

**USER CHARGES IN  
EDUCATION**

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## **C O N T E N T S**

	<b>Page No.</b>
<b>1. INTRODUCTION</b>	<b>1</b>
1.1 The Profile of Services	1
1.2 Cost Recovery by the Public Sector	5
<b>2. INSTITUTIONAL CHARACTERISTICS</b>	<b>12</b>
2.1 Profile of Suppliers	12
2.2 Analysis of Shortcomings	14
2.3 Improvements and Modalities	15
<b>3. AFFORDABILITY AND WILLINGNESS TO PAY</b>	<b>16</b>
3.1 Existing Levels of Expenditure	16
3.2 Affordability	18
3.3 Willingness to Pay	20
<b>4. RESULTS OF A MARKET SURVEY</b>	<b>23</b>
4.1 A General Overview	23
4.2 Results of the Survey	24
<b>5. COST RECOVERY STRATEGY AND RECOMMENDATIONS</b>	<b>32</b>
5.1 Level	32
5.2 Dedicated Tax and its Use (Iqra)	35
5.3 Other Methods of Bridging the Gap	35
5.4 Institutional Changes	37
5.5 Methods of Cost Recovery	37
5.6 Cost Recovery Rates	38

## LIST OF TABLES

	<b>Page No.</b>
<i>Table 1:</i> Number of Schools by Level of Education and by Sex in Pakistan	2
<i>Table 2:</i> Number of Teachers by Level of Education and by Sex in Pakistan	3
<i>Table 3:</i> Trends in Recurring Expenditure on Education	6
<i>Table 4:</i> Trends in Revenue Receipts in Education	8
<i>Table 5:</i> Cost Recovery Ratio in Education	9
<i>Table 6:</i> Rep Student Financing of School Education	10
<i>Table 7:</i> Household Monthly Expenditure on Education by Locality in Pakistan, 1987-88	17
<i>Table 8:</i> Household Income and Expenditure (Urban), 1984-85	19
<i>Table 9:</i> Willingness to Pay	22
<i>Table 10:</i> Classrooms and Teachers	25
<i>Table 11:</i> An Analysis of Enrollments in Survey Schools	27
<i>Table 12:</i> Composition of Expenditure	28
<i>Table 13:</i> User Charges in Survey Schools	29
<i>Table 14:</i> Surpluses/Deficits of Survey Schools	30

# **USER CHARGES IN EDUCATION**

## **EXECUTIVE SUMMARY**

It is argued that primary education is critical to the social and economic development of a country and therefore deserves a high priority in the allocation of resources. Funding for primary education in Pakistan is most vulnerable to economic policy, austerity measures and the need to invest into the more visible forms of productive infrastructure. To overcome the problem of resources for the sector it has been suggested that an increase in cost recovery and greater private participation in the provision of education in Pakistan could generate potential gains in efficiency and equity.

Education in Pakistan is still developing as a result of poor public allocation, experimentation in delivery methods, nationalisation followed by privatisation and poor management of the sector. The profile of educational services in the country shows that infrastructure has been rising rapidly over the last two decades at a yearly rate of nearly 6.2 percent. The composition has also changed with a higher emphasis on secondary and tertiary education. In the same period, growth in the number of teachers has been at a higher rate, thus showing that governments in Pakistan are aware of the higher returns to education from improvement in quality. Statistics issued by the Central Bureau of Education and various studies show that the public sector is active in the rural areas and that the private sector is playing a more active role in the urban areas.

Public expenditure on education have increased from Rs 603 million in 1972-73 to Rs. 22.9 billion in 1992-93. This represents a share change from 0.9 percent of GDP to 1.7 percent over the period 1973-1993. This is substantially lower than the average (3.2 percent of GNP in 1985) for LDCc in the region.

In the same period public sector revenues from education have risen from Rs 76 million to Rs 671 million. This indicates that cost recovery in education sector has declined from 12.7 percent in 1972-73 to a mere 2.9 percent in 1992-93. The bulk of this is contributed by the secondary and tertiary level institutions. The low cost recovery ratios in the public sector are largely the result of very low fees. It is argued that the ability to pay is substantially higher. For instance, according to the Household Income and Expenditure Survey of 1987-88 the average household expenditure on education was Rs. 23.70 per month. The fee charged for primary schools was only Rs. 7.16 and for secondary schools was Rs. 38.96. These figures are for the cumulative annual amount. Some of the difference can be attributed to books etc., but the remainder perhaps represents the fees paid to the private sector school. This implies that the willingness to pay for a higher quality of education exists.

In the private sector, educational services are offered by a range of organisations from the host of non-profit organisations which are professionally managed to the purely profit motivated individual offering only lip service to "quality" education. This paper focuses on describing, briefly, provision of services by private sector. The major reasons for the shortcomings of the majority of the private schools are the result of a lack of any regulation and control of entry into the sector. Most private sector schools are not very different from the public schools.

Shortage of trained teachers; non-availability of text books, teaching materials and teaching aids; inadequate infrastructure and poor management are often seen. An attempt to improve this has been the establishment of Education Foundations. However, a number of policy issues need to be addressed. These include: identification of the target population, funding modalities, selection of grantees, flexibility in operational procedures, etc. Improvement of the private sector educational institutions can be achieved by introducing a set of objective criteria through which they can be monitored and penalised, if and when they contravene these.

The enhancement of user charges immediately raises the question of affordability and its corollary willingness to pay. An analysis of the Household Income and Expenditure Survey of 1984-85 was undertaken. Affordability has been defined as the surplus available after meeting basic nutritional needs (represented by the poverty level expenditure on food) and at least half the expenditure on non-food items. The analysis shows the surplus is generated only by households earning more than Rs. 2,000 per month in the urban areas and Rs. 1,000 per month in the rural areas. However, as these estimates of poverty are dated a more recent estimate needs to be derived.

Estimates of willingness to pay have been derived from a small survey of private sector educational institutions operating in the low income areas of urban Pakistan. The survey of educational institutions conducted in Karachi and Lahore showed that the average monthly tuition fee charged in 1993 by the profit and non-profit (NGOS primarily family or community trusts) schools were different at each level and that the latter, as may be expected, charged a lower fee. For instance, the fee charged by a profit motivated private school was, on the average, Rs. 66 and by the NGOs was Rs. 50 per month. The results from the survey clearly establish willingness to pay by those families using the services of these educational institutions operating in the low income areas of urban Pakistan.

It was perceived during the course of the survey of schools that the quality offered had a wide variation. In some instances this was only marginally better than that offered by the public schools, while in others, the quality was substantially higher. Thus the case for increasing user charges in public schools exists, subject to **quality improvement to match those offered by the private sector schools**. Pakistan's cost recovery rate is very low compared to the region's average of 3.2 percent at the primary level, 17.8 percent at the secondary level and 10 percent at the higher levels.

As an immediate step, therefore, Pakistan should raise its recovery rate to the average for the region, that is, raise recovery rates by a factor of five in the secondary schools. Given the structure of expenditure for 1992-93, this would translate into average fee levels of Rs. 30 per schooling month in the middle and high schools. However, keeping in view the socio-political system that exists in the country, it is, therefore, suggested that this may be brought about in phases over the remainder of the Perspective Plan period (ending 2002-03). As for the primary education, government should provide free education for primary level classes. The suggested monthly tuition fee levels for the public sector schools is as follows for the middle (classes 6 to 8) and high (9 to 10) levels:

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	<b><i>6 to 8</i></b>	<b><i>9 to 10</i></b>
1995-96	3 - 5	6 - 10
1996-97	4-6	8- 12
1997-98	6- 8	10- 15
1998-99	7 - 9	12 - 18
1999-2000	8 - 10	15 - 20
2000-2001	9 - 11	20 - 25
2001-2002	10 - 12	25 - 30
2002-2003	12 - 15	30- 35

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Government should also consider innovative mechanisms of inducting the private sector and the local governments into expanding their role. Following the results of a future study on improving the resources for education at the local government level, it is recommended that initially only the large urban areas, say with a population base of 750,000 or more, be required to take on full responsibility for primary education.

# **CHAPTER ONE**

## **I N T R O D U C T I O N**

It is argued that primary education is critical to the social and economic development of a country and therefore deserves a high priority in the allocation of resources. Even though it has been established that the social profitability of education is high, nevertheless, most countries underinvest in education [World Bank 1986]. Moreover, funding for primary education is most vulnerable to economic policy, austerity measures and the need to invest into the more visible forms of productive infrastructure. Studies have shown that the real recurrent expenditure per student on primary education among low-income developing countries (LDCs) declined significantly over the last two decades. Moreover, these studies suggested that the decline resulted in the inability of the education sector to improve achievement and gave rise to a number of equity and efficiency problems which in turn have affected the way in the sector is financed [Birdsall 1989; Jimenez 1987; Lockheed 1991; Schultz 1985; World Bank 1986]. To overcome the problem of resources for the sector it has been suggested that an increase in cost recovery and greater private participation in the provision of education in Pakistan could generate potential gains in efficiency and equity [Jimenez 1985].

### **1.1 The Profile of Services**

Education in Pakistan is still developing as a result of poor public allocation, experimentation in delivery methods, nationalisation followed by privatisation and poor management of the sector. While the overall availability of the number of institutions and the number of teachers employed has been increasing at very high rates (see Tables 1 and 2), this is not expected to



**TABLE 1**  
**NUMBER OF SCHOOLS BY LEVEL OF**  
**EDUCATION AND BY SEX IN PAKISTAN**

	<u>PRIMARY</u>			<u>MIDDLE</u>			<u>HIGH</u>		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
1971-72	32564	13290	45854	3072	1038	4110	1676	571	2247
1972-73	35143	14437	49580	3243	1163	4406	1877	621	2498
1973-74	35523	15051	50574	3363	1223	4586	2024	718	2742
1974-75	36066	15678	51744	3447	1266	4713	2128	770	2898
1975-76	36971	15829	52800	3476	1307	4783	2241	806	3047
1976-77	37221	15941	53162	3638	1352	4990	2354	860	3214
1977-78	37644	16238	53882	3741	1359	5100	2359	880	3239
1978-79	38411	16854	55265	3801	1393	5194	2423	898	3321
1979-80	39449	17771	57220	3826	1407	5233	2437	924	3361
1980-81	40573	18595	59168	3883	1412	5295	2562	917	3479
1981-82	41697	19420	61117	3939	1423	5362	2587	1010	3597
1982-83	50851	20507	71358	3997	1435	5432	2985	1052	4037
1983-84	52352	20876	73228	4221	1763	5984	3042	1171	4213
1984-85	52261	21551	73812	4315	1817	6132	3380	1250	4630
1985-86	54766	22441	77207	4367	1893	6260	3362	1315	4677
1986-87	73748	23480	97228	4707	2062	6769	3715	1538	5253
1987-88	80986	24898	105884	4832	2161	6993	3890	1602	5492
1988-89	76305	27377	103682	4979	2865	7844	4863	1753	6616
1989-90	80556	29966	110522	5003	3055	8058	5289	1895	7184
1990-91	84158	30422	114580	5194	3345	8539	5972	2039	8011
1991-92	88082	31810	119892	5300	3614	8914	6711	2199	8910
1992-93	90799	33372	124171	5380	3917	9297	7453	2367	9820
<b>Growth Rate</b>	<b>5.3%</b>	<b>4.2%</b>	<b>5.0%</b>	<b>2.6%</b>	<b>5.8%</b>	<b>3.6%</b>	<b>6.3%</b>	<b>6.3%</b>	<b>6.3%</b>

Source: Economic Surevy, 1992-93, Government of Pakistan.

**TABLE 2**  
**NUMBER OF TEACHERS BY LEVEL OF**  
**EDUCATION AND BY SEX IN PAKISTAN**

	<u>PRIMARY</u>			<u>MIDDLE</u>			<u>HIGH</u>		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
1971-72	76000	29700	105700	26800	9200	36000	27300	10600	37900
1972-73	75900	32900	108800	30100	11300	41400	28700	12000	40700
1973-74	80689	35009	115698	30315	11561	41876	32019	13276	45295
1974-75	83138	42397	125535	30724	12751	43475	35872	15259	51131
1975-76	84146	44149	128295	32756	13605	46361	39130	16618	55748
1976-77	88542	44751	133293	32237	13751	45988	41758	17861	59619
1977-78	89102	45268	134370	34595	14198	48793	42100	18493	60593
1978-79	94303	42573	136876	36353	13591	49944	45068	17862	62930
1979-80	93199	47750	140949	36508	14928	51436	44397	19435	63832
1980-81	101352	48652	150004	37012	15199	52211	45716	20173	65889
1981-82	109505	49557	159062	38042	15646	53688	47589	21095	68684
1982-83	120300	56400	176700	40507	16093	56600	56847	21720	78567
1983-84	120193	57105	177298	39108	18693	57801	54216	24127	78343
1984-85	121789	57171	178960	40489	16978	57467	54124	24539	78663
1985-86	123385	57237	180622	39845	17288	57133	56700	24952	81652
1986-87	127408	62013	189421	40641	17605	58246	63913	28964	92877
1987-88	131845	64319	196164	42971	18598	61569	67998	31765	99763
1988-89	169049	79546	248595	50108	24842	74950	88307	38099	126406
1989-90	196357	84541	280898	51623	28186	79809	99508	40926	140434
1990-91	223077	84997	308074	52912	29349	82261	107723	42352	150075
1991-92	252800	90100	342900	56171	32250	88421	122222	45512	167734
1992-93	266300	93800	360100	58400	35100	93500	134600	48300	182900
<b>Growth Rates</b>	<b>5.6%</b>	<b>4.9%</b>	<b>5.4%</b>	<b>3.2%</b>	<b>5.2%</b>	<b>3.8%</b>	<b>6.8%</b>	<b>6.6%</b>	<b>6.7%</b>

Source: Economic Surevy, 1992-93, Government of Pakistan.

be sufficient to achieve the target of universal enrollment by the turn of the century, particularly in the case of girls. The overall growth rate in the number of schools has been at an annual rate of nearly 6.2 percent per annum between 1972-73 and 1992-93 rising from a total supply level of 52,211 to 185,679), but the composition has changed in favour of the higher levels of education. In 1972-73 the number of primary schools were nearly 88 percent of the stock of schools. By 1992-93 this has declined to 67 percent only. This in itself may be misleading as all of the higher levels of schools contains primary education level classes through the process of expansion of physical facilities of the lower tiers to the next higher tier. This has caused a decline in emphasis at the primary education level [World Bank 1988]. The differences in the growth rate of construction of schools and in employment of teachers clearly indicates that Governments in Pakistan have realised the returns to education from improving the quality compared to the provision of infrastructure. This is summarised below. Moreover, the tilt towards the higher tiers in the education sector may also be observed from the summary.

	<b>Number of Schools</b>	<b>Number of Teachers</b>
<b>PRIMARY SCHOOLS</b>		
Male	5.3%	5.6%
Female	4.2%	4.9%
Average	5.0%	5.4%
<b>MIDDLE SCHOOLS</b>		
Male	2.6%	3.2%
Female	5.8%	5.2%
Average	3.6%	3.8%
<b>HIGH SCHOOLS</b>		
Male	6.3%	6.8%
Female	6.3%	6.6%
Average	6.3%	6.7%

Currently the public sector is active in the rural areas and the private sector is slowly taking over the urban areas of Pakistan. Data however on the provision of services in Pakistan is sketchy and a consistent time series is not available. Studies indicate that before nationalisation in 1972 the private sector had been operating 2,198 schools (4.1%) and that by 1976-77 this had declined to only 927 (1.5%) [Pakistan 1979; World Bank 1977]. It is estimated that this had risen to more than 8 percent in 1983 [Pakistan 1983].

Discussions with the officials of the Education Departments would indicate that the private sector is currently providing about 15 percent of the schools in the smaller towns to anywhere upto 60 percent in the large metropolises of Karachi and Lahore. These officials suggest that a conservative estimate of the average provision would be about 30 percent in the urban areas of Pakistan.

## **1.2 Cost Recovery by the Public Sector**

Public expenditure on education has risen from Rs. 603 million in 1972-73 to Rs 22.9 billion in 1992-93 in nominal terms (Table 3). This represents an annual increase at a rate of 19.9 percent. It is estimated that in the same period the rate of inflation (measured through the GDP deflator) has been of the order of 5.5 percent. This suggests that in real terms the recurrent allocation has been increasing by 14.4 percent yearly. In proportion to the GDP this represents a share increase from 0.9 percent to 1.7 percent over the period. This is, nevertheless much lower than the average for LDCs in the region at 3.2 percent of GNP in 1985.

**TABLE 3**  
**TRENDS IN RECURRING EXPENDITURES ON EDUCATION**

[Rs in Million]

<b>Year</b>	<b>Primary</b>	<b>Secondary</b>	<b>College</b>	<b>Total</b>
1972-73	308	128	90	603
1973-74	446	193	136	847
1974-75	608	271	166	1181
1975-76	703	328	238	1431
1976-77	748	368	261	1562
1977-78	971	519	333	2058
1978-79	984	570	363	2178
1979-80	1162	629	328	2339
1980-81	1321	718	370	2690
1981-82	1493	821	418	3045
1982-83	1926	1056	582	3965
1983-84	2375	1285	661	4878
1984-85	2758	1595	794	5941
1985-86	3749	2099	948	7739
1986-87	3992	2298	1126	9189
1987-88	5194	2861	1320	10908
1988-89	5951	3177	1311	12262
1989-90	6329	3273	1311	12928
1990-91	8421	4136	1552	16361
1991-92	10493	4884	1615	19648
1992-93	12255	5569	2130	22918

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Sources: i) Budget Documents of Provincial Governments.

ii) Staistical Yearbook, Federal Bureau of Statistics, Government of Pakistan.

In the same period revenues from education have risen from Rs 76 million to Rs 671 million (Table 4), that is annually by 11.5 percent in nominal terms (6 percent real growth), indicating that the cost recovery in the sector has declined from 12.7 percent to 2.9 percent in this period (Table 5). The bulk of this is contributed by the colleges.

The incidence of cost recovery, measured as the ratio of per student revenue to per student expenditure, is of particular interest to planners for analysing the potential revenue that may be collected from the sector. Unfortunately data on enrollments at the higher levels was not readily available. In addition the expenditure and revenue data on schooling was available only for the primary schools separately within the overall school framework. This was used to compute the data for the secondary school level (comprising of both the middle and high school levels). This is shown in Table 6.

It is interesting to note that at the primary school level per student nominal expenditure has increased by 14.1 percent between 1972-73 and 1992-93. This is much lower than the rate of increase in total expenditure at this level (20.1 percent annually). The corresponding growth rates in expenditure at the secondary school level is 14.2 percent in per student terms and 20.8 percent in total expenditure. Both these comparatives suggest that costs (allocation) have been declining with an increase in enrollments.

The Table also shows that at the Primary level the cost recovery was of the order of 0.4 percent in the earlier years which improved to around 1.5 percent in the median years and has since declined to 0.8 percent in 1992-93. In the secondary schools the recovery was at a

**TABLE 4**  
**TRENDS IN REVENUE RECEIPTS IN EDUCATION**

[Rs in Million]

<b>Year</b>	<b>Primary</b>	<b>Secondary</b>	<b>College</b>	<b>Total</b>
1972-73	1	11	18	76
1973-74	3	6	18	51
1974-75	4	2	25	38
1975-76	4	0	25	32
1976-77	4	0	23	30
1977-78	4	0	27	37
1978-79	4	1	30	42
1979-80	4	1	34	45
1980-81	5	1	37	52
1981-82	5	3	39	56
1982-83	5	3	43	62
1983-84	5	3	46	68
1984-85	41	58	71	190
1985-86	55	93	87	257
1986-87	56	101	90	270
1987-88	60	115	94	293
1988-89	61	120	97	342
1989-90	69	132	113	342
1990-91	88	154	133	547
1991-92	96	170	149	590
1992-93	96	179	159	671

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Sources: i) Budget Documents of Provincial Governments.  
ii) Ministry of Education, Government of Pakistan.

**TABLE 5**  
**COST RECOVERY RATIO IN EDUCATION**

[ % ]

<b>Year</b>	<b>Primary</b>	<b>Secondary</b>	<b>College</b>	<b>Total</b>
1972-73	0.4	8.5	19.8	12.7
1973-74	0.7	3.2	13.5	6.1
1974-75	0.6	0.6	14.8	3.2
1975-76	0.5	0.1	10.5	2.2
1976-77	0.5	0.1	8.8	1.9
1977-78	0.4	0.1	8.2	1.8
1978-79	0.4	0.1	8.3	1.9
1979-80	0.3	0.1	10.3	1.9
1980-81	0.3	0.1	9.9	1.9
1981-82	0.3	0.3	9.3	1.8
1982-83	0.2	0.3	7.3	1.6
1983-84	0.2	0.3	7.0	1.4
1984-85	1.5	3.6	8.9	3.2
1985-86	1.5	4.4	9.2	3.3
1986-87	1.4	4.4	8.0	2.9
1987-88	1.2	4.0	7.1	2.7
1988-89	1.0	3.8	7.4	2.8
1989-90	1.1	4.0	8.6	2.6
1990-91	1.0	3.7	8.6	3.3
1991-92	0.9	3.5	9.2	3.0
1992-93	0.8	3.2	7.5	2.9

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Source: Derived by Consultants.



**TABLE 6**  
**PER STUDENT FINANCING OF SCHOOL EDUCATION**

All values in Rupees per Annum

Year	Expenditure		Revenue		Cost Recovery	
	Primary	Secondary	Primary	Secondary	Primary	Secondary
1972-73	70.43	89.53	0.28	7.60	0.4%	8.5%
1973-74	98.25	127.18	0.68	4.10	0.7%	3.2%
1974-75	129.33	164.97	0.83	0.98	0.6%	0.6%
1975-76	144.47	189.98	0.75	0.11	0.5%	0.1%
1976-77	149.51	206.60	0.73	0.18	0.5%	0.1%
1977-78	187.85	285.29	0.71	0.18	0.4%	0.1%
1978-79	184.67	314.54	0.69	0.30	0.4%	0.1%
1979-80	210.67	338.72	0.66	0.30	0.3%	0.1%
1980-81	233.46	372.82	0.81	0.34	0.3%	0.1%
1981-82	258.05	409.40	0.78	1.34	0.3%	0.3%
1982-83	322.48	497.26	0.80	1.38	0.2%	0.3%
1983-84	371.84	564.52	0.79	1.43	0.2%	0.3%
1984-85	390.21	656.82	5.86	23.88	1.5%	3.6%
1985-86	512.44	814.69	7.45	35.92	1.5%	4.4%
1986-87	515.72	841.14	7.29	37.02	1.4%	4.4%
1987-88	622.30	970.47	7.16	38.96	1.2%	4.0%
1988-89	643.48	988.42	6.62	37.48	1.0%	3.8%
1989-90	623.48	930.13	6.82	37.65	1.1%	4.0%
1990-91	746.38	1043.38	7.83	38.87	1.0%	3.7%
1991-92	886.94	1173.00	8.12	40.76	0.9%	3.5%
1992-93	987.88	1273.38	7.70	40.93	0.8%	3.2%

Source: Derived by Consultants.

maximum of 8.5 percent in 1972-73. This has now achieved a meagre level of 3.2 percent. It is argued that the ability to pay is substantially higher. In 1987-88 the proportion of income spent by the average household on education was of the order of 1.1 percent only (Rs. 23.70 per month) [Pakistan 1990]. Enrollment in the year accounted for only 55.4 percent of the children of school going age population. The cohort itself made up 29.2 percent of the total population. Given the household size of 6.3, the average household in Pakistan had only 1.02 children enrolled in schools. Discounting the effect of private sector enrollments, we may safely assume that each household spent Rs. 279 per year. However, the revenue estimates from the sector indicates that in 1987-88 this was only Rs 10.4 per year from each student on the average. While the bulk of the difference may be accounted for by the expenditure on books etc. it nevertheless leaves a substantial part of the expenditure unexplained, thus indicating that the willingness to pay is substantially higher than the current levels of cost recovery.

## **CHAPTER TWO**

### **INSTITUTIONAL CHARACTERISTICS**

Education services in Pakistan are currently being provided by a host of agencies and organisations ranging from the subsidised public sector schools and colleges to the high quality institutions catering to the ultra-rich in society. These services are offered by a range of organisations from the host of non-profit organisations which are professionally managed to the purely profit motivated individual offering only lip service to "quality" education.

A description of the public sector services has not been attempted here, as it has been the study of several reports, reviews and committee hearings. This chapter focuses on describing, very briefly, the role of the different institutions of the private sector in the provision of services.

#### **2.1 Profile of Suppliers**

In 1972 the Government, in a major policy shift, nationalised all private schools. Before this nationalisation, "much of country's secondary and higher level education was in the hands of the private sector, at least in the urban areas" [Jimenez 1985]. While exact figures are conspicuous by their absence, a rough estimate can be made from several studies. In 1968, nearly 11 percent of the schools and 35 percent of colleges were in the private sector [World Bank 1977]. Of this, in 1972 the government nationalised a total of 3,067 schools and 155 colleges and 5 technical institutes. Some private schools were exempted from nationalisation. These were the more elite schools operated by charitable trusts, foreign missions and religious organisations, such as the Church of Pakistan, Anjuman-e-Himayat-e-Islam, the Catholic Education Board. In addition a number of institutions which were para-statal (operated by

government owned organisations or departments not controlled by the provincial education departments) and were considered the elite amongst the public schools continued to operate as before. All of these, both the private and para-statal, have an independent Board of Governors, were modeled after the British public schools, charged high fees, were not dependant on government subsidy and paid their staff substantially more than their counterparts in the public sector.

The period under nationalisation between 1972 and the subsequent privatisation (1979) saw the share of the private schools declining each year. For instance, by 1976-77 this had declined to a meagre 1.5 percent of schools and 4.1 percent of colleges [Pakistan 1979]. In 1979, the government reversed its education policy and again permitted the private sector to open new schools and also to take over nationalised schools under certain governing criteria. Evidence suggests that this policy has proved fruitful, at least in the urban areas, in the context of the numbers of institutions operated.

Accurate estimates on the number of such schools is not available even after the NEMIS project was initiated by UNICEF. A principal reason for this has been the growth of un-registered private schools, particularly at the primary level. For instance, in a census of schools in Karachi by the Directorate of School Education of the 1,472 private schools counted in August 1985, nearly 45 percent were unregistered. The Directorate officials state that as there is no penalty for non-registration, this proportion may have increased substantially, particularly at the primary level. Most of these new schools have been established by individuals who treat the schools as a main source of earning. The quality of education provided by these unregistered establishments are only slightly better than the average public sector schools.

## **2.2 Analysis of Shortcomings**

Innumerable studies and reviews of the education sector highlight the urgent need to improve the delivery of education at all levels. The very poor quality of education (inappropriate curricula, quality of teachers, poor quality of text books, improper teaching and testing techniques, the absence of a link between market demand and output from the sector, etc.) is a primary concern to educational planners. Barring the few schools which cater to the elite in the country, the bulk of the private schools provide a quality which is only marginally better than the average public school, principally as a result of the introduction of English as a compulsory subject.

The major reasons for the shortcomings of the majority of the private schools are the result of a lack of any regulation and control of entry into the sector. Currently, any person may establish a school without let or hindrance. Most private sector schools operating for profit are deficient in trained teachers, non-availability of text books, teaching materials and teaching aids, inadequate infrastructure (as most use rented housing), coupled to poor management [World Bank 1993].

Lately Education Foundations have been established to encourage a greater private sector participation in the provision of education in all four provinces. However, a number of policy issues need to be resolved. These are, the proper target population, modalities of delivery of loans, grants and subsidies, selection of grantees, access to land for denuovo establishment of facilities. Currently these Foundations are not explicitly targeting those groups which have been disadvantaged in the past, such as the rural areas, females and the relatively poorer segments

of society. Moreover, each has established a rigidity in their approach to intervention which could be counter-productive if their intervention technique proves to be a failure.

### **2.3 Improvements and Modalities**

Improvement of the private sector educational institutions can be achieved by introducing a set of objective criteria through which they can be monitored and penalised, if and when they contravene these. At the very least no school should be permitted to operate unless it is registered with the provincial Directorate of Education, has a Board of Governors which includes a representative of the community which it proposes to serve and another from the parents of the students, and employs a qualified Principal (at least with a B.Ed) and qualified teachers (at least a High School graduate).

The Education Foundations should be encouraged to provide technical assistance to the private sector in improving their quality and infrastructure. In-service teacher training programmes should be encouraged. Grants for establishing book banks and libraries should be an area of principal concern.

Each school should be required to submit periodical reports which should be computerised within the NEMIS framework and failure to report should be penalised and advertised.

## **CHAPTER THREE**

### **AFFORDABILITY AND WILLINGNESS TO PAY**

The introduction of user charges immediately raises the question of affordability and its corollary willingness to pay. It is generally accepted that the willingness to pay for any commodity or service is determined by the utility of this to the consumer. It has been argued that households, irrespective of their position in the framework of society, would be willing to pay for a better quality of education than their affordable limits. However, if the user charge is greater than the affordability level of any household, then equity is said to have been violated. On the other hand, a user charge at the maximum level of the willingness to pay places a considerable stress on the household in adjusting the basket of expenditure to cater for the specific service.

#### **3.1 Existing Levels of Expenditure**

The level of expenditure on education by households in different income categories has been obtained from the latest published Household Income and Expenditure Survey, which is for the fiscal year 1987-88 [Pakistan 1990]. This is presented in Table 7.

The Table shows that the share of expenditure on education ranges from a low of 0.44 percent of total expenditure for the poorest segment of society in the urban areas (0.19 percent in rural areas) to a high of the 2.6 percent for those with incomes of over Rs. 4,500 per month in the urban areas (1.58 percent in the rural areas). These low shares in the total expenditure basket

**TABLE 7**  
**HOUSEHOLD MONTHLY EXPENDITURE ON**  
**EDUCATION BY LOCALITY IN PAKISTAN 1987-88**

*All values in Rupees per month*

<b>Income Group</b>	<b>Total Expenditure</b>	<b>URBAN</b>		<b>Total Expenditure</b>	<b>RURAL</b>	
		<b>Expenditure on Education Per Month</b>	<b>% of Total</b>		<b>Expenditure on Education Per Month</b>	<b>% of Total</b>
UPTO 600	636	2.80	0.44	563	1.07	0.19
601-700	755	1.21	0.16	735	1.62	0.22
701-800	792	2.06	0.26	818	1.31	0.16
801-1000	980	3.53	0.36	963	2.70	0.28
1001-1500	1324	8.87	0.67	1297	5.58	0.43
1501-2000	1784	19.45	1.09	1742	10.63	0.61
2001-2500	2232	33.93	1.52	2159	14.47	0.67
2501-3000	2699	52.35	1.94	2555	18.65	0.73
3001-3500	3082	69.66	2.26	3030	26.96	0.89
3501-4000	3573	97.89	2.74	3455	35.58	1.03
4001-4500	4055	89.21	2.20	3716	43.85	1.18
4501-ABOVE	6768	175.97	2.60	5648	89.24	1.58

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Source: Household Income and Expenditure Survey, Federal Bureau of Statistics, Government of Pakistan.



suggest that a large number of the households do not educate their children and those that do send their children to the nearest public school.

### 3.2 Affordability

We have measured affordability as that level of surplus available to the family after meeting at least half their existing non-food expenses (including savings, if any) and the level of food expenses needed to meet minimum nutritional needs. This minimum nutritional expense, defined as the poverty line, was estimated for 1984-85 to be Rs 215 per person in the urban areas and Rs. 147 per person in the rural areas [Ercelawn 1992].

Thus affordability is computed by

$$A_i = Y_i - \left[ (\bar{E}_s \cdot N_i) + E_{ni} \right]$$

where

$A_i$	=	Affordability of an average household in the $i$ th income group
$Y_i$	=	Average Household Income of the $i$ th income group
$\bar{E}_s$	=	Per Capita subsistence expenditure on food
$N_i$	=	Average household size in the $i$ th income group
$E_{ni}$	=	Half the average Household Non-Food Expenditure of the $i$ th income group

Using the information on household income and the composition of expenditure available to Ercelawn, we have computed the level of affordability for each household in different income groups [Pakistan 1987]. This is shown in Table 8.

**TABLE 8**  
**HOUSEHOLD INCOME AND EXPENDITURE**  
**(URBAN), 1984-85**

Income Group	Average Income	Average Expenditure		Minimum Subsistence Level	Afford- ability
		Total	Non-Food		
<b>URBAN AREAS</b>					
Upto 600	472	559	266	913	-441
601-700	663	690	328	1119	-456
701-800	764	802	363	1268	-504
801-1000	924	971	470	1477	-553
1001-1500	1257	1259	619	1784	-527
1501-2000	1754	1731	887	2276	-522
2001-2500	2254	2165	1120	2630	-376
2501-3000	2756	2606	1419	3001	-245
3001-3500	3272	3099	1738	3381	-109
3501-4000	3770	3542	2038	3668	102
4001-4500	4271	3849	2207	3871	400
4501-5000	4783	4385	2680	4294	489
5001-8000	6121	5332	3379	4993	1128
8001-10000	9007	7450	5228	6843	2164
10001-15000	11980	10167	7181	8796	3184
15001-20000	17222	11054	8043	9658	7564
20001-25000	22193	16726	12612	14226	7967
<b>RURAL AREAS</b>					
Upto 600	463	566	252	749	-286
601-700	656	700	310	911	-255
701-800	754	809	363	1057	-303
801-1000	903	927	416	1130	-227
1001-1500	1236	1236	560	1398	-163
1501-2000	1721	1639	766	1728	-7
2001-2500	2221	2053	976	1979	242
2501-3000	2715	2472	1218	2278	436
3001-3500	3222	2837	1446	2544	678
3501-4000	3745	3297	1785	2937	807
4001-4500	4215	3471	1906	3199	1016
4501-5000	4730	4366	2625	3757	973
5001-8000	6131	4665	2928	4060	2071
8001-10000	8748	6995	4731	5863	2886
10001-15000	12200	7511	4949	6081	6119
15001-20000	16996	10244	7357	8489	8507
20001-25000	23564	16230	12851	13983	9581

**Source:** Household Income and Expenditure Survey, Federal Bureau of Statistics, Government of Pakistan.

The Table shows that in 1984-85, households earning upto Rs. 2,000 per month in the urban areas and Rs. 1,000 per month in the rural areas would have required a subsidy to meet basic nutritional needs and their existing expenditure on non-food items. These estimates of affordability reflect only the total amount of money which may be saved if all households were to consume food only sufficient to meet basic intake at the poverty level. This, however, is fallacious and represents only the extreme upper limit for households for all commodities and services combined. A more detailed and recent estimate of poverty needs to be undertaken to establish current day levels and also to quantify the actual affordability for educational services.

### **3.3 Willingness to Pay**

Estimates of willingness to pay have been derived from a small survey of private sector educational institutions operating in the low income areas of urban Pakistan. The principal objective of the survey was to estimate the level of user charges by different types and levels of schools. As a corollary the fees charged by these schools would implicitly indicate the level of willingness to pay. Unfortunately, the survey was restricted to the supply side of education and not the demand. Therefore, it was not possible to link the income levels of households to these user charges.

Given the premium for a better quality of education, it is argued that the willingness to pay would be commensurate to the quality of the service. Most families in Pakistan are willing to cut back on other expenses so that they are able to provide a better education to their children on the premise that the quality of life and their status in society is the direct result of good

education. Thus it may be assumed that the willingness to pay is linearly correlated to the quality of education provided.

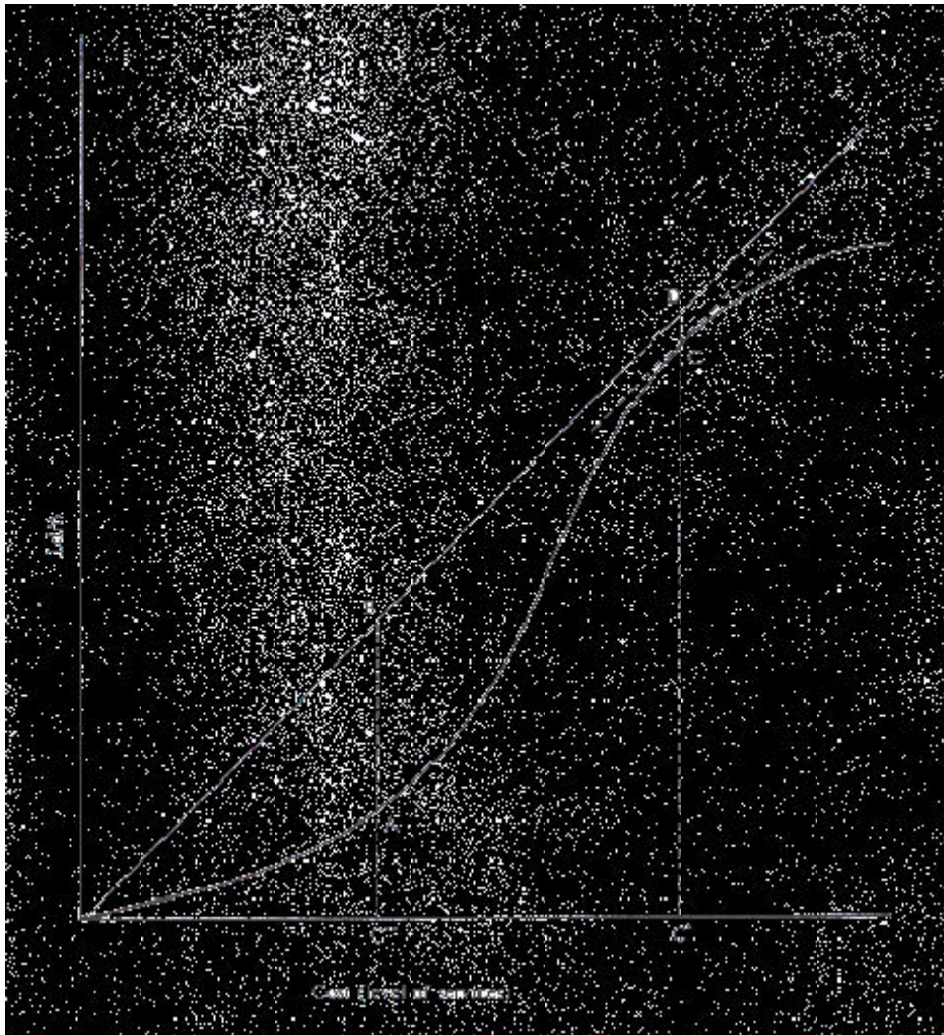
Figure 1 shows that the cost curve of providing education takes the form of an Engel's curve. That is it increases gradually for very low levels of quality, then rises sharply to achieve the highest levels and then again rises slowly for incremental increases. If the existing level of education is at the  $C^{**}$  level, then the implicit subsidy provided to the household is given by AB. If  $C^*$  represents the optimal point of provision of services then the implicit subsidy, CD, is much smaller. Therefore, it is possible to reduce the liability on government while raising the quality of education.

The survey of educational institutions conducted in Karachi and Lahore showed that the average monthly tuition fee charged in 1993 by the profit and non-profit (NGOS primarily family or community trusts) schools were different at each level. The latter, as may be expected, charged a lower fee. Table 9 shows the level of fees charged by different educational institutions operating in the low income areas of urban Pakistan. The Table tends to indicate that the total fees charged.

**TABLE 9**  
**WILLINGNESS TO PAY**

		(In Rupees)
Type		Average Monthly Tuition Fees
Primary	Private	66
	NGO	50
Middle	Private	66
	NGO	54
High	Private	124
	NGO	117

Source: Field Survey.

**Figure 1**

## **CHAPTER FOUR**

### **RESULTS OF A MARKET SURVEY**

A number of studies in the past have focused on the delivery of education by the public sector, but very little has been said about the services provided by the private schools in Pakistan. To be able to gain a first impression of the type of services provided by the private sector primarily with a view to ascertain the level of user charges, we have undertaken a very small case-study based sample of private schools operating in the low-income areas of two urban centres of Pakistan, Karachi and Lahore. A total of 19 schools were surveyed.

#### **4.1 A General Overview**

Information was collected regarding the facilities available, the type and quantity of teachers employed, the number of pupils enrolled by gender, the structure of charges and the breakdown of expenses. In Karachi the sample was drawn randomly from schools in Korangi, Aurangi and Mahmoodabad while in Lahore the sample was drawn from inside the Lohari Gate and from Islampura. The schools ranged in quality from the un-registered operation owned by an entrepreneur operating from rented premises and offering only lip service to education at the primary level to the formally registered large purpose built integrated schools operated by the Anjuman-e-Himayat-e-Islam. It is interesting to note that in the sample we were able to locate only two gender specific schools : a girls' middle school and a boys' high school and that both were located in Lahore. All other schools were co-educational. Most of the schools (14) operated from rented premises and only 5 operated from purpose built buildings. Each of the high schools had laboratories and only in one instance, a library was not available. The

teaching of English Language was a compulsory subject in each of the schools. The medium of instruction in the survey schools was English in the majority and each school had some form of extra-curricular activities. These schools invariably used the nearest park or playground to put the students through a physical education class-period and also to play some games. The student teacher ratios were in most instances lesser than those reported for the public schools, However, the children were more cramped for classroom space as these schools operated largely from rented residential accommodation.

A word of caution to the reader would be that as the sample was very small, it is only indicative of the pattern that may be observed in the non-public school sector. Conclusions based on these need to be drawn with caution.

## **4.2 Results of the Survey**

In Table 10 we present the summary of the facilities, teachers and classrooms, available in the surveyed schools. As may be seen the average number of teachers was larger than the average number of classrooms except for the privately managed non-registered primary school. The quality of teachers employed may be judged from the ratio of qualified teachers in total employment. In the private (individual) managed schools this was 50 percent, while in those schools which were managed by others (trusts, associations etc.) this was 78 percent. The differences by type of school may be seen in the Table. The large differential between the number of teachers and the number of classrooms in the high schools is indicative of specialist subject teachers. Salaries vary widely across the schools we surveyed. In the primary schools these ranged from Rs. 200 to Rs. 1,550 per month, in the middle schools these ranged from

**TABLE 10**  
**CLASSROOMS AND TEACHERS**

Type		No. of Schools	No. of C/Rooms	Total	Teachers Qualified	Non-Qualified	Average Teacher Salary
							Rs/Month
Primary	Private	3	7	5	2	3	994
	Others	1	5	6	6	0	600
Middle	Private	2	7	11	1	10	470
	Others	4	17	12	5	7	1101
High	Private	4	9	14	9	5	1273
	Others	5	23	36	31	5	2320
Total	Private	9	8	10	5	5	1001
	Others	10	19	23	18	5	1660

Source: Field Survey



Rs. 294 to Rs. 2,318 and in the high schools the range spread from Rs. 481 to Rs. 3,430 per month.

In Table 11 we present the results of an analysis of enrollment. The Table clearly shows that on the average the number of students in a classroom were within acceptable limits (25 to 35) except in the case of the privately operated middle schools, and also that the student teacher ratio was not unreasonable (20 to 30), except for the private managed primary school.

The bulk of the expenditure is for teachers salaries which proportion is lowest for the middle schools surveyed. On the average the share of salaries in total expenditure was 66.5 percent. Table 12 presents the differentials by type and level of school.

Tuition Fees charged by these schools are anything between Rs. 28 for nursery classes in high schools and Rs. 174 for class X in high schools (see Table 13). First entrants to each level are required to pay admission fees which may be as high as Rs. 141 on the average for high school level classes.

In rare instances there are other incidental charges such as laboratory fees, games fees etc. These more than appear to cover costs (see Table 14).

The survey clearly shows that the private sector and NGOs are offering a whole range of services to the slightly better off in the low income areas which is much wider than has been the general perception. Moreover, they are more than recovering costs, thus indicating that

**TABLE 11**  
**AN ANALYSIS OF ENROLLMENTS IN SURVEY SCHOOLS**

Type		No of Teachers	No of C/Rooms	Enrollment			Students per	
				Total	Boys	Girls	C/Room	Teacher
Primary	Private	5	7	190	95	95	26	36
	Others	6	5	117	71	46	23	20
Middle	Private	11	7	318	180	138	49	29
	Others	12	17	245	113	133	14	21
High	Private	14	9	281	162	119	31	20
	Others	36	23	956	594	362	41	27
Total	Private	10	8	259	144	115	33	25
	Others	23	19	588	349	239	31	25

Source: Field Survey

**TABLE 12**  
**COMPOSITION OF EXPENDITURE**

<b>Type</b>		<b>Teacher Salary</b>	<b>(As percentage of total)</b>	
			<b>Other Salary</b>	<b>Other Expenses</b>
Primary	Private	70.7%	5.8%	23.5%
	Others	64.3%	17.9%	17.9%
Middle	Private	57.3%	5.5%	37.1%
	Others	64.7%	11.2%	24.1%
High	Private	63.2%	8.1%	28.8%
	Others	68.4%	21.4%	10.2%
Total	Private	64.4%	6.8%	28.9%
	Others	66.5%	17.0%	16.5%

Source: Field Survey

**TABLE 13**  
**USER CAHRGES IN SURVEY SCHOOLS**

Type		Tuition Fees Per Student				Admission Fees Per Student		
		Nursery	Primary	Middle	High	Primary	Middle	High
Primary	Private	65	67	47	40	60	43	33
	Others	50	50	NA	NA	40	0	0
Middle	Private	50	55	55	25	75	80	50
	Others	68	69	82	38	78	93	30
High	Private	28	60	101	126	70	124	141
	Others	152	154	160	174	131	136	141
Total	Private	45	61	73	75	68	87	85
	Others	108	110	113	102	101	105	83

Source: Field Survey

**TABLE 14**  
**SURSPLUSES/DEFICITS OF SURVEY SCHOOLS**

<b>Type</b>		<b>Statement of Profitability</b>		
		<b>Expenses Thousand</b>	<b>Income Rupees</b>	<b>Surplus/ Deficit per Year</b>
Primary	Private	89.9	175.3	85.3
	Others	67.2	71.1	3.9
Middle	Private	108.3	209.7	101.4
	Others	240.0	189.2	-50.8
High	Private	332.5	332.2	-0.3
	Others	1464.1	1956.8	492.6
Total	Private	201.8	252.7	50.9
	Others	834.8	1061.2	226.4

Source: Field Survey

the willingness to pay even in the low income communities is much higher than generally accepted, **provided that the level of quality is better than that offered by the nearest public school.**

## CHAPTER FIVE

### COST RECOVERY STRATEGY AND RECOMMENDATIONS

The analysis of affordability and willingness to pay earlier indicated that there was a considerable gap between these and the user charges levied in the public schooling system in Pakistan. This perception draws heavily on the perception that parents are willing to pay for quality education. It was perceived during the course of the survey of schools that the quality offered was in some instances only marginally better than that offered by the public schools. In other instances, the quality offered was substantially higher than that of public schools. Thus the case for increasing user charges in public schools has, we feel, been established, **provided that quality is improved to match with that offered by the private sector schools.** The questions that arise, however, are, can quality be improved, if yes then by how much can user charges be increased, should this be uniform, and should this be as a direct recovery or be more insidious in the form of a hidden tax? These questions are addressed in the following sections of this Chapter.

#### 5.1 Level

The quality of education offered by the public schooling system is generally accepted by all and sundry to be the poorest that one may observe in the region. This is largely the result of politically oriented appointment of unskilled teachers, absenteeism, non-availability of materials and books, an irrelevant curriculum and inadequate infrastructure. It has been generally accepted that to overcome these drawbacks a complete overhaul of the system is required. Several experiments are being conducted throughout the provinces to discover the best modality

for this change. In the interim all four provincial governments agree that in the absence of user charges in the public sector schools this change may be impossible to achieve.

In Chapter One, our analysis of public sector cost recovery shows that the extent of recovery is very low in Pakistan, 0.8% at the primary level and 3.1% at the secondary school level in 1992-93 (down from about 1.5% and 3.5% respectively in the mid-eighties). This compares very unfavourably with levels of recovery in other countries in Asia (see Table 15) [Tan 1992].

Bangladesh with a per capita income substantially lower than Pakistan's was able to recover 7.4% of primary school costs and 4 percent of secondary school costs. In fact, Pakistan's recovery rate was less than half of the region's average for primary schooling (now a quarter). It was less than a quarter in the secondary schools and it has deteriorated further since then to less than a fifth. As an immediate step, therefore, Pakistan should raise its recovery rate to the average for the region, that is, raise recovery rates by a factor of five in the secondary schools. Given the structure of expenditure for 1992-93, this would translate into average fee levels of Rs. 30 per schooling month in the middle and high schools. However, even this modest increase would be difficult to pilot through the political system which exists today. Thus it may be unreasonable to expect such a radical change at this stage. It is, therefore, suggested that this may be brought about in phases over the remainder of the Perspective Plan period (ending 2002-03) such that at 1992-93 costs the monthly tuition fees only charged per student is as follows:



	Classes 1 to 5	Classes 6 to 8	Classes 9 to 10
1995-96	Nil	3 - 5*	6 - 10*
1996-97	Nil	4 - 6	8 - 12
1997-98	Nil	6 - 8	10 - 15
1998-99	Nil	7 - 9	12 - 18
1999-2000	Nil	8 - 10	15 - 20
2000-01	Nil	9 - 11	20 - 25
2001-02	Nil	10 - 12	25 - 30
2002-03	Nil	12 - 15	30 - 35

The above schedule of fee increases assumes no change from the existing levels of fees charged by Sindh and Punjab (asterisked above) today.

This policy of increasing fees for the middle and high school level classes suggests that the existing policy of providing near-free education to all will be replaced. Thus for the future the government should provide free education for the primary level classes only. At all other levels they should charge a graduated (by class-level) fee from each student except those which come from the poorest segment of society. These latter could be defined as the children belonging to households dependant on Zakat.

From our earlier analysis of the possible surplus which could be generated, it would appear that rural households would be able to afford a higher fee than their urban counterparts, perhaps as the result of lower food prices and other non-cash costs of living. This needs to be examined at depth before any conclusions are made as there may be a sampling bias in the survey itself. However, in the initial stages there should be no differential in the fees charged from the two locations. If results of a further and more focused affordability study establishes this differential then this policy should be reversed.

## **5.2 Dedicated Tax and its use (Iqra)**

In 1985-86 GOP introduced a dedicated tax called the **Iqra Surcharge** which was to have been used specially for the education sector. This was to be collected at a rate of 5% of the C&F value of imports by the Customs Department and deposited to a dedicated account. In practice, however, this collection was deposited into the Federal Consolidated Fund from which it should have been transferred subsequently to the special account. This was never done. On each occasion when questions regarding receipts into and allocations to the sector from this account was requested for the GOP side-stepped. GOP, instead, has maintained that its allocations to the sector in the Annual Budget exceeded the revenues from the dedicated tax. Information on revenues from Iqra was collected from the Central Board of Revenue [Pakistan 1993a] and on expenditure from the Federal Bureau of Statistics [Pakistan 1993b]. Table 16 shows that in fact there was a surplus being generated which has been rising rapidly year to year. However, as a result of the tariff reforms introduced in the budget for fiscal year 1994-95, this surcharge no longer exists.

## **5.3 Other Methods of Bridging the Gap**

To overcome this massive shortfall, which can only increase with time, the government should consider innovative mechanisms of inducting the private sector and the local governments into expanding their role. For the latter, however, the question of resource generation is of paramount importance. There are two ways in which this can be achieved. The first, is by increasing yield from existing sources through improvements in tax administration. The second, is by broadening the tax base. Since, higher levels of government already take away the more buoyant and elastic sources which may be tapped, local governments are left with a very

narrow tax base. This, in most instances are property related ranging from an increase in the rate to the levy of a special education surcharge for education. Each, however, needs to be examined in depth for its applicability and impact on households, particularly the poor, in Pakistan. There is also a need to empower local governments with full tax raising authority. This should be done at the earliest.

Following the results of the study on improving the resources for education at the local government level, we would recommend that initially only the large urban areas, say with a population base of 750,000 or more, be required to take on full responsibility for primary education.

As the private sector is making considerable inroads into the delivery of education to households in the lower end of the income range, government should encourage this in a number of ways. The first could be a tax holiday for investment in new schools or by providing access to land at full market rates coupled to a loan for construction at a subsidised lending rate. This should however be restricted to only registered NGOs, Trusts and Foundations with a track record of operating at least four or more schools. The second could be by broadening the scope of support through the Education Foundations. The current policy of supporting only the fee-charging schools should be broadened to include those which provide a subsidy to some of their students. However, as innovative accounting techniques could be used to justify such a support this needs to be examined critically and should form the focus of a study to be undertaken at the earliest.

The third could be by encouraging the private sector into taking over the existing public schools, while retaining title, thus relieving the government of a considerable recurring expenditure liability which could be used more productively in improving primary education. Another could be a policy of withdrawal from the middle and high school education field and leaving this entirely in the hands of the private sector. This could, however, be supplemented by a system of grants for the poorer segments of society.

#### **5.4 Institutional Changes**

Even before any changes may be brought into existence the current policy of rapid expansion in enrollments through an influence based accelerated school construction programme would need to be rolled back and replaced with a more efficient system as suggested by the SAPP Mission [World Bank 1993]. In addition, to encourage a greater participation of the private sector into the provision of schooling, the existing time consuming methods of registration and monitoring needs to be replaced with a more efficient approach. This can only be designed after a more detailed study of the system as it exists.

#### **5.5 Methods of Cost Recovery**

As stated earlier we suggest that there should be no cost recovery at the primary level and that for higher levels the methods of cost recovery should be direct in the form of an increase in fees to an average of Rs. 30 per class-month. This should be accompanied by a detailed affordability estimation for establishing locational and gender differentials. The possibility of withdrawing from providing this service at the higher levels within a public sector framework needs to be examined at some depth. There is merit in suggesting this withdrawal. However,

before any such decision may be taken we would strongly urge an evaluation of existing experiments in privatisation to draw lessons on successes and failures.

An alternate mechanism for subsequent consideration is increasing the role of the private sector and local government agencies. The latter after resources are secured for this additional responsibility through the devolution of taxation powers and a rationalisation of property related taxes in line with current rent/capital values.

The private sector role could be enhanced in a number of ways, but needs to be studied in depth before adopting any of the approaches suggested.

## **5.6 Cost Recovery Rates**

In section 1 of this Chapter we had suggested that the cost recovery rates should be increased to the average level for the countries in Asia for the higher classes. This would be about 17.8 percent of costs for the higher levels in schools. In other words the fees should be charged at an average of Rs. 30 per month for high school level classes. However, these fees should be charged only for the academic year, that is, the months in which classes are held, say, 9 months of the year.

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