

**INVESTIGATING A NEED FOR COST SHARING IN HIGHER  
EDUCATION IN PAKISTAN**

**PAKİSTAN YÜKSEK ÖĞRENİMİNDE MALİYET PAYLAŞIM  
İHTİYACININ ARAŞTIRILMASI**

**Asma FAZAL**

e-mail: asmafazal2012@yahoo.com

**Dr Mohsin ULLAH**

Comsats University ISLAMABAD

e-mail: economicsera@gmail.com

**Syed ZAIN UL ABDIN**

Abbottabad University of Science and Technology

e-mail: Shahzain7478@gmail.com

**ABSTRACT**

The strategy of cost-sharing is employed in many countries to share the burden of the cost of higher education. The cost is shared between the government, parents, students, and other organizations. The policy of cost-sharing is also employed in Pakistan as it is a developing country and the majority of the students are unable to acquire higher education. Therefore, the government is required to give funds sufficiently to the needy and deserving because ultimately the country will be benefited from it. This research uses qualitative methods to unpack the problems that are faced by students. Some important flaws are highlighted, which can be taken into consideration to improve the systems of attaining higher education.

**Keywords:** Cost sharing, government, Pakistan, students

**ÖZ**

Maliyet paylaşımı stratejisi, birçok ülkede yükseköğrenim maliyetinin yükünü paylaşmak için kullanılmaktadır. Maliyet hükümet, veliler, öğrenciler ve diğer kuruluşlar arasında paylaşılır. Pakistan gelişmekte olan bir ülke olduğundan ve öğrencilerin çoğunluğu yükseköğrenim alamadığından, maliyet paylaşımı politikası Pakistan'da da uygulanmaktadır. Bu nedenle devletin ihtiyaç sahiplerine ve hak edenlere yeterince kaynak vermesi gerekir, çünkü sonuçta ülke bundan faydalanacaktır. Bu araştırma, öğrencilerin karşılaştığı sorunları çözmek için nitel yöntemler kullanılmıştır. Yükseköğrenime erişim sistemlerini iyileştirmek için dikkate alınabilecek bazı önemli eksiklikler vurgulanmıştır.

**Anahtar Kelimeler:** Maliyet paylaşımı, yükseköğrenim, Pakistan, öğrenciler

## 1. Introduction

Cost-sharing is a shift of the cost of higher education being borne exclusively by the students and parents towards the government. Higher education is expensive for every individual to acquire; it can be made possible through cost-sharing (Johnstone, 2003). Higher education for the masses has become a prerequisite for many countries' success and this role can be played very well by the governmental institutions in helping the needy and deserving individuals to continue their education through cost-sharing (Oketech, 2003).

A most used indicator of a state's economic health is per capita income. A low-income level of the masses makes it difficult for the individuals to continue their higher education consequently giving rise to inequality in education attained. It is found in the research previously done that higher education human capital has a positive and statistically significant effect on the growth rate of per capita income. It is therefore needed for the government to make policies to productively employ more education human capital at all levels. Any educational system that is effective and efficient is only possible when there is an increase and the availability of resources to the educational sector as well as to the students who want to continue their education (Brempong, Praddison, and Mitiku, 2005).

Higher education for the masses has become a prerequisite for countries' success by contributing to socio-economic development. This role can be played very well by the governmental institutions in helping the needy and deserving individuals to continue their education through cost-sharing (Ngolovoi, 2010).

Cost-sharing affects the number of students being enrolled in higher education. Without sufficient cost-sharing by the higher education commission, a barrier will certainly be created in the attainment of education ultimately affecting the number of enrollments. This act of cost-sharing by the government might also result in education that is only available few people and ignoring the majority (Ngolovoi, 2012 et al.).

Financial assistance in the form of scholarships and loans may be a way of educational cost-sharing by the government. Therefore the concept of cost-sharing may be a useful instrument in examining the governmental and institutional policies to promote higher education. It also helps to investigate the effect of the policies and the change in the distribution of the cost burden. It also considers the consequences of the shift of the financial burden on the financial health of the institutions. This results in political and social goals of more equitable and accessible higher education (Johnstone, 2008).

This research paper addresses the issue of cost-sharing by the government. The cost should be shared sufficiently by the government. The problem that is faced by the students is due to their low per capita income they are unable to afford higher education. Higher education is costly as it is a more advanced level of education. This attainment of higher education can be made possible when the cost is shared with the students and the parents by the government. Considering the nature of the topic, a qualitative technique is adopted for the study to investigate what students go through while obtaining higher education and what is needed to be done.



## 2. Literature Review

The cost-sharing strategy is applied in many developed and developing countries especially, to provide subsidies to the individuals who want to continue their higher education. The cost-sharing concept entails the sharing of the expenses that incur while pursuing education. Cost-sharing is considered to be unavoidable based on greater equity and efficiency rather than on the only need for revenue and an increase in public funds. Cost sharing is defined as a cost that is shared between students, parents, government, and other institutions (Ishengoma, 2004).

The basic purpose of cost-sharing is to increase the participation and accessibility of higher education to individuals (Johnstone, 2003). The increase in the participation and accessibility of higher education has a positive effect on the enrollment of the students. Students who do not get government funds are unable to continue their education because of financial constraints. Those students who have little resources might also choose the wrong university which is offering a low fee structure to continue higher education. This act is exceedingly rare as almost all the universities are very expensive to continue one's higher education.

Expanding access to higher education has become a necessity. Cost-sharing is needed by institutions to increase the number of enrollments in higher education. If this objective is not achieved the educational institutions will be unable to play their most key role. In the absence of cost-sharing, insufficient funds might lead to several other problems as well. Like students get mentally stressed out and unable to concentrate, students might also indulge in unethical activities to pay their fees (Ngolovoi, 2010).

### 2.1. Tuition Fee

Tuition is defined as charges that are taken by the students or their parents, to cover some cost of attaining education (Johnstone 2003). The tuition fee is associated with the instructional cost of the institution and is different from the charges relating to living and maintenance. It covers a relatively large amount of educational costs and is not compensated for using student subsidies or tax expenditures. The degree of cost-sharing by private individuals for attaining higher education is relatively high (Johnstone, 2003).

The fee affects the decision-making of the students. It affects which university to opt for and whether to continue education or not. The role of fees in students' decisions lies in signaling to consumers the cost they are incurring when enrolling in a higher education program.

Students are responsive to the prices. The high tuition fee will affect the participation in the education. When tuition fee increases enrollment in higher education will go down and vice versa (Vossensteyn and Canton 2001). A positive relationship between student financial support and demand is shown by researchers (DeJong & Canton (2002). Which is an important contribution to the student support system.

While obtaining higher education the cost that is associated with it is in the form of (a) cost that covers faculty, staff, and equipment expenses (b) additional costs of instruction such as books and travel, and (c) the costs of living for the students. Therefore the funds that should be provided for attaining higher education should be sufficient enough to cover all the expenses.



## 2.2.Rationality in Student Decision

The financial constraint affects the rationality of the choices students have to make. Students can make rational decisions when they are given enough possible information and financial means to make decisions about whether to study or not, what to study and where to study (Johnstone, 2003). If students are not provided with enough information and finances a rational decision cannot be made. The student will be a strayed inviting more problems.

Individuals are supposed to be consumers acting rationally to maximize their expected utility. They weigh all alternatives that are available to them and then choose in such a way to allocate their resources to achieve maximum benefits and avoid high costs. It can be said that given their preferences, budget restraints, and product prices, individuals use the available information to evaluate all alternatives and choose the option that leads to the highest level of lifetime utility (Johnstone, 2003).

Financial incentives and regulations will help the student not only in continuing higher education but also in rational decision-making. The financial support can be ensured by the government as it plays a key role in higher education advancement. The choices of the student can be affected by the funding mechanisms or by the availability of the information available.

## 2.3.Student Financial Support

Government should act as a guard to those who are needy and are unable to pay for higher education. Students who are from poor families are unable to pay the fees for expensive courses and consequently, the path to attaining higher education is hindered. It discourages the students to get enrolled in the universities of their first choice (Jongbloed, 2008).

The demand for getting qualified individuals is becoming a prerequisite for every organization. The demand for individuals to attain higher education is becoming a necessary thing. Even a country's prosperity and development depend on the higher number of individuals having higher education.

The basic rationale that is given for cost-sharing is that a portion of the cost should be shared by the parents and the students (Johnston et. al, 2003). This is said so because few people are of the view that the benefits of the education that will be received will benefit the parents and the student eventually. The benefits that students and parents will receive in the future in return for their education might be in the form of salaries and even status and prestige that will be received.

Students and parents do contribute to not only the instructional cost but also other costs like the living costs. Even when the cost is shared by the government is not enough and even then, the cost is shared by the parents in the hope of getting a return. Even when the return is not sure to be achieved, the parents and students even face the opportunity cost of the employment that might be achieved in the form of labor.

The cost that is associated with higher education is higher which every individual is unable to pay. It acts as a hindrance that deserving students face in achieving higher education. Cost-sharing provides an equitable way that all can attain the same level of



education by sharing the cost. Cost-sharing may increase the accessibility and affordability of higher education through financial assistance and grants.

Students who want to continue higher education not only have to pay for the tuition fees but other expenses as well which makes the concept of cost-sharing more important. Students from the backward rural area are migrating to urban areas for higher education in large numbers. On the one hand, students migrating from rural areas are from families with low income, and secondly, migration to the urban areas makes it more expensive for them to continue their higher education. The cost of living adds to the unaffordability of higher education including costs like food, accommodation, and traveling cost.

Therefore, there is a need for the sufficiency of the grants by the government to the needy students. The term “sufficiency” is also an essential element because it entails the financial affordability of low-income families. Sufficiency explains the adequacy of the funds to cover the cost to attain higher education comfortably. It can also be said that the affordability to choose to opt for higher education and the means to pay for it (Xu, 2010).

#### **2.4. Cost-Sharing In Higher Education**

The costs of higher education, including the institutionally borne plus the privately borne costs of instruction as well as the costs of food, lodging, and other expenses of student living, are borne by four principal parties Johnstone (2003, 2004a):

*Governments or taxpayers:* via direct or indirect taxation, including the taxation of business or deficit spending induced inflation, both of which are passed on to the general taxpayer/consumer.

*Parents:* via savings, current income, or borrowing.

*Students:* via savings (generally limited), current earnings (generally part-time, either during the instructional terms or during the summer break) or borrowing; and/or

*Philanthropists:* via endowments or current contributions.

Johnstone (2004, b) showed that the cost shared by the student is the lowest since the 1980s. Students pay no fees and received maintenance grants, not loans, to help meet living expenses, the government used Johnstone’s research to bolster the case for introducing student loans.

The case of universities bearing a share of the costs of higher education is even more complicated. Even the institutions of higher education can themselves give grants, generally based on academic promise or any other student attribute highly valued by the institution. Like in the United States grants are given based on including ethnic minority status or athletic talent.

### **3. Methodology**

The approach that is applied to this research is qualitative in nature, to investigate the issues related to inadequate cost-sharing. It consisted of open-ended questions from the students involved in attaining higher education. The respondents included one who was having a scholarship and those who were not having a scholarship. Open-ended questions were asked from the respondents while interviews were conducted.





The students were asked questions relating to how they are continuing their higher education and what problems they are facing in the financing of their education. The students who were availing of scholarships were further asked whether the number of funds given to them was sufficient to carry on their higher education. The process of asking questions was accompanied by probing and prompting where required. Narcissism

The interviews were transcribed using open and focused coding. Concepts were developed from the interviews and then analytical insights were obtained from the close study of the data. It can also be stated that open coding was employed in the interviews to locate themes and initial codes in an attempt to compress the data into categories while focus or selective coding was further applied to have analytical themes by linking categories.

#### 4. Finding

The following themes were derived from the interviews given as follows.

##### 4.1. Costly Higher Education

Students who were continuing their higher education responded that higher education is costly, and it is extremely hard for them to continue their higher education. For the majority of the student who was mostly from a middle-class family, it was complicated for them to continue their education. Few of them were teaching at universities and few were still jobless and looking for a job. It is very frustrating for them to continue education knowing that it is extremely hard for their parents to pay for it. The parents are uncomfortably paying for the higher education bearing in mind that the child will be able to earn after a certain period.

*Respondent: Students at the higher education level have many responsibilities and for them to continue their studies is difficult because it is costly to have higher education.*

##### 4.2. Insufficient Of Funds Provided By the Government

The funds that are given by the government are insufficient. The funds do not cover all the expenses that students incur. To meet their expense either students do a job or those who could not find a job take help from their families.

*Respondent: Scholarships should be increased both in size and quantity*

*Respondent: It is not sufficient. It is exceedingly difficult for us to maintain our living. We are getting 13000 rupees for our monthly maintenance which we have to pay for our residence as I am away from my home. I have to pay for food and even I have to pay for my traveling. The hostel in which I am residing is not nearby which is why I have to travel. And you know how much it is expensive for us to cover all our expenses. The rates are not revised, and inflation has gone up.*

##### 4.3. Jobs and Insufficient Funds

Most of the students having higher education either have jobs or are looking to have one. The higher education commission while granting scholarships signs a bond that students will not do a job as far as they are receiving a scholarship. Still, students go against the law as they are forced to. They are pushed to do a job as they do not have any option. The funds are insufficient, and it does not meet their needs.



*Respondent: We are not allowed by the HEC to do a job even. By doing a job it would have been a little easier. I think that if I were doing a job as a lecturer, I would have been able to revise the courses I have studied. As I am doing a Ph. D so waiting for it to finish will take time. I am also married so I have certain responsibilities towards my parents, children, and wife. We have signed a bond with the hec, and we are bound to abide by the rule. There are individuals who are going against it even as they cannot fulfill their needs. They are doing a job as a lecturer at the university even when they are not allowed to. But I think that it is not their fault they are not left with any option to make it a little easy for themselves. Even people with strong religious beliefs are in a fix on what to do. They seek different advice and eventually justify it just and do a job. They even think that it is not their fault but the Hec fault that they are not properly funding them.*

Students are even unable to concentrate when they are doing a job. The attention of the student is on how to earn money for the next semester. Students having jobs and studying are not mostly satisfied with their studies. They always are of the opinion that they might have done better if they were fully concentrated on their studies.

*Respondent: But the job is affecting my studies and studies are also affecting my job as well, but I have no way other, so I am doing my job and not leaving it.*

*Respondent: If the Hec scholarships were sufficient and available to all, I would have given all my concentration to my studies which right now are exceedingly difficult for me to manage. And I am not satisfied with my studies as well. I would have done better in my studies. I am unable to give full time to my studies and at higher education level more concentration and devotion are required of you.*



#### **4.4. Research and Higher Education**

While obtaining higher education students are required to do research work. For the research, no expense coverage is given by the government or the institution. To conduct quality research students are required to give time and money. Not all the students have the finances to do the research work. One other critical issue is the publication of the research paper after the research work. Students are also required to publish their papers and not all the journals are free for publication. In fact, they charge a high price for the publications. The affordability is also a question from the students that need to be answered.

*Respondent: HEC should have research funding; students face so many problems in conducting research and they do not have the funds to do quality research.*

#### **4.5. Course of Action Required From Government**

Government should play a key role in cost-sharing. The cost of higher education should be shared by the government sufficiently. The government also puts restrictions on the jobs when the students are receiving scholarships. Government should provide funds with sufficiency, and it should also allow those students who want to do jobs. The jobs that are required by the students are because they are married and have family responsibilities other than studies.

*Respondent: The government should first of all increase the funds that we are given as they are not sufficient. The funds should be according to the increasing inflation*

*rate. The inflation rate is going up, but the funds are still at old rates. Secondly, we should be also facilitated within the university. We should be allowed to do a job even; at least we can help ourselves because of the insufficiency of the funds.*

Most of the students do not even agree that the government is playing its role. The satisfactory part of the question is of question.

*Respondent: I think that the government is not playing its full role as it would have played. It is playing role in just making the structure for higher education by giving affiliation to the universities that are it. It should practically do something viable.*

*Respondent: Hec should have a scholarship on the basis of merit. By merit I mean that the last degree achieved should be verified and a test should be taken by the Hec itself. Hec should search for the scholars who are eligible and want to continue their higher education.*

Scholarships that are provided by the government and institutions should be fair and available to all.

*Respondent: The scholarships are given to the rich only by unfair means. Funds should be equally divided. There should be equity in the distribution of funds. Funds should be available for the masses. The criteria that are set should be such that both students from the rural and urban areas have equal capacity to fulfill them. The students from the rural areas can not clear the test and cannot get scholarships. The scholarship should be sufficient. The funds given should according to the differences in the private and public universities.*

*Scholarships should be available for all research scholars. As a person gets admission to the university, he\she should become eligible for the scholarship.*

Government should provide scholarships in all disciplines and due importance should be given to applied sciences.

*Respondent: More scholarships should be given in the field of mathematics and applied sciences to improve the number of capable people who can really work for the country as scientists and researchers.*

#### **4.6.NTS Test Criteria for Grants**

To have grants, students are required to clear NTS (general or Subject) test, with sound educational background. Based on this, the criteria on NTS general are not the right criteria NTS general has questions that do not check your subject knowledge. A student good at subject-specific knowledge may not be able to clear the aptitude test. Whereunto subject does include questions from the subject along with analytical portion as well.

*Respondent: The selection criterion is not right. Mostly the tests that are taken by the HEC are outsourced. You can take an example of the NTS. The test that is GAT (general) has no alignment with the criteria to qualify for MS.*

*The scholarships that are given to the students of the social sciences are less in number as well as the amount whereas the scholarships for the other disciplines are high in amount.*

*The fee and the funds that are given do not match.*





#### 4.7. Administration of Grants

Some administrative issues are associated with the grants that are given to the students. There are complications in the documentation procedures. The process should be made easier and simpler for the students.

*Respondent: The process should be made simple for the students instead of making them difficult for them.*

Students who want to transfer their credit hours to other universities face problems with fee adjustments. Students who are paid on will not be paid higher amounts for the fee if the university of transfer is offering a higher fee than the first.

*Respondent: There are further complications in the documentation by the Hec. I was a student of MS leading into my Ph. D program and I got shifted to another university after completing my Ms for my Ph.D. The difference in the fee that occurred by the shift is not compensated by the government which is a nuisance. And I am still stuck in that formalities as my documents of Ms are not cleared as I have not paid the dues which the government was supposed to pay. In short, I have to face administrative problems because of that.*

### 5. Recommendation and Conclusion

In In this research paper the concept of cost-sharing in Pakistan is investigated with respect to the government intervention in the cost-sharing of higher education. It is argued that government cost-sharing is relatively low compared to the overall cost that is borne by the student. It is found that students are not satisfied with the funds that are given by the government. The funds are thought to be unfairly distributed and insufficient to continue higher education. More funds are demanded by the students with the right to have a job as well to make up for their additional expenses.

A sound financial policy should be made by the government to make available higher education through sufficient financial support and viable options provided to the students to continue their education. The students should be allowed to do the job even while having the funds provided by the government. The system to qualify for grants should be made transparent and the test should be decided in such a way that should be related to their area of study. The funds should be sufficient enough keeping in mind the current inflation rate and the expenses that are incurred by the students. Even institutions especially educational institutions should come forward to provide grants and facilitate students. Institutions can engage students in the institution to encourage them to move forward by helping them meet their expenses.



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