Bangladesh: Female Secondary School Assistance

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Abstract

Bangladesh's Female Secondary School Assistance Project (FSSAP) illustrates another successful example of providing monetary incentives for girls to reduce the direct cost of schooling and to encourage participation. Bangladesh's specific economic, cultural and religious environment combines to depress demand for girls' education so that girls either never enroll in school or withdraw earlier than boys. The situation worsens considerably at the post-primary level, as the direct costs of schooling rise. The FSSAP was initiated in 1993 to address gender disparity in secondary education. It aims to close the gender gap in secondary education and to raise female status in the economy and society.

Like Guatemala’s Eduque a la Niña project, the FSSAP represents an integrated package approach incorporating multiple interventions. As a major component of the project, the FSSAP provides stipends, ranging from US$12 in Grade 6 to US$36 in Grade 10, to girls who are currently enrolled at secondary schools in 118 targeted districts and who meet eligibility criteria.

This case study describes the specific context from which the project stems. It also examines its design, special features, cost, expected benefits, fiscal impact, and other issues. Preliminary evidence suggests that providing monetary incentives directly to girls can be an effective way of increasing their participation in secondary education.

Background

Bangladesh, with a population of 114 million, is a densely populated, low-income country in Asia. Although situated on one of the largest, most fertile deltas in the world, the country is characterized by a rural-based economy, high levels of under- and unemployment, pervasive poverty, rapid population growth, frequently occurring natural disasters and widespread discrimination against girls and women.

One of the challenges that faces the Bangladesh education system is persistently low enrollment and school attainment among girls and women. Interrelated economic, social and cultural factors constrain schooling opportunities for girls, particularly at the secondary level. Educational attainment of women in Bangladesh is among the lowest in the world. The 1991 Preliminary Census shows that only 20 percent of women are literate. Female literacy is as low as 14 percent in rural areas.

The country's net primary enrollment rate was 64 percent for girls in 1990, 10 percentage points lower than for boys (74 percent). The disparity in access to education between girls and boys is most significant in secondary schools. Unlike primary schooling, which is free, secondary education usually requires the payment of tuition fees. In addition to tuition fees, the student and
her family must also bear other direct costs, such as transportation, books, uniforms, stationery and examination fees. In a culture where sons are considered economic assets and daughters as liabilities, many parents are unwilling to invest in educating female children beyond the primary level. As low as 33 percent of total enrollees in secondary schools are girls in 1990. The proportion of girls completing secondary schooling is only 29 percent, less than half the rate for boys (Khuda and Barkat 1992).

Lack of secondary education for girls inhibits not only their prospects for broad general knowledge, social development and improved health, nutrition and fertility, but also their ability to participate in the productive sectors. Although secondary school enrollment is presently growing more rapidly for girls than for boys (5 percent for girls and 3 percent for boys), the growth rate is much too low for girls to achieve enrollment parity with boys in a reasonable time without specific interventions. Assuming steady enrollment growth for boys, 20 percent growth rate for girls would result in parity in about four years (Khuda and Barkat 1992).

IDA's country assessment of Bangladesh (World Bank 1990) paved the way for strengthening the partnership with the Government in support of women's development. This assessment set the policy approach of promoting greater access of women to social services, including education. It stressed the strategic need for investing in women to broaden economic and social development since benefits diffuse widely through society and across generations. Further, the Government of Bangladesh (GOB), particularly its female Prime Minister, gives high priority to secondary education for girls (Grades 6-10). While formulating the General Education Project in 1990, IDA and the Government agreed to support continuation of the stipend program under the successful Female Education Scholarship Project. The Female Education Scholarship Project was operated by USAID, assisted administratively by the Asia Foundation from 1982 to 1992. This pilot activity had successfully encouraged girls to enroll in and continue attending secondary school mainly as a measure for reducing fertility. Simultaneously, IDA began considering assistance for a larger project addressing, in addition to stipends, some significant out-of-school and in-school factors constraining girls' attendance in secondary school. Consequently, in mid-1993, the Government of Bangladesh launched a Female Secondary School Assistance Project (FSSAP) assisted by IDA.

**Description**

The FSSAP is an "integrated package approach" incorporating multiple interventions to close the gender gap in secondary education and raise female status in the economy and society.

The main objective of the FSSAP project is to stimulate a significant increase in secondary school enrollment of girls, thereby enlarging the stock of educated women capable of participating fully in the economic and social development of the country. This approach will make Bangladesh a South Asia pioneer in supporting female secondary education.

**Program Design**

The project, budgeted at about US$88 million, consists of six components addressing out-of-school and in-school constraints to enrolling girls in secondary education and promoting positive community values about educating girls (Figure 2). The main component is a stipend program for girls, which addresses the direct costs of educating girls in secondary school (Grades 6-10) by providing a monetary incentive to assist with personal and tuition costs in all grades and book and examination fee allowances in upper grades. This component is, in essence, the continuation of the former USAID-funded Female Education Scholarship Program, which offers a monthly stipend to girls attending secondary schools on the basis of residence in the project areas to cover nearly half of a girl's annual direct educational costs, including tuition, textbooks, supplies, uniforms, and transportation during rainy season.

Other components of FSSAP include: (a) salaries of additional teachers, particularly females; (b) occupational skills training for girls related to market demand and wage and self-employment; (c)
activities to promote public awareness regarding the benefits of female education; (d) toilets, tubewells and water supply and sanitation programs at schools; and (e) capacity building at national and local levels.

Figure 1: Design Features: Bangladesh Female Secondary School Assistance Project

Besides its roots in the Female Education Scholarship Project, the choice of a monetary incentive as the main ingredient for FSSAP to increase female enrollment also stems from two other factors.

First, the private cost of secondary education (school fees, tuition, books, stationery and uniforms) represents a significant proportion of disposable income for rural households after covering basic needs for food, clothing and shelter. The annual personal direct cost of secondary education is about US$54 per student in 1988. This amount is 16 percent of disposable income for the top 15 percent of households, 54 percent for the following 23 percent of households. The next 33 percent have some disposable income but not enough to afford the cost of secondary education. The bottom 30 percent of households do not have any disposable income (Chowdhury, 1994). A survey conducted by the Academy for Educational Development identified five main factors that constrain female secondary enrollment in Bangladesh (Figure 2). Four out of the five main constraints are related to cost. About 42 percent of the surveyed families cited tuition and another 20 percent cited book expenses as key obstacles.

Figure 2: Five Main Constraints to send Girls to Secondary School in Bangladesh
However, the reasons girls are not enrolling in secondary education are more complicated than mere economic constraints. One has to consider preferences as well. Most households that have disposable income allotted about 73 percent of education expenditures to sons, who were seen as economic assets. Female education is simply perceived as being less worthwhile. Girls, who are expected to marry, leave home and become mothers and housewives, are considered to be poor investments and therefore receive only 27 percent of available funds (Valad 1995). This suggests the need to target girls, rather than simply providing families with more disposable income.

A second motivation for using the stipend strategy stems from the unsuccessful Free Tuition Program for Girls studying in Grades 6 to 8 in non-municipal schools. The program was initiated to address low levels of female literacy, enrollment, and status in the family and society. It did result in higher girls' enrollment and transition rates in Grades 6-8 as well as lower girls' dropout rates. But it suffered from implementation and financial problems, absence of monitoring to match enrollments and fund allocations, lack of a mechanism to establish the benefits girls receive and insufficient coverage (only to Grade 8) (Valad 1995).

**Program Coverage**

Initially, the FSSAP was to be implemented in two overlapping phases in 118 rural districts (59 districts starting in 1994 and another 59 districts in 1997), which were identified on the combined basis of economic impoverishment levels, low female literacy levels and low female attendance levels. The first phase was to cover 59 districts starting in 1994. Community support became so widespread, however, that the first applicants were about double the appraised estimate. The Government of Bangladesh decided not only to implement the FSSAP in all 118 districts simultaneously in 1994, but also to expand the stipend concept into a national Female Secondary Stipend Program in 460 rural districts. The Government is assisting in 282 districts (with its own funds), IDA in 118 districts, and the Norwegian Agency for Development Cooperation (NORAD) in 7 districts.

Early in the design of the stipend program consideration was given to the targeting of beneficiaries based on income criteria. But it was recognized that most people in rural areas are poor and unable to afford to send their daughters to school. A means test was considered to be difficult and expensive to administer. Moreover, it was known that experimentation with income targeting in the USAID project had not succeeded because eliminating the daughters of somewhat better off influential community members resulted in a withdrawal of community support. Any girl residing in the target area successfully completing Grade 5 would be automatically eligible to receive a stipend.
Stipend Rates

FSSAP initially proposed to only cover girls enrolled in secular secondary schools. Due to the launching of a nationwide stipend program from January 1994, girl students of both secular and religious schools (also called "madrashas") of 118 districts under FSSAP were included to maintain equity. Also, the monthly stipend rates proposed under FSSAP were reduced because the original rates were not affordable nor sustainable on a nation-wide basis with such massive increase of girl students. The Government of Bangladesh and IDA decided on new stipend rates which cover 30-54 percent of direct school expenses in grades 6-10. Table 1 details stipend rates for recipient girls. The total annual stipend for a girl is equivalent to US$12 in grade 6, US$13.5 in grade 7, US$15 in grade 8, US$30.25 in grade 9 and US$ 36.25 in grade 10. A girl successfully completing all five years leading to the Secondary School Certificate will have received US$107. The stipend is paid directly to an account specially set up for each girl in a nearby commercial bank. The recipient girls are expected to pay out of their stipend the other miscellaneous school fees. Besides the stipend, the FSSAP also provides tuition assistance, though this part of the financial assistance is paid to the school where the girl is enrolled, rather than to the girl directly. The third column of Table 1 lists the monthly tuition fee.

Table 1: FSSAP Stipend Rates (in US$)

<table>
<thead>
<tr>
<th>Grade</th>
<th>Monthly Rate of Stipend</th>
<th>Monthly Rate of Tuition Fee (TK.)</th>
<th>Annual Book Allowance</th>
<th>Annual Exam Fees allowance</th>
<th>Starting Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>0.64</td>
<td>0.25</td>
<td>0.38</td>
<td>-</td>
<td>-January 94</td>
</tr>
<tr>
<td>7</td>
<td>0.75</td>
<td>0.30</td>
<td>0.38</td>
<td>-</td>
<td>-January 95</td>
</tr>
<tr>
<td>8</td>
<td>0.89</td>
<td>0.30</td>
<td>0.38</td>
<td>-</td>
<td>-January 96</td>
</tr>
<tr>
<td>9</td>
<td>1.50</td>
<td>0.38</td>
<td>0.51</td>
<td>6.4</td>
<td>-January 94</td>
</tr>
<tr>
<td>10</td>
<td>1.50</td>
<td>0.38</td>
<td>0.51</td>
<td>-</td>
<td>6.4January 95</td>
</tr>
</tbody>
</table>

* The girl students of Class 10 will receive stipend for 15 months

Source: Ministry of Education, Bangladesh, 1994

Administration

An Interministerial Steering Committee was established to formulate and review policies and expedite policy decisions. A Consultative Group will gather every month to review project issues and recommend appropriate actions. The major management unit, the Project Implementation Unit (PIU), is set up to develop work plans and budgets, assist with coordination and scheduling activities, inform the Ministry of Bangladesh about problems and recommend action. The PIU is
also responsible for contracting technical assistance, services, studies and training programs, and for processing school applications. A Management Technical Assistance team is established to assist and advise the PIU. A District Education Officer is appointed to provide a linkage between the PIU and the field. At the district level, there are Thana Advisory Committee for the Girls’ Education and Thana Project Office. Finally school level coordinators are hired and Parent Teachers Associations are organized. The management structure of the FSSAP is illustrated below (Figure 3)

Figure 3: Administrative Organizations

- **Ministerial Steering Committee:**
  - formulate and review policy
  - expedite policy decisions
  - resolve implementation problem

- **Consultative Group:**
  - monthly review of project issues
  - recommend appropriate actions

- **Project Implementation Unit (PIU):**
  - develop work plan and budgets, assist with coordination and scheduling
  - coordinate and monitor activities, inform the Ministry about problems and recommend actions
  - contact technical assistance, services, studies, and training, prepare and submit withdrawal applications

- **Management Technical Assistance:**
  - assist and advise PIU
  - continuous monitoring and evaluation
  - manage information system, audit, inspection, training

- **District Education Office:**
  - monthly coordination meeting to overview the progress of the stipend program under the district
  - Thana Project Officers attend the meeting and report on progress

- **Thana Advisory Committee for Girls’ Education:**
  - provide advice and guidance on project issues
  - promote linkage among project schools and Thana project offices
  - promote community involvement

- **Thana Project Office (TPO):**
  - provide linkage between PIU and schools, attract schools to sign cooperation agreement
  - assist schools to implement, strengthen relationship with school
  - convene Thana Advisory Committee, form Parent Teacher Association

- **Parent Teacher Association (PTA):**
  - cooperate with school and TPO in respect of the stipend program
  - advise school regarding academic improvement
  - meet at least once in three months

- **School Level Coordinator:**
  - ensure cooperation from school management and girls
  - assist with school-related and personal problems through guidance

Besides the key players illustrated in Figure 3, the schools play a pivotal role for the project in achieving its objective of raising the number of educated women in the country. An institution has to enter into an agreement with the Project Office to enable their girl students to get the stipend. Any secular secondary school with girl students that are recognized by the Directorate of Secondary and Higher Education and religious schools recognized by the Bangladesh Madrasal Education Board are eligible to register. Once registered, the schools have the following obligations:

- help create public awareness and encourage girls to enroll
- issue warnings to girls not fulfilling the requirements
- accept the tuition fees from the project at a rate as decided by MOE
- will only collect other fees from stipend recipients, not tuition
- assist eligible students to fill out Student Application Form
- maintain a roster book to assign a unique ID number to each applicant
Thus, in addition to serving the purpose of administrative expediency, pecuniary incentives are used to involve schools in a way that transforms them into agents that promote female education. Similar mechanisms are at work in the design for parental involvement. Eligibility for and continuation of stipends will depend on parents agreeing that their daughters will:

- attend school for at least 75 percent of the school year
- obtain at least 45 percent marks in the annual examination
- remain unmarried throughout the Secondary School Certificate exams

In addition to setting up schools and parents as agents of social transformation, one of the most interesting aspects of these programs is the manner in which female empowerment has been incorporated into the design. The tuition part of the stipend is paid directly to the school where the girl is enrolled. But the rest of the subsidy will be paid in two annual installments directly to the girls through their savings accounts in the nearest Agrani Bank branches in the project districts. Where Agrani Bank does not have such branches, alternative arrangements will be made by Agrani Bank for girls to open accounts near to their schools. Agrani is a semi-private commercial bank. It has been selected for the project based on its: (a) experience with the school banking scheme in selected urban area; (b) extensive network of branches in the project districts; and (c) relative quality of counter service.

Stipends are withdrawn from bank accounts in March and October, which are dry season months suitable for traveling. The girls will be responsible for paying other user fees such as session fees and examination fees directly to their schools immediately on return from the bank. The image this promotes of girls bringing resources into the community and paying for own way is a significant departure from traditional norms. Yet despite the potential for social discord caused precisely by this fact, the mechanism appears to have been widely accepted.

Project design has also kept the incentives for corruption in mind. District Project Officers (TPO) are given the authority to visit any institutions under the stipend program to verify the number of girl students enrolled and verify attendance and performance of the stipend recipient girls. An inspection form has been designed by the Project Implementation Unit (PIU) to record the findings during the inspection. TPOs fill out this form and send it to the PIUs every month.

Summary of Special Features

The FSSAP has several innovative features:

- Schools sign cooperation agreements with the government confirming participation in the project. Parents and daughters sign a consensus agreement that the girl will: (a) attend school at least 75 percent of school days; (b) obtain at least 45 percent marks on average in annual examinations; and (c) remain unmarried until her grade 10 examination.
- Another feature is that stipends are paid into girls' personal accounts opened in nearby branches of Agrani Bank. Each girl has her own passbook to operate the account.
- the amount of stipends are in line with rising educational costs and designed to encourage older girls to stay in school. Book costs and examination fees are also covered at the two highest grades as inducements to remain in school.
- the stipend component is part of an integrated intervention package.

Program Impact

FSSAP has set up a Management Information System (MIS) to supply information for decision-making and to conduct surveys as monitoring and evaluation tools. This system has been developed for tracking key project activities related to the stipend program: such as enrollment, attendance, performance, repetition, dropout, promotion and graduation rates, student/teacher ratios, stipend payments and selected indicators for the other project components. Performance indicators have been agreed and data collection forms have been designed to provide the basis for a management information system. In order to evaluate program impact, separate sample surveys are being developed to gather information also on comparable female students in non-project schools.
The FSSAP project is in its third academic year out of six (1994-99) planned for IDA support. To date, there has not been any impact study on FSSAP. A mid-term review is scheduled for October 1996. During the mid-term review, six separate studies are expected to be undertaken to assess the economic attractiveness of the project to different types of schools, possibility of streamlining the disbursement procedures, possibility of relaxing eligibility criteria, reasons for high discontinuation rates in some areas and the effectiveness of the management system. Lacking such a direct evaluation, the likely impact of the Bangladeshi FSSAP program can be better understood and forecast by looking at what happened with its predecessor project. This "parent program", known as the Female Education Scholarship Program (FESP) was funded by USAID. The FESP was in existence from 1982 to 1991 offering a similar amount of monthly stipend to secondary school girls. A comprehensive impact study was carried out by the University Research Corporation in Bangladesh (Khuda and Barkat 1992). The study concludes that the project is successful in achieving its goals. Below is a brief summary of the impact of FESP.

Impact of FESP

**Enrollment**

FESP was implemented by 5 local NGOs in 5 project sites: Bangladesh Association for Community Education (BACE), Southern Gonounnayon Samity (SGS), Malerhat Jubo Sangha (MJS), Bahumukhi Unnayon Sangha (BUS) and Polli Unnayon Prochesta (PUP). The 5 project sites did not start the FESP project simultaneously. Instead, it was first implemented in the BACE site in 1982, followed by the SGS site in 1995. The other three sites: PUP, BUS and MJS only started the project in 1987.

There was a sharp increase in female enrollment. Female enrollment growth was almost twice that of males at the secondary level in the FESP schools. Assuming the year preceding implementation as the base year (for which the index is 100), the overall growth in enrollment is 122 for boys, and 216 for girls (Figure 4). This clearly shows a positive influence of the FESP on female secondary enrollment.

**Figure 4: Enrollment Growth Index in FESP**

![Enrollment Growth Index in Bangladesh FESP](Source: Khuda and Barkat 1992)
There is also evidence that the older the life of the project, the higher the enrollment growth. As shown in Figure 4, the enrollment of girls in BACE, the oldest FESP project was 4.5 times higher in 1990 compared to 1981, the year preceding the implementation of the project in BACE. SGS has the second highest growth rate in overall enrollment of girls. The performance in the other three projects was less impressive.

**Attendance**

Attendance is higher in FESP than non-FESP schools (Figure 5). For example, the average BACE school has a girls’ attendance rate of 78.6 percent, compared to 67.0 percent in the matched non-FESP school. In fact, the attendance of girls is higher than that of boys in the FESP schools. This reflects the greater commitment among the FESP than non-FESP girls in attending their classes.

![Attendance Rate in Bangladesh FESP and non-FESP Schools](source: Khuda and Barkat 1992)

**Dropout**

The FESP scholarship program also had a positive influence on reducing the dropout rates of girls in those schools. Except in the site of BUS, dropout rates among stipend girls are much lower than their counterparts in the non-FESP schools (Figure 6).

![Dropout Rates in FESP and non-FESP Schools in 1990](source: Khuda and Barkat 1992)
Repetition

The FESP does not seem to have a positive effect on the repetition rate. Repetition rates are found to be higher among the FESP than non-FESP students in two major sites: BACE and PUB. In almost all the grades, the repetition rates were higher among girls than boys, which suggests that after failing to get promoted to the next higher grade girls are more likely than boys in the FESP schools to continue their education (Figure 7).

Figure 7: Repetition Rates

This finding is consistent with the finding from Guatemala’s *Eduque a la Niña*, in that the FESP had increased attendance and reduced the dropout rate but had not affected the promotion rate. If thwarted dropouts are “worse” students, then it is possible that reducing the dropout rate can lower other measures of performance including repetition rates, *even while being a successful program*.

The key here is that performance criteria are being measured in "rates". Improvements of this type can affect both the numerator and the denominator of each rate, leading to what appear to be perverse outcomes. Change in rates here actually measures differences in the rate of change between numerator and denominator, not an improvement in the numerator with a constant
denominator. Better overall system performance measures need to be designed. A good place to start is by looking at total school years—or if available total test scores—produced before and after a project. Rate measures (dropout, repetition, passing, completion,...) of "improvement" are likely to be especially confusing in projects of this sort, that aim specifically at increasing coverage. Specifically, measured rate changes are likely to be downward-biased, since out-of-school students who are drawn into the school system by the project are not a random draw: they are likely to be worse students than the previous school population. Thus care should be taken to interpret these numbers, realizing that they are probably downward-biased, perhaps even lower bounds of "improvement" measures.

Achievement and Performance

Achievements in terms of the proportion of grade 6 enrollees who subsequently completed grade 8 and grade 10 are greater for the FESP than non-FESP schools (Figure 8). However, the proportion of girls who pass the Secondary School Certificate among FESP schools is 2 percentage points lower than that of the non-FESP schools. The findings suggest that the FESP schools are more likely than the matched non-FESP schools to retain the students and thereby help reduce wastage in the education sector due to dropouts. Once again, as with the repetition rate, the lower pass rate among FESP schools is perhaps due to the fact that compared to the non-FESP girls the FESP awardees are drawn from relatively disadvantaged families, which could not afford the necessary financial expenses related to special tutoring and other expenses in connection with preparation for the SSC examination. It is another manifestation that as more girls are retained, the average performance might go down.

Figure 8: Proportion of Grade 6 Enrollees Completing Higher Grades

![Figure 8: Proportion of Grade 6 Enrollees Completing Higher Grades](source: Khuda and Barkat 1992)

Besides the impact on school participation and achievement, the FESP girls were also found to have higher educational aspirations. In addition, the program has a positive effect on attitudes toward the ideal age for marriage. The proportion of FESP secondary school completers married is lower than their comparable non-FESP counterparts. Contraceptive prevalence is higher among the married FESP than non-FESP girls. Fertility is slightly lower among the married FESP than non-FESP girls.

Impact Summary
The FESP is shown to have positive effects on enrollment, attendance, dropout and some performance indicators. Further it resulted in higher education aspirations and achievements and healthy reproductive behavior among stipend girls. The FSSAP basically copied the design of FESP's stipend component and complimented it with other components. Therefore, it is expected to yield similar impacts.

Costs

The total cost for the FSSAP’s six-year project period (1994-2000) is about US$88.4 million. The bulk of it (77 percent) is financed by IDA (US$68 million). The Government of Bangladesh contributes a total of US $20.4 million. About 77 percent (68 million) of total investment goes to the stipend component of the FSSAP (Table 2).

<table>
<thead>
<tr>
<th>Components</th>
<th>Total Cost (US $ million)</th>
<th>Percent of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Stipends</td>
<td>68.1</td>
<td>77.0</td>
</tr>
<tr>
<td>B. Teachers</td>
<td>2.7</td>
<td>3.0</td>
</tr>
<tr>
<td>C. Occupational Skills Development Program</td>
<td>2.3</td>
<td>3.0</td>
</tr>
<tr>
<td>D. Female Education Awareness Program</td>
<td>1.7</td>
<td>2.0</td>
</tr>
<tr>
<td>E. Water Supply and Sanitation Program</td>
<td>0.3</td>
<td>0.3</td>
</tr>
<tr>
<td>Project Implementation Unit</td>
<td>2.2</td>
<td>3.0</td>
</tr>
<tr>
<td>District Project Offices</td>
<td>7.5</td>
<td>8.0</td>
</tr>
<tr>
<td>Project Management Training</td>
<td>0.9</td>
<td>1.0</td>
</tr>
<tr>
<td>Monitoring and Evaluation</td>
<td>1.8</td>
<td>2.0</td>
</tr>
<tr>
<td>Management Technical Assistance</td>
<td>0.9</td>
<td>1.0</td>
</tr>
<tr>
<td>Total</td>
<td>88.4</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: World Bank 1993

In 1994, FSSAP has disbursed stipends to eligible girls in grades 6 and 9 in 118 districts. And only this cohort of girls will be provided with stipends until they finish the last grade of high school, grade 10. In Bangladesh, grade 6 is the first year of middle school and grade 9 is the first year of high school. In addition to financial constraints, the reason why only grades 6 and 9 were chosen is to facilitate future evaluation and comparisons. There were 198,313 applications for stipends and a total of US$3.3 million has been disbursed in the academic year 1994 (1st and 2nd installments) as stipends and tuition fee among 187,320 eligible girls of 3,366 schools and Madrashas of 118 districts (Table 3).

<table>
<thead>
<tr>
<th>1st Installment (January-June 1994)</th>
<th>2nd Installment (July-December 1994)</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Schools</td>
<td>3,366</td>
</tr>
<tr>
<td>No. of Girls</td>
<td>187,320</td>
</tr>
<tr>
<td>Amount of tuition disbursed (US$ m)</td>
<td>0.47</td>
</tr>
<tr>
<td>Amount of Stipend disbursed</td>
<td>1.40</td>
</tr>
</tbody>
</table>

Source: Annual Progress
Fiscal Impact

In Bangladesh, public expenditure on education amounts to less than 2 percent of GNP on average, compared with an average of 2.3 percent in other South Asian countries, and 4.1 percent in East Asian countries. Twenty three percent of the total education budget is invested on secondary education. This amounts to a total secondary education budget of US$148 million, a disproportionate 32 percent of which was spent on girls.

Table 4 tabulates the fiscal impact of the FSSAP on the government budget. In the first year of program implementation, with the total coverage of approximately 187,320 girls in 3,366 schools within 118 districts, the FSSAP cost approximately 0.7 percent of the total education budget and 3.2 percent of the secondary education budget in Bangladesh. The impact is expected to peak in the fiscal year 1998 when the FSSAP will cost 1.6 percent of total education budget and 7 percent of the secondary budget.

Table 4: Expected Impact of Female Secondary Assistance Program on Government Budgets

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<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>Total budget (US$million)</td>
<td>4,761</td>
<td>5,324</td>
<td>5,988</td>
<td>6,778</td>
<td>7,723</td>
<td>8,896</td>
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<tr>
<td>Ed. budget (US$million)</td>
<td>643</td>
<td>719</td>
<td>823</td>
<td>932</td>
<td>1,081</td>
<td>1,246</td>
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<tr>
<td>Secondary education budget (US$million)</td>
<td>148</td>
<td>165</td>
<td>189</td>
<td>214</td>
<td>249</td>
<td>286</td>
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<tr>
<td>Program Cost (US$million)</td>
<td>5.10</td>
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<td>9.30</td>
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<td>Savings on free ed. policy</td>
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<td>0.67</td>
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<tr>
<td>Total cost (US$million)</td>
<td>4.87</td>
<td>7.54</td>
<td>8.63</td>
<td>13.01</td>
<td>17.50</td>
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Substainability

On the financial side, the project is sustainable as the peak impact of the project on the total government budget will be 0.2 percent in fiscal year 1998, with full operation in 118 districts. The peak impact on the total education budget and on the secondary education budget will be 1.6 percent and 7.0 percent. Considering that the government spending levels on human resource development generally and education in particular are relatively low, this level of investment will be manageable and sustainable.
In addition, the project is expected to stimulate a lasting change in parental attitudes so that the practice of sending girls to secondary school and treating them on a par with boys in regard to educational opportunities will have gained wider acceptance within local communities. With parents and communities having greater appreciation of the value of educating girls, efficiency levels will not revert to the ex-ante situation after stipends cease. In addition, the girl graduates from the project schools will provide role models for their younger sisters, the additional female teachers will provide role models for the girl students, and the schools will become better places to provide secondary education to girls.

In terms of replicability on a countrywide basis, the project is expected to be the first in a series of about four successive projects, each one covering about a quarter of the country over 26 years (until 2020). Each project will start as the previous one winds down, thus keeping the budgetary burden affordable. The experience learned under each successive phase will be taken into account to identify possible sources of savings and increased efficiency.

However, the FSSAP is not without potential risks and problems. First, the economic attractiveness of the stipend differs by school. Despite the fact that some rural small schools benefit from the steady tuition income from project schools, many schools, especially urban elite schools, have complained that the tuition being paid for stipend girls is not adequate to cover educational expenses. Some of these schools may be taking actions that are detrimental to the expanded enrollment of girls and trying to enroll boys instead because they pay higher rates. Or the schools may be charging girls more for other school fees in order to make up for tuition losses. If this proves a serious problem, measures need to be undertaken.

Related, the effect of stipend is likely to vary depending on the characteristics of the district and individual household. In some poor rural districts, the amount of stipends may provide enough incentives for families to enroll their girls in secondary schools. Yet this might not be the case for more advanced urban areas. Also, in extremely remote areas where transportation to school is in fact a major barrier, alternatives such as organizing rickshaw drivers to provide transportation or giving vouchers that reflects the distance to school may also need to be experimented.

Another on-going debate of the project concerns the eligibility criteria. Girls need to maintain 75 percent attendance rate and obtain at least 45 percent marks on tests in order to continue the FSSAP stipend. Some already voice that these criteria are too stringent. Now that the stipend program has been expanded countrywide, only the FSSAP is discontinuing girls for reasons of insufficient attendance and poor marks. The Government of Bangladesh and IDA are considering whether to loosen FSSAP’s eligibility criteria or to apply the same criteria to the rest of the country so that the government gets a quality return for its investment. The forthcoming midterm review is expected to probe the opinions of girl students, parent, headmasters, and other influential members of the community and recommend action if needed.

Danger of bribery and corruption is another concern. Girls need to obtain signatures from various school personnel to prove eligibility. This could cause potential misconduct on the part of relevant school personnel. Some funds could also be misdirected to teachers or project staff while they take girls to commercial banks or to families for short loans before fees are due. Hopefully this will be counteracted by strong project monitoring, semi-annual inspections of the flow of funds from Agrani Bank to the eligible girls, and public awareness activities.

Conclusions
This case study has examined the FSSAP project in Bangladesh. All of the evidence examined here supports the conclusions of a companion set of papers that examine demand-side incentive mechanisms elsewhere. This evidence indicates that providing monetary incentives directly to girls can be an effective way of increasing their participation in secondary education. While
FSSAP is still in its infancy the design appears to be very clever in structuring pecuniary incentives in a way that transforms parents and schools from bastions of traditionalist discrimination against female education into the very forefront of a movement towards appreciating its importance. Furthermore, the parent version of FSSAP was found to affect a sharp increase in female enrollment, higher attendance, lower dropout and repetition rates. Achievement, measured as the proportion of grade 6 enrollees subsequently completing higher grades is higher among stipend girls than others.

However, less than 20 percent of the age group is in the presently targeted grades (grade 6 and grade 9). Continuing efforts are needed to increase the transition from primary to secondary school and to raise the number of girls completing secondary education.

As more girls are enrolled and retained in the secondary education system through the stipend program, a new challenge will await those involved in expanding secondary education coverage. Retaining more girls in secondary school is one thing, providing those enrolled with adequate education is another. Some evidence already indicates that a lower proportion of stipend girls passed the Secondary School Certificate examination. Part of the reason is that those who are retained but would have dropped out without the stipend program are likely to be from poor and disadvantaged families that could not afford to hire private tutors for preparation of the exams. This report has pointed out that such a bias is likely. Nevertheless, it serves as a signal to policy-makers that measures need to be taken to ensure quality at the secondary level.

Further, enough opportunities for paid work may not be found for the stipend recipients. Providing more girls with access to secondary education will raise their aspirations for higher education and would qualify them for employment. However, the economy of Bangladesh is such that not enough wage employment opportunities are available for females. Recent estimates indicate that only 21 percent of the females are active in the labor force in Bangladesh (World Bank 1996).

References


