

## **Background Note**

**Public Financing of Education in Pakistan (2010-11 to 2014-15)**

**Launch of Report & Discussion**

# Public Financing of Education in Pakistan (2010-11 to 2014-15) *Launch of Report & Discussion*

## Background Note

### 1. Introduction:

Pakistan spends around 2 percent of its GDP on education and is trailing behind rest of the South Asian countries. Pakistan's ranking on various education indicators does not present a very encouraging scenario. About one in every ten children who are out of primary school worldwide lives in Pakistan, placing the country second in the global ranking of out-of-school children. In absolute numbers, nearly 19.2 million children are out of School. The issue of access becomes even more acute as the level of education rises. The National Education Policy 2009, identifying major deficiencies and gaps in current system and outlining an ambitious and holistic strategy, envisaged a dedication of 7 percent of GDP to education till 2015. However, in 2015, the on-ground situation contradicts the envisaged allocation target. Concurrently, another important challenge in this regard is inadequate resource allocations under different budget lines.

After the incorporation of Article 25-A<sup>1</sup> under the Eighteenth Constitutional Amendment Act 2010, the state (federal and provincial governments) has to ensure the provision of free and compulsory education to all children of the age five to sixteen years. Nonetheless after the passage of more than four years of the constitutional amendment, the financial resources allocated at the federal and provincial level are scant and insufficient to address issues like bringing out-of-school children into the education system and then more importantly retaining them by providing a facilitated education environment. Although fundamental, the challenge faced by Pakistan is not only limited to the lack of budget for the education sector but is significantly hooked up with the way public financing is planned, managed and monitored.

An analysis of previous federal and provincial education budgets reveals some encouraging facts. It is heartening to see a visible increase in education budgets for all the provinces in 2014-15, with Balochistan registering an increase of 17 percent, followed by Punjab with 12 percent, Khyber Pakhtunkhwa with 11 percent and Sindh with an increased allocation of 10 percent compared with previous year's budget. However, despite the improvements in allocations and expenditures in the education budgets, there is a need for improved utilization of the allocated budgets. Analysis of the education budgets has shown that the budgetary allocations are generally not leveraged against the major challenges like access

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<sup>1</sup> Article 25-A, "The State shall provide free and compulsory education to all children of the age of five to sixteen years in such a manner as may be determined by law"

and quality of education, showing a sharp disconnect between the two. Some of the considerable issues in this context include inadequate engagement of legislature in the budget-making process, insufficient allocations compared with the actual needs, untimely fiscal flow, corruption, huge administrative expenditure, lack of transparency etc. Also there is a weak link between policy provisos, education data and the budgetary allocations.

Keeping the above in view, Institute of Social and Policy Sciences (I-SAPS), with its aim to establish a dedicated and informed link between education data, policy provisions and the budgetary allocations, has been reporting and comparing the public expenditure of federal and provincial governments since 2007-08. In this regard, *Public Financing of Education in Pakistan (2010-11 to 2014-15)* is the sixth in a series of publications that seek to analyze education expenditure of the federal, provincial and district governments. It focuses both on the issues of quantity and composition of education expenditure. The study examines the patterns of allocation and expenditure at the aggregate and sub-sector level at the federal, provincial and district levels over the past five years.

## **2. Aim and Objective:**

The key objectives of this event are:

- To share the key findings of the analysis of the Federal and Provincial Education Budgets for FY 2014-15;
- To have an evidence based debate on the issues in public financing of education from the federal and provincial perspectives; and
- Provide the much needed interface between government officials, public representatives and international development partners for improving the effectiveness of resource allocations and spending in the education sector along with a critical revisit of the associated governance issues.

## **3. Participants:**

The participants will include the Parliamentarians, government officials, representatives of international development partners working in the Education sector, academics and representatives of print and electronic media.