

Equity in Public Sector University Admissions Policy in Pakistan

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Equity in Public Sector University Admissions Policy in Pakistan

Shahrukh Rafi Khan

Abstract

The enrollment structure of Pakistan's leading public sector university shows that upper income groups are disproportionately represented relative to their size in the population and relative to their total tax contribution whereas the reverse is true for the poorer income groups. Given that university education is highly subsidized, the upper income groups therefore get a disproportionate amount of educational subsidies.

Introduction

Should students from poorer families, particularly from rural areas, receive special treatment in admissions policy to even the odds against them? Richer families have more resources than poorer families with which to provide a more congenial learning environment. At home this means more attention due to smaller families and more stimulation from the books and toys provided. Richer parents may pay more attention to their children's progress and ensure it by taking an interest in the homework and by regular discussions with teachers, and by arranging tuition. In Pakistan's dualistic and stratified educational system, rich children also have access to much higher quality private nursery, elementary, secondary and high schools.

In this policy note, we empirically explore equity in current public sector university admissions policy. In this process, we also explore who benefits from the subsidy to higher education. The subsidies are implicit in a fee structure which recovers about one percent of only the recurring costs.¹ The desire to offset subsidies to higher education with user fees has been noted in the last three Five Year Plans.² Finally, this note has important policy relevance since education represents one of the most important legal avenues for social mobility for the poor.

The next section briefly discusses the data and method. The findings are reported in section three and in that context Quaid-i-Azam University's new admission policy assessed. We end with some concluding observations.

Data and Method

The data on enrollments and household income were collected from the admissions forms of Quaid-i-Azam University, Pakistan's premier higher educational institution. Our method in assessing equity is a straight-forward one. We first look at the population, student enrollment structure and tax contribution by income group to identify relationships between these distributions. If it turns out that the lower income group is under-enrolled relative its population share, we would view this as violating an "equal opportunity" criteria for equity. If it turns out that the lower income group contributes more to total taxes than its share in

1 *Eighth Five Year Plan* (1994, p. 319).

2 Draft report of the *Sixth Five Year Plan* (1983, p. 357), *Seventh Five Year Plan* (1988, p. 348) , and the *Eighth Five Year Plan* (1994, pp. 319-320).

university enrollments, we view this as violating a "fiscal equity" criteria.³

Findings

Data on the distribution of population, enrollments and tax contributions by income groups are reported below in Table 1.

Table 1: Tax contributions, enrolment and population by income groups

Monthly Income	Enrolment (percent)*	Households (percent)	Contribution to total tax revenue (percent)
Up to 1000	5.5	16.9	30.2
1001-3000	24.7	67.5	31.2
3001-4500	39.7	9.7	28.3
4501 and above	30.1	5.9	11.5

Sources: Kemal and Mahmood⁴ (p. 63) for tax contribution by income group for 1987-88 (original numbers do not add to a hundred percent), 1986 student admission forms for enrollment structure by income group and *Household Income and Expenditure Survey 1987-88* (p.xi), for population distribution by income group for 1987-88.

Note: The income group categories are based on the *Household Income and Expenditure Survey 1987-88* (p. xi). These categories appear to compress the income categories and hence to overstate the upper income group even for 1986. However, this effect is likely to be offset by the tendency of understating income.

As earlier explained, there are two measures of fairness in the enrollment structure represented in Table 1.⁶ First, one can compare the enrollment distribution by income group with the population distribution of households by income groups (equal opportunity criteria). Second, one can compare the enrollment distribution by income group with the tax contribution by income group (fiscal equity criteria). The first comparison shows that the two upper income groups are heavily over-represented in the University relative to their representation in the population and that the two lower income groups are under-represented. The second comparison once again shows that the two upper income groups are over-represented relative to their tax-contribution and that the two lower income groups (particularly the poorest) are under-represented. On both criteria, the admissions policy is inequitable. In addition, since higher education is highly subsidized, the upper income groups also get a disproportionate share of the subsidies.

There seems to be an equity case for the new cost recovery policy recently instituted at the Quaid-e-Azam university. However the current implementation of the policy based on the self-financing scheme is inequitable since saving a certain number of seats for full fee candidates amounts to a "quota for the rich".⁷ In fact, our findings suggest that, if anything, there should be

3 For a fuller description of the method, its philosophical underpinnings and the application of this method to most universities in Pakistan see Khan (1991). The latter study suffers from an aggregation problem which this study avoids by focusing on one University. The seminal works in this field are Fields (1975) and Jallade (1974).

4 Kemal and Mahmood (1992).

5 Pakistan (1990).

6 We were only able to get comparable data for 1987-88 for tax contribution and household distribution by income group. The closest enrollment distribution by income group that we had data on for Quaid-e-Azam University was for 1986.

7 The current full fee being charged is Rs. 26,000 per seminar. We estimated the recurring allocation per student to be Rs.28,922 per year (from data kindly made available by the University Grants Commission). If we assume that these allocations are an accurate representation of per student recurring cost to the university, full fee students

a "quota for the poor" after ranking students on a merit basis. This quota could be easily financed by tailoring fees to the ability to pay and will generate more revenue for the university. One way of enforcing this policy is by putting the burden of getting a fee remission on parents by requiring them to submit salary certificates from employers and income certificates from a special committee in the Central Board of Revenue.⁸ There will be some corruption, but that must be dealt with as a separate issue here and elsewhere.

Summary and Concluding Observations

Our main finding in this study is that currently university admissions policy violates both the equal opportunity criteria for equity and also the fiscal equity criteria. The inequity results from the over-representation of the upper income groups in higher education relative to both their representation in the population and relative to their tax contribution. The reverse is true for the two lower income groups. Given that university education is highly subsidized, a disproportionate amount of the educational subsidy is hence appropriated by the upper income groups, compounding the inequity.

Quaid-i-Azam University is Pakistan's most prestigious public sector university, and hence a potential trend setter. Thus its current admissions policy and recently instituted changes are very significant. One such change is the full fee quota which represents a self-financing effort. However, reserving a certain number of seats for those who can pay full fees amounts to a "quota for the rich" which compounds the existing inequity. Instead of a "quota for the rich," we think a merit based admissions policy with selective subsidy based on family income is fairer and will also generate more revenues for the university.

More revenues are important for improving public sector higher education. Such revenues could be important in arresting the deterioration of public higher education. Unless that happens, true equality of opportunity will not exist where it counts the most. True equality of opportunity means giving poor students an education that is comparable to that delivered by the private sector.

The question of how to use additional revenues remains. The core of a sound university is good professors and good students. With the additional revenues that universities generate through means tested full fees, they could raise base salaries and attract good faculty. This faculty will have a much larger large pool of students from the middle class and poorer classes to choose from than private sector universities. Their mission should be to unleash the potential of these students who are bright but educationally disadvantaged.

No reform can work piece-meal and this is true for educational reform also. Policy changes will have to affect elementary and secondary education to make the poorer students less educationally disadvantaged. At the higher level, the faculty will have to be given autonomy to influence major educational decisions, particularly those of ensuring high standards of teaching and research from their colleagues.

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are paying for the fixed costs or subsidizing the other students.

⁸ Alternatively, university administrators could take responsibility for getting accurate financial disclosure by threatening expulsion for faulty information discovered by their auditors or from the Central Bureau of Revenue.

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