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Tracking The Impacts Of Neoliberal Reforms On Public Sector Universities In Pakistan: A Mixed-Methods Case Study Of The University Of Karachi (2016–2026)

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ABSTRACT

Public sector higher education in Pakistan has undergone a series of structural shifts since the early 2000s that align with the broader logic of neoliberal reform: shrinking real-terms state subsidies, an expanding share of operating costs recovered from tuition, the contractualisation of academic labour, and a managerial reframing of universities as quasi-commercial entities responsible for their own fiscal sustainability. This paper examines how these shifts have played out at the University of Karachi (UoK), the largest public sector university in Sindh, between 2016 and 2026. The study draws on five semi-structured interviews with faculty and administrative staff conducted in 2024, longitudinal data from UoK admission prospectuses across seven academic years, the State Bank of Pakistan's consumer price index series, and contemporary documentation of the October 2024 student protests on campus.

Four findings emerge. First, real per-semester fees in the Faculty of Arts and Social Sciences nearly doubled in inflation-adjusted terms over the decade, while fees in already-expensive professional programmes grew far more modestly in real terms—a regressive distribution of the cost burden inconsistent with simple cost-recovery accounts. Second, closing percentages for open-merit admission collapsed across nearly every department between 2022 and 2025, with eight programmes falling to or near the 45 per cent eligibility floor. Third, despite Karachi's population having grown from 14.9 million in 2017 to 20.3 million in 2023, two flagship departments admitted fewer than half their allocated seats in both 2025 and 2026. Fourth, faculty appear largely insulated from the financial squeeze through salary increases and union representation, while students bear the cost without comparable channels for collective action—a pattern brought into sharp relief by the seven-day student protest at UoK in October 2024. Read together, these findings indicate that neoliberal reform at UoK has neither delivered the quality improvements promised by its proponents nor preserved the access function of the public university.

Keywords: Neoliberalism, Higher Education, Pakistan, University Of Karachi, Fee Escalation, Marketisation, Student Trust, Institutional Quality, Access To Education

Introduction

Neoliberalism, in its broadest sense, refers to a political-economic project that repositions the market as the primary organising principle of social life, including domains historically organised on different normative principles such as health, welfare and education (Harvey, 2005; Peters, 2021). Its policy form took shape through the Thatcher and Reagan governments, the Washington Consensus, and the gradual integration of post-colonial and post-socialist economies into the global trading system. Higher education was a relatively late but particularly consequential site of these reforms.



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Universities, long understood as public goods funded by the state to produce both skilled labour and informed citizens, were progressively re-imagined as service providers in a knowledge economy, with students re-positioned as customers, degrees as private investments, and academic staff as quasi-corporate employees whose value is tied to measurable outputs (Brown, 2015; Slaughter & Rhoades, 2004; Marginson, 2016).

The diffusion of these ideas to the Global South occurred through donor conditionality, policy emulation and domestic crises. In Pakistan, the privatisation drive of the early 1990s focused initially on industrial assets, but its educational implications became visible quickly (Naqvi & Munir, 2017). A wave of new private universities opened across urban centres through the 1990s and 2000s (HEC, 2024). Within the public sector, neoliberal reform proceeded more gradually, accelerating after the 2007–2008 global financial crisis and again after the 2018 fiscal contraction that froze the Higher Education Commission's recurring grant in nominal terms (Leo, 2020). More recently, scholars examining comparable transitions in Thailand and Sweden have observed that the costs of these reforms fall most heavily on institutions serving socially heterogeneous student bodies—a finding with direct relevance to UoK's position as the primary public university serving Karachi's lower- and middle-income households (Boossabong, 2017; Dahlstedt & Fejes, 2019).

By 2024 the situation had reached an inflection point. In May 2024, the federal government attempted to reduce the Higher Education Commission's recurring budget from approximately Rs 65 billion to Rs 25 billion, restricting it to federal universities and effectively abandoning provincial public universities; intense lobbying by the academic community led to a partial reversal (The News International, 15 May 2024). The reprieve was temporary. For fiscal year 2025–26 the development budget for HEC was cut from Rs 61.11 billion to Rs 39.49 billion—a 35 per cent reduction in nominal terms and far sharper in real terms, given that the recurring grant had remained frozen at roughly Rs 65 billion since 2018 despite cumulative inflation exceeding 130 per cent (Ministry of Finance, 2025). Aggregate education spending in fiscal year 2024–25 fell to 0.8 per cent of GDP, against a national education-policy target of 4 per cent (Ministry of Finance, 2025).

This paper examines how these structural shifts have reshaped the University of Karachi between 2016 and 2026. UoK is an instructive case for several reasons. It is the largest public sector university in Sindh, with roughly 41,000 to 45,000 enrolled students (uniRank, 2025; UoK, 2026). It draws students from a city that has grown rapidly: Karachi's population rose from 14.9 million in 2017 to 20.3 million in 2023, an increase of more than a third in six years (Pakistan Bureau of Statistics, 2024). The eligible applicant pool has therefore expanded substantially during the period under study, even as several UoK programmes have struggled to fill their allocated seats—a contradiction that any account of the institution's trajectory must address.

Four questions guide the study. First, how have the costs of higher education at UoK evolved between 2016 and 2026 in nominal and inflation-adjusted terms, and how is this evolution distributed across faculties? Second, what does longitudinal data on closing merit percentages reveal about student demand? Third, given that Karachi's population and youth bulge have both grown over the same period, how should the under-enrolment of flagship departments be explained? Fourth, how do these findings on cost-shifting, demand contraction and institutional trust map onto the reported experiences of faculty, administrators and students, particularly in light of the October 2024 fee protests?

The argument advanced here is that the four phenomena are linked. Fee escalation has produced not the disciplined, quality-rewarding market that proponents of marketisation



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imagined, but a cost-shifting equilibrium in which students pay more, perceived quality has not risen commensurately, trust has eroded, and demand has contracted even as the population the institution might be expected to serve has grown.

Theoretical Framework

The neoliberal restructuring of higher education has been theorised from multiple angles. Slaughter and Rhoades (2004) describe “academic capitalism” as the process through which universities reorient themselves toward market and quasi-market behaviours: competing for students as revenue, branding programmes, and treating research as commercialisable property. Brown (2015) argues that neoliberalism produces a fundamental shift in the figure of the citizen: the student is no longer being prepared for democratic life but is instead being constituted as human capital, an entrepreneurial self responsible for managing returns on educational investment. Olssen and Peters (2005) trace how this rationality enters policy through the language of efficiency, accountability and choice, embedding market logic in the governance of public institutions even where formal privatisation has not occurred. Giroux (2014) frames the same dynamic as a structural assault on the public-good conception of the university, while Dahlstedt and Fejes (2019) document how these patterns have reshaped academic labour in the Swedish case—findings that travel with some fidelity to other contexts where public universities have been exposed to intensifying financial pressure.

Four threads from this literature are particularly useful for the present case. The first is the concept of cost-shifting. As state subsidies decline, public universities are required to recover an increasing share of operating costs from tuition. The implication, well established in comparative work, is that cost-shifting tends to be regressive: students from lower-income backgrounds either pay a larger fraction of household income, reduce consumption elsewhere, or drop out (Marginson, 2016). The second is the differentiation of disciplines by perceived market value. Slaughter and Rhoades (2004) note that academic capitalism produces a hierarchy of disciplines: programmes with clear labour-market signalling (business, law, engineering, computing, medicine) attract students willing to pay high fees, while programmes whose value cannot easily be priced through expected wages contract.

The third thread is the question of voice. Brown (2015) and Marginson (2016) emphasise that the neoliberal reframing of the student as consumer hollows out the political dimension of education: consumers exercise voice through exit rather than through collective action (Hirschman, 1970). In contexts where exit is constrained—where students cannot afford private alternatives or foreign options—this leaves students who are treated as customers in pricing decisions but as subjects in governance decisions, with predictable consequences for institutional legitimacy. Nicolescu and Neaga (2014), examining Romanian higher education reforms, make a closely parallel observation: when formal channels for student voice are absent, perceived institutional legitimacy becomes the principal variable mediating between fee increases and demand contraction.

The fourth thread concerns the relationship between marketisation and institutional trust. The marketisation case rests on an empirical claim: that introducing market incentives improves quality, and that improvements in quality are recognised by students through satisfaction, loyalty and demand. Empirical research on this relationship paints a more complicated picture. Hill (1995) and Hill et al. (2003) show that perceived quality in higher education is constructed through multidimensional service interactions, not through price or brand alone. More recent work using structural-equation frameworks demonstrates that institutional trust functions as a critical mediator between perceived



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quality, transparency, and student satisfaction (Bwachele et al., 2023; Singh & Jasial, 2021). When transparency declines—when fee determinations are opaque, audits go uncompleted, and infrastructure visibly deteriorates—trust erodes, satisfaction falls, and demand contracts. Rincon et. al (2024) reinforces this point from a West African comparative angle, showing that trust collapse in public universities can precede and accelerate enrolment decline even where price increases are moderate in absolute terms. In the Pakistan-specific literature, Tahir et al. (2019) and (2023) report similar findings: service quality and student satisfaction in Pakistani higher education are constrained more by trust deficits and infrastructure failures than by price alone.

Pakistan-specific scholarship has long warned of these dynamics. Hoodbhoy (2009) argued that post-2002 HEC reforms, while improving research outputs in some narrow metrics, embedded an externally driven model that under-invested in basic sciences and humanities. Rahman (2004) traced the longer history of educational stratification in Pakistan, showing how access to elite-quality education has remained closely tied to class and language. Naqvi and Munir (2017) document how the privatisation wave of the 1990s in Pakistan, far from producing efficient market discipline, often served to redistribute public assets to politically connected actors—complicating any simple efficiency-versus-equity reading of subsequent reforms. Halai (2013) provides a concise overview of the persistent quality-assurance gap in Pakistani higher education, arguing that the regulatory architecture imported under HEC reforms has been better at producing accreditation paperwork than substantive educational improvement.

This paper situates the UoK case within these four threads: cost-shifting and its regressive distribution; the differentiation of disciplines by market value; the constrained voice of students within a political economy that limits both exit and collective action; and the relationship between marketisation, institutional trust and demand. The argument is not that neoliberalism is the sole cause of UoK's difficulties—the participants interviewed for this study were careful not to claim this—but that it constitutes the dominant logic shaping how those difficulties are produced and managed, and that its empirical record at UoK falsifies the quality-and-trust improvements its proponents promised.

Methodology

The study employs a mixed-methods design integrating qualitative interviews conducted in 2024 with longitudinal quantitative data from official institutional documents and government statistical sources.

Qualitative Component

Five semi-structured interviews were conducted between April and June 2024. Three interviewees were full-time UoK faculty drawn from a science department, a social-science department, and a humanities department respectively, with teaching experience ranging from approximately five years to nearly three decades. A fourth interview was conducted with a senior faculty member at a private-sector university in Karachi to provide a comparative reference point on contractualisation, hiring practices and scholarship withdrawal. The fifth was with a long-serving administrative staff member who had worked at UoK for nearly two decades and could speak to the institution's budgetary trajectory from the inside.

Participants were selected through maximum-variation sampling to capture a range of disciplinary affiliations and political-economic perspectives. Interviews lasted between forty-five and ninety minutes; all participants gave informed consent and have been



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anonymised throughout, with disciplinary affiliations referred to in general terms to protect identifiability given the small size of some UoK departments. Field notes were taken during the interviews and thematically coded after the interview round was complete using an inductive framework attentive to themes of cost-shifting, transparency, voice, trust and institutional legitimacy.

Quantitative Component

Quantitative data were extracted from UoK admission prospectuses for the academic years 2016, 2017, 2018 and 2021 (covering the late MA-era and early BS-transition period) and 2024, 2025 and 2026 (covering the consolidated BS regime). Three classes of variables were extracted: per-semester tuition fees by faculty cluster (Appendix M of each prospectus); seat allocations by department and programme; and closing merit percentages for the Karachi open-merit category, reported in Appendices G, H, J, K and L.

Fee data were deflated using the Consumer Price Index series published by the State Bank of Pakistan and the Pakistan Bureau of Statistics. Pakistan's inflation trajectory during the study period included a sharp acceleration from 2022, peaking at approximately 38 per cent year-on-year in May 2023 and 20.7 per cent in March 2024, before decelerating to 0.3 per cent in April 2025 and stabilising at 5–6 per cent through the second half of 2025 and into early 2026 (State Bank of Pakistan, 2025; Ministry of Finance, 2025). Cumulative CPI inflation between 2016 and 2026 was approximately $2.77\times$ the base year, against which nominal fee multiples are compared throughout.

Findings

The findings have been divided into the quantitative and qualitative components that will be later triangulated.

Quantitative Findings

Fee escalation across faculties, 2016–2026

Table 1 presents the per-semester fee for four representative faculty clusters at UoK across seven observation years. All figures are nominal Pakistani rupees as published in the relevant prospectus.

Table 1. Per-semester fees by faculty cluster, University of Karachi, 2016–2026 (nominal PKR)

| Faculty cluster | 2016 | 2017 | 2018 | 2021 | 2024 | 2025 | 2026 |
|----------------------|--------|--------|--------|--------|---------|---------|---------|
| Arts (general) | 7,000 | 8,500 | 10,200 | 20,000 | 31,000 | 34,000 | 37,500 |
| Science (general) | 9,000 | 11,500 | 13,800 | 22,000 | 39,000 | 43,000 | 47,500 |
| Chemical Engineering | 21,000 | 25,500 | 30,600 | 45,000 | 71,000 | 78,000 | 86,000 |
| KUBS (BBA) | 35,000 | 36,500 | 43,800 | 65,000 | 102,000 | 112,000 | 123,000 |

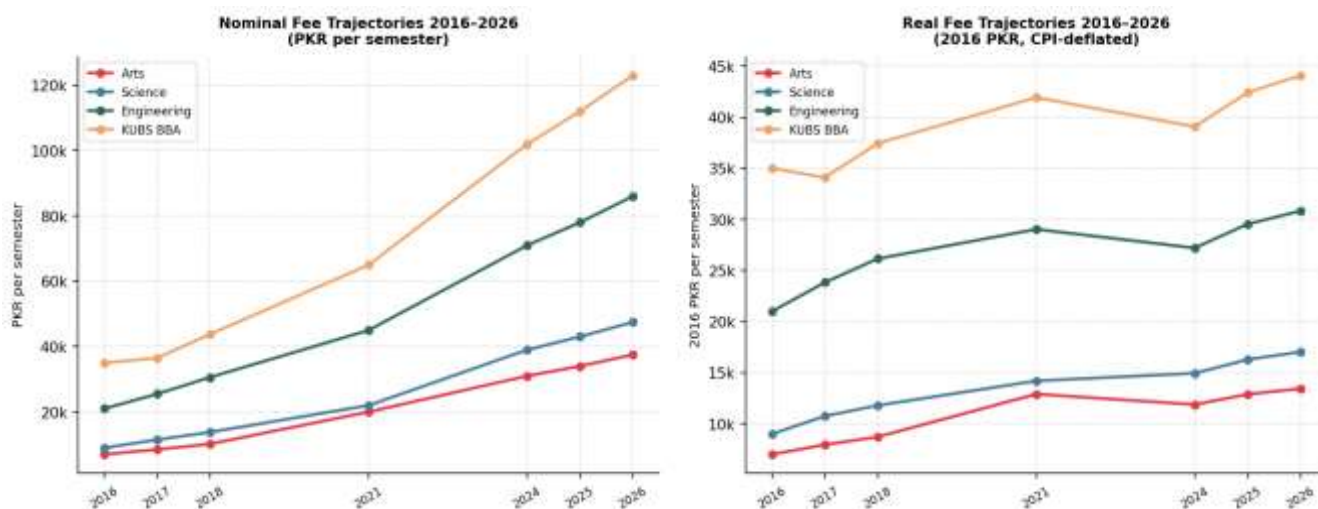
Sources: UoK Prospectus 2024, 2025, 2026, Appendix M; UoK fee notifications 2016–2021.



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Figure 1 below plots both the nominal and real (CPI-deflated, 2016 PKR) trajectories, making the distributional pattern immediately visible. In nominal terms, the fee for the Arts cluster rose by a factor of 5.36 over the decade, the Science cluster by 5.28, Chemical Engineering by 4.10, and KUBS BBA by 3.51. Cumulative inflation over the same period was approximately 2.77 \times , implying a real doubling of Arts fees, near-doubling of Science fees, a 48 per cent real increase in Chemical Engineering, and a 27 per cent real increase at KUBS.

Figure 1. Nominal (left) and real CPI-deflated (right) per-semester fee trajectories by faculty cluster, UoK 2016–2026. Real figures in 2016 PKR. Sources: UoK Prospectus 2016–2026; State Bank of Pakistan CPI series 2025.



This pattern—smaller real-terms growth at the upper end of the fee distribution and larger real-terms growth at the lower end—is the inverse of what a strict cost-recovery logic would predict. The observed inverse relationship is more consistent with a political-economy explanation: high-fee programmes are constrained by the willingness-to-pay of price-sensitive prospective students who can substitute towards private universities, while low-fee programmes face less resistance because their student body has fewer alternatives. The cost-shifting documented here is therefore not only large in absolute terms but regressive in its distribution. Students least able to pay—those in Arts and Social Sciences, who tend to come from lower-income households (Rahman, 2004)—have absorbed the largest real-terms increase. This regressive pattern is a familiar diagnostic of marketisation in low-trust public institutions (Marginson, 2016).

Two additional features of the fee data deserve note. First, the 2026 prospectus formalises an automatic 10 per cent annual escalator for the cohort across all programmes (UoK, 2026, Appendix M). This embeds an inflation-indexing mechanism into the fee structure for the first time, removing the small remaining discretion that had allowed some humanities programmes to occasionally lag. Second, the 2018–2021 jump in the Arts cluster—from Rs 10,200 to Rs 20,000—overlaps with the structural transition from the two-year MA to the four-year BS programme, so some portion of that nominal rise reflects programme restructuring rather than pure fee escalation. The post-2021 trajectory is unambiguous, however, and continues at a rate that exceeds the 2024–2025 headline inflation rate.



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Inflation, public funding, and the affordability squeeze

Pakistan experienced an unusually severe inflationary episode during the latter half of the study period. Annual CPI inflation, which had averaged 4 to 9 per cent through 2016–2021, accelerated through 2022, peaked at approximately 38 per cent in May 2023, and then decelerated sharply, reaching 0.3 per cent in April 2025 (State Bank of Pakistan, 2025). This sequence has two implications. Students who entered UoK in 2022 or 2023 faced not only nominal fee increases but a parallel collapse of household purchasing power. The post-2024 disinflation has not been accompanied by fee reductions; fees have continued to rise while the inflation justification for further hikes has weakened materially.

On the supply side, public funding has moved in the opposite direction. The HEC’s recurring grant has remained nominally fixed at roughly Rs 65 billion since 2018; in real terms, this represents a decline of approximately 40–45 per cent over seven years (. The development budget was reduced from Rs 61.11 billion to Rs 39.49 billion in fiscal year 2025–26, a nominal cut of 35 per cent (Ministry of Finance, 2025). Aggregate public spending on education fell to 0.8 per cent of GDP in fiscal year 2024–25, well below the four per cent target articulated in successive national education policies (Ministry of Finance, 2025).

A senior science faculty member interviewed for this study placed the shift in concrete terms: when he joined the university in 1995, students contributed approximately 11 per cent of UoK’s expenditures, while by 2023–2024 students contributed close to 50 per cent, with a residual deficit of around Rs 2 billion absorbed by accumulated borrowing and delayed payments. These figures should be treated as participant-reported estimates, but their orders of magnitude are consistent with the publicly available aggregate data.

Closing percentages and the contraction of demand

The most striking quantitative finding of the study is the systematic decline in closing merit percentages across UoK departments during the period for which comparable prospectus data exist. Closing percentages report the lowest aggregate marks at which a candidate was admitted in each cycle; UoK’s open-merit eligibility floor is 45 per cent. Table 2 reports the closing percentage for the Karachi merit category for twenty-two departments across four admission cycles, grouped by disciplinary cluster.

Table 2. Closing merit percentages, Karachi merit category, by department and admission cycle

| Department Group / | 2022 | 2023 | 2024 | 2025 | 2022–2025 |
|--------------------|------|------|------|------|-----------|
| Humanities (mean) | 53.4 | 50.2 | 46.7 | 46.6 | –6.8 |
| Philosophy | 58.0 | 52.0 | 45.0 | 45.4 | –12.6 |
| Library Science | 61.3 | 56.2 | 45.2 | 45.0 | –16.3 |
| Pakistan Studies | 66.3 | 63.3 | 46.0 | 46.3 | –20.0 |
| Sindhi | 67.5 | 50.6 | 60.5 | 45.6 | –21.8 |
| Sciences (mean) | 74.5 | 68.8 | 61.1 | 60.1 | –14.4 |
| Botany | 67.1 | 58.8 | 46.1 | 45.0 | –22.1 |
| Chemistry | 76.4 | 72.8 | 60.0 | 61.0 | –15.4 |



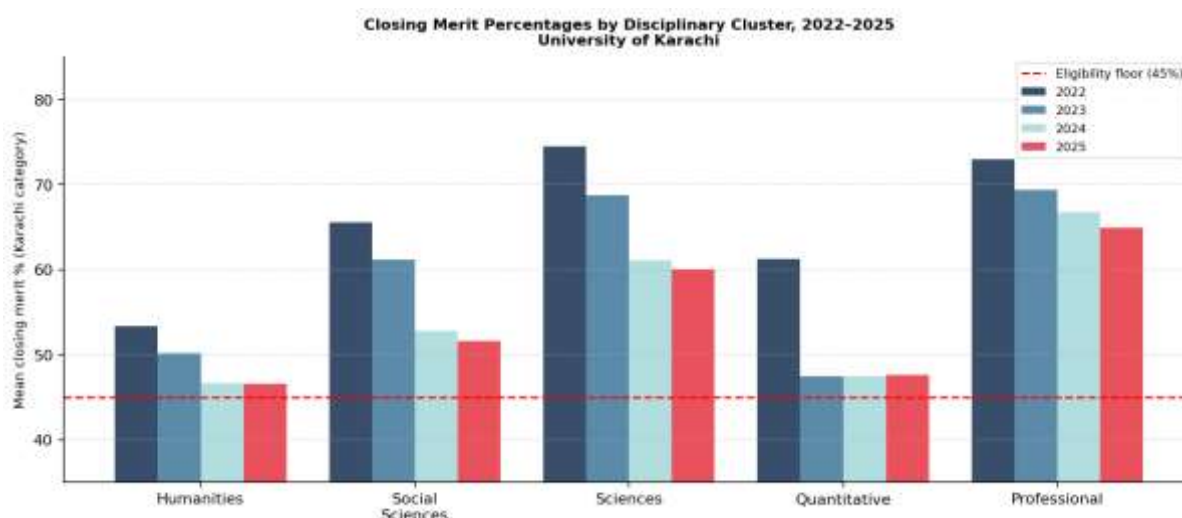
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|------------------------|------|------|------|------|-------|
| Microbiology | 83.2 | 79.3 | 73.2 | 70.1 | -13.1 |
| Genetics | 81.0 | 75.6 | 67.8 | 67.2 | -13.8 |
| Quantitative (mean) | 61.3 | 47.5 | 47.5 | 47.6 | -13.7 |
| Mathematics | 66.2 | 50.1 | 50.1 | 50.2 | -16.0 |
| Statistics | 56.5 | 45.0 | 45.0 | 45.1 | -11.4 |
| Social Sciences (mean) | 65.6 | 61.2 | 52.8 | 51.6 | -13.9 |
| Sociology (Sci/Com) | 78.6 | 70.2 | 55.0 | 55.4 | -23.3 |
| Economics (A/C) | 71.1 | 66.5 | 58.4 | 53.9 | -17.2 |
| Professional (mean) | 73.0 | 69.4 | 66.8 | 64.9 | -8.1 |
| Law (LAT) | 65.6 | 65.6 | 65.6 | 62.3 | -3.3 |
| Eco. & Finance | 80.5 | 73.2 | 68.1 | 67.6 | -12.9 |

Sources: *UoK Prospectus 2024, 2025, 2026 (Appendices G and J)*. Group means computed by the author.

Figure 2 visualises these trajectories by cluster. Three patterns emerge. First, the decline is universal: nineteen of the twenty-two departments tracked saw closing percentages fall between 2022 and 2025. Second, the magnitudes are large—Sociology fell by 23 percentage points, Sindhi by 22, Pakistan Studies by 20, Mathematics by 16, and Botany by 22 to the floor. Third, the decline is not concentrated in the humanities alone. The most dramatic recent falls have occurred in the sciences and quantitative fields, with the sciences mean dropping from 74.5 to 60.1 and the quantitative mean from 61.3 to 47.6.

Figure 2. Mean closing merit percentages by disciplinary cluster, UoK 2022–2025. The red dashed line marks the 45 per cent eligibility floor below which admission is



prohibited. Sources: *UoK Prospectus 2024–2026, Appendices G and J*.

By the 2025 admission cycle, eight departments were sitting on or within a fraction of the eligibility minimum: Philosophy, Library Science, Botany, Statistics, Pakistan Studies, History, Islamic History and Islamic Learning. When a department's closing



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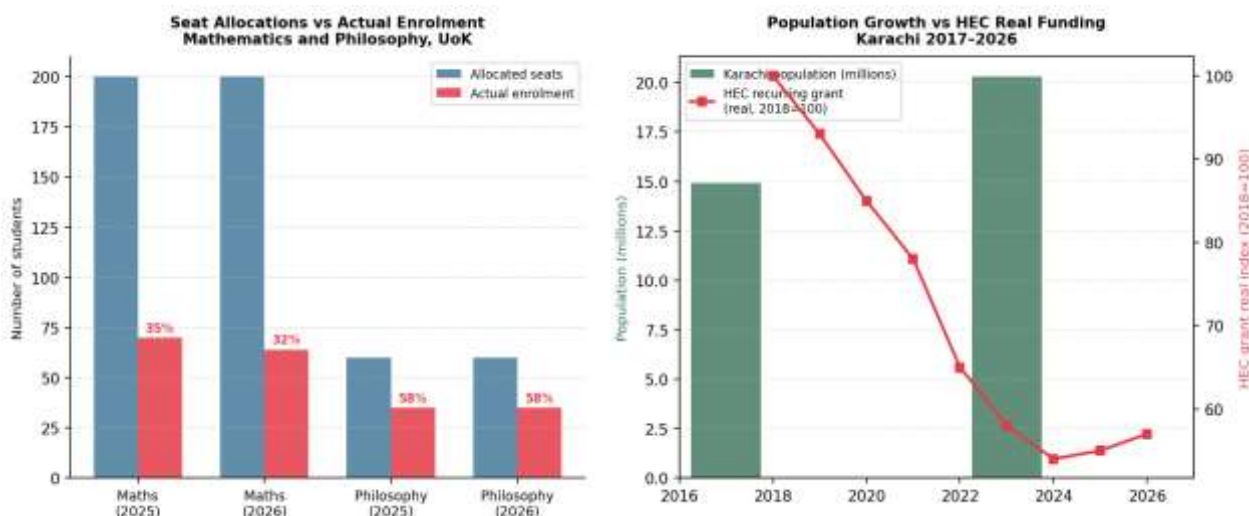
percentage equals its eligibility floor, the merit number stops carrying information: it no longer signals selectivity, only that the programme accepted everyone who applied and qualified. This is the empirical signature of supply–demand inversion, and it is not normally observed in flagship public universities until significant displacement of demand has occurred to alternative providers or pathways.

The seat–enrolment gap and the demographic puzzle

Despite contracting demand, seat allocations have generally been retained or expanded. Two cases illustrate the resulting under-enrolment. The Department of Mathematics advertised 200 seats in 2026 but enrolled approximately 64 students. The Department of Philosophy advertised 60 seats in both 2025 and 2026 and received only 35 applications in each cycle. Figure 3 places these numbers alongside the demographic context.

Figure 3. Left: Seat allocations versus actual enrolment in Mathematics and Philosophy, UoK 2025–2026; percentages above bars show the fill rate. Right: Karachi population growth (left axis) against the HEC recurring grant in real terms indexed to 2018 = 100 (right axis). Sources: UoK Prospectus 2025, 2026; Pakistan Bureau of Statistics 2024; Ministry of Finance 2025.

These figures must be read against the demographic backdrop. Karachi’s population



grew from 14.91 million in the 2017 census to 20.30 million in the 2023 census, an increase of 36 per cent in six years (Pakistan Bureau of Statistics, 2024). The youth share of Pakistan’s population (ages 15 to 24) remained above 18 per cent in 2023, representing a large pool of higher-education-eligible candidates in Karachi specifically. The pool of students who could in principle apply to UoK has therefore grown substantially during precisely the period when several UoK programmes have been unable to fill their seats.

This contradiction—between a growing eligible-applicant pool and contracting actual enrolment—is the analytical hinge of the paper. It rules out two simple explanations for the closing-percentage decline. It is not that there are fewer young people in Karachi. Nor is it, in any straightforward sense, that absolute affordability constraints have simply made attendance impossible for a large fraction of the eligible pool. What has happened, instead, is that the perceived value of a UoK Mathematics or Philosophy degree, relative to the alternatives now available, has fallen sufficiently that students with the marks to enter these programmes are choosing other things: professional programmes elsewhere, private universities, vocational credentials, freelance IT careers, or migration. The under-



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enrolment gap is therefore evidence of a trust deficit rather than merely an affordability constraint. Comparable dynamics have been observed at the University of Peshawar, where postgraduate enrolment reportedly fell from 178 doctoral students in 2020 to 66 in 2024–2025, with several social-science departments admitting no new students in recent cycles (Dawn, 18 February 2025).

Qualitative Findings

The interviews conducted for this study revealed several interlocking themes that complement and deepen the quantitative picture: a deliberate but uneven redistribution of institutional risk across faculty, staff and students; a managerial framing of the university's financial difficulties that displaces alternative diagnoses; a striking gap in the channels available to students to register dissent; and a more diffuse but pervasive concern about the slow erosion of institutional credibility.

Faculty: insulated but anxious

All three UoK faculty interviewees reported that their salary packages had improved over the past two decades and that they did not personally feel financially squeezed. Their concerns lay elsewhere. The senior science faculty member reported that several non-salary entitlements had been quietly withdrawn: leave encashment had been permanently stopped, the house ceiling allowance replaced with a much lower house rent allowance, and the PhD allowance for retired professors discontinued. Medical bills were no longer being processed in a timely manner. The other two faculty members corroborated these reductions, framing them as incremental erosions rather than dramatic cuts. The pattern is consistent with what the comparative literature identifies as the contractualisation of academic labour—a gradual hollowing of the security and benefits historically attached to public-sector tenure (Slaughter & Rhoades, 2004; Marginson, 2016).

The same senior science faculty member placed these changes in a longer historical frame. He recalled that when he joined UoK in 1995, approximately 11 per cent of the university's annual expenditure was recovered from student fees, with the remainder covered by federal and provincial grants. By 2023–2024, his estimate was that this proportion had risen to roughly 50 per cent. He attributed the deficit's effects to deferred maintenance and rationed services: libraries not purchasing new books, building maintenance postponed, payments to evening-programme teachers running as much as two years late, and infrastructure visibly deteriorating. This account aligns closely with the structural picture in Section 4.2: the institution's funding base has shifted decisively from public grants to student fees, and the remaining deficit has been managed through a slow withdrawal from quality maintenance.

The faculty interviewed were careful not to attribute everything to neoliberal reform alone. Mismanagement, intra-institutional politics, and the broader fiscal weakness of the Pakistani state were all named as contributing factors. The senior science faculty member was particularly emphatic that the absence of recent audited accounts at UoK was not random administrative neglect but a systemic feature that allowed managerial reforms to proceed in the language of “transparency, governance and efficiency” while obscuring where money actually moved. He had repeatedly raised the audit question in KUTS forums and in formal university channels without resolution. This observation connects directly to the trust-mediation finding in the higher-education service-quality literature (Bwachele et al., 2023; Rincon, 2024): when transparency declines, perceived quality declines with it, regardless of whether actual service quality has changed.

The humanities faculty member offered a complementary observation that connects the



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financial squeeze to the demand-side findings of Section 4. Students entering humanities programmes increasingly arrived without confidence in what their degree would lead to, and this lack of confidence shaped engagement, attendance and willingness to invest effort in coursework. Programmes that had once attracted students with genuine intellectual commitment to the discipline were now sometimes chosen as last-resort options after professional programmes had been ruled out. The picture she described is, in effect, an institutional manifestation of what Brown (2015) describes as the entrepreneurial reframing of the student: when students cannot identify the labour-market signal a programme is supposed to produce, the programme becomes difficult to inhabit even for those who chose it. The qualitative material here supplements the quantitative trust-deficit finding rather than merely echoing it—declining closing percentages are visible from the admissions data, but declining intellectual investment within enrolled students is visible only from inside the classroom.

The social-science faculty member raised a further dimension that bears on the marketisation argument. In her account, the demand for relevance and employability that students now bring with them has reshaped what faculty can teach and how they teach it. Curricular elements that take time to mature—theory, foundational reading, the slow apprenticeship of disciplinary thought—are progressively crowded out by short, employability-coded modules and skills-oriented exercises. This observation aligns with the broader literature on the displacement of substantive knowledge by accreditable competencies in marketised higher education (Olssen & Peters, 2005; Halai, 2013). It points to a quality-erosion mechanism that operates regardless of whether instructors are themselves well-qualified or well-intentioned: the market demand for instrumental utility reshapes curriculum from within, prior to any formal policy mandate.

There is also a generational dimension worth noting. Two of the three faculty interviewees observed that junior colleagues hired on short-term contracts over the past five to seven years had a qualitatively different relationship with the institution than those who had joined on permanent terms in the 1990s and early 2000s. Contractual staff, in their accounts, were less likely to serve on committees, less willing to raise governance concerns, and more focused on personal output metrics (publications, teaching load fulfilment) that could be carried elsewhere if the contract was not renewed. Whether this represents rational adaptation or institutional alienation is a question the data cannot resolve, but the pattern it describes is precisely the bifurcated academic labour force that Slaughter and Rhoades (2004) identify as a structural feature of mature academic capitalism: a tenured or senior core insulated from market pressures, and a growing contractual periphery directly exposed to them.

Administration: The Deficit Framing And Asset Commercialisation

The long-serving administrative staff member offered a managerial perspective on the same financial picture. The framing was structural rather than confrontational: the university faced a roughly Rs 2 billion annual structural deficit against an operational budget of Rs 10 billion; students contributed Rs 5 billion; federal and Sindh grants had reportedly totalled Rs 3.4 billion in fiscal year 2023. From this perspective, the only available levers were further fee increases, commercialisation of university assets, or operational compression. Each had been attempted at the margins.

The administrative interview also referenced a proposal—discussed but not formally implemented at the time of fieldwork—to commercialise portions of UoK's 1,200-acre campus. UoK occupies an unusually large landholding by the standards of South Asian urban universities, and the proposal was to lease or develop unused parcels for



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commercial purposes, with resulting income directed towards recurring expenditures. The proposal faced significant resistance from faculty bodies, but its existence as a serious managerial option illustrates the extent to which the deficit framing had displaced earlier conceptions of what a public university's assets are for. A campus historically described in pedagogical and civic terms is increasingly characterised as an underutilised asset whose efficient deployment will determine whether the institution can balance its books. The discursive shift is itself analytically important: it marks the internalisation of market logic not just in pricing decisions but in the institution's self-understanding.

The faculty member at the private-sector university interviewed for comparative perspective added that hiring at major Karachi institutions was now being conducted predominantly on contract rather than tenure-track terms, and that HEC-funded foreign scholarships had effectively halted. Both observations are consistent with the broader pattern of risk being shifted from institutions to individuals—from the stable employment relationships of the post-independence public university era towards the individualised risk-bearing arrangements of marketised higher education. The significance of this shift, as Dahlstedt and Fejes (2019) note in the Swedish context, is that it does not merely change employment conditions but reshapes the academic subject: the scholar who must continuously make herself employable is not the same subject as the scholar whose career was secured by the institution.

Students: the silent constituency and the October 2024 protest

The interview data converge on a pattern that earlier drafts of this paper noted but did not develop in detail: the burden of cost adjustment falls most heavily on students, while the channels available to them to register dissent are systematically constrained. All five participants made some version of this point. The faculty interviewees noted that, despite their own retained advocacy capacity through KUTS, students at UoK have no equivalent body. Student unions remain effectively banned across Pakistan under provisions traceable to the 1984 prohibition, repeatedly extended (Hoodbhoy, 2009). There is no formal student representation in the academic council, and students are not consulted on fee determinations. The humanities faculty member framed this with particular force, observing that the structural absence of voice was not an accident but the necessary condition under which fees could continue to rise without political consequence.

The empirical hinge connecting this concern to the broader argument is the seven-day student protest at UoK in October 2024, several months after the interviews for this study were completed. The protest erupted after a 30 per cent semester fee increase, the imposition of a late fee equivalent to 50 per cent of the semester fee, and the introduction of a Rs 5,000 re-admission fee for students who had broken study temporarily. Students entered the administrative block, blocked bus services, and demonstrated outside the Vice-Chancellor's office; the university responded by stationing paramilitary forces on campus. The demands—cancellation of the fee hike, abolition of the re-admission fee, repair of buses (with only twenty-seven functional buses for over forty-five thousand students), classroom improvements, and removal of examination fees—map directly onto the cost-shifting and infrastructure-neglect themes documented in the quantitative section above (The News International, 22 October 2024).

The October 2024 protest is significant for the argument here in several ways. First, it demonstrates that students do organise when conditions become acute enough, even in the absence of formal unions. The organisation was largely informal—arranged through WhatsApp groups and student social media—but sustained over seven days, which is considerably longer than the typical brief campus demonstration. Second, the



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institutional response—paramilitary presence, partial shutdown, eventual partial concessions on specific items but not on the underlying fee regime—illustrates how the asymmetry between faculty voice and student voice operates in practice. Third, the substance of the demands maps onto the trust-quality argument with unusual clarity: students protested not only the level of fees but the simultaneous deterioration of services those fees were ostensibly funding. The grievance was not affordability in isolation; it was the perceived disconnection between rising prices and the value being delivered. This is the empirical signature of trust collapse that the service-quality literature predicts in marketised public services where accountability mechanisms have weakened (Bwachele et al., 2023; Singh & Jasial, 2021).

One further observation from the qualitative data bears on the post-protest period. The senior science faculty member noted, in a follow-up communication after the interviews, that the pattern of partial concessions—small rollbacks on specific fees while the underlying escalator remained intact—was a recognisable administrative strategy, not a structural response to the protest's grievances. The late fee and re-admission fee were reduced or waived; the 30 per cent base-fee increase was maintained. The pattern recalls what Hirschman (1970) describes as the management of voice in organisations with weak accountability: partial responsiveness that reduces immediate pressure without altering the underlying terms of the relationship. Students learned that protest could produce marginal relief but not structural change; whether this learning increases or decreases the probability of future organised action is an open empirical question that this paper cannot settle.

Discussion

Higher education in Pakistan is increasingly being reorganised around the logic of cost recovery, market signalling, and institutional competition. Yet the evidence emerging from the University of Karachi suggests a central paradox: fees have risen substantially, but student demand has weakened rather than strengthened, indicating that price alone cannot explain institutional decline; trust, perceived quality, and governance have become equally decisive variables.

Fees, Trust, Quality and the Demographic Paradox

Read together, the quantitative and qualitative findings produce a picture of a public university in slow institutional decompression. Real fees nearly doubled in the cheapest faculty over the decade, and the burden fell most heavily on students least able to bear it. Closing percentages collapsed across nearly every department by 2025, with eight programmes at or close to the eligibility floor. Flagship departments such as Mathematics and Philosophy admitted fewer than half their allocated seats across two consecutive admission cycles. Faculty appear largely insulated through salary growth and KUTS pressure; administrators frame the situation as a deficit-management problem; students experience the costs without comparable channels for organised response. Five interconnected observations follow.

First, the regressive distribution of cost-shifting deserves emphasis. The conventional defence of fee increases—that they merely track inflation—does not hold when examined against the full data. Cumulative inflation from 2016 to 2026 was approximately 2.77×. The Arts cluster fee rose by 5.36×, KUBS fees by 3.51×. The differential between these two figures is not a story of inflation; it is a story about which students could be charged more without losing them entirely. The differential implicitly priced students at lower-fee programmes as having less elastic demand, that is, fewer



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alternatives. This is the logic of monopoly-pricing rather than cost-recovery, and it is regressive by construction.

Second, the closing-percentage data document a demand contraction that both confirms and extends the marketisation argument. Programmes with strong labour-market signalling—Law, KUBS, the Doctor of Pharmacy programme, Computer Science—held relatively firm in their closing percentages, as the academic-capitalism literature would predict (Slaughter & Rhoades, 2004). Programmes whose value cannot easily be priced through expected wages collapsed first. But the recent acceleration in the sciences suggests the marketisation logic is now extending beyond the humanities into traditionally selective fields. Students with the marks for Botany or Mathematics are increasingly choosing other things, either because they doubt the institution's ability to deliver employable graduates or because the alternatives now available offer better expected returns. Boossabong (2017), examining Thai higher education through a similar lens, found that once a public university's employability signal weakens below a threshold, demand decline can become self-reinforcing: programme quality falls as cohort size falls, which further weakens the employability signal. The UoK data are consistent with the early stages of this dynamic.

Third, the demographic paradox—that UoK programmes are under-enrolled while Karachi's population has grown by 36 per cent in six years—foregrounds the trust dimension of the analysis. If the constraint were simple affordability or simple eligibility, growing absolute numbers would tend to produce growing applications even at higher prices. They have not. The relevant elasticity is therefore not price-elasticity in isolation but a more complex elasticity with respect to perceived institutional quality and credibility. The marketisation case for higher-education reform was always that introducing market discipline would raise quality, and that students—as discriminating consumers—would reward institutions that delivered (Hill, 1995). The UoK record falsifies this expectation in its own terms. Fees have risen sharply; the institution's perceived quality has not risen with them, by the only test that the marketisation framework actually permits, which is whether students continue to choose it.

Fourth, this trust dimension can be read through the empirical literature on student satisfaction in Pakistani higher education. Tahir et al. (2019) and Ikram & Kenayathulla (2023) show that perceived service quality and student satisfaction in Pakistani universities are mediated more strongly by institutional trust, transparency and visible infrastructure than by price alone. Bwachele et al. (2023) demonstrate, in a structural-equation framework applied to a comparable South-Asian context, that perceived transparency operates on satisfaction primarily through trust as a mediating variable. The senior science faculty member's observation about the absence of recent audits at UoK becomes analytically central in this light. An institution that does not transparently audit its accounts cannot signal quality even where quality is being delivered, because the trust mechanism through which students recognise and reward quality has been disabled. Once institutional transparency falls below a threshold, students cannot distinguish between genuine service improvement and the management of appearances, and their rational response is to discount all institutional claims. The demand contraction documented in this paper is therefore not a failure of students to appreciate the institution but a rational response to a signalling environment that has been degraded.

Fifth, the question of student voice can now be framed more sharply. In the UoK case, both exit and voice are constrained. Exit is constrained because most students cannot afford the private alternatives or foreign options that are technically available; the steep depreciation of the rupee through 2022–2023 made foreign study prohibitive for



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households that might earlier have considered it. Voice is constrained because student unions are banned, formal representation in academic decision-making is absent, and protest is treated as a security event. What remains is constituted human capital without effective consumer sovereignty: students treated as customers in pricing decisions but as subjects in governance decisions. The October 2024 protest was a brief eruption of voice in a system that does not normally permit it; its durable institutional consequences appear, so far, to have been modest. The connection between the absence of voice and the rise of fees is causal, not coincidental: fees can rise as they have because there is no organised channel through which students can register sustained, low-intensity dissent.

There are also wider social consequences that bear mention. Pakistan's youth unemployment rate stood above 11 per cent in 2024 (Ministry of Finance, 2025), and the country has experienced a substantial wave of skilled and semi-skilled emigration through 2024 and 2025 (Dawn, 18 February 2025). When the implicit contract between higher education and labour-market access weakens—when students pay much more for a degree that yields uncertain employment—disillusionment, outmigration and a turn towards short-cycle credential programmes follow. These are not separate phenomena; they are downstream effects of the same structural shift that has reshaped UoK over the decade examined here.

Limitations

Several limitations qualify the findings reported here. The qualitative sample of five interviews is small and exploratory; saturation was not formally tested, and the views of students themselves are not directly represented in the interview data, although the October 2024 protest provides a partial corrective. The quantitative data have temporal gaps (2019, 2020, and 2022–2023 partially), meaning the trajectory through the most inflationary years is reconstructed from end-points rather than continuous observation. Closing-percentage figures for some departments and years were extracted from prospectus tables and may contain transcription errors of one or two percentage points; sensitivity to such errors is low given the large magnitude of the patterns, but spot-checks against UoK's admission notices remain advisable. The MA-to-BS structural transition between 2018 and 2020 complicates direct comparison of fee trajectories across the full decade. The seat-versus-admitted figures for Mathematics and Philosophy in 2025 and 2026 were obtained through fieldwork rather than from the prospectus alone and would benefit from independent confirmation. Finally, the case is single-institutional: while comparative data on the University of Peshawar suggests the UoK pattern is not idiosyncratic, generalisation to other Pakistani public universities should remain provisional pending parallel studies.

Conclusion and Policy Implications

The University of Karachi is one of the largest and most visible public sector universities in Pakistan. Its prospectuses—ten years of them, read longitudinally—offer an unusually clear documentary record of how a major public institution has been reshaped by the cumulative pressure of declining real-terms state funding, accelerating fees, and an increasingly market-rational hierarchy of disciplines. This paper has argued that the resulting picture is not consistent with a story of efficient cost-recovery or improved quality. Real fees rose fastest where students had the least capacity to pay; closing percentages collapsed across nearly all disciplines, with the eligibility floor reached in eight programmes; flagship departments admitted fewer than half their allocated seats across two consecutive cycles against the backdrop of a city whose population grew by



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more than a third in six years; faculty retained organised voice while students did not, until the system tipped sufficiently in October 2024 to produce a week-long protest. The dominant managerial vocabulary throughout has been recognisably neoliberal, but the substantive promises associated with that vocabulary—that marketisation would deliver better-quality, better-trusted institutions—have not been kept.

Three policy implications follow, offered with the understanding that each is contested and partial.

First, the HEC recurring grant should be inflation-indexed and restored in real terms to its 2018 baseline at minimum. Freezing the grant in nominal terms while inflation cumulated above 130 per cent has been the principal upstream driver of the cost-shifting documented in this paper. Re-anchoring the grant to inflation, with a transparent multi-year escalator, would remove the structural pressure that has translated into double-digit annual fee increases.

Second, fee determinations and core financial decisions at public universities should be subject to mandatory disclosure and consultation requirements, and audited annually by an independent body. At present, fee notifications are issued by university administrations with limited published justification and no formal student input, and audited accounts have lapsed at multiple institutions. A modest reform would require any fee increase exceeding the previous year's CPI to be accompanied by a published cost analysis, a public consultation period of not less than thirty days, an independent audit of the prior year's accounts, and a formal response to substantive submissions received. This would not reverse cost-shifting, but it would slow its most arbitrary forms and create a procedural channel for the trust-rebuilding that the empirical literature identifies as central to demand recovery (Bwachele et al., 2023; Tahir et al., 2019).

Third, the regulatory ban on student unions should be reconsidered. The October 2024 protest at UoK suggests that the absence of unions does not prevent collective action; it merely ensures that, when such action occurs, it does so outside any institutionalised channel and is met as a security event. Re-establishing student unions, with clear electoral procedures and transparent funding rules, would create a recognisable interlocutor for university administrations and would partly close the asymmetry between faculty voice and student voice documented in this paper.

The broader question is what kind of social contract Pakistan wishes to maintain around its public universities. The decade examined here suggests a contract in slow erosion. Whether that erosion continues, accelerates or is arrested depends on choices made in the next several budget cycles, in legislative committees, in vice-chancellors' offices, and—increasingly—in the streets outside administrative blocks. The University of Karachi will not be the last site at which these choices are visible. It may, however, be among the most informative.

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