

Chapter 5: Thoughts for Discussion and Debate

5.1 *The state provides equitable access to education at the village level in Punjab.* Article 37 (b) & (c) of the Constitution of Pakistan (1973) affirms that “the State shall remove illiteracy and provide free and compulsory secondary education within the minimum possible period.” During the 1990s enrollment rose rapidly in Punjab and other provinces. Based on the sample in the LEAPS study, which covers at least 50 percent of the population of Punjab at the time of the study, the State is indeed providing access to education. Every village in the sample has multiple free public schools, and average learning is similar across villages, independent of village-level wealth or learning. Data from the National Education Census (2005) confirm that there are more government schools per student in poorer villages in all of rural Pakistan, thus extending the findings from the LEAPS sample villages..

5.2 *Literacy goals often unmet.* What Pakistan needs to debate is whether any attempt is being made to address the affirmation that the “State shall remove illiteracy”. It also needs to debate the implications of the rapid rise of well-performing private schools for achieving this goal. This chapter examines five issues related to the quality of education and future education policy that are frequently debated in Pakistan. The goal of this chapter is to argue that evidence can yield important insights for policy and provide a framework for further debate.

Issue 1: The Learning Agenda: What does it imply?

5.3 *Increasing learning requires bringing more children into school.* One easily identified group of children at risk of being left out of the educational system are those who live “far” from school and are therefore less likely to be enrolled. This study agrees with a number of other studies in Pakistan that the distance to school has a big impact on enrollment, particularly for girls. The problem is that this effect is too big for a potential supply-side response of constructing more schools to bring all out-of-school children into schools. It would be expensive to construct, maintain, and staff schools within 100 meters of every household.

5.4 *The government needs to actively pilot interventions to see how these distant effects can be overcome.* The problem with the results thus far is that there are no clear household or child characteristics that mitigate the harmful effects of distance. An idea that has been advanced is the use of “chaperones” who bring children to school—anecdotally, it has been suggested that when children can walk to school together or with a responsible adult, they are more likely to enroll. It is exceedingly difficult to assess this type of phenomenon with these data. This is partly because there are too few households to construct indicators of what

“neighbors” are doing and partly because such interaction effects (for instance, using the number of siblings as an appropriate indicator) are hard to interpret. It is difficult to dissociate household effects from the independent effects of having someone to go to school with. If “chaperones” are indeed the solution, this should not be very hard to address. Given the difficulties in assessing the impact observationally, this sort of intervention requires rigorous evaluation using randomized strategies.

5.5 *Children who do not attend school work for pay less than two hours a day.* The data are also notable in showing that the alternative to school is *not* work. Primary age children who are not in school spend 93 minutes a day (an hour-and-a-half) working at home and working for a wage. Getting these children into school does not require “compensating” parents for a loss of income; but it may require schools that are more interesting for children and schools where learning is of a higher quality. The appropriate infrastructure and pedagogic “package” to get children who are disinterested and not pushed by their parents into school requires the combined knowledge of educators, head-teachers and parents themselves.

5.6 *While improving enrollment is critical toward ensuring that children learn, it is insufficient.* Children are unable to read simple sentences in Urdu and add and subtract by the time they are in Class 3. That greater enrollment does not imply more learning demonstrates the importance of a holistic approach toward the educational rights of the Pakistani citizen. More children may be attending school in rich and highly literate villages (Chapter 1), but the average child’s test scores in Class 3 remain largely unchanged.

5.7 *Once children are in school, efforts to measure performance must follow.* Unfortunately, there is no magic recipe for improving learning. Despite many years of research in high income countries, there is little consensus (apart from the role of teachers discussed below) on how learning can be improved. There is considerable agreement, however, that collecting information on learning is the critical first step for the broader “learning agenda”. Before we even think of how learning may be engendered, a system for tracking learning in different schools over time based on tests conducted by a reliable and impartial authority will important to ensure that citizens know how well their children are performing in school.

5.8 *Information on enrollment and learning outcomes need to become part of the popular discourse on the state of Pakistani education.* The widespread use of a test at the end of Class 5 in Punjab province in 2006 is an important first step. Further work is required to ensure that citizens are able to monitor and hold the state accountable for its performance in guaranteeing the right to education. Ensuring exam results are standardized and replicated every year in a reliable manner is only part of the challenge; access to comparable data for all schools is also critical. In recent years, Punjab has collected annual data on all its public schools, the Federal Bureau of Statistics has enumerated and collected information on *all* schools in the country, and

Punjab has tested children in Class 5. Yet, these data are not publicly available and their accuracy has yet to be subjected to independent analysis. Researchers, academics, multilateral institutions (who are often *implicated* in the withholding of data and information) and those interested in the Pakistani education system need to ensure the general public has ready access to this information. While enrollment numbers are currently released on an annual basis, similar summary statistics on academic achievement need to be made available as well to ensure school quality becomes part of the popular discourse on the state of Pakistani education. In the United States, school performance in learning is posted on the internet. This may be a worthy goal to aspire to.

5.9 *The comparison of public and private schools made here strongly suggest that better learning is not out of reach of the Pakistani system.* Even within the same villages, private schools are doing much better in all subjects than public schools. Furthermore, the differences between schools are far greater than the differences across households or villages, and are equally strong after accounting for parental wealth and education. Based on the results of this study, where public and private schools in the same community are compared, the best place to focus attention is on the condition of schools and not the attitude of parents toward their children's schooling.

Issue 2: Should the Government Regulate schools?

5.10 *Ensuring standards of quality.* Popular policy pronouncements and the discourse surrounding private schools often revolve around regulation of quality and (at varying points in time) prices. But what is such regulation meant to do? One purpose of regulation is to ensure that providers deliver a minimum standard of performance. Using performance and test scores as a yardstick, it is government, not private schools that need better oversight. The bulk of the poorest-performing schools are government schools, where there is little accountability or mechanism for complaints—these schools are not meeting any minimum quality standard. In contrast, parents unhappy with a private school can simply withdraw their child, and this exit option shows up clearly in the data—children in the worst private schools have far higher test-scores than those in the worst public schools (Chapter 1).

5.11 *Ensuring competitive pricing.* A second purpose of regulation is to ensure that private schools do not charge “excessive” fees. Such pricing inefficiencies arise from monopolistic behavior. Firms that act as monopolies maximize profits by charging prices above what is socially optimal; some consumers who would like to buy the product from the monopolist cannot because this implies decreasing the price for the *entire* market. Typically, every country has an authority that looks at monopolistic or restrictive trade practices and advocates alternatives. The chapter on schools showed that private schools are not behaving as monopolies. These schools are most often located in “schooling clusters” with other private and government schools.

Direct competition from other schools keeps their prices low—indeed, the average profit at a rural private school in Punjab is approximately equal to the salary of a male private school teacher. This is precisely the opportunity cost of the private school entrepreneur. Government schools tend to be located both in schooling clusters and in stand-alone locations outside the main settlement. Given the strong relationship between distance and enrollment, these schools may be the *only* option for a large set of children. From chapter 2, levels of infrastructure in these schools are lower, suggesting that they do not command the same resources that government schools in denser and richer settlements do. If there is any evidence that some schools may be “monopolies” it is these government schools rather than the majority of private schools.

5.12 *Ensuring that prices reflect quality.* The third common rationale for regulation is that consumers are unable to evaluate the quality of the product they receive. In the case of private schools, parents cannot tell the quality of education imparted in school and are thus able to “fleece” parents by charging high fees for low quality. It is worth recognizing that this rationale for regulation does not imply that poor quality private schools should not exist. In fact, poor quality need *not* be a problem as long as it is completely embedded in the price of the service and as long as the preferences of the child are fully reflected in the decisions of the parent. A Mehran is cheaper than a BMW, yet few would argue that there is a need to regulate Mehran’s out of the market. Similarly, in the schooling case, if worse performing and cheaper private schools are regulated out of existence, there will be a large number of households who will stop sending their children to school (because the alternative government school is too far away or even lower quality) or be forced to opt for an even lower quality government school. The rationale for regulation arises from the discrepancy between price and quality, rather than lower quality itself.

5.13 *Moreover, this is a rationale for providing more information, not necessarily regulation.* It becomes a rationale for regulation only if the cost of providing information about quality is prohibitively high, leaving regulation as an only alternative. The results suggest that the market is already working well in some ways. The average parent’s ranking (whether the parent is literate or not) of schools coincides with the ranking from independently administered tests, suggesting parents are already aware of the quality of schools in their villages. Quality is also reflected in prices – higher fees are clearly associated with higher quality. That said, providing more information could help increase awareness about the number of schools in the village and their relative quality and lead to better outcomes through increased competition. If every village had posters and a page of test scores for different schools and their addresses in the village (perhaps with comparisons to other villages or their own district), parents might make better school choices. Indeed, a randomized evaluation of precisely such an experiment is underway. Preliminary results suggest that the experiment led to better learning outcomes among the initially poor performers. If confirmed, such an experiment could then be reevaluated within the context of the Punjab government’s large-scale testing exercise in Class 5.

5.14 *These three rationales for regulation—ensuring a “standard” of quality, ensuring competitive pricing and ensuring that “prices reflect quality” suggest that public sector schools are better candidates for regulation on all three counts than private sector schools.* But government schools are already regulated! It seems parent’s ability to choose schools is operating better than government regulation to deliver basic minimum educational goals. Pakistan needs to rethink the costs and benefits of regulating private schools, given these findings from the data.

5.15 *Regulation has to first focus on the worst-performing government schools.* As reported, the gap between the best and worst government schools is 10 times the gap between children from rich and poor families and 15 times the gap between children with literate and illiterate parents. The utter failure of the lowest performing government schools suggests an obvious target for any future education reform program. Although efforts to improve mediocre and slightly above average schools may yield positive results, these schools are not the driving force behind low child test scores. It is the worst government schools that drive down average test scores—dropping the 50 worst government schools is equivalent to raising the other 436 government schools’ scores by 25 knowledge points each. The debate about regulation has to *first* focus on very poorly performing government schools. Once these schools are on track, attention can then be focused on the extension of regulation to other types of schools.

Issues 3: Shifting the focus from inputs to outcomes

5.16 *Reframing the education policy debate involves shifting the focus from inputs to outcomes.* Most popular writing on Pakistani education starts with the poor state of school infrastructure, high pupil-teacher ratios, and low budgetary support. The implication is that more money will solve all these problems. This would be an easy solution and one that all funding agencies would be happy to support. Unfortunately, as a number of studies worldwide show these inputs cannot explain large differences in learning between schools. As confirmed in chapter 1, private schools outperform public schools regardless of their infrastructure or pupil-teacher ratio. In fact, the correlation between infrastructure and test scores or student-teacher ratios and test scores is fairly small to begin with.

5.17 *The amount of resources required to educate a child in the private sector is one-half the amount required by the public sector.* Take the case of Urdu. Private school students grasp 38 percent of the content in the test; government school students grasp 25 percent. By the end of Class 3, assuming that children have been in school for three years, the spending on a government school student is Rs.6000, on a private school student Rs.3000. Therefore, it costs Rs.79 per Urdu-percent to educate a child in the private sector and Rs.240 or 3 times as much in the government sector. These numbers do not change much if we account for differences in household characteristics. *Prima facie*, the argument that improving outcomes requires far greater resources does not appear to be accurate. Although there are more subtle arguments based on the tendency for private

schools to open in richer, more educated villages that support a case for greater spending (more on this below), the subject is clearly a matter for public debate. The automatic reaction to poor educational results is to throw more money at it before looking at whether something else is going on.

5.18 *The source of the public-private school learning gap is the ability of private school administrators to adapt to the specific circumstances of their school.* The key question of course, is what this something else might be. In a number of discussions the first question is always “So what do private schools do differently that government schools do not?” The question and what is implied is that there must be some difference in *an input or set of inputs* that can be provided by the government to bring them to the same level of learning as private schools.

5.19 *Despite extensive efforts to isolate observable factors that could explain the private-public gap, the data collected by the LEAPS survey cannot conclusively explain why private schools out perform public schools.* Using the set of children in the household survey who could be matched to test scores in the school-based assessment (about 900 in all) a “kitchen-sink” regression was used to explain learning as a function of child characteristics (age, gender, health status, household spending on education, intelligence, work ethic,), family characteristics (availability of books and other media at home, parental education and income, time spent with the child on studies), school characteristics (infrastructure, location, student-teacher ratio) and teacher characteristics (absenteeism, age, education, gender, test scores, training). While some of these were independently correlated with test scores, the private-public gap could only be reduced by 30 percent *at most*. This in sharp contrast to richer countries, where the gap is sharply reduced the moment a basic set of household characteristics is included in the regression.

5.20 Follow-up fieldwork was done to interview three head-teachers in private schools to get at this elusive input. All agreed that it was important to bring motivated teachers onboard and ensure that they were fulfilling their teaching duties, but they differed on everything else. In the first interview, the head-teacher felt that one of his teachers was weak in mathematics, so he had arranged for her, together with other teachers from neighboring villages, to go for further training in Hafizabad, 60 kilometers away from the village. The second head-teacher felt that the lack of a boundary wall was distracting students (the school was next to a road), so he spent funds on building such a wall and his impression was that children could now focus more as a result of this construction. In the third school, children from one settlement were frequently absent since they had to cross a small forest to reach the school. The head-teacher decided to send a teacher every morning to this settlement to chaperone the children to the school, and attendance increased dramatically. Much like the intrepid teacher dealing with 94 children in chapter 1, private schools are probably doing better not because of “a set of inputs” that are of higher quality than those provided by the government, but because they have the ability and administrative flexibility to fix the weakest link in the chain.

5.21 *Shifting from inputs to outcomes requires flexibility.* One approach is the “planning approach” that tries one by one, to check the impact of each input on outcomes; this has also been the approach of most educational research in low-income countries. A second approach admits that different places and different children have different needs and a central planner is inherently unable to align inputs perfectly for every single child. However, it also recognizes agents at the local level *can* do this better—the flexible head-teachers in private schools for instance. The “flex-approach” suggests that instead of trying to fix every input optimally, the planner fixes the *system* so that those who know more and are able to respond better to individual needs prosper, while those who are inflexible and provide low-quality inputs are selected out of the system. The private system does this automatically. As we saw in the chapter on households—private schools that cannot provide the learning levels parents expect ultimately shut down or charge lower fees. A debate around whether a more “flexible approach” is better or even feasible in the government system also needs to tackle the question of educational performance.

Issue 4: Fixing institutions: Public-Private Partnerships?

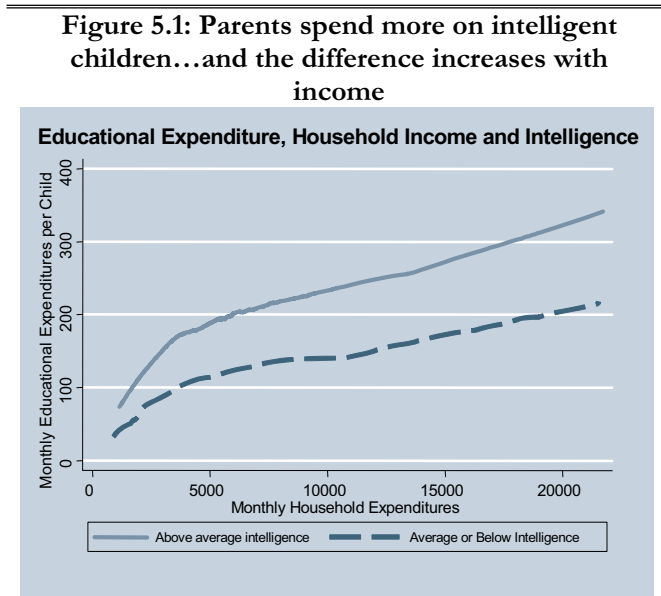
5.22 *In countries where private schooling option is widespread, policy options in education have revolved around public-private partnerships.* Such partnerships largely involve government financing and private delivery of education—thus combining the flexibility of the private system with funds from the government. Examples include grant-in aid schools (UK, India) and charter schools in the US which largely involve block grants/funding to private schools. The other model is financing families directly through vouchers to each school-going child. Voucher systems de-link the financing of education from its provision by ensuring that “money follows the child”. That is, parents are given a fixed sum every month by the government and they use this to pay the fees of any school they elect to send their child to; if they choose a free public school, the money is sent back to the government. This has been tried in Colombia, Chile, Sweden and the U.S., among other countries. How well these various arrangements have worked is highly debated and depends on country circumstances.

5.23 *Although the large cost-per-percentage difference between public and private schools suggests a strong justification for vouchers, there are a few troubling issues to consider.* Private schools are overwhelmingly located in the main settlements, which are richer. For these main settlements, there is indeed a strong case for a voucher system. But, under a voucher system, will private schools locate in peripheral settlements, and at what price? The performance and prices of private schools are closely tied to their ability to find good teachers. If such teachers are hard to find, private schools will just increase their fees to cater to the larger demand under a voucher system; if they are not allowed “top-up” fees over and above the voucher price, it’s likely they will decrease quality. In fact, there has been no increase in performance as a result of the voucher systems used in

Chile over the past 20 years. As one observer noted, private schools tend to become like public schools, and in direct proportion to the public subsidy they receive.

5.24 *Such issues of performance and price may not be problems in the larger and denser settlements where the private schooling clusters already exist.* But this leaves the poorer and disadvantaged children in peripheral settlements underserved. The current government system, counter to what is commonly believed, provides education equitably across villages, and in most cases (with the exception of infrastructure), within them as well (Chapters 2 and 3).

5.25 *That the government sector provides equitable educational opportunities is critical, because it is the only part of the educational system that does so.* Private schools, by virtue of their prices and their location choices do not—poor households cannot pay even the relatively small fees, and live farther from such schools. As Figure 5.1 shows, households do not treat children in an equitable manner either. The figure shows what parents spend per month on children’s education, separated across the children they perceive as intelligent versus those they perceive are not.



Children who are not perceived as intelligent have three strikes against them—they are 20 percentage points less likely to be enrolled in school; they are more likely to be enrolled in public schools and; even when enrolled, households invest less time and money on them. The problem does not seem to be one of prioritizing expenditures in a low resource setting—the gap in spending by child intelligence actually *increases* with income. As it turns out, most of the money spent on the education of children thought to be of “average or below” intelligence comes from the public sector. Even with a voucher system, it will take a while before supply of private schooling picks up—meanwhile, if Pakistan is to take seriously the idea of “Education for All”, there is really no option but to improve the performance of government schools.

5.26 *Whichever way the debate goes, a careful evaluation of what a voucher system actually will do is vital.* A proper evaluation program would have at least 3 components. First, it would last at least 5 years, since it will be critical to see whether the private sector is able to respond to greater financing by increasing supply. Second, it would consider the *village* as the appropriate unit for assessing test-score responses. Vouchers may lead to greater social stratification; if such stratification means that children learn less from each other, it may have a

detrimental effect on learning. Third, it would look not only at the effect on the “average” child but also the effect on disadvantaged children (whether because of their location or their backgrounds).

Issue 5: Fixing institutions: Can Government Schools Improve?

5.27 *Even with greater private sector involvement, fixing government schools is still important, goal.* The biggest issue in the government sector seems to be what to do about teachers—the rest is tinkering at the margins. The chapter on teachers offers a fairly comprehensive framework for debate, and is briefly summarized here.

5.28 *Two things about teachers matter most—their intrinsic motivation and love of teaching and the incentives that they face.* What matters *less* is their formal educational qualifications, so long as they are above secondary (for primary school children) and they have some training. Although a number of studies in low-income countries argue that schools should design systems that provide teachers with better incentives, this might be very hard to implement and not sustainable in the long-run. It is particularly difficult in an environment where government teachers fulfill non-teaching responsibilities such as manning election booths, drawing up voter lists, working as part and parcel of a political system (chapter 3), and performing administrative duties such as administering polio vaccinations. Even if teachers were to be relieved of non-teaching responsibilities and better monitoring of teacher attendance could encourage less absenteeism, more subtle incentive schemes, such as pay based on test scores of the children in their classes, are probably out-of-reach at the moment. The goal of getting the right teachers into the public sector and ensuring that top performers are retained while those who do not perform are gradually let-go remains a daunting problem.

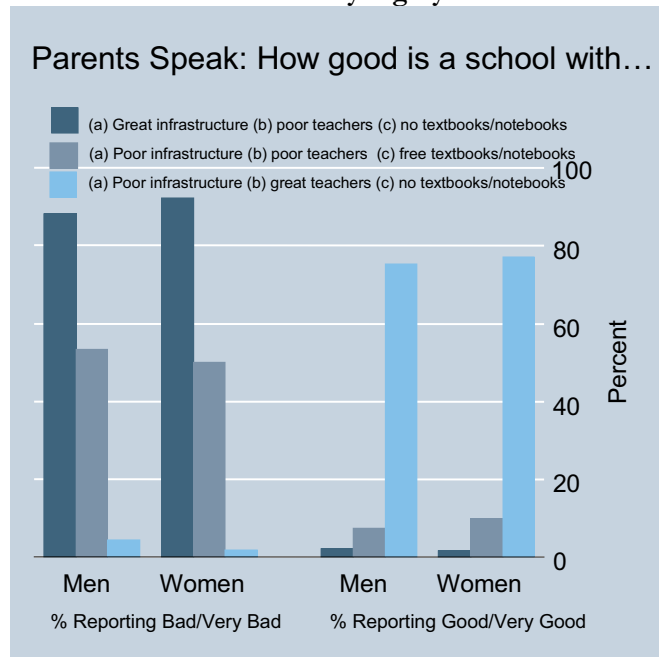
5.29 *At the moment good government teachers receive the same compensation as those that do no work and there is no process for shedding teachers who shirk.* As Pakistan grows and other job options become available, the mechanical wage function in the public sector may force the best teachers (who would arguably receive higher salaries elsewhere) to leave, and the worst (who would arguably receive lower salaries outside) to stay—similar patterns have emerged in the teaching workforce in the United States over the last two decades, and are already evident in urban Lahore and Karachi.

5.30 *The government can afford to move teachers around.* In rethinking how government teachers—who currently earn 5 times as much as their private sector counterparts—should be compensated, two broad issues arise. First, given that this higher salary “buys” the government the right to transfer teachers, perhaps the government should think about deploying teachers to geographical areas and to educational sectors (the secondary sector for instance) where the private sector presence is low. Second, devolving teacher compensation to the district, along with the creation of a district cadre of teachers in combination with the

provincial cadre, could allow salary scales based on the structure of the local market to develop. This would also support the ongoing devolution process.

5.31 *The politics of teacher reform requires the separation of teachers' demands from voters' demands.* Whenever teacher reform is discussed, the first reaction is that it is “politically difficult”. Yet what does “politically difficult” mean—does the average voter *not* support teacher reform? In the last year of the LEAPS study, we asked parents a number of questions about what they wanted from the government and from their schools. Parents graded hypothetical schools with different characteristics on a scale of 1 (very bad) to 5 (very good). The first school had “*a roof that never leaks, a new boundary wall and desks, but teachers who were frequently absent and not motivated and no free textbooks or school supplies*”. The second had “*a roof that leaks, a broken boundary wall, teachers who were frequently absent and not motivated but gave free textbooks and school supplies*”. The third had “*a roof that leaks, a broken boundary wall and desks, no free textbooks or school supplies but teachers who were always present and highly motivated*”.

Figure 5.2: Parents value schools with dedicated teachers very highly...



5.32 *The majority of parents (Figure 5.2) thought that schools without dedicated teachers (but with very good infrastructure or free school supplies) were bad or very bad. Close to 80 percent thought those schools with poor infrastructure and no free school supplies but with dedicated teachers are good or very good. The findings were mirrored in a separate question where 62 percent of men and 68 percent of women reported “dedicated teachers” as their top priority in schools with “good facilities” coming a distant second with 13 percent (men) and 8 percent (women). Our third question asked what the top priority demand from the government was. Not surprisingly, 50 percent of men and women*

reported “jobs” as their top priority. However, 20 percent of men and 25 percent of the women reported their top priority was secondary schools in their village—ahead of roads, 24-hour electricity, 24-hour water, and greater security.

5.33 *Since parents form the bulk of voters in any election, increasing teacher accountability and providing secondary schools is a politically feasible option. And it is not as though all teachers would lose from such reforms. The problem with the current system is that all teachers are treated the same way—regardless of whether they are highly motivated and hard-working or not. Reforming teacher compensation will benefit teachers who are working around the clock in difficult circumstances to ensure that children learn. The losers are non-performing teachers. Pakistan needs to decide whether it can mortgage the future of millions of children a year to the demands of a fraction of teachers who are not performing.*