

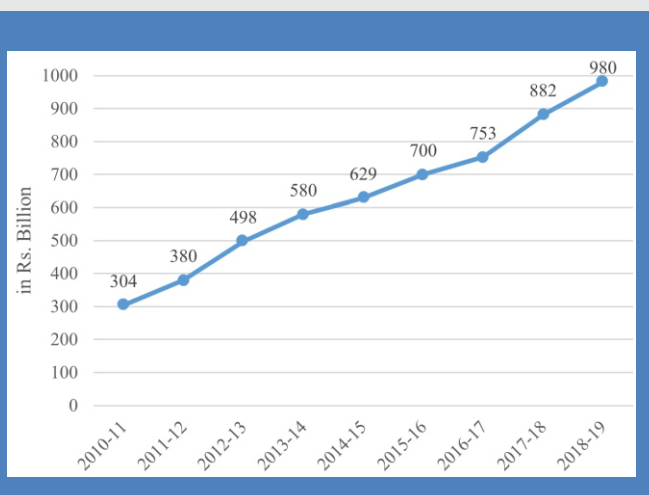
## Education Budget in Pakistan

Budgets provide an insight into government's policy priorities. Education receives a significant portion of Federal and provincial budgets every year. In 2018-19, a budget of Rs. 980 billion was allocated for education in Pakistan (I-SAPS, 2018). This shows a significant increase of 11 percent compared with the allocated budget in the previous financial year. Overall, Pakistan is spending around 2.4 percent of its Gross Domestic Product (GDP) on education (Government of Pakistan, 2019). Compared to international benchmarks, the allocated budget for education comes significantly short of the agreed targets of 15-20 percent of the total budget and 4 percent of the GDP. With the achievement Sustainable Development Goals (SDGs) by 2030 in sight, it is important to note the challenges of limited public financing for education and its effectiveness.

### Pakistan's Education Budget over the years

In 2010-11, a budget of Rs. 304 billion was allocated for education in Pakistan. In 2018-19, an amount of Rs. 980 billion has been earmarked for education; highlighting an increase of 222 percent over these nine years. All the provincial governments have significantly increased their education budgets during these years. The highest increase has been recorded for Balochistan, where the education budget has increased by 257 percent.

**Chart: Trend of Education Budget Allocations**



### Composition of Education Budget

Recurrent budget (salary and non-salary budget) receives major share of the education budget every year. In 2018-19, 85 percent of the education budget of Pakistan has been earmarked for recurrent expenditure whereas only 15 percent of the budget

is expected to be spent for development purposes. The highest percentage share of recurrent budget has been noted for Punjab which has earmarked 91 percent of its education budget in this regard. Punjab is followed by Sindh with an allocation of 90 percent of its total education budget for recurrent expenses. The education budget of Khyber Pakhtunkhwa shows a share of 85 percent for recurrent budget while the percentage share is 82 percent in case of Balochistan.

It is also pertinent to highlight that salaries and related expenditure consume major portion of the recurrent budgets for education. The budgets allocated for non-salary purposes are quite low compared with the salary budgets. Non-salary budget is needed for covering the operational expenses of schools and the education department. In 2018-19, the highest share of non-salary budget has been recorded for Sindh with 24 percent of its recurrent budget earmarked for the purpose. Sindh is followed by Balochistan with 13 percent share while the governments of Khyber Pakhtunkhwa and Punjab have earmarked 12 percent and 10 percent of their recurrent budgets for non-salary purposes in 2018-19.

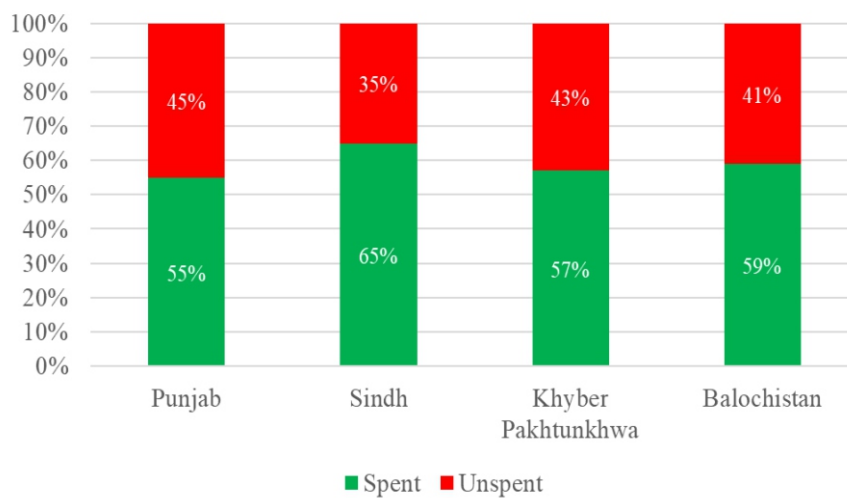
Major portion of the education budget is allocated for primary and secondary education. In 2018-19, 64 percent of the budget was earmarked for primary and secondary education; 2 percent lower than the previous year. Secondary education has received 32

percent of the education budget in 2018-19, followed by primary education with 31 percent share and higher education receiving 26 percent of the education budget.

### Spending the Education Budget

Every year, a significant portion of the allocated education budget remains unspent. In many instances, the low spending on development budget is the reasons for this unspent budget. In 2017-18, a

total of Rs. 174 billion was allocated for development budget out of which only Rs. 118 billion (70 percent) could be spent during the year. The lowest development expenditure in 2017-18 was recorded for Punjab which spent only 55 percent of its development budget, followed by Khyber Pakhtunkhwa which could only spend 57 percent of its allocated development budget. For Sindh and Balochistan, an underspending to the tune of 35% and 41% was recorded during 2017-18.



## References

- Government of Pakistan (2019). Pakistan Economic Survey 2018-19. Islamabad.
- I-SAPS (2018). Public Financing of Education in Pakistan, 2010-11 to 2018-19. Islamabad.

## Acknowledgements

This briefing note was prepared by a team led by Ms. Nargis Sultana (FOSI-P) and Mr. Abdullah Alam (I-SAPS) with technical support from Mr. Kamal Zada (I-SAPS).