



# LSE Pakistan Summit 2017

## Working Paper #4

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1. Philanthropy and Institution Building
2. Art and Modernity
3. The Constitution of Pakistan
4. **Development and its Dividends**



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## Executive Summary

The Development panel at the LSE's first Pakistan Summit assessed the course of development in Pakistan on its seventieth anniversary. Key foci of the panellists included education, infant mortality, how to analyse the dividends (and shortfalls) of development, and how these can be addressed further in policy-making. Panellists concurred that highly visible success stories such as the phenomenal rise in higher education attendance in recent years often obscure other issues, such as the growing school dropout rate, and the quality of public education. Whilst progress has certainly been made, the widening gulf between poverty and privilege remains a central point of concern.

## Panellists

**Faisal Bari**, Associate Professor of Economics at LUMS, Associate Director and Senior Research Fellow, Institute of Development and Economic Alternatives

**Farrukh Iqbal**, Dean and Director, Institute of Business Administration, Senior Research Fellow, Rafik Hariri Centre for the Middle East

**S Akbar Zaidi**, Professor of Middle Eastern, South Asian, and East African Studies and International and Public Affairs, Institute of Business Administration

**Ishrat Husain**, Woodrow Wilson Centre Public Policy Fellow

The panel was moderated by **Dr Adnan Khan**, Research and Policy Director, International Growth Centre, London hub, Professor, London School of Economics

## Introduction

Although Professor Khan praises the achievements of Pakistan over the past seventy years, he admits that 'there is no sense in denying the sense of underachievement' regarding development. In his opening remarks Khan advises that whilst policy suggestions will be raised in the panel, one of the primary (but least discussed) constraints in delivering effective development is a lack of funds due to tax evasion. Historically, he adds, geography, politics, and the capacity of the state itself have also provided substantial challenges.

In reference to the prior day's philanthropy panel, Professor Khan discussed why people don't pay taxes, not because he claims, they do not want to contribute, but because they don't trust the state, which in part is due to the extreme biasedness of the system in favour of the rich. However, reforms are beginning to change this, and Khan highlights the [considerable increase in government spending on development](#).

Research can also play a central role in closing the gap in tax inequality and strengthening the link between services and taxes with public consultation, and models can be developed and scaled up, but 'much much more needs to be done' in this area, according to Khan.

## **Measuring dividends through elasticity: child mortality**

In the year 2010 the child mortality rate below the age of five in Pakistan was 92 in 1000 compared with a world average of 43. India's was 60 and Bangladesh 50, whilst Sri Lanka (with the highest GDP) was 11 and Nepal 45. Pakistan has twice the income of Bangladesh and Nepal and yet was performing worse. Although in the prior twenty years, child mortality declined in Pakistan by over 32%, this progress was still overshadowed by Bangladesh and Nepal's 65 and 68% improvements respectively.

According to Dr Iqbal, when you measure the elasticity of income change in comparison to infant mortality rate you can begin to see the dividends of development. Although Pakistan's per capita GDP rose by 41% between 1990 and 2010, it was the smallest increase in all five major South Asian countries, with India's at 148%, comparatively. Analysing the elasticity in income change versus infant mortality change as the comparative measure means that on first appearances, Pakistan had not performed as poorly as presumed. For a 1% change in income there was a 0.8% change in mortality improvement. Save for Nepal with a change of 1.02% per 1%, Pakistan outperforms the other South Asian countries. Nevertheless, there is one other dimension to keep in mind: the picture of Pakistan's performance here. From 1990 the measured rate of poverty (using PPP concepts and the world bank's 1.90 US dollars per person per day) dropped dramatically from 59% to 8% in 2010. However, when you consider poverty change instead of income change, the picture alters. The infant mortality change, the elasticity of Pakistan drops to 0.39 in comparison to India's at over 0.9 and Bangladesh (1).

Dr Iqbal claims that 'at the very least if we are telling the poverty story we need to have some sort of narrative'. From this narrative, questions arise regarding why Pakistan had good poverty performance but poor infant mortality performance. For instance, among the important determinants of mortality change are family incomes – but a family can only do so much to address infant mortality and other health indicators – especially poor families in rural areas, who need access to doctors, vaccinations, and most importantly, safe drinking water. Moreover, poorer families who may have witnessed an improvement in income are often unable to access the aforementioned services and amenities in the village. This according to Iqbal, is a reflection on the state's failings in providing them.

## **Education: a tale of two sectors?**

Public investment is needed to address issues including infant mortality, and yet this is something the state has actually pulled back from according to Dr Bari, who claims that Iqbal's hypothesis in context of this, 'makes a lot of sense'. Nevertheless, other

indicators of development, including Levels of school participation are significantly rising. Drawing on his experience in education, Bari, discusses the appreciation of education in Pakistan, which he claims, can be traced to the constitution, under which the right to free and compulsory education (article 25A) falls.

According to Bari, there are three key areas that remain big issues in the provision of quality education for Pakistan's youth:

### **1. Locality**

The gap between rural/urban areas remain high and this intersects with gender – for girls in rural areas the chances of attending school, according to Bari are 'very low', and the chances of being literate are 'lower still'. [Girls in Balochistan are far less likely to receive an education than girls in Lahore](#), for instance.

This was also raised by Akbar Zaidi, who having examined education systems in the provinces – it is not expenditure that is the issue – but the management of it. In backwards districts for instance, there are fewer female teachers – they have gotten transferred to better districts, [or because they face similar issues as their female students in travelling long distances](#). Female teachers especially need to be incentivised to be away from families and to travel to remote regions.

**2. The dropout rate** is very high and is in fact rising. Particularly with the transition from primary school to middle school. Factors such as increasing distances for travel are also responsible for girls especially dropping out. This needs to be considered particularly in government models and laws.

### **3. Quality of education**

Every indicator is suggesting a low quality in education – numerous reports have shown that children in grade five [57% are unable to perform at a grade two numeracy level and 51% at grade two literacy](#). Since children are not failed at grade five, the legacy of a poor education is often cemented and carried forward into middle school. Under quality of education also falls the issue of the language of instruction, which is often not in the mother tongue. The quality of teaching all languages is very low, except in private schools, according to Bari. Teacher quality is also very low and many teachers themselves require remedial instruction before they are fit to teach. This is irrespective of the grade level that they are teaching.

## **Poverty Gap in Education**

The rise in private schools further increases the poverty gap in education. According to Dr Bari, if fees are a metric for which we can see the link between poverty, there are schools that charge 40,000-50,000 rupees a month and public schools that charge nothing. 'The kind of education, languages and knowledge base they have, these children are not going to be able to talk to each other. They live in very different worlds' Bari stated.

## **Problems with education models and insufficient school numbers**

The models don't serve the purpose for the education that is required. Provinces have 4-5 primary schools and one middle school. The same model has been used across all provinces since 1947. Given that since the model's conception, education

is now compulsory for all children from the ages of five to sixteen, there are now serious capacity issues. As a result, there are some districts that do not have middle schools for girls. Furthermore, since there is only one middle school, many children will have to travel much further to attend and this is when a large number of drop outs occur, which again, are intersected by gender. With this in mind, Dr Bari states that the only solution is 'Either you bring the schools closer to the children or the children closer to the schools'.

The government has found it difficult to depart from some of its fundamental models – including the legacy of the British system, whereby there were separate schools for the children of the chiefs and government schools, Bari argues 'You cannot maintain this kind of system and promise a unified system for everyone'.

The fact that the state is also turning to private schools to increase the quality of education also attests to the issues in the current model as highlighted by Husain, who cites the example of the Punjab education foundation, a state sponsored initiative, which is paying for children to go to private schools.

Another issue with the current model is its inflexibility for premature school leavers. In Bari's surveys 60-70% of youths who have dropped out have said that they would like a second chance at education but there are absolutely no institutional infrastructures to accommodate them. The demand for education or the desire to learn skilled jobs are not a problem but the issue is in the supply.

## **Solutions**

Risk adverse bureaucratic structures – the act of being credited for doing something positive is almost non-existent and this is the same from the top to the bottom down for government employees – including teachers. There is a stick approach where teachers are regularly threatened but no incentives or promotions are there.

These are having wider implications on the public education system and a new benchmark is required in education quality rather than solely the private sector. Without this, there is no demographic dividend and public education will continue to worsen as the population grows, creating an uneducated and unskilled youth and what Bari describes as a 'demographic nightmare'

## **Women's voices**

According to Ishrat Husain, development needs to have more female voices representing women – especially in discussions such as this summit panel. Underrepresentation in data too is an issue. 'It is wrong to say that women in Pakistan do not work' he argues, 'All women work in various ways but this is not accurately recorded'. Women are a more powerful force in social, economic and politics than ever before. Although Pakistan ranks second worst for the gender gap in the human development index, Husain is concerned with the local context. He claims that there has been a premium placed on education but agrees with Bari that quality is an issue. Higher education is not only an area that many women are excelling according to Husain ([There is a 49% enrolment rate in Universities which is only 3% lower than the male equivalent](#)), but also, government – particularly since the reforms of xxx which mandate a third of local government seats to women. The first election since the reform saw 35,000 seats go to women, whereas the second saw a significant drop to 25,000 women counsellors.

The discussion saw the issue of infant mortality raised as a gender based issue and it was suggested by a member of the audience that the lack of attention given to women's reproductive health combined with a lack of social mobility in a physical context (women may often be unable to travel long distances alone) was having disastrous consequences. The fact that girls in particular have been dropping out of school due to factors such as distance illustrates how these issues can deny women not only opportunities, but their basic rights to adequate medical treatment across all ages. Bari argued that if one had the appropriate data then one could use this to explore correlations that would be relevant for improving female mobility.

for Iqbal, it is the poverty perspective that matters most here and why poverty is declining but its concomitant indicators such as infant mortality, are not. Whilst there are good news stories we also need to assess the intersectionality of development.

## **Recommendations**

- Before increasing expenditure on education a reform of governance and management is required – for this to be implemented a devolution of power with key performance indicators, accountability and a delinearisation of power. Stake holder consultation and pilot projects have indicated this is a crucial step in implementing effective change before funding is increased.
- Resources should be devolved to district education boards and the district education officer should be responsible for this and not bureaucrats.
- More inspections must be undertaken in schools and colleges and there should be increased travel across the regions by officers and trained advocates. Retired officers for instance – from civil service, education, the military, and medicine who have gone back to their districts because of retirement age – could be utilised as district education authority officials since they have no vested interests and many are still willing to contribute to society.
- Following the decentralisation of education governance, each province should have one central education department which takes responsibility for the entire provincial education including vocational, high school, college, primary etc.
- More measures and bridging procedures need to be implemented to ensure that the children who have dropped out of school are able to return as there is no recourse for them at present.
- Due investigation is needed to discover why poverty is declining but its concomitant indicators such as infant mortality, are not and why Pakistan lags behind its neighbours.
- To better incentivise workers, new pay-scales in both education and health that are well above the minimum wage. Furthermore, a scarcity premium should be introduced to attract more teachers (especially female teachers) to remote and under developed regions.

**Rebecca Bowers, October 2017**



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