

# High Cost Private Higher Education in Bangladesh: Who Can Afford?

Md. Abdullah Al Helal<sup>1</sup>

## Abstract

*The adventure of Private universities in Bangladesh started by passing Private University Act-1992 (amended 1998) in the National Parliament. It was indispensable to meet up the rising demand for higher education. To protect brain drain and to create session jam free, results from politics, also worked as key factors behind the establishment of private universities in our country. Nowadays, far from the poor family even the students from middle class family can not afford due to sky-scraping expense. Private higher education is beyond their means. Only the students of rich family can meet up the soaring cost of these institutions. This paper highlights the costs of higher education in the private universities of Bangladesh and tries to investigate the category of family who are capable to afford these expenses for their children. Besides, it suggests some measures to make private higher education reachable for all classes of family. The study was conducted on five top ranking universities using survey method and a semi structured questionnaire was designed to collect data.*

**Key Words:** Higher education, private university, expensive

## Introduction

Higher education is seen across the globe as a powerhouse that brings about societal changes and puts together critical intellectual and creative resources to help the society resolve urgent challenges ranging from efficient and ethical leadership in all sectors to economic revitalization and development (Islam, S.M.:2010) Particularly higher education is important for sustainable endogenous development, for democracy and peace, for strengthening defense of peace as one of the human values, and for the respectand protection of human rights and fundamental freedom. A renewal of higher education is essential for the whole society to be able to face up to the challenges of the twenty-first century and to ensure its intellectual independence. Quality higher education needs to be restored to create and advance knowledge, educate and train responsible, enlightened citizens and qualified specialists, without whom no nation can progress economically, socially, culturally or politically. (UNESCO: 1998) On the basis of these realities like other countries Bangladesh also emphasize on higher education and there are 33 (Wikipedia: 2010) public universities to ensure higher education. But compared to the number of students passed in higher secondary level, seats in the public universities arelim of higher education which leads the emergence of private universities due to inadequate ited. The number of public universities is not sufficient to meet the increasing demand infrastructure and number of public universities,

---

1 Helal is a senior Lecturer in General Education at Northern University Bangladesh.  
Email: helalabdullah@gmail.com

Besides, public universities now there are 62 (Daily Star, 2012) private universities have been established in Bangladesh by passing Private University Act-1992 where approximately 2, 20,752 (UGC: 2010) students pursue their studies in subjects ranging from business to fashion design and media studies. But the access of students hailed from poor and middle class family is still restricted due to high expensive private higher education whereas half of the people of Bangladesh are poor. Yet about 49.64 percent of the population is living below \$1.25 PPP a day (UNDP: 2010) and poverty has remained the most significant economic factor behind the low literacy rate in Bangladesh (Tisdeell, C. A. et al: 2005). However, parents of those families in many cases failed to afford the cost. Many students hope of achieving higher education nip in the bud. So the question has arisen about the private higher education, is this only framed for the children of high income family? In order to pursue this answer a complete picture about the expenditure in the purpose of private higher education is required. This paper wants to be pioneer in this area.

### Literature Review

Salam (2011) noticed that with the passage of time students multiplied in our country. So, only a few students could have the opportunity of receiving higher education in the state-run universities. A lot of students were deprived of higher education So, during the close of the 20th century a lot of private universities grew up in the country. They offered higher education to a great number of students. These universities made a good profit in the education process. This tempted many others to set up private university. Now private universities are mushrooming in the country. The sophisticated areas of Dhaka city are now full of private universities. So, the students who fail to get themselves admitted in the state-run universities can have the opportunity of high education in private universities. But education in the private universities is very expensive where most of the people of Bangladesh are still living under poverty line and they are not able to send their children to private universities (Uddin, et al, 2011). Nevertheless, many also believe that private university education is still beyond the reach of the students coming from middle-class families. Thus it is still limited to a particular stratum of the people of this country (Salahuddin, et al, 2008). Only rich parents can consider paying the high fees and other costs of studies for their children. In exchange for high tuition fees and other costs, the students that come from affluent families expect to receive high quality education from these private universities (Ashraf, et al, 2009).

Monem, et al (2010) observed that the private universities are a huge profit over costs in running the private universities through charging exorbitant tuition fees and other charges which are often comparable to those in the universities of affluent countries. Naturally only handful fortune students from high income families can afford to avail the facilities of higher education in these institutions.

Ahmed (2012) viewed that there seems to be a profit making attitude going on all around the corner with these private universities. Many public university teachers try to get into renowned private universities merely for the desire of making more money. First of all these private universities sell them through these renowned public university teachers and in other way public university students also are deprived of getting knowledge from these teachers. It looks like we are playing game with the education of our country and no one is there to tackle it. Comprehensive rules and regulations are indispensable for these private universities to stop this cruel business that would destroy nation. Haque (2009) recognized that per capita expenditure in private universities for students is somewhat higher including the high renting

costs for space as most private universities are still housed on hired premises in posh areas of the city. The average cost per student was estimated at Tk.78, 000 per year in 2008, the range may vary between Tk.50, 000 and Tk.165, 000 depending on the programs and the status of a university. Revenue expenditure in DU per student was Tk.54, 000, Tk. 66,000 for BUET and Tk.125,000 for BAU in the same year. Including cost of huge infrastructure the cost per student in public universities will exceed Tk.100, 000 on an average. It is widely recognized that higher education is costly all over the world because of highly qualified faculty and expensive modern technologies.

Pillay (2009) Commented that while public universities are highly subsidized by the state, private universities have to recover most of their costs from instruction and other services such as hostel accommodation. As is to be expected, this circumstances has made these universities expensive compared to the public institutions—sometimes 11 times higher than public universities. The only form of public funding for these universities comes in the form of student loans. However, this sum is relatively small compared to the amounts received by public universities. In comparison to public universities, private universities charge relatively high fees.

Schofield (1996) identified tuition fees as the main factors affecting a student's choice of a private university of Bangladesh as the tuition fees of these universities vary widely here and Altbach P. G. et al., said (Altbach P. G. et al: 2009) Cost remains an enormous barrier to access. Even where tuition is free, students have to bear indirect costs such as living expenses and often loss of income. Scholarships, grant and/or loan programs are demonstrating some degree of success but cannot by themselves remove economic barriers. Fear of debt tends to be a greater deterrent for students from poorer backgrounds.

Ahmed (2012) examined that there seems to be a profit making attitude going on all around the corner with these private universities. Many public university teachers try to get into renowned private universities merely for the desire of making more money. First of all these private universities sell them through these renowned public university teachers and in other way public university students also are deprived of getting knowledge from these teachers. It looks like we are playing game with the education of our country and no one is there to tackle it.

Wadood (2006) evaluated that tuition fees in the private universities are substantially higher as compared to those in private universities. In addition, the authorities arbitrarily set these tuition fees in the absence of proper guideline from the UGC. One would need to keep it mind that while public universities are hugely public funded – private universities are entirely self-financed.

Johnstone (2006) commented that in the face of these increasing expense born by students and parents, national systems and individual institutions face challenge of maintaining higher education accessibility, especially for poor, minority, rural and traditionally underserved populations (this challenge is particularly compelling in the light of increasing income disparities experienced in most of the countries of the world).

Alam, et al., (2007) conducted a study on private higher education in Bangladesh. From the study it is evident that, the implication of high fees charged by private universities to generate large surplus may be serious for their long term growth. These universities have been attracting students mainly from rich families who fail to get places in public universities. It is generally known that DU, BUET, and medical colleges admit most of top students that pass the HSC exams. The rest get places in other public and private universities,

depending on their financial status. The result is that the bright students in the public universities do not get quality education as indicated above and suffer from session jams extending for three to four years mostly at public cost. On the other hands, students from wealthy families and with lower academic credential are registering in private universities of high cost, most of which are not offering quality education.

UGC (2011) showed the cost of studies in the private universities is relatively higher than the costs in the public universities. Although quality of education in some private universities is encouraging, the admission and other fees are not affordable to the country's middle and lower-middle class families.

### **Birth and Evaluation of Private University in Bangladesh**

Private university in Bangladesh starts its journey in couple of decades back by passing Private University Act-1992 in National Parliament. It was a milestone in the history of higher education in Bangladesh and later on in 1998, the private university Act was amended to remove some inadequacies and prevent misuse of privileges granted by the Act. (Monem, et. al. (2010) However, in the 1990s government realized that to meet the uprising demand for higher education is not possible by public university due to very limited seats. Another motto of establishing private university was to tackle the trend of leaving country toward abroad for achieving higher education which was prevailed in eighties when students not only for higher education even for secondary and higher secondary education were admitted to schools and colleges in neighboring India, Singapore, Thailand, in addition to, to meet the increasing demand for higher education and to generate a politics free educational institution. North South University is the first private university in Bangladesh. Now the country has such 62 private universities and Dhaka alone has 43 private universities (Daily Star: 2012) There are nearly 2,20,752 students continue their study in variety of subjects where number of male students 1,66,012 and female 54,740 . Among them 45.61% students study in BBA, 27.74% in science, 3.37 in Pharmacy, 23.28% in Humanities, Social Science respectively. There are 9115 teachers in the private universities among them 5710 (63%) permanent faculty member and 3405 (37%) part time teacher. The teacher student ratio is 1:23. (UGC, 2010)

### **Nature of Funding in Private University**

Public Universities are fully financed by government while private universities are financed by the Board of Trustees of the respective universities. The Boards in turn derive their finances out of the tuition and other fees realized from their enrollees. (Monem, et al: 2010). University Grants Commission (UGC) as the apex body of the government for higher education is responsible for funding of public universities. Though Private Universities do not get any government assistance in terms of funding. (World Bank, 2007). This is one of reasons for having expensive education in private institutions. They do not receive any financial support from the government but are heavily taxed. They have to bear the entire recurring and development expenditure from the fees received from the students. The courses offered in practically all private universities are job focused as learners would like to have some sort of assurance that they will be able to recover their high educational expenses once they graduates from a private university (UNESCO, 1998)

### **Objective of the Study**

The key objective of this paper is to find out the families who can afford the costly higher education in private universities for their children. The specific objectives of this paper are as follows as:

- To know the sum of money is to pay for achieving higher education in these universities
- To identify financial support provider of the students
- To explore their guardians profession
- To find out the range of waiver provided by university
- To gather idea about students other costs excluding education i.e. living and stationary costs

### **Methodology of the Study**

This survey study is quantitative in nature. In order to collect different types of experiences and challenges about the cost of private higher education five top most private universities in Bangladesh had been chosen as study area of the study name North South University, Brac University, American International University Bangladesh, Ahsanullah University of Science and Technology and East West University. 50 students from each university age range 19-25 were interviewed randomly. That means the total number of respondents were  $(50 \times 5) = 250$ . A semi structured questionnaire was prepared and researcher himself collected the primary data. Secondary data was also collected from books, journal, news paper, internet and concerned authorities i.e. UGC, Ministry of Education Affairs etc. The study was conducted on July- August, 2012.

### ***Reason behind selection of Study Area***

Among the 62 running private universities, North South University, Brac University, American International University Bangladesh, Ahsanullah University of Science and Technology and East West University had been chosen as study area name because these are the top ranking universities in Bangladesh (Uttara News: 2012) and this ranking is done on the basis of International Ranking Expert Group (IREG), UNESCO European Centre for Higher Education (UNESCO-CEPES) and the Institute for Higher Education Policy principles. It is proved that these are the leading universities in the country that is why to depict a real picture regarding the cost of higher education in private universities the study was carried out on students of these five universities.

### **Result and Discussion**

#### ***Summary of Respondents***

The study was carried out on five top most private universities in Bangladesh North South University (NSU), Brac University, American International University Bangladesh (AIUB), Ahsanullah University of Science and Technology (AUST) and East West University (EWU). 50 students from each university were collected randomly among them 30 male and 20 female from NSU, 27 male and 23 female from Brac, 24 male and 26 female from AIUB, 36 male and 14 female from AUST, 33 male and 17 female from EWU.

**Table 1: Summary of Respondents**

University	Gender		Total Respondents
	Male	Female	
North South University (NSU)	30	20	50
Brac University	27	23	50
American University Bangladesh (AIUB)	24	26	50
Ahsan Ullah University of Science and Technology (AUST)	36	14	50
East West University (EWU)	33	17	50
Total	150	100	250

Source: Field Survey

**Respondents Semester****Table 2: Respondents Semester**

Semester	Frequency	Percentage
1 <sup>st</sup>	27	11
2 <sup>nd</sup>	30	12
3 <sup>rd</sup>	29	12
4 <sup>th</sup>	21	8
5 <sup>th</sup>	32	13
6 <sup>th</sup>	16	6
7 <sup>th</sup>	14	6
8 <sup>th</sup>	15	6
9 <sup>th</sup>	19	8
10 <sup>th</sup>	23	9
11 <sup>th</sup>	13	5
12 <sup>th</sup>	9	4
Total	250	100

Source: Field Survey

The data was collected from the students of all semesters there 11 percent were the student of 1<sup>st</sup> semester while 12%, 12%, 8%, 13%, 6%, 6%, 6%, 8%, 9%, 5%, 4% were the students of 2<sup>nd</sup>, 3<sup>rd</sup>, 4<sup>th</sup>, 5<sup>th</sup>, 6<sup>th</sup>, 7<sup>th</sup>, 8<sup>th</sup>, 9<sup>th</sup>, 10<sup>th</sup>, 11<sup>th</sup> and 12<sup>th</sup> semester respectively.

**Reason for Choosing University****Table 3: Reason for Choosing University**

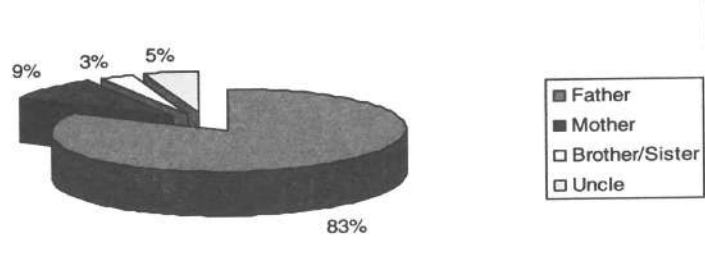
Reason	University					Frequency	Percentage
	NSU	Brac	AIUB	AUST	EWU		
Family Decision	29	33	41	27	36	166	66
Reputed	7	5	5	11	5	33	13
Didn't Get Chance in Public University	12	9	4	8	9	42	17
Scholarship	2	3	0	4	0	9	4
Total	50	50	50	50	50	250	100

Source: Field Survey

Study shows that 66% student admitted themselves in these universities due to their family decision where 13% choose for reputation and 17% and 4% selected due to not having chance in public university and for scholarship.

*Percentage Distribution of the Education Cost Provider*

**Figure 1: Percentage Distribution of the Education Cost Provider**

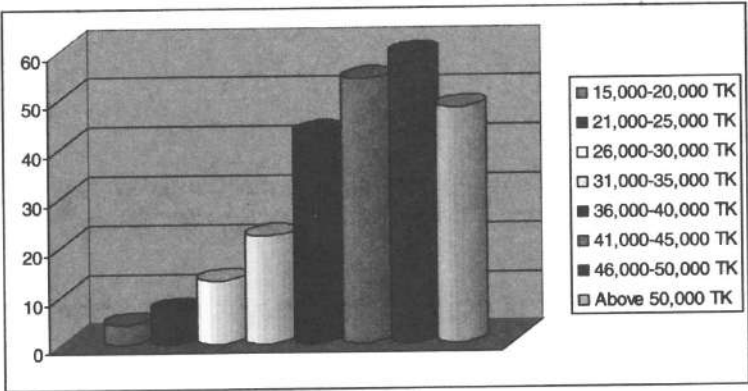


Source: Field Survey

Father is the main financial supporter for the student of these universities according to the statement of 83% respondents. In case of death of father 9% education cost is provided by mother. Besides, 5% and 3% students in the study are financed by bother or sister and uncle in that order.

*Percentage Distribution of the Education Cost Provider*

**Figure 2: Percentage Distribution of Guardian’s Monthly Income**



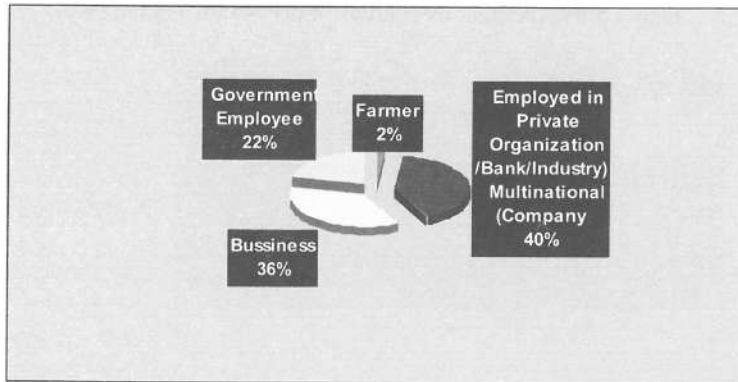
Source: Field Survey

Study discloses that, most of guardians (23%) who provide financial support to their children earn 46,000-50,000 TK per month. Highest sum of money above 50,000 Tk earned by 19% and lowest amount earned by 2% guardian.



### Percentage Distribution of Guardian's Profession

Figure 3: Percentage Distribution of Guardian's Profession

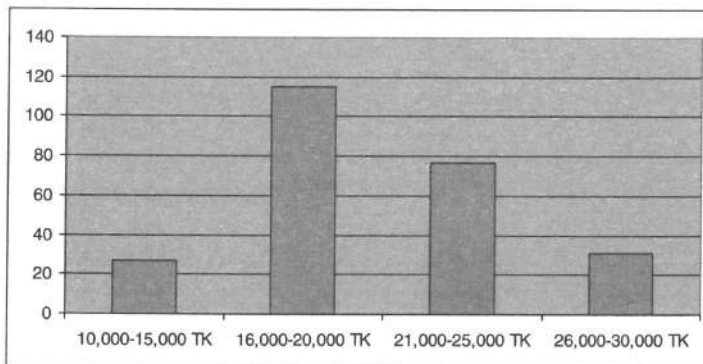


Source: Field Survey

The respondents interviewed in the study informed that 40% guardians are employed in private organization that includes Bank, Industry, Multinational Company etc. 36% guardians are engaged with business whilst 22% and only 2% are government employee and farmer.

### Percentage Distribution of the Money Received by Respondents per Month from Guardian

Figure 4 : Percentage Distribution of the Money Received by Respondents per Month from Guardian



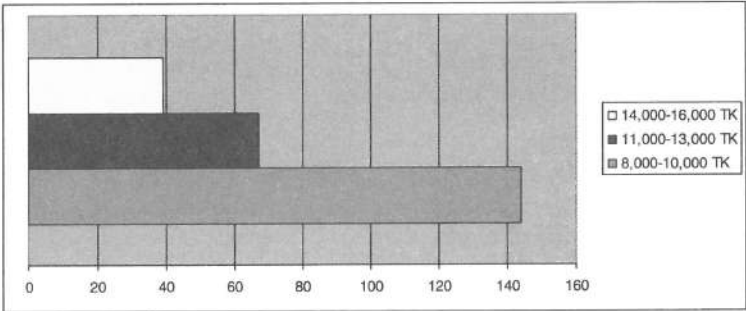
Source: Field Survey

46% student receive the sum of 16,000-20,000 TK per month from their guardian to cover education cost as well as other cost such as food, stationary, transportation, hostel rent etc whereas 31%, 12% and 11% take monthly 21,000-25,000 Tk, 26,000-30,000 TK and 10,000-15,000 TK as well.



Percentage Distribution of per Month Tuition Fee

Figure 5: Percentage Distribution of per Month Tuition Fee



Source: Field Survey

General tuition fees of these private universities is 8,000-10,000 TK and 57% student paid this tuition fees at the same time as 27% and 16% pay 11,000- 13,000 and 14,000-16,000 Tk correspondingly each month.

Percentage Distribution of Others Expenditure of Respondent Excluding Education Cost

Table 4: Percentage Distribution of Others Expenditure of Respondent Excluding Education Cost

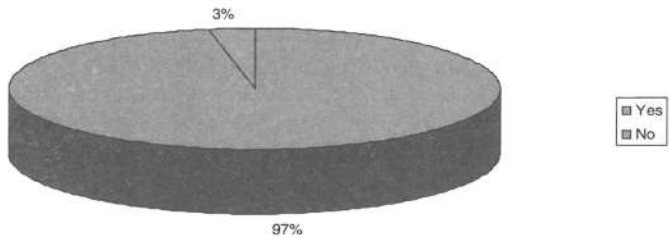
Amount of Expenditure (TK)	Extent of Expenditure					Frequency	Percentage
	Food	House/Hostel Rent	Stationary	Transportation	Pocket Money		
500-1000	0	0	9	38	7	54	4
1100-1500	0	27	49	91	14	181	15
1600-2000	53	39	81	37	27	237	19
2100-2500	59	56	44	19	37	215	17
2600-3000	86	77	26	34	69	292	23
3100-3500	28	22	9	10	39	108	9
3600-4000	17	15	21	7	36	81	7
Above 4000	7	14	11	14	21	70	6
Total	250	250	250	250	250	1238	100

Source: Field Survey

It is revealed in the study that, the largest part of the respondents (23%) spend 2600-3000 Tk each month for food, house or hostel rent and as pocket money. The highest amount for Stationary and transportation are 1600-2000 and 1100-1500 where 19% and 15% respondents spend these amounts of money likewise.

*Cost of Private Higher Education*

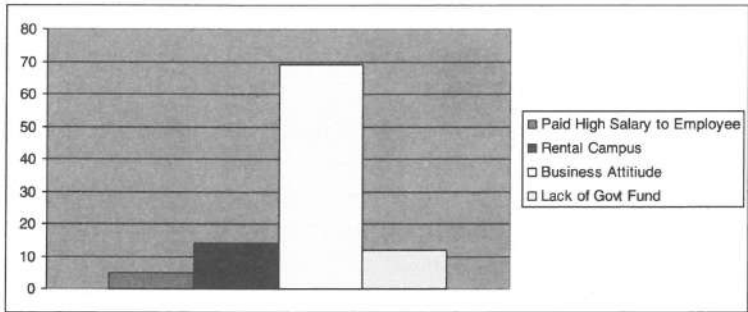
**Figure 6: Cost of Private Higher Education**



Among the respondents interviewed in the study 97% opined that higher education in the private universities is very costly. Only a small fraction of the respondents (3%) told that is not expensive in terms of quality education and other facilities such as enriched library, lab, well decorated room and digital technology.

**Factors behind Costly Education in Private University**

**Figure 7: Factors behind Costly Education in Private University**

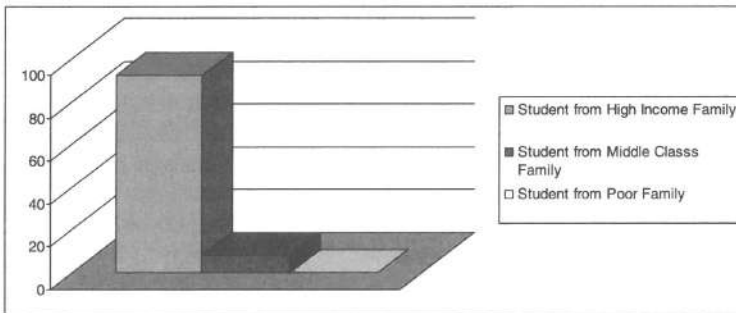


Source: Field Survey

69% students confessed that business attitude mainly responsible behind the expensive private higher education. Main tendency of the authority is profit making while 14%, 12% and 5% respondents informed that due to rental campus, high payment structure and lack of any financial assistance from government have made it expensive.

**Percentage Distribution of the Student's Family who can afford the Cost of Private Higher Education**

**Figure 8: Percentage Distribution of the Student's Family who can afford the Cost of Private Higher Education**



Study shows that there is no access in the private higher education for the students who are from poor family due to high expense. It is beyond their means unless they get sufficient waiver or get involve with coaching, tuition or part time job. These universities neither give waiver to poor student nor arrange part time job. 92% opined that private higher education only framed for students of high income family. Only 8% informed that it is for the students of middle class family.

**Recommendations**

To create opportunity for achieve private higher education to the students of all classes of family the following initiatives can be taken:

- There seems to be a profit making attitude going on all around the corner with these private universities. Such kind of attitude has to be changed.
- Whereas public universities are well financed by government, private universities are self funded. Government should assign a part of allotment in the budget for private universities along with public universities.
- Special waiver should be provided to the poor families students to ensure their higher education.
- The diversity of waiver giving process as well as amount of waiver, in addition to, scholarship on the basis of merit should be increased.
- Private universities are run by Board of Trustee. The trustees should realize that they have the responsibility to create equal opportunity for all students. Private university should not be framed only for the students of wealthy family. They should also pay their attention to the needy family.
- UGC should outline a unified regulations regarding waiver for all private universities and monitor strictly to establish.

- Business by the name of quality education should be banned.
- The tuition fees for all programs should be logical.
- Government should exclude high tax from these intuitions. Because these tax is collected from students side.
- All concerned should make sure that the students get from these institutions what they aspire by formulating a far more contemplative effort for the private universities in Bangladesh.

## Conclusion

In Bangladesh, the main aim of establishing private university was fulfill the uprising demand of the countries increasing students, in addition to, stop student's migration to abroad in order to achieving higher study. But the current picture shows that only students from high income family can afford the cost of higher education in the private universities and the students from poor and middle class have limited due access in this arena. In this way many students dream to be higher educated void in the nub. So, it is indispensable, to make the cost reasonable for create equal opportunity for all students in the private higher education field.

## References

- Ahmed, S., (2012, April 1). Private universities need to offer greater opportunities for students, *The Financial Express*. Dhaka, Accessed on 7/7/2012 at [http://www.thefinancialexpress-bd.com/more.php?date=2012-07-15&news\\_id=136598](http://www.thefinancialexpress-bd.com/more.php?date=2012-07-15&news_id=136598)
- Alam, M., Haque, M. S., & Siddique, F. S., (2007). Private Higher Education in Bangladesh, International Institute for Educational Planning, UNESCO, P-26
- Altbach P. G., Reisberg, L. & Rumbley, L.E., (2009). *Trends in global higher education: Tracking an academic revolution*, (90). UNESCO World Conference on Higher Education.
- Ashraf, M. A., Ibrahim, Y., & Joarder, M. H. R., (2009). Quality education management at private universities in Bangladesh: An exploratory study. *Journal Pendidikan Pendidikan*, Jil. 24, pp. 17-32.
- Daily Star*, (2013, March 14). 8 more pvt. universities get govt nod, Dhaka. Retrieved from <http://www.thedailystar.net/newDesign/news-details.php?nid=226268> accessed on 9.7.2012
- Haque, S. M. (2009 December 30). Offering world class higher education, *Daily Star*, Dhaka. Retrieved [http://www.thedailystar.net/suppliments/2009/december/private\\_uni/offering.htm](http://www.thedailystar.net/suppliments/2009/december/private_uni/offering.htm) ccessed on 5/7/2012
- Johnstone, D. B. (2006) *Financing higher education: Cost sharing in international perspective*, Chestnut Hill, Massachusetts.
- Islam, S. M., (2010, March 3). The state of higher education and the need for improvement. *Daily star*, Retrieved <http://www.thedailystar.net/suppliments/2010/03/26thmarch/page16.htm> accessed on 13/8/2012
- Monem, M. & Baniamin, H. M. (2010). Higher education in Bangladesh: Status, issue and prospects. *Pakistan Journal of Social Sciences*, 30, (2)10.
- Pillay, P., (2009). *Challenges and lessons from east and southern Africa*. Rotterdam, The Netherlands, Sense Publishers. P-24

- Salahuddin, M., Islam, R., Akbar, D. D. & Raihan, K.M. (2008). How can we increase the quality of private schools in Bangladesh from the perspective of students and manager? *International Journal of Management Perspective*, ISSN-1307-1639, 2(1), p- 7
- Salam, M., (2011). Private universities of Bangladesh in going to be a concern of Bangladesh Education for higher education system. Retrieved from (<http://mdshahalam03.hubpages.com/hub/private-universities-of-bangladesh-in-going-to-be-a-concern-of-bangladesh-education-for-higher-education-system>)accessed, accessed on 8.8.2012
- Schofield, A. (1996). *Private post secondary education in four commonwealth countries*. Paris: UNESCO, pp-7-9
- Tisdeell, C. A. & Hossain, M. A. (2005). Closing gender gap in Bangladesh: Inequality in education, employment and earnings. *International Journal of Social Economics*, 32, (5) 439-453.
- Uddin, M. N., Hamiduzzaman, M., Salauddin, AFM., & Siraj, S., (2011). Promotion of higher education in Bangladesh: A comparative analysis between public and private universities. *Journal of Research in International Business and Management*, 1(5), 136-146
- UGC (2010). *37<sup>th</sup> Annual Report 2010*. University Grand Commission. Dhaka.
- UGC (2011). *University Grand Commission Bulletin*. April-June, 2011
- UNDP (2010). *Human Development Report*. 2010
- UNESCO (1998). *World Conference on Higher Education*. Paris.
- Uttara News, (2012 June). Bangladeshi Top 10 Private University Rankings. Retrieved from <http://www.uttaranews.com/?p=99> accessed on 07/6/2012
- Wadood, S. N., (2006). *The public-private university debate in the higher education sector in Bangladesh*. Retrieved from <http://mpra.ub.uni-muenchen.de/10888/> MPRA Paper No. 10888 accessed on 12.8.2012
- Wikipedia, (2010). Private university. Retrieved from [http://en.wikipedia.org/wiki/Public\\_university#Bangladesh](http://en.wikipedia.org/wiki/Public_university#Bangladesh)
- World Bank (2007). Country Summary on Higher Education.