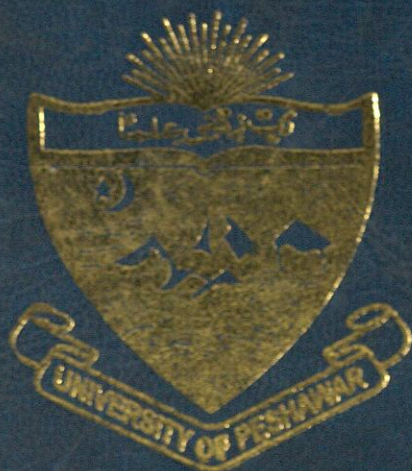


**DIVERSIFICATION OF THE FINANCIAL SOURCES FOR
HIGHER EDUCATION IN PAKISTAN WITH SPECIAL
FOCUS ON THE SELF-FINANCE EDUCATION SCHEME
(A Case Study of the University of Peshawar)**

BY

FARZANA SHAHEEN

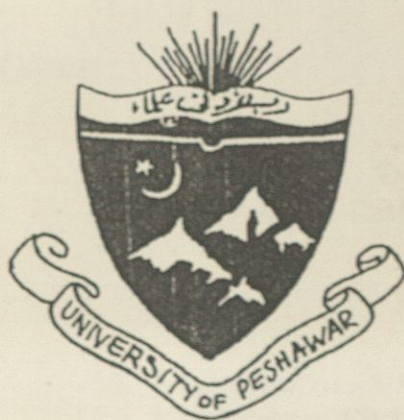


**DEPARTMENT OF ECONOMICS
UNIVERSITY OF PESHAWAR
2005**

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The thesis is submitted to the University of Peshawar in partial
fulfillment of the requirements for the degree of

**DOCTOR OF PHILOSOPHY
IN ECONOMICS**

BY

FARZANA SHAHEEN

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ABSTRACT

Higher education is experiencing rapid and dramatic changes in Pakistan. The major problem of higher education is in terms of the match between the financial needs and available financial resources. Even though a substantial sum of public expenditure going to higher education there is a belief that the actual amounts allocated are low in relation to need.

Apart from, remedying current inadequacy in funding levels, additional funding generally is essential in order for higher education to cope with likely future expansion.

The present study was designed to explore and evaluate the possibilities of diversification of financial sources for higher education. It specially focuses on self-finance education scheme experienced as a source of additional funding at public universities in Pakistan. University of Peshawar was taken as a case study.

For this purpose, from a total number of 17 departments that were running the master level programmes at self-finance basis, 10 sample institutes were randomly selected for the study. Randomly selected 160 respondents in these 10 sample institutes were interviewed for taking in questionnaire. Of these 160 respondents, 96 were selected from open merit students and 64 were selected from self-finance students. For the collection

of information, two different comprehensive questionnaires were developed, one addressing to the students and the other to the staff of the institutions concerned.

Results show that the students' enrollments are increasing rapidly at higher education, specifically in market-oriented and professional disciplines. There was a 52% positive growth in enrollments on self-finance basis during two years considered in the study. It was found that the students of both the shifts are equally punctual in class assignments and the teachers are unbiased in marking and equally regular in taking classes towards all the students in both the shifts. The major problems of boarding, transportation, availability of classrooms and the use of computer labs were particularly felt by the self-finance students. The respondents with a strong socio-economic background were equally found among open merit self-finance students, during the study.

The study generally concludes that the introduction of self-finance education scheme at public universities brought a positive effect on the enrollment of the students and proved a big source of funding for the public universities. But it was found that on one side the open merit students were paying only 3000-10000 rupees for a professional degree. Contrarily, the self-finance students were paying 20000-50000 rupees for the same

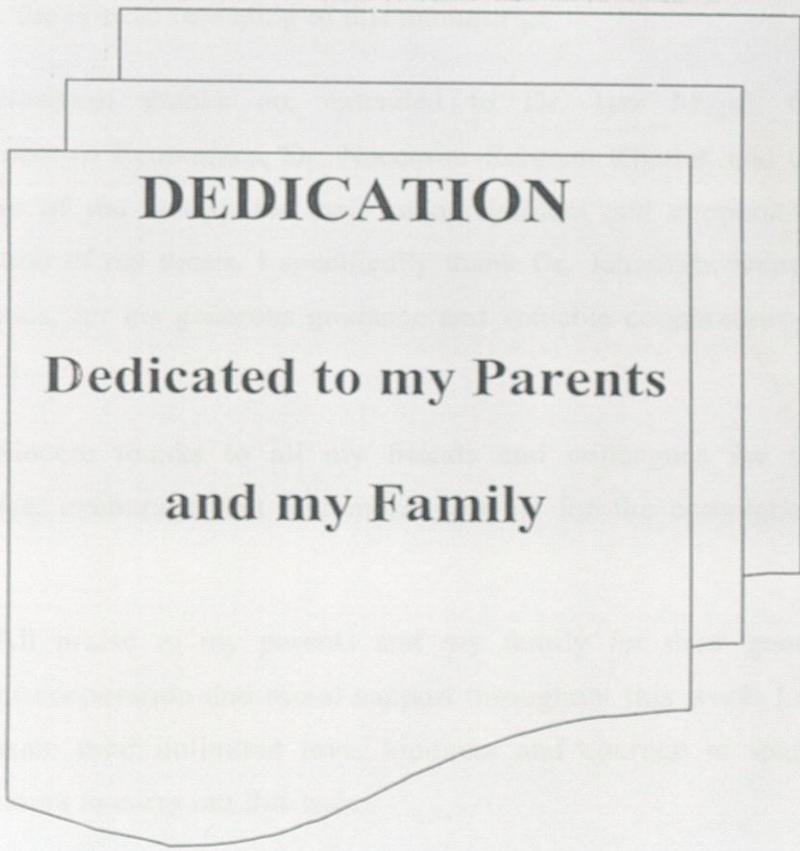
degrees. Whereas the socio-economic background of both kind of students was generally the same.

Based on the conclusion it was recommended that the fee structure of the university needs changes. Higher education should not be fully subsidized and an average fee structure is suggested in this respect for students of both the shifts. Provision of scholarship to top 10% and financial help to very poor students is also recommended. It was also recommended that the infrastructural facilities should be increased to the level of increased enrollments.

DEDICATION

Dedicated to my Parents
and my Family

ACKNOWLEDGEMENTS



DEDICATION

**Dedicated to my Parents
and my Family**

ACKNOWLEDGEMENTS

All acclamation and appreciations are for Allah Almighty Who created the Universe and bestowed upon the mankind the knowledge and wisdom to search for its secrets.

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Farzana Shaheen

RESEARCH METHODOLOGY

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Chapter-1

INTRODUCTION

Higher education, today, is recognized as capital investment and of paramount importance for economic and social development of a country (National Education Policy, 1998-2010, p.83). Despite the clear importance of investment in higher education for economic growth and social development, the sector is in crisis throughout the world (World Bank, 1994, p.1). The major problem facing almost all the developed and developing countries is the dilemma that arises from continued high social and individual demand for access to higher education at a time of growing constraints on public budgets (National Education Policy, 1998-2010, p.90).

The public expenditure on education has always been inadequate owing to continuous increase in costs. Higher education and research are capital intensive and are highly subsidized while direct recovery of the cost of higher education is minimal (National Education Policy, 1998-2010 p.91). The job of strengthening education is too big for any single institution, and too important to be left to one perspective only. It seems, therefore, desirable that expenditure on higher education should be shared in some reasonable form between students' fee, contribution from the management of the universities and the government.

1.1 Problem Identification

Finance play a vital role in all sectors of economy. Human activities are almost zero without financial resources. Education a most important factor in the growth and development of mankind is also in need of financial resources. However, inspite of its importance, people in Pakistan feel that it is the duty of the Government to provide funds for their education.

The World Bank in its request of 2000 has analyzed that many of the problems involving higher education are rooted in the lack of resources (World Bank 2000, p.25). Current level of public funding is clearly inadequate and there are several limits to bring major increases in funding level from the existing sources. The higher education enrollment continues to expand at a rapid rate in response to strong student demand and pressure for higher education to perform a wider range of functions. Higher education is thus clearly placing greater demand on the public budget. Redirecting money from primary and secondary education is rarely an option, with spending per student on higher education already considerably higher than the other sub-sectors of education (World Bank, 2000).

Pakistan's education system has traditionally been dominated by public institutions. Higher education, until recently, has been considered as public good, the provision of which is the responsibility of state (Indraratna, 1988, p.1). The public universities are heavily dependent on central government for their financial sources. It is clear that government efforts

alone are not sufficient to cope with the challenges of accelerated expansion of education (Kitaev, 1999). Thus there is an urgent need to identify and attract new sources of funding to increase the overall level of financial support and achieve diversification of financial sources at higher education in a way acceptable to beneficiaries/ users, facilitators (teacher) as well as the institution.

1.2 Theme of the Study

1.2.1 Globalization and the Knowledge Revolution

The world has become global village today with the development of communication technology. No country can remain isolated with its own system of values, culture, tradition and social norms. The education system of a country cannot ignore this trend (Sanayal, 1998). Hallak has defined the phenomenon of globalization of economies.

“Globalization of economies means placing less importance on where natural resources are located and more importance on human resource, less importance on basic knowledge, still needed, more on behavioral and attitudinal skills. This phenomenon has been affecting the content, structure and method of higher education around the world”. (Hallak J. 1998).

Higher education teetering on the brink of full scale globalization (Lara 2003). Currently, there are 88 million University students world wide – a 300% increase from 30 years ago (Wolf 2002). Estimates from the

investment community put the global demand for higher education at 160 million students by 2025 (Michael , 2002).

The developed world is reacting quickly with education as a major political priority. And what about developing countries? Will they be able to compete in knowledge economy? (World Bank 2000). Joseph Stiglitz, Nobel Prize Winner in Economics, has pointed out that globalization has left the poorest people in the developing world poorer still (Stiglitz, 2002). But a major structural change is seen in education. As the higher education expert, Altbach G. Philip has pointed out “globalization proceeds largely from North to South” (Philip, 2003). Today there has been a dramatic shift from class to mass, with half of the world students of higher education living in developing countries.

According to a World Bank Task Force Report, “The late 20th century was the growth of knowledge centered as apposed a manufacturing centered economy. The knowledge revolution has been exponential and continuing to increase. Participation in the knowledge economy requires a new set of human skills. Without improved human capital countries will inevitably fall behind and will experience the intellectual and economic isolation. The result would be the continuing poverty” (World Bank 2000).

As the World Development Report puts it,

"Knowledge is like light weightless and intangible, it can easily travel the world, enlightening the lives of people everywhere, yet billions of people still live in darkness of poverty - unnecessarily" (World Bank, 1999).

They live in poverty, in part, because they cannot reach the switch to turn on the light and that switch is called education. Higher education has never been as important to the future of the developing world as it is right now. It cannot guarantee rapid economic development, but sustained progress is impossible without it. Higher education is no longer a small culture enterprise for the elite. Rather it has become vital to nearly every national plan for development.

1.2.2 Situation at Home

Higher education in Pakistan today is recognized as capital investment and is of supreme importance for economic and social development of the country. Institutions of higher education have the main responsibility for equipping individuals with advance knowledge and skills required to handle advance technology. Thus without a highly educated and skilled manpower, it is difficult to accelerate the process of economic development. Therefore, it is vital that decision makers should recognize

the importance of higher education for economic and social development (World Bank 1994, p.1).

According to the National Education Policy 1998, if the national objectives are to be realized, enrollment percentage in the higher level of education should have to be increased. Participation is related to availability of places, opportunities, qualified staff, admission policies, the cost and perceived benefits associated with entry to higher education. Most of the advanced countries have achieved a participation rate of 50% of the age group (17 - 23) .The student enrollment in Pakistan has an exponential increase from 644 in 1947 - 48 to 101346 student in 1996. In spite of that, less than 3% of the age group 17-23 has access to higher education (National Education Policy, 1998-2010, p.84). More intensive enrollment is seen in professional education, which has almost trippled. The growth in enrollment, however, has been much faster than the numerical increase in institutions. As a result, there is a limited access to higher education and many of the prospective students who are unable to get admission are forced to join unrecognized institutions or give-up their pursuits of higher education. The National Education Policy 1998-2010 has summarized the situation as in Table 1.1.

Table 1.1 Demographic Projection Model for the age group:17-23 years

Year	Total	Male	Female	Total (millions)	Percent of total population
1995	15.611	8.113	7.498	130	12.1
1997	17.170	8.875	8.295	137	12.5
2000	19.194	9.822	9.372	149	13.0
2005	22.191	11.226	10.965	168	13.3
2010	25.376	12.9	12.457	187	13.6

Source: National Education Policy. 1998 – 2010.

Given the present intake of tertiary level institutions, the demand of student places would be exponentially high. In order to develop the country to a respectable level, it is envisaged that the participation rate would need to be enhanced to at least 10% of the age group (17 - 23). This means that a population of 2.5 million would need to be provided higher education by 2010. If the objectives of "vision 2010" are to be realized, increase in the enrollment percentage in the higher level of education shall have to be made. (National Education Policy, 1998-2010, p.84).

1.2.3 The Need For Additional Sources

Higher education institutions in Pakistan face many problems of considerable complexity and magnitude. They are under intensive pressure to provide increased number of student places and an increased flow of graduates in a variety of fields. They are expected to play a major role in the

economic and social development of the country. They are being called upon to make access to enrollment more open to all social groups and to help the government to deal with particular equity problems. All these demands place higher education institution under severe strain. But in addition, there is a fundamental financial resource problem.

Some of the most serious and deep rooted problems faced by higher education in Pakistan relates to funding. Current level of funding is insufficient and major increases in funding levels from existing sources are not possible. Yet higher education enrollments continue to expand at a rapid rate due to strong student demand and pressure for higher education to perform a wider range of functions. Thus there is an urgent need to identify and attract new sources of funding, to increase the overall level of financial support to higher education.

Besides the current inadequacies in funding levels to meet existing demands, there is a dire urgent need for additional funding for higher education. The reasons why additional funding is seen to be essential are enumerated in a study made by IIEP, UNESCO, as under:

- a. Additional levels of funding are seen to be essential to enable higher education systems and institutions to meet the future expansion in students' enrollment. Higher education continues to expand very fast. This expansion pressure is intensified by increasing enrollment

in secondary education, by increasing demand for graduates in an increasing range of fields and specializations.

- b. To improve the quality of teaching programs and facilities additional funds are necessary.
- c. Increased funding is necessary to meet new needs and to facilitate expansion in the role of higher education. Manpower needs are changing with the change in economic and social development. Further to help the achievement of particular government policies for higher education in some cases additional funds will be necessary.
- d. The increasing cost on key items of expenditure in higher education institution is another factor that needs additional funding.
- e. The study also suggest that, over the next decade, higher education will face increased competition for scare resources, both from within the education sector (Primary, Secondary, Professional) and from other areas of government activity.

Apart from these factors, a number of other factors are forcing institutions and systems to attain greater cost efficiency, and to regain financial support from new sources e.g. the concern about current levels of institutional efficiency and management. It is observed in the study that student tuition fee levels and charges for services have not kept pace with

inflation, and there is a strong belief that higher education institutions may receive a greater measure of management independence if funding come from a plurality of resources (IIEP, UNESCO, 1991).

1.2.4 Possibilities of Additional Funding

The major problem facing our education system is the dilemma that arises from continued high social and individual demand for various forms of education at a time of growing constraint on public budgets. This situation is a principal source of strained relation between the state on the one hand and higher education on the other. The public expenditure on education has always been inadequate owing to continue increase in cost. The educational expenditure is becoming increasingly heavy (National Education Policy p.90).

But finding new funds is not easy. Higher education is clearly placing greater demands on public budgets. Governments spend public funds on education because they believe that a better educated population will contribute to faster development. Most public universities are highly dependent on central governments for their financial resources. Tuition fees are often negligible or non-existent and attempt to increase their level encounter major resistance from the users. The recovery of the cost of higher education is minimal. It seems, therefore, desirable that expenditure on higher education should be shared in some reasonable form between

students fee, contribution from the management of universities and the government (National Education Policy, p.91).

Experience shows that if public institutions are to achieve higher quality and greater efficiency, government will need to implement sweeping reforms designed to provide incentives for institutions to diversify sources of funding. Virk and Isani (2002) have suggested that the government alone cannot fund the public sector universities at the desirable level so as to maintain quality and enable them to discharge their duties as instrument of equity. They have identified the following avenues for mobilizing greater private financing for institutions in the public sector:

- (a) Cost-sharing with the students,
- (b) Raising funds from alumni,
- (c) Mobilizing other external sources like philanthropists,
- (d) Engaging in other income generating activities,

If public higher education institutions wish to increase their overall level of financing or improve their financial stability, mobilizing a greater share of their revenues from non-government sources will be essential. This argument has been accepted even by the World Bank. According to their report "the financial base of public higher education can be strengthened by mobilizing a greater share of the necessary financing from the beneficiaries i.e. the students themselves, who can expect significantly greater lifetime

earning as a result of attending higher education institution and who often come from families with ample ability to contribute to the cost of higher education. Cost sharing can be pursued by charging tuition fees in public institutions and eliminating subsidies for non-instructional costs. Government can permit public institution to establish their own tuition and fees without interference (World Bank, 1994, pp. 40-41).

1.2.5 Situation of additional funding in Pakistan

Income from student fees in public universities is just negligible in public higher education institutions in Pakistan. However, a growing number of developing countries are moving in the direction of cost – sharing, now. As a result of new students funding system in place since 1994, self -supported students admitted on a lesser entrance examination score than the required for regular subsidized students, pay tuition fees ten times higher than regular students, almost fully covering instructional costs.

For diversifying the financial base of public higher education is mobilization of donation and endowment from alumni and private industry. The contributions, initiated by them can take many forms e.g. sponsorships for the construction of new facilities, the endowment of professional chairs, provision of scientific equipment, books, and the scholarship for needy students. The students are obliged to work for the firm or the government after graduation if they offer them bonded scholarships.

The pursuit of income generating activities, such as short vocational courses, contract research for industry and consultancy services can be adopted as a strategy. The government can encourage the matching of funds provision linked to outside income in funding formulas. The short term training courses and contract research can generate income for the higher education institutions. The financial assistance programs for academically qualified, yet financial needy student are also essential. An efficient strategy for achieving quality in higher education is cost sharing coupled with students' financial assistance while protecting equity of access. Financial assistance package for each needy student is necessary; however, it is appropriate that the student financial assistance be government guaranteed student loans rather than grants (Levy, 2004).

Since govt. funds are likely to remain major source of financing for public higher education, it is also important that the allocation of these resources be transparent, rational and efficient. The criteria used by the govt. in allocating funding to universities should create incentives for these to use scarce funds efficiently (World Bank, 1994).

1.2.6 Who pays? Who benefits? Who should pay?

Where public resources are constrained, it is all the more important to allocate them efficiently and equitably. However, the patterns of allocation of public expenditure within the education sector suggest that this

is not so. Scarce public resources are often allocated in favour of higher education at the expense of basic education. Consequently, public subsidies as a proportion of unit cost of higher education often far exceed the subsidies to primary and secondary education (Patrinos, 1999, p.7). Social surveys show that it is predominantly the well-to-do who avail themselves of public education at the higher levels. As they are well able to afford to pay for their education, it is in a sense paradoxical that they should be provided with it free at the expense of the less favored members of the society. In this instance, the provision of free higher education represents a transfer of income from the poor to the well-to-do (Vaizey, 1991).

1.3 Scope of the Present Study

It is the need of the hour to look at the efficiency of the system and see as to whether the system has

- A positive effect on the quality of higher education..
- A positive effect on the psychology of teachers and the taught.
- A positive effect on the finances of higher education.

1.4 Purpose of the Study

The research aims to examine the main dimensions of the higher education crisis in the country and assesses the prospects for successful

reforms. In exploring strategies and options to improve the performance of higher education, it focuses on the following:

- An overview of the changing patterns of higher education around the world,
- How the changing factors have affected the higher education system in Pakistan?
- An analysis of the financial situation faced by higher education in Pakistan,
- Diversification of funding sources for public higher education,
- An emphasis on the case study of one of the strategies to raise finances i.e. the self-finance education.

1.5 Research Design

1.5.1 Objectives

The major objectives of the study included:

1. To assess the current financial situation of higher education in Pakistan.
2. To identify the possibilities of additional sources of finances for higher education.
3. To analyze the self-finance education scheme at university of Peshawar as a source of income.

4. To compare the students admitted on self-finance with those admitted on merit in the light of their:
 - i. Socio-economic background
 - ii. Academic performance
 - iii. Problems faced
 - iv. Attitude and regularity in the classes
5. To see the future prospects of the self-finance scheme
6. To formulate recommendations for further improvement in the situation.

1.5.2 Hypothesis

The study was carried out through the testing of main hypothesis: "The financial base of the public higher education can be strengthened by mobilizing a greater share of the necessary financing from the students themselves". The following other hypotheses were also tested.

- The students admitted on the basis of self-finance have a stronger socio-economic background.
- Students in self-finance are not punctual in the class attendance.
- Academic performance of the self-financed students is poor or substandard.
- Teachers are not serious about the classes and teaching, in case of self-finance students.
- The self-financed students face the problems of accommodation.
- The self-finance students are facing the problem of transport

4.3.3 Opinion about the administration and the ministerial staff

The following four tables show the attitude of the administration and the ministerial staff towards the students on the basis of admission.

Table 4.20 Distribution of sample respondents according to admission and attitude of administration towards students admitted on the basis of open merit.

Basis of admission	Attitude of administration towards students admitted on the basis of open merit		Total
	Cooperative	Non cooperative	
Open Merit	59 (61.5)	37 (38.5)	96
Self finance	52 (81.3)	12 (18.8)	64
Total	111 (69.4)	49 (30.6)	160 (100)

Source: Field Survey

Figures in the parentheses are corresponding percentages.

Table 4.21 Distribution of sample respondents according to admission and attitude of administration towards students admitted on the basis of self finance.

Basis of admission	Attitude of administration towards students admitted on the basis of self finance		Total
	Cooperative	Non cooperative	
Open Merit	79 (82.3)	17 (17.7)	96
Self finance	46 (71.9)	18 (28.1)	64
Total	125 (78.1)	35 (21.9)	160 (100)

Source: Field Survey

Figures in the parentheses are corresponding percentages.

- The self-finance students are having the problem of lack of proper guidance in teaching.
- Self finance scheme adversely affects the overall capability of the teachers.

1.6 Organization of the study

The present report comprises five chapters. Chapter one deals with the introductory material followed by literature review in chapter two. Chapter three of the study deals with procedure and collection of data. Chapter four presents analysis of data and their discussion. Conclusions and recommendations are being shown in chapter-5. References and questionnaires are given in the end as appendices.

Chapter-2

REVIEW OF LITERATURE

2.1 Introduction

Higher education and its financing has always been a topic of interest for educationists, economists, public policy makers, columnist, as well as organizations like World Bank, UNO, IMF and UNESCO researchers. The idea of self financing in education has also been looked upon by some. However, detailed story has not yet been seen. Nonetheless, the topic is of interest to all concerned and detailed investigation of its impact on the quality of education, financial benefits of the institutions, attitude and behavior of the stakeholders would be of great importance. While talking about the financial sources of higher education some have emphasized about the misallocation of resources within the sub-sectors of education and stressed about reducing subsidies given to higher education. Others have given arguments far and against the private funding in public institutions. Most of the world Bank and UNESCO published literature on education have observed the changing patterns of higher education's finances throughout the world and argued about the selective application of user charges at this level. A detailed review of literature on the subject follows.

2.2 Studies Conducted in Other parts Of the World

Pressure to reform the financing of higher education has mounted in virtually every part of the world (Ziderman and Douglas 1995, Gudamand and Gottelmann, 2003). Given what is at the stake in terms of resource use and the importance of education for the future of a society, it is very important that we “get it right” in studying educational issues (Blomqvist, 1986, pp.250-270). Many governments recognize the importance of education for economic and social development and are increasingly investing larger share of their budgets accordingly (World Bank, 1995). But expansion of education is dependent upon fiscal resources (Jimenez, George and Tan, 1986).

Public Universities throughout the world, and particularly in developing countries, are under financed leaving aside situation where university system is expanding, constrained government budgets may lead to a general under funding of public universities (Ziderman, 2005). For many years was the orthodox view among economists that the state should take the responsibility for both financing and supplying educational services. Over the past decade, however, a new group of “neoliberal” critics have argued that education system in developing countries should be financed more directly by private households, particularly under the sharply

constrained financial circumstances facing many governments (World Development, 1996, pp.589-610).

It is observed that the public financing of higher education is regressive in nature (George, 1994). The present distribution of public expenditure on education is highly unequal. The relatively few individuals who gain access to higher education receive more subsidies than those at the lower level (World Bank, 1986, Jallade 1973, Jallade 1974, Mingat and Tan 1986). Another World Bank study shows that even among students who finish secondary school and pass the entrance examination for university, those who actually enroll have lower test scores but much higher social class background than those who do not (Jimenez, 1986). This pattern of subsidies also exists with the university level in developed countries (Hansen and Weisbrod 1969, Levin 1987) and in developing countries (Yao Yao, 1987). Higher education is a luxury consumer good that is increasingly demanded as income rises (Nansy, 1993). Public spending on primary education generally favor the poor, but public spending on education as a whole often favours the affluent because of the heavy subsidization of the upper secondary and higher education level, which usually have relatively few students from poor families. Public spending on higher education is un-equitable because the subsidy per student is higher than that for basic education, even though higher education students come disproportionately from richer families (World Bank, 1995).

The misallocation of public spending within the education sector as argued by Patrinos (1999) that "where public resources are constrained, it is all the more important to allocate them efficiently and equitably. However, the patterns of allocation of public expenditure within the education sector in many countries suggest that this is not so. Scarce public resources are often allocated in favour of higher education at the expense of basic education. Consequently, public subsidies as a proportion of unit costs of higher education often far exceed the subsidies to primary and secondary education" (p.7).

Vaizey, (1991) has offered an interesting suggestion for augmenting the role of private or private type education in developing countries. According to his study, it is predominantly the well-to-do who avail themselves of public education at the higher levels. As they are well able to afford to pay for their education, it is in a sense paradoxical that they should be provided with it free, in fact at the expense of the less favored members of the community. In this instance, the provision of free public education represents a transfer of income from the poor to the well-to-do".

Sanyal (1998) describes the changing patterns of higher education and its effects on the Arab states region. While defining the different modes of privatization he says: "When a public institution is working for a private enterprise or individual for training or research, the ownership and control

of the activity is lost to some extent to the sponsor. We can also observe the same phenomenon when the students, as private individuals, are charged full fees on a cost recovery basis for their tuition. The public institution has to cater for their special needs and bend their rules with loss of control to some degree at least whatever is the mode of privatization the users of education have to bear the cost." (p.32).

Sanyal (1998) further advocates the self-supporting higher education system. He studies the impact of self-finance higher education by taking the case of University of Mansoura, Egypt and observes that enrollment of higher education has increased from 74,310 in 1991-1992 to 237,873 in 1995-1996 in its 17 faculties. The state's share of finance reduced to 85 percent in 1994-1995 for the university, the remaining 15 percent being generated by the university itself (p-16).

Williams (1992) explains the resource allocation for higher education in the case of United Kingdom as "The internal dynamics of disciplines and subjects rather than external economic or social pressures determined patterns of academic activity. Incremental block grants and detailed line-by-line budgets were the basis for allocation of funds. Incremental block grants led to highly developed collegial forms of management in British universities and line-by-line budgets led to the bureaucratic form of resource allocation to ensure efficient resource use, response to changing environment and maintenance of quality".

According to a study, undertaken by the Asian Development Bank (ADB) in 1995, "high priority for primary education and dependence on private funding characterize the education strategy of advanced Asian Economies. However, the dependence on private funding at higher level of education has been combined with public spending at primary level. Moreover, merit-cum-means scholarships, students loan scheme, and other measures are available to minimize the financial barriers to higher education for less privileged students" (p.7). While talking about the strategies of mobilizing diversified sources of higher education it writes: "Basic education has been treated as a collective good in the advanced Asian Economies and has been publicly funded. Since returns to private investment at higher level of education are quite high, the delivery of these services has been largely paid for privately, and private funding has typically been mobilized through user charges". (p.25).

Education has traditionally been subsidized by governments and provided at the uniform low prices to the user, which leads to inefficiencies and inequalities (Jimenez, 1987). It is observed that if the government does not charge for higher education, the minority who receives it are being subsidized by those who do not attend higher education. That is all taxpayers have paid for the gift of higher education (Chapman, 1999). Further, the result of introducing a subsidy and causing an expansion of educational system would simply lead to a social waste (Blomqvist, 1986).

Higher education is the modern world's basic education but many countries are falling further and further behind. A World Bank Task force on Higher education in February 2000 explored the current crisis in higher education in developing countries and outlined a coherent vision of future progress. Analyzing the financing of higher education it says: "Financial dependence on state means the funding levels fluctuate with ups and downs of government resources. "The financing of higher education does not need to be limited to the public purse. In fact higher education can be provided and financed either entirely publicly or entirely privately or by some combination of the two" (World Bank, 2000).

Levin (1991) discuss the recent debate over choice in education into an economic framework that considers both market choice and public choice mechanism with respect to their efficiencies and producing social and private benefits. On the basis of the evidence, a market approach to education appears to be superior in terms of private benefits while the public choice approach appears to be superior in terms of social benefits.

Williams (1992) has presented three main prepositions in support of the market approach "One is the belief that the private sector can relieve government of some of the cost burden. The second is that many of the benefits of higher education go to private individuals and they should be prepared to pay for them. The third premise is that both external and

internal efficiency improve if government agencies buy services from universities rather than make grants to them". (pp. 137-138).

Geiger (1988) has noticed that there are no accepted rules to guide what proportion of educational costs students should pay. He argues for the imposition of tuition fee on the grounds that they can provide universities with additional income to be used for discretionary purposes and that fees need not have adverse effect upon the social composition of enrollments if accompanied by program of student aid.

The private rate of return to higher education is much higher than the social rate of return, as such, the government should reduce the subsidies to this level of education and that, the students will be willing to pay a higher portion of costs. Reducing subsidies to higher education would provide a greater incentive for students to choose responsibly among alternative education options (Woodhall, 2004). In addition, since students in higher education institutions tend to come from privileged socio-economic backgrounds and expect to enjoy much higher incomes after they complete their studies, provision of free- education to them means that they are subsidized by the needier members of society (Laurance, 1994).

2.3 Studies Conducted in Pakistan

In Pakistan, higher education cannot be improved without reforms in public universities. The fate of any higher education reforms lies not in

promoting or discouraging the private sector but how these reforms could turn a single government institute into a center of excellence (Alam, 2002). In the absence of reforms, degrees churned out by most of our universities are going to be thrown into academic junkyard (Andaleeb, 2001).

Ahmad (2002) analyzes the recommendations of Task Force on Higher Education established by the president in 2002 and writes that "our higher education has lost its meaning long ago, producing run-of the mill graduates who never engaged in research and analytical thinking. The biggest problem, however, remains financial as the quality of higher education can only be improved by increasing funds for research in universities (Ahmad 2002, Ministry of Education 2002). But it is clear that the state alone is not in a position to expand tertiary education to satisfy ever-increasing demand (Gunawardane, 2001).

Expenditure on education is often justified on the grounds that it is the means to equality of opportunity. Most of the research done on the finances of higher education in Pakistan emphasizes reduction in subsidies on higher education to achieve the objective of universal education at least at primary level, and attaining 100 percent literacy by 2010. Khan, Mehmood and Siddique (1984) estimate that in developing countries the returns to society from investment in education are higher in primary education, second higher in Secondary education and the lowest at the higher education. They say: "The level of subsidy for public education is

currently well over 90 percent. And suggest that such a high level of public subsidy at all levels for all students may be unjustifiable burden on the budget of a developing country. It is therefore essential to reverse the process of increased subsidization and to recover most of the expenditure through a selectively applied user charges”(pp.418-422). They further recommend that “More of the educational expenditure in public sector should be recovered for reinvestment from those students whose financial background would clearly disqualify them for a subsidy and that the subsidy should be aim only at primary and Secondary education”.

The same authors again observe that Pakistan’s public sector education is highly subsidized and so supplement the problem of limited resources devoted to education. They again recommend a selective application of user charges and write that “We found that very little of public sector educational investment is recovered, so that, practically all of it represents a subsidy. We recommend a restructuring of the educational subsidy towards an increased emphasis on school education, particularly primary education, and a reduced emphasis on higher education, particularly university education. One method of doing this would be to selectively apply user charges at the higher level, exercising extreme caution so as not to let this exclude deserving students from poorer backgrounds”(Khan, Mehmood and Siddique, 1986, pp.175-192).

In view of the heavy claims on the budgetary resources of the government, the state cannot continue financing the steeping rising expenditure on different levels of education. Therefore, the manner in which education should be financed requires urgent attention. Whereas an argument can be made for treating primary education as a public good and hence a social obligation of the state, the similar view cannot be held in the case of higher education. Those hoping to earn higher private returns from higher education should bear the cost of operating and maintaining the educational services provided to them (Kardar, 1998).

Hoodbhoy (1998) has explained the same phenomenon. Talking about the ills of Pakistan's higher education system, Hoodbhoy has given recommendations at the end of his research. He says that "Higher education should be subsidized but not be entirely free. A sufficient number of scholarships and campus employments should be made available for exceptional students. Who should pay for higher education is a crucial question. In per student terms, the state subsidy on higher education has been 7-8 times higher than the subsidy on primary education: Those in universities enjoy a subsidy 49 times that of a primary student. Clearly, the level of subsidy should be reduced. We shall have to give up much pretence and realize that higher education is not a birthright but a privilege. This implies strict selection of students by admission tests and an appropriate level of user fees"(pp.280-283).

Some of the literature also emphasized the relevance of educational planning with the manpower planning and with overall Socio-economic development program. In this context ADEEB (1996) observed that: "The unplanned and poorly planned expansion of higher education and the budgetary limitations facing poor countries appear to have created at least two major problems. The first is concerned with qualitative deterioration in higher education and second, to make education relevant to the real world. Thus higher education in developing countries has not only failed to play a significant role in meeting the national needs. It has also given rise to the creation of educated unemployment." (P.94).

Chaudhary and Khan (1984) observe, that if education is meaningful the supply of the educated would increase the demand for them, if it is not really relevant, subsidizing it would lead to an increase in the educated unemployed. They write: "The question that needs to be answered is why people go in for education inspite of the widespread unemployment? Secondly, it is an important policy question for the LDC's that whether education should be subsidized or not? There is now a growing realization that educational subsidies have a part to play in increased educated unemployment. In addition such subsidies being financed by taxes reduce disposable income and hence further reduce an already inadequate supply of domestic saving for physical capital formation".

Chapter-3

RESEARCH METHODOLOGY

3.1 Introduction

This chapter deals with the methodology adopted in order to analyze the diversification of financial sources at higher education. The study is specifically designed to see and analyze the impact of self-finance education scheme as diversified source of funding at public universities of the country. For this purpose the case study of University of Peshawar is taken. Keeping in view the objectives of the study, the following pattern of research methodology was adopted.

3.2 Sampling Frame and Distribution of Sample

The geographical coverage of this study was confined to the University of Peshawar. A list of all the constituent institutes running the self finance programme at master level was secured from the university administration. A total of 28 institutes were running self-finance programme at various levels. First only those departments were chalked down who were running the programme at master' level. These departments were 17 in number. Out of these 10 departments were selected randomly. Each department was then called a stratum. A complete list of all the

students at master level in the sample strata was prepared. This list served as a sampling frame.

3.3 Sample Size

It was assumed that homogeneity exist in the universe. That is, between stimuli variation is small. Therefore a small sample would fairly represent the whole universe. A total number of 160 respondents were selected from the sampling frame for the purpose of data collection. Since the list in the sampling frame was prepared on the basis of merit, therefore to cover the whole sampling frame "systematic random sampling" technique was used. The first sampling that was chosen by lottery method and then every 5th individual was included in the sample. Method of proportional allocation was used in order to select the number of sample respondents from each stratum. The following expression (Walpole 1982) was used for this purpose.

$$n_i = \left[\frac{N_i}{N} \right] n$$

where

n = is the sample size

n_i = is the number of sample respondents in sample stratum

N_i = is the total number of student in the sample stratum

* Walpole R.E. 1982

N = is the total universe of the study i.e. total number of students in ten sample departments

The resulting sample is tabulated in Table3.1.

Table 3.1 Distribution of sample students in each sample unit

S.No.	Department	Universe (N_i)	Sample (n_i)
1.	Economics	95	16
2.	English	64	11
3.	Political science	112	19
4.	Psychology	102	17
5.	Sociology	70	12
6.	Chemistry	97	16
7.	Computer Science	185	31
8.	Electronics	77	13
9.	Physics	95	16
10.	Statistics	55	9
Total		$N=952$	$n=160$

3.4 Sources of Data

The nature of the study was such that both secondary and primary data were used. The primary data were collected from the respondents and the sample institutes through interview schedule. Information about the personal opinion, problem and facilities provision, academic background, and socio-economic background of the respondents was obtained through a questionnaire addressed to the student to seek the following information.

- Discipline (The main subject)

- Age, Sex, of the student
- Basis of admission by shift
- Medium of instruction in schooling, college education
- Reasons of admission in the institute
- Working status of the student
- Total amount paid (lump-sum or installment)
- Opinion about the self-finance scheme
- Problems faced by the students
- Provision of facilities
- Opinion about
 - Teacher concerned
 - All staff members
 - Administration
 - Teaching methods
- Socio-economic background of the sample student:
 - Family size by age and sex
 - Literacy status of the parents
 - Working status of the household members
 - Sources of income
 - Details of expenditure
 - Key economic indicator (e.g.) availability of car, dish antenna, VCR, location of the residence, etc.

Information about the academic achievements of the students in the department, and the economic and financial appraisal of the self-finance scheme was collected through another questionnaire designed to get these information from the sample institutions. For this purpose two different comprehensive questionnaires were developed to seek the necessary information in the light of objectives of the study. Before launching the survey, the questionnaires were pre-tested in the Department of Economics and Statistics. After getting feedback from the respondents, necessary changes were made before data collection.

3.5 Data Analysis

The data collected was then transferred to the computer software and tabulated for results and discussion. For this purpose Statistical Package for Social Sciences (SPSS) was used. The whole data was first fed to the package in computer and then required variables were used for cross tabulation. For statistical analysis, the chi-square test were applied to every cross tab, using the same package. The results were tested, based on the values obtained for the Chi-square and the "P" value. When $\chi^2_{ci} < \chi^2_{oi}$, the difference is taken as non significant and hypothesize was accepted, where as if the value of $P < 0.5$ hypothesize is rejected. In this way the whole data was tabulated and statistically analyzed with the help of statistical package of SPSS on computer.

Chapter-4

RESULTS AND DISCUSSION

4.1 Introduction

This chapter deals with the analysis, discussion and interpretation of the data collected to see the impact of self-finance education scheme initiated at the public universities of the country as a case study of the diversified source of additional funding at higher education. Results and their analysis regarding first questionnaire which was filled by 160 sample students (open = 96, self finance = 64) at the University of Peshawar are discussed in section I and the data collected from the sample institutions of the University of Peshawar regarding questionnaire No.2 is discussed and analyzed in section II of the chapter.

PART - A

This part of the chapter includes the information and data collected from the sample students through questionnaire No.1 and grouped into four sections.

- General characteristics of the sample respondent.
- Personal opinion of the students.
- The problems and provision of facilities.
- Socio economic background of the sample respondents.

Now each one is discussed and analyzed in detail.

4.2 General characteristics of the sample respondents

This section include sex, age, residential status, basis of admission, academic background, medium of instruction, employment status and reason of admission to the institute of the sample respondents.

4.2.1 Age group of sample students and sex

Table 4.1 Distribution of sample respondents by age and sex.

AGE	SEX		Total
	Male	Female	
21-25	86 (55.5)	69 (44.5)	155 (96.8)
26-30	1 (50.0)	1 (50.0)	2 (1.25)
31-35	1 (100.0)	0	1 (0.6)
36-40	0 (0)	0 (0)	0
41-45	2 (100.0)	0 (0)	2 (1.25)
Total	90 (56.3)	70 (43.8)	160 (100.0)

Source: Field Survey.

Figures in the parentheses are corresponding percentages.

Age of an individual affects his ability to learn and take the advantages of opportunities offered to him. Table 4.1 shows that out of 160

respondents 155 were in the age group of 20-25 years. It means that majority (96.8%) of the sample respondents were in this age group which is the required age group of the students at higher education level by the University. Female respondents were only 0.6% and 1.25% of the respondents were higher age groups. 4 out of 5 respondents in the higher age group, are the male respondents and admitted on quota basis. The table further shows that 90 (56.3%) respondents were male while 70 (43.8%) respondents were female i.e. while collecting the data from the students; sample is selected equally from male and female.

4.2.2 Basis of admission of the sample respondents

A further look at the sample respondents by age class suggests that out of total 160 respondents 96 (60%) were the open merit students and 64 (40%) were the self-finance students. Out of 96 open merit respondents 38 (40%) were female and 58 (60%) were male, whereas out of 64 self-finance respondents 32 (50%) were female and 32 (50%) were male. Those 5 students who are beyond the required age group of this level, when searched individually from the data were admitted on the quota basis to their respective departments. Three of them were army personnel and were on full time leave from their parent departments while other two were from the education department. It is assumed that the responses needed from these male/female respondents and open merit/self finance respondent will fulfill the objectives of the study.

Table 4.2 Distribution of sample students by age, sex and admission.

Age	SEX				Total	
	Male		Female			
	Open Merit	Self finance	Open Merit	Self finance	Open Merit	Self finance
20-25	54 (59.3)	32 (50.0)	37 (40.7)	32 (50.0)	91	64
26-30	1 (50.0)	0 (0)	1 (50.0)	0 (0)	2	0
31-35	1 (100.0)	0 (0)	0 (0)	0 (0)	1	0
41-45	2 (100.0)	0 (0)	0 (0)	0 (0)	2	0
Total	58 (60.4)	32 (50.0)	38 (39.6)	32 (50.0)	96 (100.0)	64 (100.0)

Source: Field Survey

Figures in the parentheses are corresponding percentages.

4.2.3 Residential status of the sample respondents

Residential status of the sample students on the campus shows that how many of the students of surrounding areas are availing the opportunity of higher education.

Table 4.3 Distribution of sample respondents by residential status, sex and admission.

RESIDENTIAL STATUS	Open Merit	Self finance	Total
Day Scholar	47 (49.0)	38 (59.0)	85 (53.0)
Boarder	49 (51.0)	26 (41.0)	75 (47)
Total	96 (100.0)	64 (100.0)	160 (100.0)

Source: Field Survey

Figures in the parentheses are corresponding percentages.

It is observed that 53% of our total respondents were day scholar and 47% were boarders. When these percentages were compared on the basis of admission, it is analyzed that 49% of the day scholars belong to open merit students and 59% belong to the self-finance students, whereas, contrarily, 51% of the boarders are open merit students and 41% of the boarder students are admitted on self-finance. Therefore it can be concluded that majority (59%) of the self-finance students are day scholar while majority (51%) of the open merit students are boarders. It means that self-finance scheme is mostly enjoyed by the students of urban center, who usually belong to the richer families as compared to the families belonging to rural areas of the province. It may also be concluded that it is because of the non-availability of the boarding facility to self-finance students due to shortage of students' hostels at the campus. The same problem was felt, when asked

about the boarding facility on the campus by the student on the basis of admission (Table 4.24).

4.2.4 Academic Background of the sample respondents

Table 4.4 Distribution of the sample students according to level of education, division obtained.

Level of education	Division								
	I			II			III		
	OM	SF	Total	OM	SF	Total	OM	S.F	Total
Matric	80 (61)	52 (39)	132 (82.5)	16 (57)	12 (43)	28 (17.5)	0	0	0
F.A/F.Sc.	68 (65)	36 (35)	104 (65)	28 (50)	28 (50)	56 (35)	0	0	0
B.A/B.Sc.	67 (73)	25 (27)	92 (57)	29 (44)	37 (56)	66 (41)	0	2 (100)	2
M.A/M.Sc.	30 (66)	15 (33)	45 (76)	8 (57)	6 (68)	14 (24)	0	0	0

Source: Field Survey

Figures in the parentheses are corresponding percentages.

Key: OM = Open merit, SF = Self finance

Academic background of the sample respondents on which they were admitted to their respective discipline on open merit or self finance basis was analyzed. It was found that 82% of the total 160 respondents got I division at matric, 65% at F.Sc/F.A and 57% at B.A/B.Sc. level. It was presumed and was observed from data that the percentages of 1st Divisioners at all the three levels of education are higher for open merit students as compared to self-finance students. Out of 132 respondents who got 1st division at matric level, 61% of them were open merit and 39% were self finance students. Same is the situation at higher levels i.e. 65% at

F.A/F.Sc level and 73% at B.A/B.Sc level of the total first division holders are open merit students.

It means that academic background of the open merit students is stronger than the self finance student. Further, out of the total 160 respondents, 59 respondents were those who were the students of final year and the previous year results had been declared. Of these 59 final year students 38 were admitted on open merit and 21 were on self finance basis. To assess whether they show the same comparative results before admitting and after admitting on the open-merit or self finance basis. It was found that 76% of those final years got 1st Division in their previous, out of them 67% were the open merit and 33% were the self-finance students. It means that comparatively open merit students showed better results than the self-finance students.

4.2.5 Medium of Instruction of the sample respondents at school and college level

Table 4.5 Distribution of the sample respondents according to basis of admission, level and medium of instruction.

Basis of Admission	School			College		
	English	Urdu	Total	English	Urdu	Total
Open merit	47 (49)	49 (51)	96 (100)	90 (94)	6 (6)	96 (100)
Self finance	39 (61)	25 (39)	64 (100)	62 (97)	2 (3)	64 (100)
Total	86 (54)	74 (46)	160 (100)	152 (95)	8 (5)	160 (100)

Source: Field Survey

Figures in the parentheses are corresponding percentages.

Medium of instruction at the school level shows that what kind of schooling the student has followed till 10th grade. It was found that 54% of the total respondents who studied at an English medium school reached to the higher education level whereas 46% of them were from the Urdu medium institution. It is interestingly found that 61% of the self finance students came from English medium schooling but could not come on open-merit at the higher education level while those majority (51%) who were in Urdu medium school admitted on open merit at higher education. It means that the medium of instruction at school or college level does not matter for the academic achievements of a student.

4.2.6 Employment status of the sample respondents

Table 4.6 Distribution of sample respondents according to employment status, sex and basis of admission.

ARE YOU EMPLOYED	Basis of admission	SEX		Total
		Male	Female	
Yes	Open Merit	9 (100.0)	0 (0)	9 (100.0)
	Self finance	1 (100.0)	0 (0)	1 (100.0)
	Total	10 (100.0)	0 (0)	10 (100.0)
No.	Open Merit	49 (56.3)	38 (43.7)	87 (100.0)
	Self finance	31 (49.2)	32 (50.8)	63 (100.0)
	Total	80 (53.3)	70 (46.7)	150 (100.0)

Source: Field Survey

Figures in the parentheses are corresponding percentages.

While analyzing the employment status of the sample respondents it can be seen that majority 94% of the total (150 out of total 160 respondents) respondents replied No to the question "Are you employed?". Only 6% of the respondents were employed while doing their post graduation. It means that at regular master level studies the benefit of second shift self finance timings are not utilized by the already employed people for upgrading their studies as regular student. They may still benefit from the private system of examination offered by the public universities. The students who are enjoying the self finance scheme are normal age group people of the higher education level. It was found that students who are employed along with their education are male and mostly admitted on Quota basis on the army seats and others. They are on full time leave from their parent departments and most of them are above the normal age group (20-25) of this level.

4.2.7(a) Annual payment made to the university

Table 4.7(a) Distribution of sample respondents according to the annual payments made for the admission on the basis of admission.

Annual payment made for admission	Open merit	Self finance	Total
Less than 10000	96 (100)	0 (0)	96
10001-20000	0 (0)	0 (0)	0
20001-30000	0 (0)	23 (36)	23
30001-40000	0 (0)	12 (19)	12
40001-50000	0 (0)	29 (45)	29
Total	96 (100)	64 (100)	160

Source: Field Survey

Figures in the parentheses are corresponding percentages.

The payments made yearly to the university for admission shows the cost of education at master level on the open merit and self finance basis. It was observed that the open merit respondents paid Rs.1000/- to Rs.10000 to the university yearly. Contrarily the annual payment made by self finance students ranged from 30000 to 50000, 36% of the self finance student paid upto 30000, 19% upto 40000 and 35% of the self finance respondents paid between 40001 to 50000 to the university annually to get a master degree. Therefore it was observed that there is a big different between the payments made by open merit and self finance students to get a master's degree at a public sector university.

4.2.7(b) Mode of payment availed by the sample respondents

Mode of payments used by the sample respondents for their educational dues to the University show their ability to pay and indicates the economic background of the sample respondents.

Table 4.7(b) Distribution of sample respondents on the basis of admission and mode of payment.

Basis of Admission	SEX				Total	
	Male		Female		Lump sum	Installments
	Lump sum	Installments	Lump sum	Installments		
Open Merit	52 (59.8)	6 (66.7)	35 (40.2)	3 (33.3)	87	9
Self finance	22 (45.8)	10 (62.5)	26 (54.2)	6 (37.5)	48	16
Total	74 (54.8)	16 (64.0)	61 (45.2)	9 (36.0)	135 (100.0)	25 (100.0)

Source: Field Survey

Figures in the parentheses are corresponding percentages.

It was found that opportunity of paying the educational dues in Lump-sum or on installment was offered by the University but only 25 out of total 160 respondents (15%) avail the opportunity and they paid their dues in installments. The self-finance dues are considered very high and burden on the parents by most of the people, but the survey indicated that only 10% of the self-finance students paid their dues in installments. It means that student's majority who are acquiring the higher education belong to well off families for whom payment of educational dues is not a problem. The same is also argued in chapter 1 (p.13) and proved while data about economic background of the students is collected (table 4.33).

4.2.8 Reason of admission to the institute by the sample respondents

Reason of admission to their respective faculties and departments tells us about the choices of the respondents while selecting their career in the job market. The choices they were given to reply were about their first choice, without choice, or fee in the respective department.

Table 4.8 Distribution of sample respondents according to reason of admission and basis of admission.

Reason of admission	Basis of Admission		Total
	O.M.	S.F.	
This subject was my 1 st choice	78 (81)	56 (87.5)	134 (84)
I could not find admission elsewhere	18 (19)	7 (11)	25 (15.4)
Fee in this institution was reliably lower	0 (0)	1 (1.5)	1 (0.6)
Total	96 (100)	64 (100)	160 (100)

Source: Field Survey
Figures in the parentheses are corresponding percentages.

It was found that majority (83%) of the sample students took admission in their respective discipline as their first choice, 16% took admission without any choice because they could not take admission anywhere else. It was observed that only 1% of the total respondent considered the amount of fee while selecting the discipline for admission. This again shows that fee, whether open merit or self-finance is not a problem when parents or students themselves are selecting their choice of study at higher education level.

4.3 Personal Opinion/Personal views

This section includes the personal opinion of sample respondents about the benefits of self-finance scheme, opinion about their teachers, administrative and ministerial staff and the regularity of the classes.

4.3.1 Opinion of the sample respondents about the benefits of self-finance education scheme

4.3.1(a) Is self-finance education scheme beneficial?

Personal opinion of the students was collected by asking "Is the self finance scheme beneficial" with the "Yes" or "No" choices.

Table 4.9 Distribution of the sample students according to basis of admission and opinion about self finance scheme.

Basis of Admission	According to your opinion the self finance scheme is beneficial?		Total
	Yes	No.	
Open Merit	24 (25.0)	72 (75.0)	96
Self finance	34 (53.1)	30 (46.9)	64
Total	58 (36.3)	102 (63.8)	160 (100)

$N = 160$ $\chi^2 = 13.144$ $df = 1$ $P < 0.0001$

Source: Field Survey

Figures in the parentheses are corresponding percentages.

The data indicate that majority (63.8%) of the students replied in "No". Only 36% replied in "Yes". Further when these replies were analyzed

with the basis of admission of the respondent, it was found that majority (53.1%) of the students who favored self-finance scheme were the self-finance students themselves and majority (75%) of the open merit students did not favour the self-finance scheme. When we proceed further for statistical analysis of the data, looking at the χ^2 value and the degree of freedom of the distribution. It was found significant at 0.0001 level which means that the existing difference is highly significant. It shows that the overall opinion of the students is significantly against self-finance program.

4.3.1(b) If Yes, How?

The following questions were asked to judge the reasons for positive response: 1. The department gets additional benefits

2. The department remains open till evening
3. The teachers and staff are available in the department till evening
4. Students of the two shifts get a chance of interaction

The response of the students is tabulated as under:

Table 4.10 Distribution of sample respondents according to admission and the reasons of positive reply.

Basis of admission	If Yes, how?					Total
	1	2	3	4	All	
Open Merit	16 (66.7)	4 (16.7)	0 (0)	1 (4.2)	3 (12.5)	24 (100)
Self finance	10 (29.4)	3 (8.8)	4 (11.8)	11 (32.4)	6 (17.6)	34 (100)
Total	26 (44.8)	7 (12.1)	4 (6.9)	12 (20.7)	9 (15.5)	5 (100)

$N = 58$ $\chi^2 = 13.539$ $df = 4$ $P < 0.009$

Source: Field Survey

Figures in the parentheses are corresponding percentages.

1. The department gets additional funds
2. The department remain open till evening
3. The teachers and staff are available in department till evening
4. Students of the two shifts get a chance of interaction

Of the 58 (table4.9) respondents who favored the self finance scheme giving "Yes" reply, 45% of them favored it because of additional funds that department gets due to the scheme 21% (majority was self finance students 32%) were happy because of interaction of the students of both the shifts. This was the second best reason they choose for favoring the self-finance scheme. It means that self-finance students feel no prejudice towards morning open merit students (Table 4.10). The values of χ^2 for the yes reply is 13.53 at 4 df with $P < 0.009$ we conclude that,, while giving the

reasons to favor the self finance program, the existing difference is significant at $P < 0.009$.

4.3.1(c) If No, Why?

The following reasons were asked to judge the negative response:

1. Quality of teaching has deteriorated
2. The teacher get over burden/loaded
3. The teachers and other staff prefer self finance student
4. Greater number of graduates will affect employment opportunity

The observed results are given in table 4.11

Table 4.11 Distribution of sample respondents according to admission and the reasons of negative reply.

Basis of admission	If No. Why?					Total
	1	2	3	4	None of them	
Open Merit	1 (29.2)	15 (20.8)	13 (18.1)	21 (29.2)	2 (2.8)	72 (100)
Self finance	16 (53.3)	6 (20.0)	1 (3.3)	6 (20.0)	1 (3.3)	30 (100)
Total	37 (36.3)	21 (20.6)	14 (13.7)	27 (26.5)	3 (2.9)	102 (100)

$N = 102$ $\chi^2 = 7.455$ $df = 4$ $P < 0.114$

Source: Field Survey

Figures in the parentheses are corresponding percentages.

1. Quality of teaching has deteriorated
2. The teacher gets over burden/loaded
3. The teachers and other staff prefer self finance student

4. Greater number of graduates will affect employment opportunity

Those 63% (table 4.9) of the students who said self-finance scheme is not beneficial, 36% of them were worried about the quality of teaching and 26.5% had fears about the employment opportunities. Still 20.6% said the teachers get over burdened. This reason of over burden was given equally by the open merit and self finance students (20%) but the problem was actually felt by the self finance students who take classes when the teachers had already taken enough classes with morning students. 53% (majority) of them did not favour the self finance because quality of teaching would be deteriorated. (See table 4.11). Those who were worried that the employment opportunities will be affected (26.5%) majority of them (21 out of 27) were the open merit students. While disfavoring the self-finance program for various reasons the value of $\chi^2 = 7.44$ at 4 df and the $P < 0.114$, that is $P > 0.05$ therefore we find that the difference is not stable and significant. Thus it can be said that response to the benefits of self-finance scheme was mixed depending upon the basis of admission of the sample students.

4.3.2 Opinion about the teachers

4.3.2(a) Properly qualified

When asked about the proficiency of the teachers, the following results are observed.

Table 4.12 Distribution of sample students according to admission and opinion about the qualification of the teachers

Basis of Admission	SEX				Total	
	Male		Female		Yes	No.
	Yes	No.	Yes	No.		
Open Merit	41 (55.4)	17 (77.3)	33 (44.6)	5 (22.7)	74 (77.0)	22 (23.0)
Self finance	27 (58.7)	5 (27.8)	19 (41.3)	13 (72.2)	46 (72.0)	18 (28.0)
Total	68 (56.7)	22 (55.0)	52 (43.3)	18 (45.0)	120 (75.0)	40 (25.0)

$N = 160$ $\chi^2 = 0.556$ $df = 1$ $P < 0.456$

Source: Field Survey

Figures in the parentheses are corresponding percentages.

It was found that 75% of the sample students replied that their teachers were properly qualified while only 25% said "No" to the question. 77% of the open merit and 72% of self finance students responded that their teachers are properly qualified. Looking at the statistical data of the distribution, the difference is found to be non-significant as $P 0.4 > 0.05$ and hence the difference is occurring only by chance.

75/10 1/4

4.3.2(b) Teach properly

Table 4.13 Distribution of sample students according to admission and opinion about teaching quality.

Basis of Admission	Teach properly		Total
	Yes	No.	
Open Merit	61 (63.5)	35 (36.5)	96
Self finance	32 (50.0)	32 (50.0)	64
Total	93 (58.1)	67 (41.9)	160 (100)

$N = 160$ $\chi^2 = 2.893$ $df = 1$ $P < 0.089$

Source: Field Survey

Figures in the parentheses are corresponding percentages.

When further asked about the teaching quality of their teachers, 58% of the total sample students were satisfied of the teaching quality and replied in "Yes" while 42% replied "No" to the question. Majority of the open merit students (63.5%) gave their opinion in Yes toward the good teaching quality while self finance students respond 50%-50% in Yes and No. It means that compared to open merit students, the self finance students are comparatively less satisfied of the teaching. It was also found when the self finance student were giving their opinion about the benefits of the self finance scheme they (53%) disfavored it by giving the reason that quality of the teaching deteriorates (table 17).

It may therefore be concluded that both open merit and self finance students are (58%) satisfied of the teaching quality but (comparatively) the self financing students are less satisfied (50%) because the teachers may get exhausted when they take classes in the afternoon. When we proceed to statistical analysis of the data, the values of χ^2 and df of the distribution at 0.08 level of significance, the difference is found to be non-significant. The calculated value of P is 0.08, which is above 0.05 levels hence it is not significant. Thus, we accept over null hypothesis that the observe values o_i and expected value e_i are equal i.e. there is no significant difference between number of "Yeses" and number "Nos". The value of $\chi^2_{ei} < \chi^2_{oi}$ it lies outside the critical region, so we accept our null hypothesis that the teachers are properly qualified.

$P > P_{0.05}$
not sig.
 $P < P_{0.05}$
sig.

4.3.2(c) Regularity of teachers in taking classes

Table 4.14 Distribution of the sample students according to admission and opinion about regularity of their teacher in taking classes.

Basis of admission	Regular in taking classes of:			Total
	All students	Self finance students	Open merit students	
Open Merit	75 (78.1)	10 (10.4)	11 (11.5)	96 (100)
Self finance	43 (67.2)	8 (12.5)	13 (20.3)	64 (100)
Total	118 (73.8)	18 (11.3)	24 (15.0)	160 (100)

$N = 160$ $\chi^2 = 2.778$ $df = 2$ $P 0.249$

Source: Field Survey

Figures in the parentheses are corresponding percentages.

When asked about regularity of taking classes by the teachers, majority (73.8%) of the students replied that teachers are regular in taking classes of all students irrespective of the basis of admission. The response was more or less same by both kind of students i.e. 67% of the self finance students and 78% of the open merit students respond that teacher are regular in taking classes of all students. The same result is derived during the statistical analysis of the data. The value of $\chi^2 = 2.778$ at 0.249 level of significance, the difference 0.249 level of significance, the difference is found to be non-significant for the distribution. The value of p is 0.249, which is more than 0.05, and hence it is non-significant that there is not much difference of opinion that the teachers are regular in taking classes of all students.

4.3.2(d) Cooperation with the students

The teaching staff was found cooperative with all students without considering their basis of admission.

Table 4.15 Distribution of sample students by the basis of admission and opinion about cooperation of the teachers.

Basis of Admission	Co-operative with the students		Total
	Yes	No.	
Open Merit	73 (76.0)	23 (24.0)	96
Self finance	49 (76.6)	15 (23.4)	64
Total	122 (76.3)	38 (23.8)	160 (100)

Source: Field Survey

Figures in the parentheses are corresponding percentages.

Majority (76.3%) of the students respond in "Yes" when asked about cooperation of the teachers. Only 23.8% students said the teacher are not cooperative with the students. Opinion of the open merit and self finance students was again same about this question i.e. 76% of the open merit students and 76.6% of the self finance students favoured that teachers are cooperative. It means that attitude of the teachers is good towards students.

Table 4.16 Distribution of sample students by admission and opinion about cooperation.

Basis of Admission	If yes, towards			Total
	All students	Self finance students	Open merit students	
Open Merit	65 (86.7)	8 (10.7)	2 (2.7)	75
Self finance	39 (79.6)	5 (10.2)	5 (10.2)	49
Total	102 (83.9)	13 (10.5)	7 (5.6)	104 (100.0)

$N = 124$ $\chi^2 = 3.166$ $df = 2$ $P < 0.205$

Source: Field Survey

Figures in the parentheses are corresponding percentages.

The teachers are found cooperative to all students irrespective of their basis of admission. Because those (76%) who said that teacher are cooperative (see table 4.15) 83.9% of them said that teachers are cooperative with all students. And this was the opinion of both (80%) self finance and (87%) open merit students equally. Only 5.6% said that teachers are cooperative with open merit students and 10.5% said that

teachers are cooperative towards self finance students. Thus again the majority's opinion was positive that teachers are cooperative towards all students. When χ^2 is calculated at 5% level of significance, it is found that $\chi^2_{ei} < \chi^2_{oi}$ with $df = 1$ $P = 0.94$ is above 0.5 therefore it is not significant because the difference is found to be non-significant when $P > 0.05$, it is only accruing by chance which means that the overall opinion of the students is significantly favouring the cooperation of the teacher towards students.

Further the respondents favoured the cooperation of the teachers towards all students irrespective of the basis of admission, as the value of P for the next relevant distribution given in Table 4.16 is 0.205 which is also above 0.05 and giving the same results that is we accept over hypothesis that the teachers are equally cooperative towards all students.

4.3.2(e) Teachers are biased in marking

Biasness of the teachers in marking the assignments and term papers represents the liking of the teacher towards the students. When students were asked this question, 55.6% of the total respondents said "No". Still 44.4% said the teachers are biased in marking.

Table 4.17 Distribution of the sample respondents by admission and opinion about biasness of teachers.

Basis of Admission	Biased in marking		Total
	Yes	No.	
Open Merit	44 (45.8)	52 (54.2)	96
Self finance	27 (42.2)	37 (57.8)	64
Total	71 (44.4)	89 (55.6)	160 (100)

$N = 160$ $\chi^2 = 0.207$ $df = 1$ $P < 0.649$

Source: Field Survey

Figures in the parentheses are corresponding percentages.

Table 4.18 Admission if yes towards.

Basis of admission	If yes, towards:		Total
	Self finance students	Open merit students	
Open Merit	21 (46.7)	24 (53.3)	45
Self finance	19 (70.4)	8 (29.6)	27
Total	40 (55.6)	32 (44.4)	72 (100)

$N = 72$ $\chi^2 = 3.840$ $df = 1$ $P < 0.050$

Source: Field Survey

Figures in the parentheses are corresponding percentages.

The response of the open merit and self finance students is more or less same i.e. if 55.6% of the total opted for "No" the teachers are not

biased, 57.8% of them were self finance and 54.2% were open merit students. Those 44.4% of the total respondents who replied that the teacher are biased, majority 55.6% (see table 4.18) of them said that teachers are biased towards self finance students. When the percentages are analyzed from the basis of admission majority of (70%) self finance students said that teacher are biased towards them and majority of (53%) open merit students said the teachers are biased towards them. It does not show any clear picture about the biasness of the teachers in marking on the basis of admission. The statistical treatment of the distribution represent that the difference is found to be non-significant and is not stable as the $P > 0.05$. It may be accruing only by chance.

4.3.2(f) Attention of the teachers

Concluding question about the attitude of teacher towards students was asked that if the teachers give more attention in general to one or the other students.

Table 4.19 Distribution of the sample respondents by admission and opinion about attention to students.

Basis of Admission	Give more attention to:			Total
	The open merit students	self finance students	Equal attention to both	
Open Merit	10 (10.4)	21 (21.9)	65 (67.7)	96
Self finance	21 (32.8)	6 (9.4)	37 (57.8)	64
Total	31 (19.4)	27 (16.9)	102 (63.8)	160 (100)

$N = 160$ $\chi^2 = 14.086$ $df = 2$ $P < 0.001$

Source: Field Survey

Figures in the parentheses are corresponding percentages.

The response of the students to the question shows that teachers are again giving equal attention to both open merit and self finance students. 63.8% of the total sample respondents said that teachers give equal attention to both open merit and self finance students. 19% of the students said the teachers favour open merit students while 17% of them said the teachers favour self finance students comparatively, open merit students (22%) are saying teachers are more attentive to self finance students. Contrarily self finance students (33%) says the teachers are more attentive to open merit students. But a big majority (64%) says that teachers give equal attention to both irrespective of the admission. Looking at the χ^2 values and df of the distribution, it is found significant at 0.001 level which means that the existing difference is highly significant i.e. the overall opinion of the students is significantly against the hypothesis that the teacher give more attention to one or the other student. It can be concluded from the survey about the attitude of teachers and their academic contribution towards the students that the majority of the teachers are properly qualified, their teaching quantity is good, they are cooperative, regular in taking classes and unbiased in marking towards all students irrespective of their basis of admission.

Table 4.22 Distribution of sample respondents by admission and attitude of ministerial staff towards students admitted on the basis of open merit.

Basis of admission	Attitude of ministerial staff towards students admitted on the basis of open		Total
	Not good	Good	
Open Merit	20 (20.8)	76 (79.2)	96
Self finance	4 (6.3)	60 (93.8)	64
Total	24 (15.0)	136 (85.0)	160 (100)

Source: Field Survey

Figures in the parentheses are corresponding percentages.

Table 4.23 Distribution of sample respondents by admission and attitude of administration towards students admitted on the basis of self finance.

Basis of admission	Attitude of administration towards students admitted on the basis of self finance		Total
	Not good	Good	
Open Merit	12 (12.5)	84 (87.5)	96
Self finance	14 (21.9)	50 (78.1)	64
Total	26 (16.3)	134 (83.8)	160 (100.0)

Source: Field Survey

Figures in the parentheses are corresponding percentages.

It has been found from the survey that majority of the students are satisfied and happy with the attitude of administration and ministerial staff. The percentages vary between 70%-80% for cooperative attitude of the

administrative staff towards the students and it vary between 80% to 90% for good attitude of the ministerial staff with students. Majority (70% and 78%) of both open merit (62% and 82%) and self finance (81% and 72%) students respond that administration is cooperative towards students. Similarly again the majority (85% and 83%) of both the open merit (80% and 87%) and self finance students (94% and 78%) said that ministerial staff in good is behavior towards students. It means the majority of administrative and ministerial staff is cooperative with all students irrespective of their basis of admission.

4.4 Problems and Provision of Facilities

It was tried to include all possible problems that the students may face in their respective departments and what facilities have been provided by the department and the University to them on the campus. The questions were asked about the boarding, classes, class timings, transportation, library, common room, sufficient class rooms, and computer labs.

4.4.1 Boarding is available

Universities are the centers of learning and acquiring higher education. They are usually located at the major urban center of the province. But the students at higher education does not belong to that urban center only. They may come from far-flung areas of the province and they have equal right to get admitted to the University if they qualify for it. If the

the existing difference is highly significant and the overall opinion of the respondents reject our null hypothesis that the boarding is available at the campus. Therefore the boarding on the campus for self finance students is the major problem they felt.

4.4.2 Classes are regular

While talking about the regularity of classes, majority (79%) of the total respondents replied positively to the question. Only 21% said that the classes are not regular.

Table 4.25 Distribution of sample respondents according to admission and the classes.

Basis of Admission	Classes are regular		Total
	Yes	No.	
Open Merit	72 (75.0)	24 (25.0)	96
Self finance	54 (84.4)	10 (15.6)	64
Total	126 (78.8)	34 (21.3)	160 (100)

$N = 160$ $\chi^2 = 2.017$ $df = 1$ $P < 0.156$

Source: Field Survey

Figures in the parentheses are corresponding percentages.

On further analysis with the basis of admission, it was found 84% of the self finance students said the classes are regular as compared to 75% of the open merit students. It means that teachers are comparatively more regular in taking classes of the self-finance students. But looking at the

value of “P” $P > 0.05$, the difference is not significant; therefore we accept our hypothesis that the classes are regular.

4.4.3 The 2nd shift Class timings are appropriate

Whether the class timing are appropriate or not? This question was asked specifically for the response of self finance students about the timings on the campus. 71% of the total respondents replied that the timings are appropriate. Only 28% complained about the timings. When looked into their admission basis 73% of the self finance and 70% of the open merit students were felt happy with their class timings. The value of P is greater than 0.5, it also shows that we accept the hypothesis that the class timings are suitable. It is found thus the timings of the 2nd shift students is not felt as a big problem.

Table 4.26 Distribution of sample students by the basis of admission and class timing.

Basis of Admission	The class timing are appropriate.		Total
	Yes	No.	
Open Merit	67 (69.8)	29 (30.2)	96
Self finance	47 (73.4)	17 (26.6)	64
Total	114 (71.3)	46 (28.8)	160 (100)

$N = 160$ $\chi^2 = 0.249$ $df = 1$ $P < 0.618$

Source: Field Survey

Figures in the parentheses are corresponding percentages.

4.4.4 Transportation

Availability of transportation was the second serious problem felt by a majority of the students of both the shifts.

Table 4.27 Distribution of the sample respondents according to admission and availability of transport.

Basis of Admission	Transportation is easily available		Total
	Yes	No.	
Open Merit	29 (30.2)	67 (69.8)	96
Self finance	18 (28.1)	46 (71.9)	64
Total	47 (29.4)	113 (70.6)	160 (100.0)

$N = 160$ $\chi^2 = 0.802$ $df = 1$ $P < 0.007$

Source: Field Survey

Figures in the parentheses are corresponding percentages.

It was found that 70% of the total respondents complained about the non-availability of transportation by the University on the campus, and from and to the campus. 70% of the open merit and 72% of the self finance students replied that transportation is not provided by the University and it is not even easily available in public transport. Statistically, significant difference is seen between the replies of Yeses and Nos at 0.007 level so we reject the hypothesis that the transportation is available.

4.4.5 Library is accessible

Libraries play very important role in the academic environment of the University, and accessibility of the students to the library makes it easy for them to find, read, learn and utilize the material for the enhancement of their knowledge. Almost all of the sample institutes had good libraries. Whether the library is full time accessible to the students, the following replies are found.

Table 4.28 Sample respondents according to admission and use of library.

Basis of admission	Library is full time accessible		Total
	Yes	No.	
Open Merit	55 (57.3)	41 (42.7)	96
Self finance	33 (51.6)	31 (48.4)	64
Total	88 (55.0)	72 (45.0)	160 (100)

$N = 160$ $\chi^2 = 0.509$ $df = 1$ $P < 0.475$

Source: Field Survey

Figures in the parentheses are corresponding percentages.

It was found that the reply of the students does not confirm that the library is accessible easily. Although only 55% said that it is available and accessible to them but 45% respondents replied that the use of library is not full time provided. Against those who face the problem in library, 48% of them are self finance students and comparatively 43% are the open merit

students. The value of χ^2 at 0.4 level of significance shows that $\chi^2_{ei} < \chi^2_{oi}$. Thus the difference is found to be non-significant. Thus the library and its accessibility was also a problem faced by the students but more by the self-finance students. Mainly, it could be due to the fact that self-finance classes are held in 2nd shift.

4.4.6 Availability of common rooms

Common rooms are the places of spending free time within the department usually in interacting with other students and exchanging ideas with them. As the number of students is increasing every year, the area and rooms in the same place are getting insufficient day by day. It may be the next choice for the authorities to use the common room as classrooms. (See also table 4.30).

Table 4.29 Distribution of the sample students according to admission and availability of common rooms.

Basis of Admission	The common room in the dept. is available		Total
	Yes	No.	
Open Merit	59 (61.5)	37 (38.5)	96 (100)
Self finance	42 (65.6)	22 (34.4)	64 (100)
Total	101 (63.1)	59 (36.9)	160 (100)

$N = 160$ $\chi^2 = 0.286$ $df = 1$ $P < 0.593$

Source: Field Survey

Figures in the parentheses are corresponding percentages.

$P_{0.059} > P_{0.05}$

accept

It was found that 101 (63%) of the total 160 respondent said that the common rooms are available in the department where as 59 (36.9%) of the total 160 respondent said they are not.

Out of those 101 respondents who said that the common rooms are available, 61.5% of them were open merit and 65.6% were self-finance students. It shows that majority (63%) of the total respondent did not feel any problem of availability of common rooms in the department.

The value of ' χ^2 ' and the 'P' value also determine the same. $P > 0.5$, we accept our hypothesis that the common-rooms are available in the department.

4.4.7 Availability of class rooms

As the number of students are increasing at higher education level every year the University is trying to build and provides new faculty building for markets oriented disciplines but still the enrollment, specially, in these discipline, needs more and more space to absorb them. The major facility that a student must have, when entered to a department, is the classrooms.

Table 4.30 Distribution of sample students according to admission and the availability of classrooms

Basis of Admission	Sufficient number of class rooms are available		Total
	Yes	No.	
Open Merit	50 (52.1)	46 (47.9)	96 (100)
Self finance	31 (48.4)	33 (51.6)	64 (100)
Total	81 (50.6)	79 (49.4)	160 (100)

$N = 160$ $\chi^2 = 0.204$ $df = 1$ $P < 0.651$

Source: Field Survey

Figures in the parentheses are corresponding percentages.

Students, when asked about this question, responded equally to Yes and No for this. 50.6% of the total respondents said the class rooms are available sufficiently and 49.4% said No, it is not. The respondents of open merit and self finance students were again confirming each other. 52% of open merit said yes and 48% said No. And 48% of self finance students said Yes while 51% said No the class rooms are not sufficient. The value of χ^2 at the value of P at 0.65 level of significance confirms the analysis. The difference is found to be non-significant. It is only occurring by chance, so we accept our hypothesis to the effect that the class rooms are available.

The problem was not specifically related to evening students because the timings of the two shifts are different and the room which are occupied by the open merit students in the morning time are available to the self finance students in the evening. Therefore if they are felt insufficient in

some department, it was for all the students. Some of the departments were found, during the survey, that they are utilizing their seminars hall and some portions of the libraries, laboratories and other possible places as their class rooms. It is because of the increased enrollments of the students in diversified courses and their demands in the job market in those particular disciplines.

4.4.8 Use of computer labs

Computers are becoming a need of the student at higher education level. Advances in information technology have made the ever-increasing volume of knowledge more accessible, effective and powerful through computers. All the departments should be computer equipped in today's Universities, but the picture is dismal. When the students were asked, if the use of computer lab is allowed full time, they respond as follows.

Table 4.31 Distribution of the sample respondents according to admission and the use of computer labs.

Basis of Admission	Use of computer lab is allowed full time		Total
	Yes	No.	
Open Merit	28 (29.2)	68 (70.8)	96 (100)
Self finance	26 (40.6)	38 (59.4)	64 (100)
Total	54 (33.8)	106 (66.3)	160 (100)

Source: Field Survey

Figures in the parentheses are corresponding percentages.

It is very depressing to find that only 34% of the total respondents said, the computer labs are available to them. Majority (66%) of the total respondents said that the computer labs are not accessible full time. The response was equally felt by the open merit and self finance students. 71% of the open merit and 59% of the self finance students said the computer are not accessible. Although, all the disciplines of the University has the computer labs, but the students respond they can not use them freely even for their academic needs. Some of them said that the labs are only accessible to the students who are studying computer as a subject but it is not available to other students for searching the materials and for preparing the assignments.

As far as the problem and provisions of the facilities are concerned, it is found from the survey that boarding (63%), transportation (72%) class rooms (52%) and computer labs (59%) are the major problems faced by the self finance students, whereas the same and other facilities are provided to open merit students, in a little better way.

4.5 Socio-economic background

Socio economic background of the students at higher education level can be judged through the size of their house hold, number of literate members in the family, number of employed members in the family, income level of the family, expenditure patterns, tenurial status of the house

and its location, other wealth items, possession of agricultural, commercial and residential property (key economic indicators). So these parameters were checked and the responses are discussed below.

4.5.1 Size of household

Size of the household of sample respondent show whether they belong to a small family size or the large family size. For this purpose size of the family having 2-5 members was considered as small and having 6-10 members considered large family size. It was presumed that most of the students who reach to the higher education level belong to a small, literate and higher income earning family.

Table 4.32 Distribution of the sample respondents according to basis of admission and the family size.

Family size	Basis of Admission		
	Open merit	Self finance	Total
Small family (2-5)	58 (60)	35 (55)	93 (58)
Large family (6-10)	38 (40)	29 (45)	67 (42)
Total	96 (100)	64 (100)	160 (100)

Source: Field Survey

Figures in the parentheses are corresponding percentages.

It is observed that majority of both the open merit (60%) and self-finance (55%) students belong to a small family size. On the other hand

42% of the total respondents belong to a large family size. Further 40% of them are open merit students while 45% of them are self-finance students.

Thus it is that majority belongs to small family size and comparatively more students of open merit (60%) are from small family where as more students of self- finance (45%) are from large family size.

When the presumption was tested by the survey, collected data shows that 58% of the total respondents belong to small family size with 2-5 family members. Whereas, 42% belong to a large family size. It may be due to small family size, the parents are more able to send their children to good school, can take better care of their children, give more attention to individual child. Consequently, they produce a comparatively better educated and learned child and hence have no problem for their children to be admitted on open merit at higher education level and vice-versa. But this can only be an opinion. The better result is possible only after relating and analyzing it with other economic indicators of the family.

4.5.2 Family income of the sample respondents

This is the strongest economic indicator to judge the economic background of a person. It was found that the family income of the sample respondents ranges from 5000 to 80000 and above.

Table 4.33 Distribution of the sample respondents according to the basis of admission and income of the household.

Income classes	ADMISSION		Total	Divided into two groups
	Open Merit	Self finance		
1-20000	38 (70.4)	16 (29.6)	54 (37.7)	122 (76.2)
21000-40000	41 (60.3)	27 (39.7)	68 (42.5)	
41000-60000	2 (11.8)	15 (88.2)	17 (10.6)	38 (23.8)
61000-80000	8 (66.7)	4 (33.3)	12 (7.5)	
81000 and above	7 (77.8)	2 (22.2)	9 (5.6)	
Total	96 (100.0)	64 (100.0)	160 (100.0)	

Source: Field Survey

Figures in the parentheses are corresponding percentages.

To judge the economic background of the respondents if it is supposed that (with 6% inflation rate) below 20000 income earning is a poor family, 20000-40000 is a middle income earning family, 41000-80000 is a rich family. It is found that only 23% of the total respondents belong to rich families otherwise majority (76%) of the respondents belong to poor or middle-income group. Within lower income group, 33.7% respondents are from poor families having less than 20000 income and expenditure per month while comparatively 42.5% respondents were from middle-income

families. Higher the levels of income, lower are the number of respondents in that group, show that the students belonging to richer families is smaller in total. When the respondents of the higher income group is judged on the basis of admission, it is observed that 10% respondents who belong to income group of 41000-60000 88% of them were self finance students but out of those 75% who belong to 61000-80000 income earning group, 67% of them were open merit students. Further, 81000 and above income earning group 78% were the open merit students. It means the richer students does not specifically belong to the self-finance group. The rich students are equally found in both open merit and self-finance students.

It proves our pre assumption wrong that usually the students who reach higher education level belong to a good socio economic background and even within that those who are admitted on self finance basis belong to even stronger socio economic background. It will be much better analyzed when considered the consumption expenditure of their families. It was interesting to see the data individually, that the minimum income level of respondents was 5000/- P.M. and the maximum was 1000000/- P.M.

4.5.3 Consumption expenditure of the family

Consumption pattern of any household throw light on their livings standards and their status in the society. It shows us the economic position of a household that how much the family is earning and spending.

Table 4.34 Distribution of the sample students according to the consumption expenditure of the family and the basis of admission.

Expenditure Classes	Basis of Admission		Total
	Open Merit	Self finance	
Less than 20000	65 (65.7)	34 (34.3)	99 (62)
21000-40000	25 (51.0)	24 (49.0)	49 (31)
41000-60000	2 (33.3)	4 (66.7)	6 (5)
61000-80000	4 (80.0)	1 (20.0)	5 (3)
81000 and above		1 (100.0)	1 (0.6)
Total	96 (60.0)	64 (40.0)	160 (100.0)

Source: Field Survey

Figures in the parentheses are corresponding percentages.

As far as the expenditure pattern is concerned it is a common understanding that propensity to consume decrease with increase in income i.e. as the income of the people increase the expenditure on consumption also increases but less than the rate of increase in income. (Keynes, 1936, Colander, 1995, Schiller, 1991). It is shown by the data in Table 4.34. Majority (62%) of families are spending less than 20000 per month still 31% are spending 21000-40000 per month, but beyond that 10% families

are earning 41000-60000 while only 5% of them spending 41000-60000. Same is the result of next income and expenditure groups.

Thus we conclude from the study of income and expenditure patterns of the sample respondents that majority of them (open merit or self-finance) belongs to middle income families. This makes our belief wrong that the students who reaches to higher education level belongs to the families with a strong socio-economic background, that may be a small ratio in total but is not the majority.

4.5.4 Tenurial status of the house and its location

This gives some idea about the standard of living of a family.

Table 4.35 Distribution of sample respondents according to tenurial status of the house and the basis of admission

Tenurial status Of the house	ADMISSION		Total
	Open Merit	Self finance	
Owned	82 (85.4)	55 (85.9)	137 (85.6)
Rented in	9 (9.4)	2 (3.1)	11 (6.9)
Govt. residence	5 (5.2)	5 (7.8)	10 (6.3)
Other	0 (0)	2 (3.1)	2 (1.3)
Total	96 (100.0)	64 (100.0)	160 (100.0)

Source: Field Survey

Figures in the parentheses are corresponding percentages.

It has been observed from the survey that 85% of the total sample respondents live in the owned houses. The situation is same with the basis of admission of the students. 86% of the self finance sample students and 85% of the open merit are living in their parents owned houses. Only 9% of the open merit and 3% of the self finance respondents are living in the rented houses. Percentage of the sample respondents who are living in government residences is greater (7.8%) for self finance. 5% of the open merit students are residing in government residence.

Table 4.36 Distribution of sample respondents according to location of the house and the basis of admission.

Location of House	ADMISSION		Total
	Open Merit	Self finance	
In village	39 (41.0)	19 (30.0)	58 (36.0)
In town	20 (21.0)	13 (20.0)	33 (21.0)
In city	37 (38.0)	32 (50.0)	69 (43.0)
Total	96 (100.0)	64 (100.0)	160 (100.0)

64%

Source: Field Survey

Figures in the parentheses are corresponding percentages.

Further the location of the house shows the living set-up of the sample respondents. If categories are taken as urban and rural location and city or town both are counted as urban it is found that 102, it is found

that (64%) of the total respondents reside in urban areas. Only 36% of the total respondents have their houses located in villages. 30% of self finance and 40% of open merit students live in villages. Whereas 20% of self finance and 21% of open merit live in towns, similarly 50% of self finance and 39% of open merit students live in the city.

4.5.5 Other wealth items used as economic indicators.

To judge the economic position of a household assessing its income and expenditure is not enough. Thus we further look into the possession of costly household items and the ownership of some kind of property.

Table 4.37 Sample respondents according to admission and costly household items.

Items of wealth	Basis of admission		
	Open merit	Self finance	Total
Car	48	37	85
	(50)	(58)	(53) ✓
TV	67	49	116
	(70)	(76)	(72.5) ✓
VCR	63	50	113
	(66)	(78)	(71) ✓
Dish Antenna or cable	34	32	66
	(35)	(50)	(41)

Source: Field Survey

Percentages, reported in parentheses, are based on total open merit (96) total self finance (64) and the total (160) respondents.

It is understood that the majority of the respondent will have these wealth items in their household but to see the difference of percentage for

different items and for open merit and self finance students we collected the above data. It is observed that more than 65% respondents of open merit and more than 75% of self finance has TV and VCR in their houses. 50% of open merit and 58% of self finance students has cars with them. For dish Antenna/cable, the percentages shows comparatively the lower use of these because of our believes about the use of these items. As we compare the open merit and self finance respondents based on the possession of these thing we observed that percentages are higher for self finance students compared to open merit students. It shows that the living standards of the self finance students are higher than the open merit students.

To judge their rate of prosperity we also include the possession of any kind of property by the household. The following results are obtained.

Table 4.38 Distribution of the sample respondents according to admission and the ownership of property.

Property	Admission		Total
	Open merit	Self finance	
Agricultural	54 (67) ✓	27 (33) ✓	81 (51)
Commercial	21 (68) ✓	10 (32) ✓	31 (19)
Residential	54 (63) ✓	32 (37) ✓	86 (54)

Source: Field Survey

Figures in the parentheses are corresponding percentages.

It is observed that 51% of the total (160) respondents has agricultural property, 54% has residential property and 19% has the commercial property. Those who has the property majority of them belong to open merit student. More than 60% of the open merit students belong the family who has some kind of the property and more than 30% of the self finance students belong to property-possessing families.

PART - B

Part-B of this chapter discusses the information and data collected from the sample institution at university of Peshawar It is divided into two sections. Section 4.6 discuss the enrollment and academic performance of the student in sample institution for the comparison of student admitted on open merit and self finance basis, section 4.7 deals with the financial and economic appraisal of the self finance scheme from all possible aspects.

4.6 Enrollments and Academic Performance

4.6.1 Student Enrollment in Sample Institution

Student enrollment in the sample institution on the basis of admission shows the number of the student admitted on open merit and self-finance for three consecutive year. The same students are compared in their academic performance later on.

Table 4.39 Distribution of student enrollment in sample institution by the basis of admission for 3 year

Basis of admission	99-2000	%age Year growth	2000-2001	%age ear growth	2001-2002	%age Year growth
Open merit	474 (68)		494 (68)	+4%	457 (57)	-7
Self finance	218 (32)		229 (32)	+5%	349 (43)	+52
Total	692 (100)		723 (100)	+4%	806 (100)	+11

Source: Field Survey

Figures in the parentheses are corresponding percentages.

It is observed from the data that the enrollment of the total student is increased in sample institution for three years when percentage growth is seen it is only 4% for 2001 but there is substantial rise (11%) in total enrollment in 2002. It was due to the fact that some of institution started admission on self finance in latter years and enrollment on self finance basis also increased in the existed departments running this program. It has also affected the total enrollment of the student in sample institution basis of admission, it is seen that percentage of the open merit students is greater than the self finance students. But we see that number of students enrolled on open merit students is declining from 68% to 57% where as students enrolled on self finance basis has increases substantially from 32% to 43% showing a 52% positive growth. In the same year open merit admission declined by 7% due to allocation of more seats to self-finance. Now more or

less all the department, admitting students equally on open merit and self finance basis (in morning and evening shifts).

4.6.2 Academic performance of the students

If we want to compare the students admitted on open merit and self finance basis we have to look upon their academic achievements. We will analyze their academic achievement through the percentages of successful students, 1st Division holder, 2nd Division holder.

Table 4.40 Distribution of students admitted and successful students in sample institutions by the basis of admission for 3 years

Years	No. of students admitted			No. of students passed		
	Open merit	Self finance	Total	Open merit	Self finance	Total
2000	474	219	692	412 (87)	124 (57)	536 (77)
2001	494	229	723	422 (85)	132 (58)	554 (77)
2002	457	349	806	395 (86)	209 (60)	604 (75)

Source: Field Survey

Percentages given in the parentheses were calculated based on the total number of students admitted for the same year.

The table shows that the total pass percentages of the students' ranges 77% to 75% on average for 10 sample institutes. When we observe the data on the basis of admission we see that above 80% students get successful from the open merit admission but the percentage of successful students is less with self finance it ranges between 57% to 60% but the

improvement in the results of the self finance students is seen every year. To look further to see what grades they are successful in, we see that in which division they have passed the examination.

In all the three years some students got III division also. Majority of them were from department of English in which there were only 1-2 1st division with majority of 2nd divisions and a few 3rd division also.

For complete analysis of the academic performance of the students admitted on open merit and self-finance basis, we analyze the result of the students for three consecutive years to see whether the results and grades are affected with more enrollments on the self-finance basis. The following three tables show the divisions of the students on the basis of admission. It is a presumption that the open merit students are comparatively more intelligent and academically better result producers than the self-finance students.

Table 4.41 Distribution of students by the basis of admission and divisions they achieved in exam for 2000 session

Basis of admission	Division			
	I	II	III	Total student passed
Open merit	284 (69)	121 (29)	7 (2)	412 (100)
Self finance	39 (32)	73 (59)	12 (9)	124 (100)
Total	323 (60)	194 (36)	19 (4)	536 (100)

Source: Field Survey

Figures in the parentheses are corresponding percentages.

Table 4.42 Distribution of students by admission and divisions they achieved in exam for 2001

Basis of admission	Division			
	I	II	III	Total student passed
Open merit	301 (71)	116 (27)	5 (2)	422 (100)
Self finance	64 (48)	58 (44)	10 (8)	132 (100)
Total	365 (66)	174 (31)	15 (3)	554 (100)

Source: Field Survey

Figures in the parentheses are corresponding percentages.

Table 4.43 Distribution of student by admission and divisions they achieved in exam for 2002

Basis of admission	Division			
	I	II	III	Total student passed
Open merit	241 (61)	144 (37)	10 (2)	395 (100)
Self finance	66 (32)	128 (61)	15 (7)	209 (100)
Total	307 (51)	272 (45)	25 (4)	604 (100)

Source: Field Survey

Figures in the parentheses are corresponding percentages.

It has been found from the survey that majority (60%, 66%, 51%) of the students passed the examinations in 1st division. The number of 1st divisioners is increased from the session 2000 to 2001 but it shows a big decline (from 66% to 51%) in the year 2002. It was observed in table 4.40 that total successful students have also declined in this year from 77% to

75% (see table 4.40). This set back of the result may have a relation to the higher enrollment of the self-finance students (with 52% positive growth) in that particular year (see table 4.39). But the correct assessment is possible only if the changes are observed on the basis of admissions.

When a comparison on the basis of admission is made, it is observed that the situation is reverse in the start i.e. majority (69%) of the 1st divisioners are open merit students while majority (59%) of the 2nd divisions are self-finance students. But slowly and gradually, the self-finance students started showing better results. The number of 1st divisioners are increased from 32% to 48% and 2nd divisioners are decreased from 59% to 44% for self finance students from the year 2000 to 2001.

The set back of the total result (mentioned earlier) in the year 2002 is shown in Table 4.43. When the academic achievements are compared on the basis of admission in this year and compared it with the previous years, it has been found that the total enrollments as well as the enrollments on self- finance basis increased in the year 2002, whereas the enrollments on the open merit basis decreased this year. Can we conclude that the higher enrollment on self finance basis has brought negative effect on the results of the students? It has not, because in the year 2002 where the self finance enrollments are increase by 52% the number of successful candidates in self

finance is increased from 58% to 60%, although most of them passed in 2nd division but it has not affected the total result negatively. There are many other factor that may effect the results which are beyond the limits of this study and can be discusses elsewhere.

4.7 Financial and Economic Appraisal of the Self Finance Scheme

The strongest argument made in favour of self finance scheme and agreed upon by all the elements of the university community is the financial and economic benefits of teaching as well as non teaching staff, departments/institutes, and for the university at large.

Whether these benefits are short term or they have long-term effects also. It has been tried to examine the self-finance scheme with respect to number of classes, income earnings, infrastructural changes and the university budget after the start of self finance scheme.

4.7.1 Teaching and non-teaching staff engaged in self-finance

It is known that after the start of the self finance scheme, the new students admitted on this basis were taught by the same teachers who taught the morning students. The administrative and ministerial staff needed to run the programme in the afternoon was also the same working in the morning. It means that the workload and the income earnings both increased with the start of self finance classes for the staff.

Table 4.44 Distribution of teaching and non-teaching staff engaged in self finance in sample institutions

Staff	Sessions		
	2000	2001	2002
Teaching	86	118	122
Non teaching	40	57	70
Total	120	175	192

Source: Field Survey

It is observed that with the start of self-finance scheme, 86 teachers and 40 other staff was engaged for the programme in the year 2000 in the ten sample institute. Remember, three of the sample institutes were not running the programme this year. So, with the success of the programme and demand coming from the students for market oriented subjects more disciplines entered into the scheme, started admitting students on self finance basis and thus, the number of staff increased the next year, specially the teaching, staff increased from 86 to 118 in this year. The existing disciplines were offering new courses and increasing enrollment in all levels so the need of the staff still increased and the number of teaching and non teaching staff engaged in self finance increased every year.

4.7.2 Workload of the Teaching Staff

As the enrollment of the self finance students increased and variety of the disciplines and courses offered risen, the need of the staff also increased. It was in the rules of the self finance scheme that the number of

classes in the evening cannot exceed the classes in the morning. The teachers workload in the morning was already planned the same was adopted for the evening programme.

Table 4.45 Distribution of the teaching staff by the number of classes in sample institution.

Number of classes/week	Session		
	2000	2001	2002
Three	32	36	32
Six	20	30	28
Nine	18	28	36
Twelve	15	22	24
18 or more	1	4	2
Total	86	118	122

Source: Field Survey

It was found during the survey that some of the teachers in the sample institutions were teaching in the morning and were not engaged for the evening classes while some other were only engaged for the evening classes as a visiting faculties but that were only 4-5 teachers. So, brining it together the number of classes in the morning and evening were same according to their time tables. Majority (32) of the teachers were getting three classes (3 credit hours) who were getting three classes per week were 36 the next year. The number of teacher getting higher number of classes per week is increasing every year. In the year 2002, 32 teacher were getting 3 classes per week, 36 were getting 9 classes per week, 24 were getting 12

classes per week and 2 were even getting more than that per week. It is important to remember that this is the extra workload they are taking already with their morning classes. Financially it is worthy for them but academically it may affect their quality of teaching. It has also been mentioned by some people that their social life has also been disrupted due to their class in the evening. It means that along with the financial and economic benefits of these classes, the teachers are also bearing social cost of the same.

4.7.3 Affects on Financial earnings of the staff

The self-finance scheme brought big changes in the financial income earnings of both teaching and non-teaching staff. It is known to every one that the income earnings have almost doubled for the staff that is engaged in self-finance. Here we look for the detail.

Table 4.46 Distribution of the teaching staff by average monthly income regular from morning classes in sample institutions for three years.

Average monthly income (000)	Session		
	2000	2001	2002
Less than 6	Nil	Nil	Nil
7-12	35	22	20
13-18	22	56	52
19-24	21	20	26
25-30	8	18	16
31 and above	0	2	10
Total	86	118	122

Source: Field Survey

It is observed that as a regular teacher of the university none of them is getting below Rs.6000/- P.M. in the sample institutions. In the year 2000 majority (35) of the teachers were earning 7-12 thousands per month. 8 teachers were earning between 25-30 thousand and none of them were 31 and above category. But in the later years the income earnings of the teachers has risen substantially. It was because of the revision of the seats to grades from the government in that year. The regular incomes of the teachers are increased and now, more than 50 teachers are earning 13-18 thousands per month in the sample institutes. Whereas, in the year 2002, 10 teachers in the sample institution are earning even more than 31 thousand per month. How the earning of the teachers even got better with the start of self finance scheme is analyzed as under.

Table 4.47 Distribution of the teaching staff by average monthly income from evening classes in the sample institution for three years.

Average monthly income (in 000)	Session		
	2000	201	2002
Less than 6	6	10	15
7-12	43	50	49
13-18	22	38	33
19-24	15	18	22
25-30	0	2	3
31-7	0	0	0
Total	86	118	122

Source: Field Survey

It is observed from the data that income earning ranges between 6,000 to 30,000 rupees per month. Majority of the teachers for all years are earning 7000 to 12000 rupees per month from the evening classes. The number of the teachers earning 13,000 to 18000 rupees per month are also higher i.e. 22, 38 and 33 for three years. 2-3 teachers are earning 25-30 thousands per month. No one lies in the above category.

It is worth noting that all the data about class and income earning is collected from the Masters programme only, as it was decided in research methodology that only master level students and institutes will be included in sample. But actually most of the departments are running more than one program in the evening, taking even more classes in total and earning even much more income from the evening classes in all programs.

4.7.4 Infra-structural Changes

It was generally observed during the survey that almost all the departments got more liberal in spending money on bringing infra structural changes after the start of self-finance. It is because the rules set by the authorities to urn the self-finance programe, the income generated from the self finance was to be shared between the individual academic departments and the university general pool of income, in the rate of 30:70. The departments are now having more funds in hand to spend easily on their departments' needs.

Table 4.48 Infra-structural changes in sample institutions after the start of self- finance scheme in sample institutions.

Items/Facilities	Unit	Before self finances	After Self-finance
Air conditioners	No.	22	94
Office vehicles	No.	8	12
Student transport	No.	0	0
Computers for Administration	No.	3	15
Computers for students	No.	36	94
Library acquisition	Rs.	42,000	49,500
Laboratory acquisition	Rs.	3,17,500	9,80,270
Others*			

Source: *Field Survey*

* *Renovation of the building and purchase of furniture was mentioned*

The major change was seen in the use of computes and air conditioners after the start of self-finance in the departments. Now, almost all of the teachers have computers with Internet in their offices in the departments. All the administration offices in the departments are now computer equipped and the computer labs are also set not for all the students in all the sample institutes. The other big changes came in the use of air conditioners. This was the need of the departments already but was not possible due to the lack of funds and deficits of the university budgets earlier. Also the classes are continued in the afternoon till July every year for self finance students, the use of air conditioners was felt more. Thus the

number of air conditioners has increased after the start of self finance with the availability of more funds in hand. The students also demanded it for their classrooms during the survey, so the use may further be expanded in future.

The acquisition for laboratories has increased after the start of self-finance. This is also due to the increased enrollments of the students in each department. The students need more equipment and other materials more, so the use is increased and the laboratory acquisition raised from Rs.317500 to Rs.980270 after the start of the self-finance programme. There was no student transport before the self-finance and it is not even provided after the start of self-finance. The problem was badly felt, by the students during the survey through the other questionnaire (table 4.27). If staff vehicles can be increased from 8 to 12, why can not they provide student transport?

Some of the sample institutes spend funds for the renovation of some parts of their old buildings and some others have also purchased new furniture with more accessible funds in hand with them. Thus we conclude that the income generation with the 30:70 ratio is utilized in a better way on the needs of the individual departments after the start of the self finance scheme.

4.7.5 Study of the University Budget

To see the effects of self finance programme on the income earnings of the departments, the subjects were asked in the questionnaire about the income of the departments from self finance, from the university and their expenditure for three years. But unfortunately no data was received from any department about their budgets information. Thus for this purpose, the secondary data was collected from the sources available. Analysis of the university budget for three years was made and the data was extracted relevant to the study.

UNIVERSITY OF PESHAWAR
Recurrent Budget Overview: 1999-2000

A. Income	
Opening balance	Nil
(a) Grant in aid	180,264,000
(b) Own receipts	150,515,104
Total (A)	330,779,104
B. Expenditure	
(a) Salaries	331,942,546
(b) Others	Not available
Total (B)	331,942,546
(C) Closing balance	-1,163,442

Total income of the university includes university's own receipts income and this further includes the income from self finance from all sources. Therefore if we know the total income from self finance, we can

calculate the share of self finance income in the own receipts and in the total income of the university. The following relevant details are obtained and calculated from the budget data. For details Annexes can be studied.

(a) Total income (in Rs.)	330779104
(b) University income from own receipts	150515104
Total self finance income from all sources	19471040 (6% of a & 12% of b)
Total income from self finance morning	8395000
Income from self finance evening from University departments only	3534000

If we calculate the percentages to see the share of self finance in total income we see that income from self finance from all sources is 12% of the income from own receipts of the university and it is 6% of the total income of the university in this year. It means that in the year 1999-2000 12% share of the university own income came from the self finance when the share of only self finance evening is calculated, the total income from evening from all sources is Rs.11076040 which makes 3% of the total income and the share is 7% of the university own receipts. Now we calculate and observe the positive or negative growth in percentages for the next years.

UNIVERSITY OF PESHAWAR
Recurrent Budget Overview: 2000-2001

A. Income	
Opening balance	Nil
(a) Grant in aid	186,127,000
(b) Own receipts	187,762,559
Total (A)	374,789,559
B. Expenditure	
(a) Salaries	233,775,000
(b) Others	140,488,000
Total (B)	374,233,000
(C) Closing balance	+556559

The following relevant details are obtained and calculated to see the economic impact of self finance on the university budget.

(a) Total income	374789559
(b) Income from own receipts	187762559
Total self finance income from all sources	22418881 (6% of a & 12% of b)
Total self finance income from morning students	9034788
Total self finance income from evening students including departments only	6169912
Total income from self finance evening all sources	13384093

When we calculate the percentages we have found that the total self finance income from all sources makes 6% share of the total income and 12% share of the University's own income is coming from the self finance.

If we compare the percentage share of 2000-2001 to that of 1999-2000 it remains the same in both the own income and total income of the university this year. The total self finance income from all sources in the evening is calculated as 13384093 which makes 4% of the total income and 7% of the own income of the university. Now we compare this data further with the next year budget data to see the regular changes.

UNIVERSITY OF PESHAWAR
Recurrent budget
2001-2002
Overview

A. Income	
Opening balance	Nil
(a) Grant in aid	211,531,810
(b) Own receipts	214,221,307
Total (A)	426,310,105
B. Expenditure	
(a) Salaries	271,020,813
(b) Others	155,150,086
Total (B)	426,170,899
(C) Closing balance	+139,206

The necessary calculations for self finance are as under.

(a) Total income (in Rs.)	426310105
(b) Own receipts	214221307
Total self finance income from all sources	24692782 (6% of a & 12% of b)
Self finance income from morning only	8732599
Self finance income from evening departments only	8323863
Self finance evening income from all sources	15960183

It is interesting to observe that the percentage of the share of self finance towards total income of the university and towards the university's own income remains the same for all the three years i.e. 6% and 12%. Even though enrollment on self-finance basis has increased, the share of self finance towards the income of the university is the same as before.

Chapter-5

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary

This study was conducted to evaluate the possibilities of diversification of financial sources at higher education with special focus on the self-finance education scheme. A case study of the University of Peshawar was taken for this purpose. Two different comprehensive questionnaires were developed, one addressed to the students and the other to the educational institution. A total number of 10 sample institutes were selected for study and 160 respondents in these 10-sample institutions were interviewed for taking in questionnaire. Of the 160 respondents, 94 were open merit and 64 were self-finance students. The information collected was tabulated and summarized.

General Characteristics

The general characteristics of the respondents showed that 97% of the respondents were from the age group 20-25. Of the total respondents, 53% were day scholar and 47% were boarder. It was found that the academic background of the open merit students was stronger than the self finance students. 61% of the self finance students came from English

medium schooling and 51 of open merit student were from Urdu medium schooling. Only 6% of the respondents were found employed along with their studies. 84% of the total respondents paid their dues to the University in lump- sum. Majority of both open merit and self finance students took admission in their respective discipline as their first choice of admission.

Personal Opinions

Is the self finance scheme beneficial? In response, 64% of respondents replied "No". Of them 75% respondents on open merit and 47% on self finance did not favour the self finance scheme. Major reasons quoted by the respondents included (1) over burden on the teacher and (2) deterioration of quality of teaching.

Majority (58%) of the respondents were satisfied with the teaching standards of their teachers. 74% respondents said the teachers were regular in taking classes. Regarding cooperation of the teachers, administration and ministerial staff with the student, majority of respondents in all cases responded positively and said they were found cooperative towards all students.

Problems and Facilities

Boarding, transportation, classrooms and computer labs were considered to be the major problem faced by all the students, in general, and

the self- finance students in particular, 63% of the self-finance students were facing the boarding problem on the campus. 16% of open merit students also said the boarding is not available on the campus. 79% of the respondents said the classes are regular and 71% of respondents replied the class timings are appropriate. 73% of the self-finance students also said the evening timings of the classes are appropriate. 70% of the total respondents complained about the non-availability of transportation. Open merit and self-finance students equally felt this response. 55% respondents reported that the library is not full time accessible out of which 48% respondents were self-finance. According to 63% students, the common rooms are available in the departments. Provision of sufficient number of classroom was also felt as a problem faced by 50% of the respondents. Majority (66%) of the students responded negative about the full time use of computer labs. 71% of the open merit and 59% of the self finance students said the computers are not full time accessible.

Socio economic background

Their family size, income level, expenditure pattern, tenorial status and location of their house and the possession of some other key economic indicators judged Socio economic background of the respondents. It was found that 58% of the respondents belong to a small family with 2-5 family members, whereas in the case of open merit students, majority (60%) was

from the small family size. It has been observed from the survey that majority (85%) of respondents live in owned houses and 64% of them reside in urban areas. More than 50% students had all the economic indicators of rich living setup. Majority of them had agriculture and residential property while 19% of them possessing commercial property. More than 60% of open merit and 35% of self-finance respondents belong to a property possessing family.

When the strong economic indicator income and expenditure was judged, it was found that majority, of the respondent (76%) belong to the middle-income group irrespective of the basis of admission. Higher the level of income, lower is the total percentage belongs to that group. While in expenditure pattern 62% of families are spending less than 20000 per month, 31% are spending 20000-40000 per month. Only 14% families are those who spend beyond this level on their consumption expenditure per month. It mean that majority of the respondents are from middle class families whose monthly expenditure vary from 5000-40000 per month.

When the data collected through second questionnaire, regarding information about the 10-sample institutes, was tabulated, it was found that enrollment of the student increased during three years from 1999-2000 to 2001-2002 in sample institutions. Some new institutions entered the self-finance scheme and existing institutions, which were running the

programme already, started new courses and increased admission in the existing courses. As a result the total enrollment increased by 11% in sample institutions during three years. When the students admitted on open merit and self finance were compared on their success percentage and the grades they were passed in, it was found that both pass percentage and percentage of 1st divisioners was high for the open merit students as compared to self-finance students.

When the economic and financial appraisal was made with respect to the workload and incomes of the teachers, infrastructural charges in the sample institute and the contribution of self-finance towards the university budget, the following results were derived.

Total 192 people were engaged in self-finance during 2002 against 126 in 1999. The number of teaching and men-teaching staff engaged with self-finance classes in the sample institution increased over the years. The non-teaching staff with the self-finance increased from 40 to 70 in number, whereas the number of teaching staff increased from 86 to 122 over three year. It was also found that the evening workload of the classes per week was increased over three years. The number of teachers taking more number of classes per week increased during three years. The monthly income of the teachers in sample institutions from morning ranges 7000 to 32000. And it was between 4000 and 30000 from only master level classes in the

evening. It was found that majority of the teachers were taking classes with more than one course and in more than one department. So the actual earning of each teacher from evening classes was much higher.

It was found during the survey that after the start of the self-finance programme, the departments got opportunity to allocate their expenditure easily on the particular needs of their institution. Major changes were seen in the use of computers from total 43 to 215 in the sample institution. The use of air conditioners was also increased from 22 to 94 in number. A major change also occurred in laboratory acquisition. It was Rs.3175000 annually before self finance which rose to Rs.980270 annually in the sample institutions. Some of the sample institutions also renovated portions of their buildings and bought new furniture from the self-finance funds made available through 30% share of self-finance programs. When the university budget for the three years was analyzed, it was found that the proportion of self finance fund to the total university budget was 6%, while in the total earning the university's own income, the share of self finance was 12% and these percentages interestingly found were same for all the three years.

5.2 Conclusions

This study concludes that higher education is facing the problems of increased enrollments and deteriorating quality coupled with the scarcity of funding. The following conclusions have been drawn from the study.

1. The students' enrollments are increasing rapidly at higher education, specifically in market-oriented and professional disciplines. The students got admission on self-finance basis in these disciplines, which show 52% positive growth in the last two years of the study.
2. The teachers are available and regular in taking classes of the students in both the shifts irrespective of their basis of admission. The students of open merit and self finance are equally punctual in taking classes and other assignments, still the academic performance of the students remains unchanged after getting admission in their masters studies.
3. The major problems that the students are facing on the campus are the problems of boarding, transportation, availability of sufficient number of classrooms and the use of computer labs. The self-finance second shift students specifically feel the problems.
4. It was believed that the students admitted on self-finance basis have a strong socio-economic background; therefore, mobilizing a greater share of the necessary financing from the students themselves can partially solve the problem of scarcity of funding at higher education. But it was found during the study that socio-economic background of the student has no relationship with the basis of admission. The students belonging to prosperous families are equally found in both

the open merit and self finance students. As far as the socio-economic background of the respondents as compared to the standard of living of the total population in the country is concerned, it was concluded that respondents, definitely belong to the families with sound socio-economic background. Only 3 respondents in number were from those families whose monthly income ranged from 5000-10000 per month. Contrarily, 38 respondents of the total belonged to higher income earning families. Still according to the class distribution of the present study, 76% of the total respondents belonged to high middle income-earning families.

5. From the financial and economic appraisal of the self finance scheme in the study it was concluded that there were positive effects, financially and economically, on the earning of teaching and non-teaching staff, on the budgets of the departments and on the budget of the university. Even funds generated through the scheme were used for the big structural changes in the departments building and the university at large (personal communication with the officials at the University).

5.3 Recommendations

Higher education, definitely, plays a vital role in the growth process of an economy, but millions of children in the same society can not be left

deprived of basic education. Looking at the general situation of the country where 32% population is still living below the poverty line, 50% of the population is still illiterate, unable to read and write, with 1% of the GDP to the education sector, and looking at the particular study of the diversified funding of higher education, the contextual recommendations are made.

Public spending on education is insufficient. Spending on basic education ought to be the priority in achieving the universal enrolment at the primary and lower-secondary level, yet higher education is continued to be over subsidized. Therefore it is analyzed that the fee structure of the public sector universities needs changes. In this respect it is recommended that the higher education should not be fully subsidized. The contribution of institutional costs should be made possible by the beneficiaries of higher education irrespective of the basis of admission. But average fee structure is suggested in this respect. Split fee deposit structure is further suggested to reduce the burden on the parents.

The private purchase of higher education is beyond the means of many poor families. Not all the groups in society can afford the direct and indirect costs associated with higher education. Therefore, government subsidized financial assistance programme for academically qualified yet financially needy students is recommended. Provision of scholarship to top

10% students and financial help to the very poor students is suggested in this regard. Student loan scheme can also be introduced.

It is concluded in the study that the students are facing the problem relating to the insufficient infrastructure at the campus. Therefore, it is recommended that the self finance scheme should not be considered as an earning channel of the finances and some percentage must be spent on the welfare of the students. Judicious utilization of funds so generated on the development of faculty as well as the student. The infrastructural facilities should be increased to the level of increased enrollments. Thus more and better facilities of hostel accommodation, transportation, sufficient class rooms and computer labs should be made possible for the second shift students.

For further improvement on this thesis it is recommended that similar studies should be repeated in other provinces. Comparative studies of the self finance students at other places be carried out. Market studies should be carried to see comparative performance of the graduates of both the programmes. Follow-up studies of the open merit and self finance students/graduates should be done.

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ANNEXURE-I

QUESTIONNAIRE NO.1

Code # _____
Date: _____

PERSONAL INFORMATION

1. Number/Name of Respondent _____
2. Sex _____
3. Age _____
4. Subject/Discipline _____
5. Institution _____
6. Residential status: a) Day scholar b) Boarder
7. Basis of admission: Tick (✓) the relevant box.

- a) Open merit
- b) Quota
- c) Self Finance

8. Academic Performance

Degree	Division		
	I	II	III
1) Matric	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2) F.A/F.Sc.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3) B.A/B.Sc.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4) MA (Previous)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(in case of final year student)			

9. What was your medium of instruction at:

- | | <u>English</u> | <u>Urdu</u> |
|-------------------|--------------------------|--------------------------|
| a) School Level: | <input type="checkbox"/> | <input type="checkbox"/> |
| b) College Level: | <input type="checkbox"/> | <input type="checkbox"/> |

10. Reasons of admission in this institute: (Tick the relevant)

- The subject was my 1st choice _____
- I could not find admission elsewhere _____
- Fee in this Institution was relatively lower _____

11. Are you employed? Yes No

12. Annual payments made to the deptt/university for admission: _____

13. Mode of payment:

Lump-sum _____

Installments _____

PERSONAL VIEWS

14. According to your opinion the self-finance scheme is beneficial?

Yes No

15. If yes, how?

- a) The department, Gets additional funds
- b) The department, Remain open till evening
- c) The teachers and staff are available in deptt, till evening
- d) Students of the two shifts get a chance of interaction

16. If no, why?

- a) Quality of teaching has deteriorated
- b) The teachers get over-burdened/loaded
- c) The teacher and other staff prefer self-finance students
- d) Greater number of graduates will affect employment opportunities

17. Do you think that your teachers are:

- a) Properly qualified? Yes No
- b) Cooperative with the students Yes No
- If yes, towards:
 - i) All students Yes No
 - ii) Self finance students Yes No
 - iii) Open merit students Yes No
- c) Teach properly? Yes No
- d) Give more attention to:
 - i) The open merit students? Yes No
 - ii) or to the self finance students? Yes No
 - iii) or equal attention to both? Yes No
- e) Regular in taking cases of:
 - i) all students Yes No
 - ii) self-finance students Yes No

- iii) open merit students Yes No
- f) Biased in marking Yes No
- If yes, towards:
- i) self-finance students Yes No
- ii) open merit students Yes No

18. The attitude of ministerial staff towards students admitted on the basis of:

- | | Good | Not Good |
|-----------------|--------------------------|--------------------------|
| a) Open merit | <input type="checkbox"/> | <input type="checkbox"/> |
| b) Self-finance | <input type="checkbox"/> | <input type="checkbox"/> |

19. The attitude of administration toward student:

- | | Cooperative | Non-cooperative |
|-----------------|--------------------------|--------------------------|
| a) Open merit | <input type="checkbox"/> | <input type="checkbox"/> |
| b) Self-finance | <input type="checkbox"/> | <input type="checkbox"/> |

PROBLEMS AND PROVISION OF FACILITIES

- | | <u>Yes</u> | <u>No</u> |
|--|--------------------------|--------------------------|
| 20. The boarding is available | <input type="checkbox"/> | <input type="checkbox"/> |
| 21. Classes are regular | <input type="checkbox"/> | <input type="checkbox"/> |
| 22. The class timings are appropriate | <input type="checkbox"/> | <input type="checkbox"/> |
| 23. Transportation is easily available | <input type="checkbox"/> | <input type="checkbox"/> |
| 24. Library is full time accessible | <input type="checkbox"/> | <input type="checkbox"/> |

- | | | | |
|-----|--|--------------------------|--------------------------|
| 25. | The common room in the deptt. is available | <input type="checkbox"/> | <input type="checkbox"/> |
| 26. | Sufficient number of class rooms are available | <input type="checkbox"/> | <input type="checkbox"/> |
| 27. | Use of computer lab is allowed full time | <input type="checkbox"/> | <input type="checkbox"/> |
| 28. | Any other (please specify) | <input type="checkbox"/> | <input type="checkbox"/> |
| | _____ | <input type="checkbox"/> | <input type="checkbox"/> |
| | _____ | <input type="checkbox"/> | <input type="checkbox"/> |
| | _____ | <input type="checkbox"/> | <input type="checkbox"/> |

SOCIO-ECONOMIC BACKGROUND OF THE STUDENT

29. Household composition:

Note: Make sure no information is left blank

a) Children upto 12 years age

Male	Female
_____	_____

b) Particulars of household members (age 13 and above)

S. No.	Family Members	Age	If literate, level of Edu	Working Status	If employed then	
					Occupation	Income (P.M)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

30. Sources of income of the family other than income stated above in 29-b.

- * Foreign remittances Rs. _____ pm/pa
- * Income from the agricultural property Rs. _____ pm/pa
- * Income from the commercial property Rs. _____ pm/pa
- * Any other (please specify) _____
Rs. _____ pm/pa
- _____ Rs. _____ pm/pa

Detail of expenditure

31. What are the consumption expenditures of the family?

	<u>Main Item</u>	<u>Amount (Rs/P.M)</u>
i)	Food
ii)	Clothes
iii)	Education
iv)	Health
v)	Utility bills
vi)	Salaries to servants
vi)	Rent of house
vii)	Transportation charges
viii)	Other expenditures (taxes, ceremonies etc)	

32. Key Economic Indicators

i) Tenurial Status of house:

- a) Owned
- b) Rented in
- c) Govt. residence
- d) Other

ii) Location of house

- a) In village
- b) In town
- c) In city

iii) Area/Rooms in your house

Area _____

Number of rooms _____

iv) Do you have or own the following items

* Car/other vehicle Yes No

* VCR/TV Yes No

* Dish Antenna Yes No

* _____ Yes No

* _____ Yes No

v) Other wealth items

* Agricultural Land Yes No

* Residential property Yes No

* Commercial property Yes No

* Any other (specify)

* _____ Yes No

* _____ Yes No

* _____ Yes No

Further comments on any question above can be given at the space below.

Annexure-II

QUESTIONNAIRE NO.2

1. Introduction

- a. Name of Institution/Department _____
- b. Courses taught _____
- c. Date _____

2. Enrollment

Years	Open merit	Self-finance	Total
1999			
2000			
2001			

3. Academic Performance

Data for 1999

Result	Open merit	Self-finance	Total
1 st Division			
2 nd Division			
Reappear			
Absent			
Total			

Data for 2000

Result	Open merit	Self-finance	Total
1 st Division			
2 nd Division			
Reappear			
Absent			
Total			

Data for 2001

Result	Open merit	Self-finance	Total
1 st Division			
2 nd Division			
Reappear			
Absent			
Total			

4. Economic impact of self finance scheme:

- a. Number of teaching staff engaged self finance last year _____
- b. Number of non teaching staff engaged in self finance scheme last year _____

c. Number of class per staff last year.

S.No.	Designation	No. of classes in morning	No. of classes in evening	Total classes
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				
11.				
12.				
13.				
14.				
15.				
16.				
17.				
18.				
19.				
20.				

5. Average per month income of the teaching staff

S.No.	Designation	No. of classes in morning	No. of classes in evening	Total classes
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				
11.				
12.				
13.				
14.				
15.				
16.				
17.				
18.				
19.				
20.				

6. Average per month income of the non teaching staff

S.No.	Designation	No. of classes in morning	No. of classes in evening	Total classes
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				

7. Financial Situation

i. What is the annual budget allocation of your institution/department from university of Peshawar.

Head	1999	2000	2001
Salaries			
Contingency			
Total			

- ii. What are the total annual revenue other than budget allocation by University of Peshawar.

Head	1999	2000	2001

- iii. Total annual revenue from self finance scheme

Head	1999	2000	2001
Morning			
Evening			
Total			

- iv. Total annual expenditure of the institute/department

Source	1999	2000	2001
Salaries			
Contingency			
Total			