

## **Background Note**

### **Sindh Education Budget 2014-15: Effectiveness of Education Financing**

## Background Note

### 1. Introduction

Pakistan has been spending in the range of 1.8 percent to 2.7 percent of its GDP on education over the years. This percentage is too low, when compared with other South Asian countries. Moreover effective spending of the allocated resources for the education sector remains a serious challenge. Notwithstanding the low share of GDP to education, Pakistan's position has improved in some key educational indicators over the last few years. As per the Pakistan Social and Living Standards Measurement (PSLM) Survey 2012-13, Pakistan's Literacy Rate has increased from 58 to 60 whereas the Net Enrollment Rate (NER) at primary level stands at 57 percent. There is also a marked improvement in enrollment at middle, high, higher secondary and higher education levels. There is no denying the fact that in order to provide free and compulsory education to all children of the age of five to sixteen years, appropriate and sufficient allocations to education along with effective utilization of available resources is inevitable. The National Education Policy 2009, identifying major deficiencies and gaps in current system and outlining an ambitious and holistic strategy, envisages a dedication of 7 percent of GDP to education till 2015. However, seeing the current trends and national priorities, achieving the envisaged target appears to be a farfetched dream. Concurrently, another important challenge in this regard is inadequate resource allocations under different budget lines.

An analysis of education budgets of the province of Sindh shows that in recent years the allocations for the education sector in Sindh have increased considerably. In the current financial year the government has allocated about one fifth of its total provincial budget for education, a budget of Rs. 149 billion has been apportioned for the education sector this year. Of the total allocated budget 90 percent has been earmarked for recurrent expenditure compared with a meager 10 percent budget apportioned for development purposes. In terms of sectoral allocations, out of the total education budget, the highest share of 39 percent has been earmarked for primary education followed by secondary education (29 percent) and higher education (13 percent).

The actual impact of the allocations is demonstrated by efficient and effective utilization of the earmarked resources. The examination of trends in Sindh highlight that in the last financial year about 77 percent of the allocated education budget was utilized. Most of the unspent resources were allocated for the development purpose. It is a matter of concern that that 67 percent of the allocated development budget remained unspent during the last fiscal year. It is commendable that the Non-salary budget, which is essential for day-to-day operational expenses of schools, has received a sizeable share of the current budget i.e., 25 percent, in 2014-15. However, it is concerning to know that more than half of the non-salary budget also remained unspent in 2013-14.

Beside the persisting issues in adequate need-based allocation and utilization of budget, the new developments in the wake of 18th Constitutional Amendment and particularly insertion of Article 25-A has thrown new opportunities and challenges for the education sector at the provincial tier. It is commendable that as ordained by the constitution, Sindh Free and Compulsory Education Act was enacted in January 2013. Nonetheless there is a need to have

informed debate on the required financial and human resource requirements in order to be compliant with the constitutional obligation.

Keeping the above in view, I-SAPS is organizing a Post-budget Policy Dialogue with diverse stakeholders to deliberate upon the critical relevance of resource allocation and expenditure to education quality and accessibility especially focusing at provincial level in Sindh. The dialogue is expected to initiate a post-budget debate and provide informed policy options for improved allocations and to ensure effective utilization of available resources.

## **2. Aim and Objectives**

The broad aim of this dialogue is to facilitate an informed debate on Sindh Education Budget 2014-15 from the standpoint of effective spending. Specific objectives of the policy dialogue are as following:

- i. Provide the much needed interface between government officials, public representatives and civil society for improving the effectiveness of resource allocations and spending in the education sector along with a critical revisit of the associated governance issues;
- ii. Propose a set of recommendations for appropriate budget allocations and effective spending by the relevant education departments in the province.

## **3. Topics to be covered by Speakers**

The speakers and discussants at the policy dialogue will include experts in the areas of education, budgeting and political economy. The topics to be covered in the policy dialogue are briefly described below:

- a. Analysis of Sindh Education Budget for FY 2013-14 and 2014-15
- b. Implementing Sindh Right to Free and Compulsory Education Act 2013

## **4. Participants**

The participants of policy dialogue will comprise the key stakeholders including; members of provincial assembly, representatives of political parties, public officials from the departments of Education, Finance, Planning & Development, academics, civil society organizations, and representatives of print and electronic media.

## **5. Follow-up**

Alif Ailaan and I-SAPS are holding pre and post budget dialogues on public financing of education with a view to creating and sustaining a vibrant interface between civil society, public representatives and government officials for improved allocations and effective spending in the education sector.