Right to Education: Bridging the Financial Gap

Izzah Meyer, Manager Policy and Action, ITA

Introduction
The 2030 Agenda for Sustainable Development sets forth a “plan of action for people, planet, and prosperity”. With 17 goals and 169 targets, these goals commit stakeholders to work together to promote sustained and inclusive economic growth, social development, environmental protection, and to benefit all, including women, children, youth and future generations.

Seeing as education is integral to achieving the SDGs – without education, people cannot improve economically, they cannot understand and promote sustainable development practices and policies, build sustainable cities or ensure participative, inclusive and just societies, free of hunger and poverty – a renewed vigor in effort and funding of the education sector is essential.

However, for a country like Pakistan that inserted Article 25-A to the Constitution of Pakistan in 2010, making quality education free for all children aged 5-16 across the country, as well as making an international commitment by first adopting the MDGs and more recently the SDGs, the road to quality universal primary and secondary education is long and winding. The ambitious SDG 4 and ultimately all remaining 16 goals require a hefty budget allocation.

In order to make quality education a reality for all children, urgent action must be taken to increase the effectiveness and scale of investments in education. It is imperative to focus on the most disadvantaged groups and devise innovative mechanisms to finance education in a manner so as to ensure inequalities in education are not perpetuated in the future.

The Gap
Pakistan, which remained off track in achieving the Millennium Development Goals’ (MDGs) of universal primary education and gender equality (MDG 2 and 3), and has now endorsed the more ambitious SDGs, is for the time being not equipped financially to address pressing education issues.

The 2015 Education for All (EFA) Global Monitor Report (GMR) shows that in order to reach the global education goals, an estimated US$ 39 billion will be required each year. Low income countries like Pakistan alone will need US$ 21 billion a year. With a general decrease in international aid and a continued low allocation of the percentage of GDP to education, Pakistan is currently not prepared to tackle the education challenges in Pakistan.

At present, Pakistan still has 25 million children (aged 5-16) out of schools – 13.7 million of which are girls. Recent ASER 2015 data shows that of the total out of school children of age 6-16 (i.e. 19%), 11 % are girls. For each income quartile, the inequality is further exacerbated for the poorest and within them, especially girls (WIDE tool in ASER metrics). The results also reveal that the richest quartile has the highest percentage of children enrolled (80%) whereas the poorest quartile has the lowest enrollment rate (61%). Additionally, Pakistan also has been struggling with lamentably poor achievement and learning levels of children as per ASER Report (2013, 2014 and 2015). Nearly half of grade 5 children, assessed in ASER 2015 are unable to read a sentence in Urdu pitched at grade 2 level competencies or in their own language.

According to projections of the Learning Generation Report³, without significant increase in funding for the education sector, universal primary education in Southern Asia will be achieved in 2051; universal lower secondary completion in 2062; and universal upper secondary completion in 2087. This indicates that Pakistan and other South Asian countries will be half a century late for the 2030 SDG deadline. In Pakistan, by 2030, one in ten children will still not be completing primary school, whilst the country is expected to achieve universal primary education in 2060, universal lower secondary education in 2070 and universal upper secondary education not until 2095.

**Current spending on education in Pakistan**

<table>
<thead>
<tr>
<th>Education Expenditure as Percentage of GDP Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.75</td>
</tr>
</tbody>
</table>

The low learning levels, missing facilities, and dropout rates over the years repeatedly highlight the need for Pakistan to raise its levels of investment in education. Historically, public spending on education has remained under 2% of GDP for the past two decades, which makes it one of the lowest in the region, after the likes of Bangladesh, Bhutan, and Nepal, all countries that spend the least on education. In addition to low allocation, the absorptive capacity of implementing agencies results in inefficient spending, where often times, the actual expenditures incurred are low as the policy implementers are unable to undertake the scale and pace of work required.

---

Post-devolution of education, the provinces have been responsible for developing their own budgets for education, and for the most part, allocations have seen an increase. For fiscal year 2016-2017, Khyber Pakhtunkhwa (KP) has increased the share of education in its total provincial budget, making it the province with highest education budget allocation for the second consecutive year. Out of the total 505 billion rupees worth of provincial budget, the KP government has earmarked 143 billion PKR for education – 28 percent of the total budget compared with 24.6 percent in fiscal year 2015-16. Sindh has allocated 20 percent of its total budget (Rs176 billion out of a total of Rs869 billion budget) followed by Punjab with 19 percent budget allocated for education (Rs313 billion out of Rs1,681 billion). In Baluchistan however, the share of education budget has substantially decreased. After six consecutive years of increasing the education budget from 10 percent in 2010-11 to 20 percent in 2015-16, the government drastically slashed the allocation to 17 percent (Rs49 billion out of Rs289 billion) in 2016-17.4

Keeping in mind constitutional commitments and international pledges, these allocations however continue to fall short of the actual needs. Heavy debt repayments, large military budget, and inefficient spending take precedence over education. The long standing issue of inadequate resource allocation is not only reflective of national priorities set at federal level, but also of the difference between allocations and expenditures incurred. There are significant gaps between recurrent and development expenditures which further point to inefficiencies and wastage of resources. Typically, the portion of the education budget set aside for development projects is low across all provinces of Pakistan. For e.g. KP allocates only 17 percent of its budget towards development, and while Sindh has seen an increase in its development budget, it has only gone up from 8.8 percent last year to 10 percent in fiscal year 2016-17.

More worrisome than the low development budget is the expenditure of the development budget which has remained low over the years. For instance, in the fiscal year 2014-2015, Punjab has an expensed a development budget of only 46 percent.

<table>
<thead>
<tr>
<th>Percent of Total Education Budget Utilized by Provinces</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2010</td>
</tr>
<tr>
<td>---------</td>
</tr>
<tr>
<td>Sindh</td>
</tr>
<tr>
<td>Punjab</td>
</tr>
<tr>
<td>KP</td>
</tr>
<tr>
<td>Baluchistan</td>
</tr>
</tbody>
</table>

Source: 1-SAPS Education Budget Table, 2016

Policy Recommendations

In order to remain on track and attain the SDGs by 2030, Pakistan will need to mobilize greater and more equitable financing for education. To bridge the gap between actual needs and the expenditure, firstly, the Government of Pakistan must increase overall domestic allocation to education and increase the proportion of GDP to 4 percent as it has previously committed to doing.

In addition to increasing the percentage of GDP allocated to education, there is an urgent need to increase overall tax revenues in the country. By earmarking taxes for education, the government can help gain acceptance of an inevitably unpopular tax increase. Additionally, using revenue from newly discovered natural resources – such as the Reko Diq and Saindak mines in Baluchistan – can be a vital source of finance for education. The Learning Generation reports that in six African countries, newly discovered natural resources will raise annual government revenue in the coming years by between 9 and 31 percent. Such funds which can be earmarked for specific expenditure can have a significant impact.

Further Pakistan must promote Public-Private Partnerships and their institutionalization as a means, not only to bridge the funding gap, but also as a viable option to help create better management partners, third-party monitors and evaluators for public education service delivery programs across the sector and to effectively tackle the crisis of education in Pakistan.

Additionally, Pakistan must explore actively debt-for-education swaps, i.e., a bilateral agreement to cancel debt in exchange for better use of resources for measurable education outcomes offset against debts owed by Pakistan.

In the current scenario, Pakistan also has great potential for creating a special Education Fund in economic and infrastructure zones such as the China Pakistan Economic Corridor (CPEC). An “Education Corridor” parallel to the Economic Corridor will ensure a longer more sustainable development.

Finally, in order for Pakistan to achieve SDG 4, it must vigilantly monitor and prioritize education at national, regional and global levels to ensure progress is being made. Effective monitoring will also assist in ensuring progressive financing – giving the greatest priority to those at the greatest risk of being excluded from learning.

5. Ghana, Liberia, Mozambique, Sierra Leone, Tanzania, and Uganda.