in Pakistan has a long history. From 1947 until 1971, the private sector contribution expanded considerably through a variety of non-government organizations but the process of nationalization by the Peoples Government completely eliminated the private sector from education in 1972 to 1979. The position remained largely unchanged until 1998 when the National Educational Policy 1998-2010 (Government of Pakistan, 1998a) states that the system of a Grant-in-Aid introduced before independence continued till 1972 to attract the private sector to participate in the provision of educational facilities to the citizens who were demanding higher education. Expenditure on education in this century is now being considered as an expenditure on human capital, that is, investment rather than consumption. The National Educational Policy 1998-2010 also recognizes the fact that there is a strong feeling among the Pakistani people that the private sector should participate actively to supplement the resources of the government for the development of human resources.

There was only one university in the public sector in 1947 and this number had risen to 55 (47 universities and 8 degree awarding institutions) by the year 2004. The demand for higher education is increasing rapidly due to the expanding number of school graduates in the country. Modern higher education especially in science and technology is seen as essential for rapid socioeconomic development, but it is very costly. "The scarcity of public finances does not allow the expansion of higher education in the country. In this regard concerted efforts are being made to attract the private sector through liberal policy to establish institutions of higher education in Pakistan". (National Educational Policy 1998-2010).

The Main Issues Addressed in this Paper

According to Isani and Virk in Pakistan, "at present there are 51 universities and degree awarding institutes in the private sector that have received the charter from the HEC and providing education in the fields of Engineering, Medicine, Management, and other related technical and general fields." (Isani and Virk, 2005; p.293). These universities are providing

higher education in the main cities of Pakistan such as, Karachi, Lahore, Quetta, Peshawar, and the twin cities of Rawalpindi and Islamabad. A large majority of people live in the rural areas of the country. This situation raises the question about the equity and efficiency of the private education provision in the country. So far, no in-depth study has been conducted to explore the contribution of the private sector to higher education in Pakistan. The present article explored the contribution of the private sector with respect to efficiency and equity in higher education provision in Pakistan. The main research question addressed in this paper is:

To what extent does the private sector contribute to efficiency and equity in higher education provision in Pakistan?

Sub-Questions

Some sub-questions were also addressed to assess the variability of privately managed universities/higher education institutes, included in the study, regarding the quality of inputs, physical facilities available to students, curricula being taught, system of examinations, rate of tuition fee, and monitoring systems etc. Information regarding provision of medical and transport facilities to the students registered with these institutions was also taken from the institutions included in the study in order to assess whether or not these affect students' choices of institution to study in and the costs of education borne by them. The main sub-questions addressed in this paper are:

- i. Is there any significant difference among these institutions regarding the provision of academic facilities to students?
- ii. Is there any significant difference among these institutions regarding the provision of physical facilities to students?
- iii. What is the status of the academic jobs in terms of whether they are full-time or part-time?
- iv. What are the main sources of revenue of these institutions?
- v. Do these institutions provide transport facilities to their students? Whether or not is the cost of the transport facilities available to students affect students' enrolment?

Methodology

A case study approach was employed to address the research question. The research design is a case study of privately managed universities/degree awarding higher education institutions that revealed information about different aspects of private higher education in Pakistan. This case study was based on 10 private universities/degree awarding higher education institutions in the target area, which are the twin cities of Rawalpindi and Islamabad.

Data Used for the Paper

The description of primary and secondary data is given below:

Primary Data

The primary data sources were personnel directly involved in such functions as policy making, administration, conducting examinations and the teaching/learning process of privately managed higher education institutions in Pakistan. The data were collected from respondents through structured questionnaires and a structured interview schedule.

Secondary Data

The secondary data mainly came from the analysis of official reports and documents (published/unpublished) by the government of Pakistan. Other secondary sources used for this purpose were studies and reports, published and unpublished, by various international agencies, e.g. World Bank, and UNESCO etc. The studies conducted by eminent scholars in this field were also critically examined.

Design of Questionnaires

Three separate questionnaires, for administrators, faculty and students, were developed as the instruments for data collection. A structured interview schedule for the senior management in the private Higher education Institutions was also used to complement the data collected through questionnaires.

The questionnaires were divided into three sections. The first section concerns the personal characteristics of respondents, such as age, gender, year of joining to their institutions, academic qualifications etc. The second section of the questionnaires concerns the perceptions of the respondents regarding the academic and physical facilities available to students registered with the private higher education institutions within the target area. Most of the questions of this section were addressed to all categories of respondents. Finally open ended questions were addressed with a view to give some indication of problems the respondents were faced with and how these problems could be overcome. We ensured the confidentiality of the information through the covering letters enclosed with the questionnaires. As a result, we were able to obtain a very high response rate from all categories of respondents.

The first section of the structured interview schedule was concerned with the personal information of senior management. The second section concerned the perception of senior management concerning the availability of the academic and physical facilities to students studying in the targeted

H.E. Institutions. This section will provide us with an opportunity with to identify similarities and differences, if any, of the senior management from other respondents. In the third section, open ended questions were addressed with a view to give some indication of problems they are faced with and the suggestion for remedial steps to overcome these problems.

Collection of the Data

Before administering these questionnaires they were pre-tested on small groups of management, academic staff and the students of these higher education institutions. In the light of their comments and my analysis of the responses instruments were refined and then distributed to the samples. Data were collected through the distribution of questionnaires, in person, to administrators, faculty members and students of privately managed higher education institutions within the target area. The data were complimented by interviewing personnel in the senior management positions. For this purpose a structured interview schedule was used. Efforts were made to collect the filled in questionnaires on the spot. However, in a few cases we had to wait for 3 to 4 days for the collection of filled in questionnaires after their distribution. Face to face contact has enabled us to achieve a very high response rates from respondents.

Selection of Sample

At the time of the survey there were 10 Universities/higher education institutions imparting education in the private sector. As stated earlier, we involved only those who were directly involved in the main functions of the institutions such as policy making, administration, examinations and teaching/learning activities of these institutions. These included persons working in senior positions of the management, administrators, and faculty. A sample from each of these categories was randomly drawn. For the purpose of cross checking the data collected from the administrators and faculty, a sample of 200 students was also drawn from the students studying in these institutions. To make all samples representative and unbiased a stratified random sampling method was employed. Bryman (2004) defines the stratified random sampling 'in which units are randomly sampled from the population that has been divided into categories or strata'. Four separate samples were drawn from the following:

i. Senior Management

The senior management included Vice-Chancellors, Rectors, Executive Vice-President, Campus-in-charge, Deans, Manager Students Affaires and other related senior members of the management. A sample of 10 senior managers, one from each targeted privately managed higher

education institution, was drawn. The response rate of this sample was 100 percent. A structured interview schedule was used to interview them.

ii. Registrars

Registrars, who are the custodian of universities/degree awarding institutes, were selected from 10 privately managed Universities/higher education institutions involved in the study. We delivered and collected 10 questionnaires filled in by all registrars of the sampled higher education institutions. They filled in their questionnaires in consultation with the controllers of examinations and directors of admissions of their institutions within the target area. All of them returned filled in questionnaires, thus their response rate was 100 percent.

iii. Faculty

We randomly selected only 100 (out of 405) faculty members from the different departments of the targeted institutions. Out of these 75 faculty members returned the filled-in questionnaires. So the response rate of the faculty of the sampled institutions was 75 percent.

iv. Students

A sample of 200 students studying in various disciplines of the sampled universities/institutes was randomly selected. We delivered questionnaires to all 200 students and they returned the questionnaires filled-in by them. The response rate of students was extremely good, at 100 percent.

Main Findings and their Implications

The main task of the article was to explore the contribution of the private sector to higher education in Pakistan with particular reference to efficiency and equity. This was done through a comparison of the opinions, attitudes and experiences of the personnel directly working in higher education institutions in the private sector in different positions.

Establishment of the Sampled HE Institutions

At the time of survey 10 HE institutions were providing education in different disciplines of education. All these HE institutions were included in the study. It is noticeable that all private HE education institutions are established in the urban and commercial localities of the main cities and this may be seen as inequitable as it indicates that they are neglecting the major section of the population which is living in the rural areas. According to the

Economic Survey 2004-2005, the rural population is 67.5 percent of the total population. It implies that the private sector is imparting higher education to those who probably have already opportunities for getting education, but are not serving the disadvantaged rural people.

The most obvious point to emerge from the rapid expansion of the private HE institutions is how they will maintain good quality education. Will it be possible for the HEC to ensure the quality of education before allowing them to open a new university in the country? In this context the HEC should be very careful in respect of giving a charter to new universities in the country.

Courses Offered by the HE Institutions

A majority of privately managed higher education institutions included in the research were offering programmes from B.A to Ph.D. levels in various disciplines. The findings of our study show that students enrolled in privately managed higher educations were studying Management Sciences followed by Computer Science, Telecommunication and Software Engineering.

It may be that increase in the number of science, technology, and management science subjects and reducing the number of humanities and arts graduates may create a shortage of social scientists in the country in near future. After a few years time the labour market of the country may not be able to absorb the supply of graduates from these institutions in science and technology. As a result problems of graduate unemployment may be experienced in the country.

System of Examinations and Structure of Academic Year

70 percent of the HE institutions involved in the study were following the semester system. The duration for a semester is six months, that is, two semesters in a year. However, 30 percent of these were following both annual and semester systems. The description of the findings indicates that the targeted HE institutions follow the semester system which is currently followed by other national and international universities. There are two semesters in a year. By following the semester system and a similar curriculum their output would be comparable to other national universities of the country as they follow the same system of examinations. In this context an important point emerges that semester should start around at the same time in all privately managed universities. It may start later than the public sector universities in the country. In this way candidates, who could not seek admission in the public sector universities will be able to apply for admissions to the private sector universities in the same calendar year.

It is noteworthy that a significant percentage of the private HE institutions were following both semester and annual systems. According to

respondents institutions can have either semester system or an annual system or both. A judicious combination of the two systems may be suitable for them for the evaluation of students' academic performance.

Monitoring of Institutions

The private universities/degree awarding institutes included in the study were mainly monitored by their respective board of governors. Findings of the study show that in some cases the HEC is also monitoring the institutions. It is clear from the findings of the study that the private HE institutions are mainly monitored by their respective boards of governors. In this context the Higher Education Commission (HEC) can play an important role. The HEC gives a charter to the private sector universities. Not only the HEC should ensure the quality of education to be provided by these institutions but the HEC should be responsible for monitoring thereafter. There should be a well defined procedure for the monitoring of the HE institutions in the country. In this way the gap between the qualities of education may be minimized.

Academic Inputs

Academic inputs may be in different forms, such as, the academic qualifications of the faculty, instructional materials and availability of research facilities, internet and journals to students. Their findings and discussion about the implications of these facilities is presented in the following paragraphs:

Faculty

Findings of the study show that a majority (72 percent) of the faculty in these institutions were in full-time employment (table 1: appendix). In addition, some of the faculty members were either on contractual or on part-time employment. A very significant majority of the faculty were lecturers and assistant professors. The findings of the study revealed that faculty of the private sector universities/higher education institutes were well qualified. Out of these 34 percent have research degrees and 64 percent have Master degrees. According to Isani and Virk (2005), 'the percentage of the faculty in the public sector with Ph. D. ranges from 10 percent in the Engineering University Peshawar, North West Frontier Province (NWFP) to 64 percent in the Quaid-e- Azam University Islamabad. The overall percentage of the faculty with Ph. D. is 29 percent in the public sector universities (Isani and Virk; 2005 p. 252). The overall percentage of the faculty with Ph. D. was 11 percent in the targeted HE institutions which is comparatively lower than the public sector universities. (table 2: appendix).

A large majority of the faculty was between the ages of 26 to 40 years. The findings of the paper revealed that a very large majority of the faculty had one to 10 years teaching experience in teaching.

Well qualified and experienced faculty is a prerequisite for effective teaching, advancement of knowledge and the promotion of research in the HE institutions. It is obvious from the findings of the study that the targeted HE institutions in their faculty have a mix of young and experienced, male and female, and have Master and / or research degrees. A majority of the faculty is in full-time employment, but still they need the services of the faculty from outside.

Keeping the important role of a teacher in any education institution in mind, it is suggested that to attract to the faculty people with Ph. Ds. they should be offered an additional higher qualifications allowance as a financial incentives. Faculty having research degrees should be offered higher salaries than the faculty without research degrees. In this way the private sector will attract the best of society's intellectuals for their institutions. To refine and upgrade their abilities they may also be provided with in-service training. The training may be within the country or abroad, depending upon the financial position of the institution. In doing so, the private institutions can attract the best intellectuals from all over the country. A well qualified and committed faculty can attract more students towards them to increase their enrolments. As a result the institutions will be able enjoy both a good reputation (staff quality) and as a result attract students and income (from fees).

Availability of Internet

There was a considerable similarity of views about the availability of the internet facilities among administrators, the faculty and students. A significant percentage (about 15 percent) of students was uncertain about the availability of adequate internet facilities. Provision of internet facilities to the faculty and students is meant to equip them with the latest knowledge and technology. The availability of internet is not the only determinant of a good quality of education but there is also the level of its utilization. Internet has opened new avenues for sharing of knowledge with others the world over.

The maximum utilization of internet facility by the faculty and students will enable them to have access to knowledge in their fields of study. It is possible only when the faculty and students have ready access to this facility. To facilitate access and use introductory short courses on internet for teachers and students may also be arranged for the effective utilization of internet.

Availability of Journals

A very significant majority of the senior management opined that an adequate number of latest journals were available in libraries to the faculty and students of their institutions. The faculty and administrators responses were similar to that of the senior management. But in contrast to those, only 52 percent of students agreed that an adequate number of journals were available to them. It is noticeable that 30 percent of students were uncertain about the availability of these journals. The findings of the study show that journals are available in the libraries of the sampled HE institutions but it does not show the level of utilization of journals by the faculty or students. Those who were uncertain, either they do not have an easy access to journals or the journals may not be covering their disciplines. On the basis of our evidence it is suggested that journals should cover all the subjects which are being taught in these institutions. Students need to be encouraged and informed by their teachers about the availability the journals. The effective utilization of journals will help students to equip them with the latest knowledge in their related area of education.

Physical Facilities

Physical facilities play an important role in the teaching/learning process. Institutions having better physical facilities may attract both teachers and students. The main findings concerning the availability of physical facilities in the sampled HE institutions are presented in the following paragraphs:

Building

A large majority of the HE institutions were offered in rented buildings and were owned by their trusts. It is obvious from the findings of the study that a majority of the sampled HE institutions were offered in rented buildings within the commercial areas of the twin cities Rawalpindi and Islamabad. These are very populous and congested areas of the cities and buildings cannot be expanded to meet the future needs of the potential students of high education in Pakistan. The number of secondary school graduates is increasing rapidly in Pakistan.

The government presently does not provide any financial assistance to the private sector for opening new universities in the private sector. In this context the government may offer some relaxation in property taxes borne by the private sector for opening new HE institutions. They may be given an incentive of low cost of land in the rural areas or in smaller cities of the country. They may also be exempted from taxes for a certain period of time. These relaxations of government taxes will enable the private sector to provide better physical facilities in their institutions and as a result will

enable them to attract better qualified faculty and students. A team of well qualified will increase the efficiency of these institutions in terms of research and teaching output. In this way an increased percentage of the population may have access to these institutions. The other reason for reducing the level of property taxes on HE be the level of indirect benefit sometimes called externalities that accrue to society at large from having a more educated population. (See for example, Cohn, Blaug, and McMohan).

Class Rooms

Findings of the study revealed that all universities in the private sector of the target area had an adequate number of rooms for academic activities. The findings of the study reveal that a sufficient number of classrooms were available for academic activities in the HE institutions in the target area. But the adequacy of class rooms for all types of teaching learning activities is still open to question. The design and the number of class rooms is according to the needs of the subjects being taught in these institutions and will make these activities more effective if adequately provided. The appropriate class rooms may have positive effects of students' enrolment. As a result these institutions have more income than other HE institutions in the country. Observations in the field work showed that classrooms were unsuitable for certain teaching activities. For example, class room size was inadequate for the number of students in the class meaning that students were crowded together and had to share desks. In some cases no desks were available to students. Both will adversely affect the quality of education provided.

Library

All higher education institutions included in the study had the facility of library available to students registered with them. The response of all respondents about the availability of libraries in the targeted HE institutions was very similar. Our concern here is whether the libraries are placed in appropriate buildings with all facilities available to their users. Whether the books available in the libraries are sufficient in numbers and are of good quality? Whether books available cover all subjects being taught in the institutions? A well equipped library plays an important role in the provision of good quality of education to students. The provision of a quality library may have positive effects on the enrolment of students.

Science Laboratories

There was a similarity in the responses of the management and students about the availability of well equipped science laboratories in their institutions. The findings of the paper show that the majority of respondents

were agreed on the availability of well equipped science laboratories, but 18 percent of respondents disagreed and 16 percent of them were uncertain. Those who disagreed or uncertain may have not been the users of science laboratories of these institutions or they may have not been satisfied with the quality of the equipment available to them in the laboratories. The science equipment is costly and in some cases may not be available in Pakistan. The government may encourage the private sector to import the science equipment by exempting these items from duty and other related taxes.

Computer Laboratories

Findings of the study revealed that there was a great similarity of views among respondents that their institutions were fully equipped with computer laboratories. This is why they were able to offer programmes of computer sciences to the students registered with them. As pointed out in the National Education Policy (1998-2010) that the present government has its main focus on promoting Science and Technology at higher level of education in the country. The private higher education institutions seem to follow the government policy. Computer is not only essential for studying the Computer sciences, but it is also very useful for teachers, administrators and senior management. A computer can play an important role in the planning, implementing the decisions made by the management, and other main functions of the educational institutions. The computer laboratories may help other departments by providing them with a networking facility. This will make their functions more smooth and time saving.

Hostel

Concerning the availability of hostel about 40 percent were using this facility. Hostel facilities not only provide students with the social environment where they learn how to share and interact with others. A university having boarding and lodging facilities has a large catchments area. Provision of hostel facilities in the educational institutions may result in the increase of the students' enrolment by providing residential facilities to the students coming from other cities or rural areas of the same city. A hostel with adequate residential facilities and friendly environment positively affects the overall academic outputs of the institutions.

Medical Facilities

The medical facilities were not available to the majority of students within the sampled universities. It is noteworthy that according to a majority of students the medical facility was available to only seven percent of students. The main reasons for the provision of medical facility to a very limited number of students may be the very high costs of medical equipment

and the non availability of these from the local market. Import of this equipment is not only very costly but involves a complicated procedure to get permission for their import from the government. There would appear, prima facie, to be a case for improving the availability of medical facilities.

Transport Facilities

Findings of the study show that about 60 percent students were provided with transport facilities by their HE institution. It is obvious from the findings of the study that a significant percentage of students were not using the transport facility provided by their institutions. Probably one of the reasons for these results would be that either these institutions may have inadequate transport available to students or it may be more expensive than the public transport in the target area. The other reason this may be the better financial position of students, they may be using their own vehicles instead. As a result they will recruit more students and increase their income.

Sources of Revenue

Findings of the study revealed that tuition fees are the main source of revenue to the private higher education institutions within the twin cities Rawalpindi and Islamabad. There is a world wide trend that costs of higher education should be shared by their beneficiaries, that is, students and their families. (World Bank). Institutions in the private sector of the twin cities Rawalpindi and Islamabad have followed the international trend of sharing the costs of education with its students. The government is giving no assistance to the private sector universities in either their capital costs or in the form of relaxation in taxes imposed by the government. So they have to generate their own resources and the main source of their income is the tuition fees. But the generation of their own resources makes these institutions more expensive for students and as a result less accessible to poor students and thus inequitable. This may negatively affect the efficiency of the institutions as to maximize their output per unit of input they need to attract good, but financially deprived students in sufficient numbers to reduce average cost per student. Moreover, the graduates of these institutions may contribute significantly to the economic development of the country if they are able to utilize the knowledge and skills they have developed at these institutions.

Tuition Fee Paid by Students

Findings of the study reveal that a very significant majority of students were paying tuition fee from Rs. 25,000 to Rs. 60,000 per semester in their respective HE institutions within the target area. Findings of the study also show that the sampled institutions charge tuition fees at different

levels, ranging from Rs.10.000 to Rs. 70.000 per semester, from their students. (Table 3: appendix). Some of the renowned private higher education institutions, such as the Lahore University Management Sciences, Lahore and the Agha Khan University Karachi, charge much more from their students than other institutions of the country in the same discipline. The tuition fees are one of the important issues of the private HE institutions. Isani and Virk (2005), term these institutions as 'unequal opportunity institutions' where poor students can have no access'. (Isani 2005; p. 301). Findings of our study tend to support this claim. According to the Europa World Year Book 2005; 'Pakistan's Gross National Income (GNI), measured at average 2001-03 prices was US \$ 71,909 m, equivalent to \$ 470 per head'. (The Europa World Book 2005, 46th Edition p. 3345). In Pakistani currency this income is equivalent to Rs. 28,200. It means that access to higher education in the private HE institutions is likely to be beyond the financial means of the majority in the country who cannot afford expenses of higher education especially in the private sector universities. Only well off families can afford the costs of higher education in these institutions. This situation surely creates the problem of inequity. Some financial support to talented and needy students in terms scholarships, fee concession and loans is given by the institutions. In doing so they compensate the students who cannot afford the expenditures and may reduce the problem of inequity in this area.

Financial Support

The targeted HE institutions financially support their students in terms the scholarships, fee concession and loans. Concerning the financial support the following were the main findings:

Scholarships

A significant majority of the faculty and students were of the opinion that scholarships were awarded to talented students by their respective institutions. During the survey the researcher was told that these institutions make available a reasonable amount for this purpose to attract talented students. This is supported by the findings of the study. Provision of scholarships to the talented students can attract the students to the private HE institutions and as a result may increase their enrolment.

Fee Concession

A large majority of the faculty and students responded that needy (who cannot afford expenditures of education) students were given fee concessions by their institutions. Needy students are those who cannot afford the expense of higher education need fee concession. The other reason for

fee concession may be high cost of living in the target area. By doing so these institutions may attract the poor but able students and also to some extent overcome the problem of inequity, as these institutions are considered to be inequitable and institutions for only the privileged elite class.

Students Loans

An equal percentage of the faculty and students, that is 55 percent, opined that loans were available to needy students in these institutions. The remaining 45 percent either thought loans were not available or were uncertain. The loans are given to students in terms of money on the guarantee of a government or university officer of at least grade 17. These loans are repayable after the completion of their study. Provision of loans to students by these institutions may attract the poor and needy students. As a result this may have a positive effect on the needy students' enrolment and thus serve equity. Not only these institutions will get their money back from the students but also have enhanced their income by the increase in students' enrolment. It is noted that the respondents did not provide us with the details on the types of loans they are offering to their students.

Financial support to students will enable the brilliant and poor but able students to get admission to privately managed higher education institutions. This as a result will make these institutions more efficient and equitable for all potential students especially who cannot afford expenditure on higher education.

Academic Outcomes

The academic outcomes were assessed in terms of the recognition of the qualifications with respect to the labour market and public sector student's outputs.

Recognition of the Degrees

Findings of the study support that the degrees awarded by the sample HE institutions were recognized by the Higher Education Commission (HEC) Government of Pakistan. Universities/higher education Institutions in the private sector are degree awarding institutions. The credibility of the degrees is assessed by their recognition by the labour market and the Higher Education Commission (HEC) within the country. The graduates of some private HE institutions, such as, Agha Khan University, Karachi and Lahore University of Management Sciences, Lahore are being readily absorbed in the labour market. They are considered as the most expensive universities in the country but despite students prefer to get admission to these institutions because their outputs are highly valued in the labour market.

Comparability of Assessment Procedures

Results of the study revealed that a very significant majority of administrators and faculty agreed that the system of examinations adopted in their institutions was comparable with other national universities of Pakistan.

Findings of the study provided with the evidence that the assessment procedure adopted by the private HE institutions is comparable to the national and international universities. Students prefer to be enrolled with the HE institutions whose system of examinations is comparable to other national universities, so they may be able to seek admission in other HE institution when required. An output of the education institutions can be compared if the system of examinations of the institutions is the same.

Absorption of Graduates in the Labour Market

A large majority of agreed that graduates of their universities were claimed by respondents in this study to be easily absorbed in the labour market, in so far as the taught courses that were needed either in local or national labour market. Universities and degree awarding institutions are known by the quality of outcomes they produced. One of the main determinants for the assessment of the graduates is the labour market. Graduates of the good education institutions are readily absorbed in the labour market. Findings of the study show that the graduates of the targeted HE institutions are absorbed in the labour market. The findings are based on the perceptions of the respondents but no hard evidence was provided. According to them they have contact with their graduates who have been absorbed in the labour market.

Market Responsive Subjects

A very significant majority of administrators and faculty agreed that the subjects taught in their universities were labour market responsive. Students enrolled in privately managed higher educations were studying Management Sciences followed by Computer Science, Telecommunication and Software Engineering. Findings of the study also correspond to the government policy of developing science and technology at higher education levels in the country. (table 3: appendix). The majority of students registered with the sampled HE institutions are studying science and technical education, because they consider these subjects are likely to help them to get employment.

Conclusions and Policy Implications

This paper has examined the contribution of the private sector to higher education in Pakistan with special reference to efficiency and equity.

Following conclusions were drawn:

- i. Findings presented here revealed that about 87 percent of the students were paying tuition fee from Rs. 25,000 to Rs. 60,000 per semester in their respective HE institutions within the target area. The amount of tuition fees paid by the students is more than per capita per annum average income (i.e. \$ 470 per year or about 28000 Pak rupees). This reveals that access to private higher education is likely to be beyond the financial means of the majority of the country who cannot afford expenses of higher education. The cost of private higher education makes the higher education provision inequitable and resultantly inefficient too if able students are denied access.
- ii. A large majority (67.5 percent) of population is living in rural areas but the private sector institutions are located in the commercial urban localities where the cost of living is very high and beyond the access of average and poor people. It implies that only the student from the well off families of urban areas can have access to the private higher education institutions. The living cost in the big cities makes the private higher education inequitable. These institutions cannot attract talented but poor students from rural areas, who cannot afford expenditure of education in sufficient numbers to reduce average cost per student.
- iii. On the basis of the findings presented in this paper there would appear to be a strong case for the state to shoulder some of the costs of the private sector education on both efficiency and equity grounds. It is argued in the economic of education literature (See Blaug, Becker, and Schultz for example) that in addition to the private benefits of education there are significant wider benefits enjoyed by society at large. Thus, there appears to be a strong case on theoretical and empirical grounds for the government to provide some financial support to private sector of higher education provision in Pakistan. This could be made directly, through for example, reducing the taxes they currently pay or indirectly, for example, through providing more financial aid to students attending private higher education institutions possibly through a loans or education tax.

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Appendices

Table 1
Status of the Service of the Faculty

Service Status	Frequency	Percentage
Regular	52	72.0
Contractual	11	14.7
Visiting	10	13.3
Total	75	100.0

Table 2
Distribution of the Faculty by Academic Qualifications

Academic Qualifications	Frequency	Percentage
MA/M.SC	48	64.0
M.Phil.	19	25.3
Ph.D.	8	10.7
Total	75	100.0

Table 3
Per Semester Tuition Fee Paid by Students (Pak. Rupees)

Amount	Frequency	Percentage
10,000 - 15,000	2	1.2
15,001 - 20,000	9	5.3
20,001 - 25,000	11	6.5
25,001 - 30,000	23	13.5
30,001 - 35,000	13	7.6
35,001 - 40,000	33	19.4
40,001 - 45,000	10	5.9
45,001 - 50,000	21	12.4
50,001 - 55,000	19	11.2
55,001 - 60,000	27	15.9
65,001 - 70,000	2	1.2
Total	170	100.0

Table 4
Distribution of Students by Enrolment in Courses Offered by their Institutions

Programmes	Frequency	Percentage
Telecommunication	28	13.9
Computer Science	39	19.3
Software Eng.	19	9.4
Information Technology	15	7.4
Management Sciences	49	24.3
Technology Management	30	14.9
Electrical Engineering	03	1.5
Medical	17	8.4
Total	200	100.0