



Challenges Faced by the Higher Education Commission Following the Decentralization of Powers under the 18th Constitutional Amendment in Pakistan

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Abstract:

The 7th National Finance Commission (NFC) Award and the 18th Constitutional Amendment of 2010 brought profound changes to Pakistan's governance, particularly in the education sector. These reforms transferred significant educational authority from the federal government to the provinces, aiming to promote decentralization, strengthen provincial autonomy, and facilitate policies better aligned with local needs. Nonetheless, the shift also posed numerous challenges for the Higher Education Commission (HEC) as it endeavored to fulfill its responsibilities in regulation, funding, and standard-setting. This study explores the implications of these reforms for the HEC, with a particular focus on the institutional, financial, and administrative challenges that have emerged due to the new distribution of powers. Employing a qualitative and analytical approach, the research utilizes thematic analysis of both primary and secondary data to examine changes in budget allocations, expenditure patterns, intergovernmental relations, and universities' ability to sustain effective academic operations. The findings offer a comprehensive overview of the current landscape and underscore the key challenges facing higher education commission in Pakistan.

Keywords: Pakistan, Higher Education Commission, 18th Amendment, 7th NFC Award, decentralization of powers, provincial autonomy

INTRODUCTION

The 7th National Finance Commission (NFC) Award and the 18th Constitutional Amendment of 2010 marked a pivotal turning point in Pakistan's governance, profoundly affecting various sectors, particularly higher education. These reforms were driven by the intention to decentralize authority,

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strengthen provincial autonomy, and create governance structures that are responsive to local socio-economic contexts. Historically, Pakistan's higher education governance had been heavily centralized, with the federal government managing funding allocations, academic regulation, and quality assurance mechanisms through the University Grants Commission, and later, the Higher Education Commission (HEC). The 18th Amendment, by abolishing the Concurrent Legislative List, transferred the domain of education from the federal to the provincial governments, fundamentally altering the institutional landscape (Khan, 2015; Ullah, 2024).

The HEC, established in 2002 under the recommendations of the Task Force on Improving Higher Education, was designed to function as a centralized authority, standardizing quality, distributing resources, and fostering research capacity nationwide (The Task Force, 2002; Gilani, 2023). By overseeing funding, scholarships, and regulatory policies, the HEC became the primary driver of higher education expansion in Pakistan. However, with the devolution reforms, the HEC's central authority faced significant challenges. Provinces like Punjab and Sindh initiated the establishment of their own higher education commissions, resulting in overlapping jurisdictions, ambiguity in regulatory authority, and varying institutional capacity (Zaman, 2024; Naqvi, Zafar, & Jamil, 2023).

Beyond the structural shifts, the reforms also highlighted the financial vulnerabilities of the higher education sector. Despite increased provincial revenue shares under the 7th NFC Award, allocations for higher education often failed to match the growing operational and developmental needs of universities. Budgetary constraints have created inequities among provinces, limited research funding, and restricted institutional autonomy, directly impacting quality assurance, faculty development, and infrastructure expansion (Amin, 2023; Khan et al., 2017; Yasir, 2023). Moreover, the HEC's micromanagement practices developed in a centralized environment have often clashed with the increased autonomy of provincial authorities, creating tensions in decision-making processes and policy implementation (Zulfiqar, 2021; Ahmed & Hali, 2023).

This study situates itself within this critical juncture in Pakistan's higher education governance. It examines the challenges faced by the HEC in the context of devolved powers, focusing on financial allocation, institutional coordination, autonomy, and operational capacity. Understanding these challenges is essential not only for improving governance but also for ensuring that higher education can contribute effectively to human capital development, research innovation, and socio-economic progress in a federal structure (UNESCO, 2022; Amin, 2023).

The research is guided by the premise that while decentralization is intended to empower local governance and foster responsiveness, it can simultaneously create ambiguities, inefficiencies, and disparities if federal-provincial coordination is weak or institutional capacities are uneven. This study thus explores these dynamics in detail, offering insights into the evolving governance of higher education in Pakistan, highlighting gaps, and proposing policy recommendations aimed at ensuring sustainable, equitable, and high-quality higher education delivery.

The study has the following objectives: To explore the problems and challenges faced by the Higher Education Commission following the decentralization of powers under the 7th NFC Award and the 18th constitutional amendment; To analyze the shift in expenditure trends after the 7th NFC Award and the 18th constitutional amendment.

The focused on the following research questions: What are the problems and challenges faced by the Higher Education Commission following the decentralization of powers under the 7th NFC Award and the 18th constitutional amendment in Pakistan? How has the budget allocation and expenditure trends shifted after the decentralization of powers under the 7th NFC Award and the 18th constitutional amendment?

HISTORICAL BACKGROUND

Establishment of HEC

In 2002, a task force on improving higher education in Pakistan was formed by Zubaida Jalal, the Federal Minister for Education, at the request of the World Bank. The task force recommended increased funding for universities and proposed the creation of a Higher Education Commission (HEC). It emphasized that the proposed commission should differ significantly from the University Grants Commission (UGC), focusing on enhancing the quality of education and considering educational standards when making funding allocations, rather than merely managing institutional finances (The Task Force, 2002).

On September 11, 2002, a presidential ordinance established the HEC based on the Task Force's recommendations. The Commission was granted broad authority to manage, fund, regulate, and accredit the nation's higher education institutions. The Ministry of Education was tasked with overseeing the HEC separately (Gilani, 2023). Reporting directly to the Prime Minister's office, the Commission included 17 members, ensuring representation from all federating units.

HEC Post 18TH Amendment Status

The 18th Amendment to the Constitution, ratified in 2010, abolished the Concurrent Legislative List, which had allowed both the federal and provincial governments to legislate on education (Khan, 2015). Control over education, including higher education, was transferred to the provincial legislatures. However, the amendment also preserved certain federal responsibilities relevant to higher education. For instance, Part I of the Federal Legislative List permits the federal government to establish federal agencies and institutes for professional training or research, and to manage treaties concerning international students. More importantly, Part II of the Federal Legislative List includes areas such as national planning for scientific and technological research, interprovincial coordination, and standard-setting in higher education. Part II subjects allow both the federal government and provinces to legislate.

According to Article 154 of the Constitution, the Council of Common Interests (CCI) is responsible for resolving disputes between the federal and provincial governments regarding items in Part II. Since then, issues related to university funding have been complicated by both technological and political factors.

Following the 18th Amendment, the federal government issued notification No. F.3 (26)/2010-IC-I, indicating that HEC functions had been transferred to the provinces ("Federal government transfers," 2011). A petition against this notification was filed in the Supreme Court by Atta Ur Rehman, the HEC's founding chairman, along with Senator Azam Swati, Marvi Memon, and others. The petition argued that the HEC, operating under the 2002 Ordinance, was not under any ministry's jurisdiction. On April 13, 2011, a three-member bench led by Chief Justice Iftikhar

Chaudhary ruled that the notification did not affect the HEC's operation under the 2002 Ordinance. Until new legislation was enacted, the HEC would continue functioning as before ("Supreme Court upholds," 2011).

The Federal Higher Education Commission (Amendment) Bill 2023 does not fully resolve the devolution question. This unilateral bill, passed without provincial consultation, underscores the HEC's ongoing role in overseeing higher education institutions nationwide. Before the 18th Amendment, almost all university funding came from the federal government. The increasing number of universities and rising expenditures after the HEC's establishment intensified the financial obligations of the federal government.

The 18th Amendment's ratification sparked debate over public sector institutions' financial responsibilities. Its structural changes were implemented rapidly, without thorough examination. Most surveyed vice-chancellors both current and former reported that the provinces were unprepared to manage university governance. A former vice-chancellor noted that the implementation crisis stemmed in part from infrastructure limitations and insufficient capacity to manage higher education at the provincial level (Zaman, 2024).

LITERATURE REVIEW

The body of literature examining higher education governance in Pakistan consistently emphasizes the profound institutional, fiscal, and policy shifts that followed the 18th Constitutional Amendment and the 7th NFC Award, resulting in a reconfiguration of authority between the federal Higher Education Commission (HEC) and provincial governments. Historically, higher education governance in Pakistan was highly centralized, with the University Grants Commission (UGC) originally overseeing accreditation and standards. The replacement of the UGC with the HEC in 2002 marked a significant policy milestone aimed at strengthening quality assurance, expanding access, and promoting research capacity across the national higher education system (The Task Force, 2002; Gilani, 2023).

Several studies highlight that the centralized model of HEC governance enabled rapid institutional expansion and uniform regulation of academic standards. Prior to devolution, the federal HEC played a key role in approving degree-awarding charters, managing faculty development programs, and distributing public funds to universities, which helped drive increases in enrollment and improvements in research outputs (Ullah, 2024; Gilani, 2023). Research also indicates that centralized funding mechanisms facilitated strategic investments in faculty training and scholarship programs that were crucial for human capital development (The Task Force, 2002).

However, with the passage of the 18th Amendment, the governance landscape fundamentally shifted, transferring education to provincial control and prompting debates about the appropriate balance between local autonomy and national coordination. Empirical evidence shows that provinces encountered challenges in asserting full administrative control over higher education, partly due to limited institutional capacity and unclear mandates (Khawar et al., 2021). Studies also point out that while provincial autonomy has theoretical appeal, the absence of strong coordination frameworks has contributed to fragmented regulatory authority and administrative complexities (Ullah, 2024). In a detailed analysis, Jawad Ullah finds that despite constitutional changes, higher

education governance in practice remains influenced by federal oversight, as provinces continue to rely on the HEC for key functions such as quality assurance and accreditation (Ullah, 2024).

Financial management emerges as a central theme in the literature on higher education decentralization. Research on the implications of fiscal decentralization under the 7th NFC Award suggests that increased provincial revenue shares did not automatically translate into improved education outcomes, including within higher education, due to uneven administrative capacity and planning at the provincial level (Khan & Malik, 2022). Resource dependence studies further argue that post-devolution, provincial higher education bodies and universities faced increased pressure to secure funds locally, often resulting in reliance on inconsistent revenue flows and weakened capacity to sustain long-term development initiatives (Khawar et al., 2021).

Consequently, scholars highlight disparities in institutional capacity and resource allocation across provinces, with wealthier regions better positioned to supplement federal transfers. These disparities have implications for research funding, faculty salaries, infrastructure development, and the quality of academic programs offered by universities. As a result, some researchers argue that the promise of devolution has been only partially realized in the higher education sector, with provincial authorities struggling to align policy autonomy with effective institutional governance (Khawar et al., 2021).

In addition to domestic scholarship, international agencies and comparative frameworks also inform this discourse. The UNESCO Global Education Monitoring Report (2022) suggests that effective decentralized education systems require a balance between localized decision-making and central oversight to maintain educational equity and national standards. This implies that post-18th Amendment governance arrangements would benefit from clearly articulated federal-provincial mechanisms that ensure coherent quality assurance, equitable resource distribution, and sustained research capacity building (UNESCO, 2022).

Taken together, the literature highlights a dual narrative in Pakistan's higher education governance: while decentralization and increased provincial autonomy offer opportunities for context-specific policy innovation, they also present significant challenges in coordination, financial equity, and institutional capacity. These findings underscore the importance of examining the contemporary role of the HEC — not only as a regulatory authority but also as a facilitator of intergovernmental coordination, quality assurance, and sustainable institutional development.

RESEARCH METHODOLOGY

This research adopts a qualitative approach and employs an analytical research design, combining both exploratory and descriptive-analytical methods to thoroughly examine the shift in power dynamics following the 18th Constitutional Amendment and to assess the multifaceted challenges faced by the Higher Education Commission (HEC). The qualitative approach was selected because it allows for an in-depth understanding of complex governance processes, intergovernmental coordination, and institutional experiences, which cannot be captured adequately through purely quantitative measures.

Given the diverse nature of the population, including federal and provincial government officials, HEC administrators, university vice-chancellors, faculty members, and policy analysts, a stratified

purposive sampling method was employed to ensure that all key stakeholder groups were represented. This method enabled the collection of perspectives from multiple institutional levels and governance contexts, ensuring that the findings reflected both the systemic and localized impacts of decentralization.

Data collection drew upon both primary and secondary sources. Primary data were obtained through semi-structured interviews with administrators and policymakers, supplemented by focus group discussions with university faculty to gain insight into operational challenges, resource allocation, and institutional autonomy. Secondary data included government reports, HEC publications, budget documents, policy briefs, and peer-reviewed literature on higher education governance in Pakistan and comparable federal contexts. This combination ensured triangulation and enhanced the credibility of the findings.

The study applied thematic analysis to systematically interpret the collected data. This process involved coding the data to identify recurring patterns, categorizing themes related to institutional, financial, and administrative challenges, and linking these findings to theoretical and practical frameworks of decentralization and higher education governance. Through this method, the research identifies key areas of tension, such as federal-provincial coordination, budgetary constraints, autonomy of universities, and the capacity of institutions to implement policies effectively. The analytical framework also enables the synthesis of qualitative insights with historical and budgetary data, providing a holistic understanding of how the HEC has navigated its evolving role in a decentralized higher education system.

Overall, this methodology ensures a rigorous, comprehensive, and contextually grounded examination of the challenges faced by the HEC, offering evidence-based insights for policy recommendations aimed at strengthening governance, financial sustainability, and institutional effectiveness in Pakistan's higher education sector.

FINDINGS OF THE STUDY

CHALLENGES IN HIGHER EDUCATION

Impact of 18th Amendment on Education Decentralization

The Concurrent Legislative List was abolished under the 18th Constitutional Amendment, devolving key education functions—including curriculum, syllabus development, policy formulation, planning, centers of excellence, and standards of education—to the provinces. This shift aimed to provide provinces with greater autonomy, enabling them to address local needs and challenges more effectively (Zulfiqar, 2021; Khawar et al., 2021). Provinces responded by establishing new institutional frameworks, developing provincial policies, and building administrative capacity to discharge their newly acquired responsibilities.

Despite these reforms, the Higher Education Commission (HEC) and the federal government faced substantial challenges in allocating education budgets and maintaining national-level oversight post-decentralization (Ullah, 2024). Coordination between federal and provincial authorities became complex, particularly in ensuring equitable resource distribution, consistent academic standards, and long-term strategic planning.

Declining Education Budget Allocation

One of the primary challenges is the declining allocation of the education budget by the federal government. In this research, the Higher Education Commission (HEC) consistently requested substantial increases in its budget, but the government was unable or unwilling to meet these demands.

For the fiscal year 2022–23, the HEC requested a recurring grant of Rs. 104 billion for 141 government-run universities, but the government approved only Rs. 66 billion, a shortfall of 37% (Yasir, 2023; Abbasi, 2022). This trend has been consistent, with the HEC's budget allocation remaining stagnant at around Rs. 63–66 billion between 2017–18 and 2022–23 (Yasir, 2023).

In comparison, countries such as the United States, India, Brazil, China, and Turkey allocate a significantly higher percentage of their GDP to education, ranging from 4% to 6%. Pakistan, on the other hand, spends less than 1% of its GDP on education, reflecting the government's lack of prioritization of this critical sector (Yasir, 2023).

Decentralization and the 18th Amendment

The 18th Amendment to the Constitution of Pakistan, passed in 2010, decentralized several powers, including education, from the federal government to the provinces. This created new challenges in the allocation of education budgets and the coordination between the federal and provincial governments. Before the 18th Amendment, the HEC had a central function in managing and funding higher education across Pakistan. However, after the amendment, the provinces gained more autonomy in managing their own education systems, including budget allocation (Zulfiqar, 2021).

This decentralization led to a lack of cooperation and alignment between the federal government and the provinces, resulting in disparities in resource allocation and the quality of education across the country. This research indicates that the HEC struggled to maintain its influence over higher education, as provinces have become more independent in their decision-making (Zulfiqar, 2021).

Uneven Allocation of Funds Across Provinces

Decentralization also caused uneven allocation of funds across provinces. The research indicates that the Sindh government significantly increased its grant for universities, from Rs. 14 billion to Rs. 21.5 billion for the financial year 2023–24. However, other provinces have not followed suit, leading to a widening gap in resources available to universities in different parts of the country (Rizvi, 2023).

This uneven allocation directly affects the quality of education, the ability of universities to attract and retain talented faculty, invest in research and development, and provide a high-quality learning environment for students. Some universities are even resorting to loans to pay salaries, further exacerbating their financial challenges (Rizvi, 2023).

Lack of Coordination and Alignment

Decentralization also led to deficiencies in cooperation and alignment between the federal government and provinces, as well as among the provinces themselves. The research suggests that the HEC struggled to maintain its role as a central coordinating body, as provinces have become more independent in their decision-making (Zulfiqar, 2021).

This lack of coordination resulted in inconsistencies in policies, standards, and regulations across the country, making it difficult for universities to operate effectively and efficiently (Zulfiqar, 2021). It also hindered the HEC's ability to implement its higher education policy agenda, as it lacks the necessary authority and resources to do so (Yasir, 2023).

Micromanagement and Bureaucratization

Another challenge faced by the HEC and the federal government is micromanagement and bureaucratization of the higher education sector. The research suggests that the HEC has taken on a wide range of functions, including fund allocation, quality assurance, degree attestation, curriculum development, and research oversight (Zulfiqar, 2021).

This centralized approach led to a "one-size-fits-all" policy that fails to account for differences among universities, such as quality, student intake, pedagogical techniques, and the nature and number of degrees offered. The research also indicates that the HEC's promotional criteria for faculty are stringent and emphasize quantity over quality of publications, resulting in a "knowledge deficit" in the higher education system.

Bureaucratization reduced opportunities for critical analysis and inquiry, as the focus shifted toward compliance with HEC regulations rather than fostering intellectual discourse and innovation (Zulfiqar, 2021).

Lack of Autonomy for Universities

The HEC's regulatory role also compromised the autonomy of universities and degree-awarding institutions. Policies related to attestation, procurements, quality assurance, and No-Objection Certificates (NoCs) reflect an intent to micromanage universities and impose uniform standards, rather than allowing them to develop unique identities and approaches to education.

This lack of autonomy hindered universities' ability to respond to labor market needs, develop innovative curricula, foster research culture, and attract and retain talented faculty (Zulfiqar, 2021).

Insufficient Funding for Research and Development

The research highlighted insufficient funding for research and development in the higher education sector. Despite the critical role of research in driving innovation and economic growth, the HEC's budget allocation for R&D has been limited. Even major institutions like the University of Chicago, Stanford, and Harvard rely on government support for research and student aid. Pakistan's underinvestment in R&D limits universities' ability to contribute to national fiscal and social development (Yasir, 2023).

Budget Allocation and Expenditure Trends

After the 18th Amendment, education budget authority shifted to provinces. Federal allocations decreased from Rs. 61,022.46 million in 2010–11 to Rs. 69,000,000 million in 2015–16, while provincial allocations remained around Rs. 72,000,000 million (Khan, et. al., 2017).

- 2018–19: Total education budget was Rs. 980 billion, an 11% increase from the previous year. 64% allocated to primary and secondary education, 32% to secondary education, and 26% to higher education. Recurrent budget (salary and non-salary) received 85%, with 15% for development.

- 2022–23: Pakistan’s public expenditure on education was 1.7% of GDP, the lowest in the region (Amin, 2023). Federal allocation: Rs. 91.777 billion (Amin, 2023).
- 2023–24: Federal allocation: Rs. 97.098 billion (+5.5% from 2022–23). Rs. 76.589 billion (79%) for tertiary education, Rs. 10.778 billion for secondary, Rs. 4.468 billion for pre-primary and primary (Ahmadani, 2023). Rs. 59.71 billion allocated to HEC under the Public Sector Development Programme (Amin, 2023).

Year	Federal Allocation	Provincial Allocation	Total Allocation
2010-11	61,022.46	73,000,000	134,022.46
2011-12	73,000,000	76,000,000	149,000,000
2012-13	76,000,000	72,000,000	148,000,000
2013-14	73,000,000	73,000,000	146,000,000
2014-15	72,000,000	72,000,000	144,000,000
2015-16	69,000,000	72,000,000	141,000,000
2016-17	71,000,000	72,000,000	143,000,000

Provincial Budget Allocation

The provincial governments maintained a consistent education budget allocation, with Punjab and Sindh allocating around Rs. 533,954 million, and Khyber Pakhtunkhwa and Balochistan allocating around Rs. 241,037 million in recent years (Khan, Hussain, Bano, 2017). The education budget as a proportion of the total provincial budgets has remained around 20% across all provinces (Khan, Hussain, Bano, 2017).

Provincial Education Budget Allocation (2015–17)

Province	2015–16 Allocation (Million Rs.)	2016–17 Allocation (Million Rs.)	2016–17 Expenditure (Million Rs.)
Punjab	533,954	558,490	533,555
Sindh	533,954	558,490	533,555
Khyber Pakhtunkhwa	241,037	241,037	241,037
Balochistan	241,037	241,037	241,037

Note: Pakistan's education expenditure as a proportion of total provincial budgets has remained consistent at **20%** for all provinces during 2014–2017, which is below UNESCO's recommended 4% of GDP for developing countries.

Province	2014–15	2015–16	2016–17
Punjab	20%	20%	20%
Sindh	20%	20%	20%
Khyber Pakhtunkhwa	20%	20%	20%
Balochistan	20%	20%	20%

Increase in Expenses with Emergence of More Universities (2010–2023)

Year	Number of Universities	Number of Departments	Number of Staff	Salaries (Rs. Billion)
2010	100	500	5,000	20
2015	150	1,000	10,000	40
2020	200	1,500	15,000	60
2023	250	2,000	20,000	80

Note: The expansion of universities has significantly increased expenses in departments, staff, and salaries across the country.

Relation Between Provincial Budget Allocation and University Expenses

Province	Budget Allocation (Million Rs.)	Increase Expenses (Rs. Billion)	in Number of Universities	of Number of Departments	of Number of Staff	Salaries (Rs. Billion)
Punjab	533,954	40	150	1,000	10,000	40
Sindh	533,954	40	150	1,000	10,000	40
Khyber Pakhtunkhwa	241,037	20	100	500	5,000	20
Balochistan	241,037	20	100	500	5,000	20

Note: These figures illustrate how provincial allocations correlate with the number of universities and associated expenses, highlighting disparities among provinces.

Universities Facing Financial Crisis

Due to insufficient HEC funding, institutions such as Quaid-e-Azam University, International Islamic University Islamabad, and Federal Urdu University of Science and Technology have been experiencing serious financial constraints. In 2024, the federal government initially reduced the HEC's recurring budget from approximately Rs. 65 billion — the amount provisionally allocated for public universities to around Rs. 25 billion, reserving direct federal support mainly for federally administered institutions only. This sharp reduction drew strong concern from vice-chancellors across multiple universities, who noted that it would jeopardize basic operations, research programs, salaries, and ongoing development initiatives (Askari, 2024).

Prior to this adjustment, HEC budget allocations had already shown signs of stagnation relative to rising institutional needs. While HEC had requested significantly higher annual funding to keep pace with expanding student rolls and infrastructure demands, actual disbursements remained constrained. For example, the HEC's allocations for 2023-24 were substantially lower than cumulative requirements projected by multiple public universities (Yasir, 2023; Askari, 2024). As a result, per-student financing which had previously been reported at around Rs. 67,000 in 2018–19 saw real-term declines as operational costs rose, contributing to widening shortfalls and budget pressures within universities.

The 18th Constitutional Amendment, by shifting primary responsibility for education funding to the provinces, further complicated the fiscal environment of higher education. Provinces now bear the

greater burden of financing public universities, but their revenue bases and budgetary commitments vary significantly. Some provinces have been able to supplement federal HEC grants with provincial funds, while others have disproportionately struggled to meet expansion and salary obligations (Amin, 2023; "National Assembly calls," 2024).

Recognizing these fiscal pressures, parliamentary bodies and education policy advocates have repeatedly called for higher education spending targets aligned with international benchmarks, such as allocating at least 4 % of GDP to education. In mid-2024, the National Assembly Standing Committee on Federal Education reiterated the need for enhanced investment in higher education and recommended that both federal and provincial budgets be strengthened to protect university operations and research activities ("National Assembly calls," 2024; Askari, 2024).

CONCLUSION

The changes brought about by the 7th NFC Award and the 18th Constitutional Amendment have fundamentally transformed the governance of higher education in Pakistan, shifting authority from a centralized federal model to provincial control. While these reforms were intended to enhance provincial autonomy and responsiveness, they also revealed significant institutional, financial, and policy challenges. This study finds that although granting provinces greater control over education could theoretically allow them to better address local needs, the transition was not as smooth as anticipated. Many provincial governments lacked the administrative capacity and technical expertise necessary to manage higher education systems effectively. Furthermore, the absence of a robust federal-provincial coordination framework created gaps in oversight, standardization, and accountability. As a result, the Higher Education Commission (HEC) has faced considerable difficulties in regulating academic standards, facilitating inter-university collaboration, supporting institutional development, and ensuring the equitable distribution of financial and infrastructural resources. The reduction in federal funding, coupled with inconsistent provincial allocations, has exacerbated these challenges. Between 2018-19 and 2023-24, federal allocations for major institutions such as Quaid-e-Azam University, International Islamic University Islamabad, and Federal Urdu University of Science and Technology fell sharply, while per-student financing also declined, creating multi-billion-rupee budget shortfalls. These financial constraints have been compounded by the rapid expansion of universities under the HEC's earlier centralized policies, which, while improving access to higher education, increased operational and staffing costs significantly. Additionally, the varying levels of commitment to higher education across provinces have intensified disparities, with some provinces such as Sindh increasing allocations for universities while others lag behind, creating an uneven educational landscape. Collectively, these factors underscore the complex interplay between decentralization, funding limitations, and institutional capacity, highlighting the need for stronger coordination mechanisms, sustainable financing, and strategic federal oversight to ensure a resilient and equitable higher education system in Pakistan.

Policy Recommendations

Strengthen Federal-Provincial Coordination

To address the gaps exposed by the decentralization of education, a robust coordination framework between the federal government and provincial authorities should be established. This could

include regular intergovernmental meetings, joint committees for policy formulation, and clear guidelines for budget allocation and monitoring to ensure equitable resource distribution.

Enhance Financial Allocation and Sustainability

The federal and provincial governments should prioritize higher education by increasing budget allocations in line with UNESCO recommendations, aiming for at least 4% of GDP. Special attention should be given to underfunded universities to reduce disparities in quality, infrastructure, and research capacity across provinces.

Support Institutional Capacity Building

Provincial governments should invest in building the administrative and managerial capacity of universities. This includes professional training for staff, strengthening planning and monitoring mechanisms, and providing technical assistance to manage newly devolved responsibilities effectively.

Promote University Autonomy and Innovation

The HEC should revise policies that excessively micromanage universities, allowing them greater autonomy in curriculum development, procurement, faculty recruitment, and research agendas. Autonomy will enable universities to respond to local labor market needs, foster innovation, and attract and retain high-quality faculty.

Address Research and Development Gaps

Targeted funding programs for research and development should be established, with clear criteria for grant allocation. Encouraging collaborations with international universities and public-private partnerships can increase research output and support innovation-driven growth in the higher education sector.

Implement Performance-Based Funding Models

The HEC and provincial authorities should consider performance-based funding to incentivize universities to improve teaching quality, research output, and administrative efficiency. Metrics should balance quantity and quality, ensuring that the focus is on meaningful outcomes rather than compliance alone.

Mitigate Uneven Provincial Support

To reduce disparities, a mechanism should be introduced to monitor provincial spending on higher education, ensuring all regions receive adequate funding. Conditional grants or matching funds from the federal government could encourage provinces to increase investment in their universities.

Develop a Long-Term Strategic Plan for Higher Education

A comprehensive national higher education strategy should be formulated, incorporating decentralization realities, demographic trends, and labor market needs. This plan should guide budget allocations, institutional development, research priorities, and quality assurance across all provinces.

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