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**Liberate to Learn:
A Study of the Education Voucher Scheme in Lahore**

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List of Abbreviations

PEF Punjab Education Foundation

EVS Education Voucher Scheme

FAS Foundation Assisted Schools

QAT Quality Assurance Test

IDI Individual In-depth Interviews

Acknowledgements

I wish to thank, first of all, sponsor of this study, Alternate Solutions Institute, which under the leadership of Dr. Khalil Ahmad, has always provided opportunities for innovative and path-breaking research. This study would not have been possible without cooperation from some officials of Punjab Education Foundation, especially the then Project Director, Mr. Iftikhar Rabbani and its Project Coordinator, Mr. Shafique Ahmed as well as its Deputy Managing Directors Mr. Arif Rana and Mr. Amjad Bhatti. I also wish to thank the then Secretary Education (Schools) Mr. Zulqurnain Aamir, who facilitated my access to the Foundation. Special mention needs to be made of my colleague, Shamma Jalil, who spent several days in scorching heat taking interviews of schools administrators. I also thank these administrators, whose identities have been kept confidential. In the end, I also want to express my gratitude to the founder of the EVS in Pakistan, former Managing Director of the Foundation, Dr. Allah Bakhsh Malik, for his encouraging comments and insights about the project.

Education Voucher Scheme: Context and Prospects

By Dr. Khalil Ahmad

In a country like Pakistan which has thoroughly been run off by the elite classes and where most of the resources and opportunities have been appropriated by them, it would be futile to argue for an overhaul purely on the basis of abstract principles.

Whenever I meet someone who concerns himself with improving the lot of the ordinary people and tell him that we at our Institute are working for the promotion of personal choice, market economy and prosperity for everyone, his sudden response is: which model you think suits Pakistan? I say we believe in principles, we have a mission, and we have specific values, but we take them all as regulative only. Like a compass! They help us see whether we are moving in the right direction. They help us not only make tactical, strategic and policy decisions in harmony with the spirit of our philosophy but also help us judge decisions made by others. Finally, when we make mistakes and come to know that we aberrated, they help us make amends.

Obviously, this calls for creating and developing our own models in the light of these principles, and/or trying other models with sound research justifying their use and implementation in our milieu, and sure with all due caution necessary in this regard.

It is this context which explains the nature of our Institute's two-pronged thrust: promotion of ideas we believe in and conduct of research on various issues to evaluate the already implemented models as well as devise new models that would work for us in Pakistan. Or both at the same time as the case may be.

When in 2006 a news item appeared in an English daily telling about the implementation of a project, Education Voucher Scheme in Lahore, then and there I decided to have an open study of it by our Institute with the objective of seeing whether it has been taken up as a fashion or it imbibes the true intent of the idea of education voucher. This study matures now as Liberate to learn.

It is the first ever such a study that evaluates the idea and the model of EVS which was conceived and implemented by Punjab Education Foundation, an autonomous provincial entity.

The findings of the study are positive and generally endorse the EVS. It shows that Milton Friedman's idea of education voucher has been picked up and applied in its true spirit, and found satisfactorily working and producing desired results in Pakistan.

First, it aims at, as Friedman says, 'promoting parental choice.' Second, it's targeted. It may be clarified here that 'Friedman by the 1980 still viewing the education voucher as a stepping stone, moved away from the desirability of universal vouchers to an emphasis on targeted vouchers.' It was both argument and new empirical evidence that led him to assign government with a very limited role in education, and that too to the extent of providing education vouchers to the disadvantaged families.

Here comes Professor James Tooley with extensive research and studies done on the private provision of schooling who explores the benefits of the education vouchers in the context of developing countries. He writes, "I believe that, just as the Friedmans [Milton Friedman and his wife, Rose Friedman] were influenced by the evidence of history, the empirical findings from contemporary developing countries might lead to a reconsideration of the Friedmans' more radical proposal for a more complete privatization of education coupled with "targeted vouchers" for the most disadvantaged, especially in developing countries."

As against the government provision of education vouchers, Professor Tooley has observed their private provision also. Private schools themselves frequently provide fee or subsidized scholarships for the poorest children, i.e. private school owners recognize the need for "targeted vouchers." However, as these may not reach all the children,

there is enough room for further targeting of vouchers, public or private or both, and this will ensure that all families are able to access private schools, Professor Tooley adds.

We know how private schools, institutes, academies in Pakistan invent and adopt various forms of education voucher. This includes scholarships, fee concessions, such as on obtaining a specific percentage of marks in examinations, on admitting another child of the same family in the school that is making the offer. In Delhi, Center of Civil Society is running a private scheme of education vouchers. Our Institute too would like to initiate and administer such a private education vouchers scheme if we are provided with the required funding.

Professor Tooley's conclusion is warranting: '... Friedmans' radical solution of a private education market with targeted vouchers for the most disadvantaged may be the most viable solution to the problem of ensuring "education for all" in developing countries. What the Friedmans tentatively proposed in 1980, rather than the most conservative approach presented in 1955, may be the way forward for developing countries today.'

The World Bank Development Report 2004 has the same view: "School voucher programs – as in Bangladesh, Chile, Colombia, Côte d'Ivoire, and Czech Republic – are explicitly aimed at improving education quality by increasing parents' choices. The evidence on these schemes is mixed, however. They seem to have improved student performance among some groups. But the effects on the poor are ambiguous because universal voucher schemes tend to increase sorting – with richer students concentrating in the private schools. When the voucher is restricted to poor or disadvantaged groups, the effects are better."

That happily accords with the recommendations based on the findings of this Study. However, as there is always room for improvement and innovation, new models of EVS can allow parents to add on to the amount of the voucher to send their children to schools with higher fee and higher quality education on the one hand; and on the other, voucher scheme can be expanded to other sectors also such as public healthcare in the form of health vouchers which will help disadvantaged families buy quality healthcare from private clinics/hospitals.

It was way back in 1993 when ‘a World Bank mission discussed the voucher proposal with members of the Balochistan Primary Education Directorate (BPED). Initially it was for girls from poor families from Quetta. The proposal envisioned a monthly voucher of around Rs.100 that would be paid to a household for every month that a girl attended school. The infusion of funds for girls' schooling was hoped to create an incentive for new private schools to enter slum neighborhoods that previously had very limited schooling options for girls.’

Peter Orazem writes, “the government raised several objections to the original project design. The logistics of the voucher were viewed as too complicated. Few poor households had bank accounts or knowledge of checks, so the officials were concerned that the households would not understand the transfer process. On the other hand, cash transfers were viewed as too prone to theft or misuse. The monitoring of individual girl attendance necessary to trigger the issuance of the monthly voucher was viewed as too complicated. There was concern that potential school operators would not increase supply in response to the program, both because the new school could not guarantee that it would attract enough of the voucher students to justify entry and the fact that the pilot project would have a limited duration after which the school could not presume continuation of voucher-induced demand. Finally, there was skepticism of the voucher idea itself; as one official expressed it, “Why should Balochistan implement a project that the U.S. was unwilling to adopt?” The government of Balochistan and the mission team eventually shifted the program toward making payments directly to the school rather than to the households.”

Then, in 2002 the then Federal Minister for Education, Zobaida Jalal, expressed her government's desire ‘to experiment with a vouchers program.’

However, it was in 2006 that under the able leadership of Dr. Allah Bakhsh Malik, the Managing Director/CEO of Punjab Education Foundation, that the feat of EVS was performed. The Quetta project that was rejected because of its ‘complicated logistics,’ Punjab Education Foundation successfully implemented in Lahore. Our Study confirms that. Also, let me add here that in 2007 our Institute held its First Aslam Effendi

Memorial Lecture on the topic of “Can we reform our educational prisons?” The speaker Zaffarullah Khan (Centre of Civic Education, Islamabad) after dwelling on the already deteriorated state of public education proposed that the ‘education budget be converted into education vouchers.’ That’s not uncalled-for. If conceived and implemented in good faith it may help achieve universal literacy among other things, and wider access to quality education also.

Despite all that is good about the Lahore EVS, the present Study notes that the Scheme has not been expanded as it could and should have been, and for the last 15 or so months the number of students benefiting from the scheme remains the same. That’s what makes Dr. Allah Bakhsh Malik, the originator of the Lahore Scheme, sad, and it is since his departure that the stagnation has crept in the Foundation. That requires to be stirred, and the Scheme urgently expanded to other cities where the disadvantaged people really need it.

It is a welcome development that on June 16 this year, the Punjab Education Foundation has decided to expand the Scheme to two more districts. We eagerly look forward to its early implementation and extension to other under-developed districts also.

As to the prospects of the EVS, I would like to add one more thing that is quite important. One of the findings of another of our Institute’s study *Well-being and Freedom at Crossroads: An Empirical Inquiry into Development*, suggests that education alone does not help alleviate poverty; but of course it is an undeniable fact that it improves both condition and quality of life in so many ways as, for instance, by liberating to learn. It is especially when one gets educated in the art of learning that he is liberated. That puts not only him and his life but the whole society on the path to a fuller and happier life.

In the end, I would like to express my gratitude to Ali Salman for his hard work in conducting the study and preparing the report, and also for paying due heed to my ‘interventions.’ I am also thankful to Dr. Allah Bakhsh Malik for reading the manuscript and giving his comments which we have made part of this Study as its Foreword.

We hope that this Study will be taken in earnest both by the Federal and Provincial governments, especially the government of Punjab, and private sector, and the scope of education voucher will be extended to the disadvantaged people throughout Pakistan. Also, we hope that this Study will inspire the philanthropists to come forward to take up the provision of education voucher and spread it to wherever it is urgently needed.

Let us join hands to liberate the disadvantaged people to learn!

Lahore
September 24, 2009

Note: All the references made to Milton Friedman and Professor James Tooley here are from the book, *Liberty & Learning: Milton Friedman's Voucher Idea at Fifty*, Edited by Robert C. Enlow & Lenore T Ealy (Cato Institute, Washington D.C., 2006). The information about the Quetta project is from The Urban and Rural Fellowship School Experiments in Pakistan: Design, Evaluation, and Sustainability, By Peter F. Orazem, June 2000.

This report is available at:
http://siteresources.worldbank.org/EDUCATION/Resources/278200-1099079877269/5476641099080014368/The_urban_rural_fellowship_Pakistan_EN00.pdf.

The World Bank Development Report 2004 can be accessed by clicking this link: <http://siteresources.worldbank.org/PAKISTANEXTN/Resources/pdf-Files-in-Events/WDR-Islamabad/Overview.pdf>

Foreword

It has been an eclectic pleasure to go through the analytical academic audit report on Education Voucher Scheme (EVS) of Punjab Education Foundation (PEF) by Mr. Ali Salman. My feelings are not different from a gardener, who planted trees four years before, nurtured them for a couple of years and then saw them after a considerable period of time. While I am glad to see the impact of the EVS, I am sad to know that EVS has not been scaled-up to the level where it should have been by this point in time.

Mr. Ali Salman and 'Alternate Solutions Institute' deserve appreciation for a wonderful and scholarly contribution titled, 'Liberate to Learn: A Study of the Education Voucher Scheme in Lahore.' Education Voucher Scheme was designed for the disenfranchised sections of society and to ensure that no child is left behind. It was an endeavor to provide a level playing field to children of the poorest of the poor, living in the urban slums of Lahore.

The EVS scheme was just a pilot project and was scheduled to be replicated to the rest of the country. EVS instrument was primarily focused to ensure educational justice and avoid educational apartheid in society. The sole purpose of the EVS was that the poorest of the poor and disenfranchised sections of the society must get equal opportunity and access to quality education. The goals of the EVS included the empowerment and enabling environment for the future generations to get out of the vicious circle of poverty and

deprivation. Education is the only conduit to trampoline economic uplift and to develop capabilities of the less privileged people in urban and rural slums. The tremendous feedback on EVS and other programs of PEF from the stakeholders is quite encouraging and compensating.

The study by Mr. Ali Salman is a valuable contribution. This is appreciable because this is the first comprehensive analytical study after the launching of the program. The learned author and the esteemed institution, 'Alternate Solutions Institute,' deserve heartiest congratulations for their scholarly contribution for promoting the noble cause of education for the marginalized sections of society.

Dr. Allah Bakhsh Malik PhD
Former Managing Director/CEO
Punjab Education Foundation
September 3rd, 2009

Executive Summary

Across Pakistan today, the enrolment in schools has exceeded 30 million in a given year. The private sector contributes almost one third, touching 10 million students. The private sector is driving the recent growth in the education not only at higher education level, but also at school level. In 1983, the share of the private sector in educational sector was a mere 3%, which now accounts for a significant 25%. The private schools not only perform better, they also cost less. One needs to look for good and practical policies to facilitate and support the rise of private schools – especially for the betterment of the less-privileged. The problem of equity should be addressed by expanding access through innovative means instead of compromising on the quality. In educational parlance, this would mean supporting and facilitating private schools at various levels – and for all income groups.

Considering the importance of private schools in expanding access and ensuring quality in education, Punjab Education Foundation (PEF), started 'Education Voucher Scheme' (EVS) in 2006. This scheme is in pilot stage and is operational in Northern part of Lahore, serving 52 private schools and has about 10,000 students. Under this scheme, 'vouchers' worth Rs. 300 per month per student are given to selected low income households chosen on the basis of economic profiling. These vouchers enable these parents to select a school of their own choice in their vicinity. Upon admission, parents present these vouchers to school administration, which then deposits these

vouchers with PEF, which credits an equal amount to the bank account of the participating school.

International literature supports this idea and empirical research carried out proves that these vouchers increase the choice of students, ensures equality in opportunities, and provide incentives for the private schools to enhance enrolment and quality. Present study uses a combination of qualitative and quantitative techniques to evaluate the impact of this scheme. It uses the results of Quality Assurance Test (QAT), which is conducted periodically at partner schools to assess the educational standards across the EVS and non EVS students. It also relies on individual in-depth interviews with project officials, school administrators and other stakeholders.

One result is striking: the EVS students, which come from lower income group and poor educational background tend to exhibit same level of academic standards, if not better, as shown by the students who come from middle income groups and better educational backgrounds. The key benefit which private schools have received is enhanced enrolment. As EVS meets the cost of needy students, their parents start sending their children to the EVS partner private schools of the area. As this increases the overall enrolment at the school, it attracts other, mostly self-financed students at the schools. The overall increase in the enrolment in these schools, on the average, is as high as 100%.

The main purpose of education vouchers is to enhance school choice for the low income families. The results from the study clearly point out that this has been achieved in several ways. The EVS makes the schools accountable to the parents instead of government department. This single reversal of order alone can create lot of positive synergies in the system. The education vouchers should be perceived as part of a more complex set of variables that affect the school choice. As a matter of fact, education vouchers can have greater effect if they are synchronized with the factors like better teachers and can have a lesser weight if other factors – such as

facilities in government schools – work the other way.

The EVS has been designed to extend maximum benefits to the poorest households. This is a laudable policy objective however, it does involve discretion. Although due investigation is made while needy students are selected, there is always a possibility of favoritism. Therefore, transparency must be ensured during the selection of families receiving vouchers. The partner schools should be subjected to periodical review dependent on the results of their students, additional private investment, and improvement in working conditions for the teachers. The EVS has been piloted quite successfully. This is high time for replication and scalability of the scheme.

We demand from the government that the budgetary resources should be better spent on the private sector development instead of establishing new schools. The government should resist the temptation of erecting new physical infrastructures with a motive for political gains, which are short term in nature. The PEF may constitute mechanisms on third party basis to conduct independent assessment of the scheme. The QAT should also be outsourced for increased impartiality. Similarly, the third party assessment should consider unintended consequences of the scheme, some of which have been elucidated in the study.

PEF is working without a permanent head since May 2008. This study finds that the number of vouchers has stayed stagnant at 10,000 over past 15 months, which rose from 1,000 to 10,000 in a span of two years between 2006 and 2008. If EVS, and similar schemes, have to be expanded, it is impossible without having a permanent head of the organization.

Despite achieving a great success, the EVS looks like a drop in the ocean. Even if we assume all of 10,000 EVS students were earlier drop outs, this achievement looks modest in the face of reality. In Pakistan today, more than 6.5 million school going age children are

out of schools. They are out despite free education by the government and ever expanding schools structure. Probably they want more than free education; education which can help them learn and education which can give them skills for livelihood. It seems that private education does liberate them to learn however both the society and the state seem to despise the private sector education providers instead of celebrating their new-found contribution in the field of education service delivery.

PRIVATE SCHOOLING: Backbone of Education Vouchers

Across Pakistan today, the enrolment in schools has exceeded 30 million in a given year though around 6.5 school¹ going children still remain drop outs or out of schools. The private sector contributes almost one third, touching 10 million students. The share of the private sector in provision of school education has come a long way in the last twenty years from a virtually non-existent player to a competitive and sizeable player. The narrow streets of cities, green fields in the villages, and muddy paths in the towns are all cluttered with the private schools throughout the entire national landscape. The small educational entrepreneurs, community based organizations, nationally and internationally funded organizations, corporate philanthropists, and religious trusts are actively participating in bringing a structural change in the education system of Pakistan.

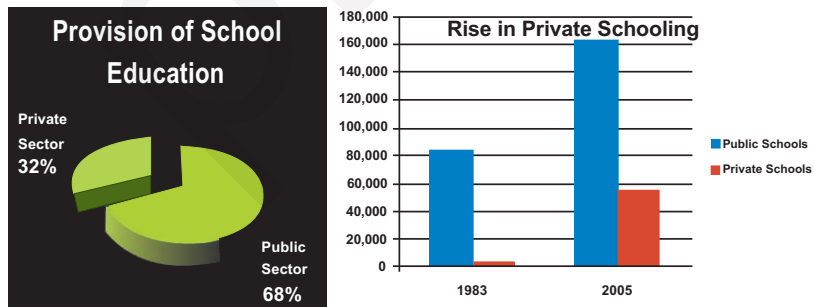


Figure 1: Role of Private Sector in Schooling

[Source: Education Census, Ministry of Education 2005-06]

¹ Education Census, 2005-06, Ministry of Education, Government of Pakistan

Private Schooling: Curse or a Blessing

Pakistani state guarantees provision of education as basic right of every citizen. As a result, the state has spent considerable resources in spreading education over the last decades. However, the access to even basic education has remained uneven and unpredictable with Pakistan still included in the least educated countries of the world with respect to gross primary, secondary and tertiary enrolment ². Instead of addressing the key problem – the failure of the state to achieve its goal – the focus of education planners and policy makers is still on the wrong pulse – the budgetary allocation for education. Ironically, when a private sector company fails, it is closed down. When a state entity fails, it is given more budget!

In case of higher education, a combination of state's monopoly over degree awarding status and highly subsidized university fees kept the private investment – and a large number of youth – at bay till mid-nineties. When it was gradually replaced with a liberal education policy with no upper ceilings over tuition fees in the private sector, it was warmly received by a rising affluent class of the society. This led to emergence of several good quality institutes of higher education, and the number of accredited universities increased by four times since 1995 thus significantly increasing the enrolment ratio in higher education. The fine point is that the private sector has contributed more than 50% in this growth ³. The fate of access to primary schooling – which keeps coming to the policy debates for reasons of equity – should not be different. The following statistics tell a real tale!

² In Human Development Index, Pakistan occupies 169th position in 179 countries. (http://hdrstats.undp.org/2008/countries/country_fact_sheets/cty_fs_PAK.html)

³ Statistics released by Higher Education Commission reveals a fascinating account- the gap between the number of private universities and public universities had almost vanished prior to the massive public funds into the higher education from 2001-02 onwards. This was dramatic as just eight years prior to 2001, in 1992, the number of public sector universities was eight times more than the number of degree awarding private sector universities. (<http://hec.gov.pk/stats.html>)

Table 1: Private Sector Driven Growth

	Public Schools	Private Schools	Total
Total Number of Schools: 1983	83,190	2770	85,960
Total Number of Schools: 2005	161,843	55,304	217,147
Rise in Level	78,653	52,534	131,187
Growth in Schools	95%	1897%	153%
Contribution in Total Schools (1983)	97%	3%	N/A
Contribution in Total Schools (2005)	75%	25%	N/A
Contribution in Rise	60%	40%	N/A

Source: Author's estimates based on Education Census, Ministry of Education (2005-06), various issues of Economic Survey of Pakistan, Andrabi et'al (2009)

The private sector is driving the recent growth in the education not only at higher education level ⁴, but also at school level. In 1983, the share of the private sector in educational sector was a mere 3%, which now accounts for a significant 25%. One in every four schools in Pakistan belongs to the private sector ⁵. In fact, the private investment accounts for about 40% of total investment made in the school sector in the last twenty years or so. Four rupees in every ten rupees spent by Pakistan on its schools come directly from the private sector. At this pace, the gap between the absolute numbers would soon vanish. If the last twenty years is a guide, then it is only a matter of a few more years that the public sector would be relegated to a junior position in provision of education. With only 25% share in the school market, the private sector already provides one-third of total

⁴ For example, the absolute number of inter-colleges in the private sector far exceeds – by 150%– the absolute number of inter-colleges in the public sector! (Ministry of Education, 2005-06)

⁵ This does not include Madressahs- institutions of religious education, which account for around 1.3% of total enrolment, as of 2005-06 so this private sector is essentially non-religious kind

school enrolment in the country! It suggests that the private schools are able to educate a relatively large number of students. The growth is astonishing, no doubt – but the sheer number of private schools in the sixth most populous country of the world is striking ⁶.

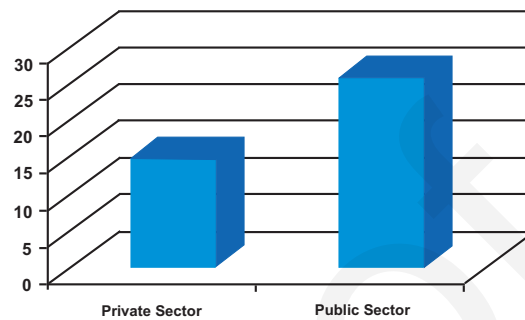


Figure 2: Student-Teacher Ratio

Even plain and lucid arithmetic such as above can fail to convince the ideologically hardened type. People supporting the role of the state in the direct provision of primary schooling cast a number of reasons – one is that the private sector schooling is just about money and they are not concerned about quality of learning. However, facts are contrary to this rather populist perception. A recent survey which was conducted on more than 25,000 school going students in rural Southern Punjab concluded that the students in the private schools outperformed those in the public schools by a wide margin ⁷.

The private schools not only perform better, they also cost less. According to various international studies undertaken on the comparison between public and private schooling costs, it has been established that the average public school costs twice or thrice as much as the private school. The reasons are rather intuitive: the salaries paid to a government teacher may well be twice and thrice

⁶ For a great resource on the international comparison on the success of private sector education providers, one should read Institute of Economic Affairs' publication "The Global Education Industry: Lessons from Private Education in Developing Countries" authored by James Tooley

⁷ Andrabi et'al (2009) Foreign Policy

than those paid to a private school teacher. Then there are mammoth ministries of education, to which public schools are held accountable. As these bureaucracies – often trying to justify the budget spent on them, are non-existent in the private set-up, the cost per student to the government is certainly much higher than the cost to the private sector.

The quality of learning is directly affected by the teachers' attention, which makes the student-teacher ratio an all important indicator to watch for the quality of education. In this respect too, the private sector is far ahead than the public sector. In an average public school, one teacher has to instruct 26 students, whereas in an average private school, one teacher has to instruct only 15 students, which is almost half the number in the public schools.

Private Schools: The dramatic change during the 1990s was the rise of the private sector. Four facts describe Pakistan's experience with the private sector in education ⁸ :	
a	Most private sector growth is in primary schooling (in most countries the share of private schooling is higher for secondary compared to primary)
b	A large fraction of the growth is in rural areas: indeed the fastest growth segment for private schools is the rural poor.
c	Most private schools are cheap and used by a large segment of the population: A typical private school in Punjab charges Rs.60-Rs.70 per month in fees.
d	Private sector schools are mostly co-educational and used both by girls and boys.

⁸ World Bank, 2006. Improving Educational Outcomes Through Choice and Decentralized Management; Authors: Jishnu Das and Tara Vishwanath. Other core members of the team are Tahir Andrabi, Asim Ijaz Khwaja and Tristan Zajonc

Schools in Pakistan: There are three main findings:

a	The cost of educating a child in a private school for parents is one third that of educating a child in a public school by the government.
b	This is not because private schools provide worse facilities – in fact, facilities in private schools are better than in public schools.
c	Private schools are far less likely to be geographically accessible to the poor. They are less likely to exist in poor villages, and within the same village, they are located in richer, central settlements rather than in poorer, peripheral ones.

A noted writer on Indian education reforms, Parth Shah recommends that government should stand guarantor of provision of education – not through direct provision – but by facilitating and financing the private sector to build schools and by funding the deserving students to help them attend private institutions. According to Shah, this policy “combines the efficiency and accountability of the private sector with the equity and independent supervision of the public sector ⁹.”

Now that a case has been hopefully built to argue for further expansion of the private schooling both to cater to equity issues as well as that of quality, one needs to look for good and practical policies to facilitate and support the rise of private schools – especially for the betterment of the less-privileged. It is a futile idea to keep pursuing the idea of a uniform, state-level education to dispel the notion of ‘classes’ in the society. An equal society is not only unnatural, it is also unfair. The fact is that such a policy hurts the very segment of the population, in whose name it is ostensibly launched, the poor and the vulnerable. The rich and the better off are in any case able to meet the expenses of education of their children whereas they still argue for the same shattered system of education for the masses. The problem of equity should be addressed by expanding access through innovative means instead of compromise on the quality. In educational parlance, this would mean supporting and facilitating private schools at various levels – and for all income groups.

⁹ Parth Shah, 2008. Center for Civil Society, India

Are there any models for such pro-private schools policy?

Punjab Education Foundation, an entity established under the Ministry of Education, Punjab, has undertaken various useful initiatives for the “promotion of quality education through public-private partnership, encouraging and supporting the efforts of private sector through technical and financial assistance, innovating and developing new instruments to champion wider educational opportunities at affordable cost to the poor ¹⁰.”

There are various models of facilitating and supporting private schools currently operational under PEF such as direct financial assistance to schools, teachers training and institutional development strategies ¹¹. The most innovative of all is Education Voucher Scheme. Considering the importance of private schools in expanding access and ensuring quality in education, Punjab Education Foundation (PEF), started ‘Education Voucher Scheme’ (EVS) in 2006. This scheme is in pilot stage and is operational in Northern part of Lahore, serving 52 private schools and has about 10,000 students. The families receiving vouchers belong to the lowest income group and are selected after an extensive household survey or after rigorous investigation for the authenticity of their claims. Thus, EVS provides a kind of level playing field to all residents of the area in terms of access to private education without facing discrimination due to their income. In a way, EVS facilitates in establishing a need-blind admission policy at local schools.

¹⁰ Excerpt from the official vision statement of Punjab Education Foundation

¹¹ For an excellent and in-depth review of these models, “Freedom of Choice: Affordable Quality Education in Public Private Partnership” (published by Maqbool Academy) a book by Dr. Allah Bakhsh Malik, former Managing Director of PEF is highly recommended.

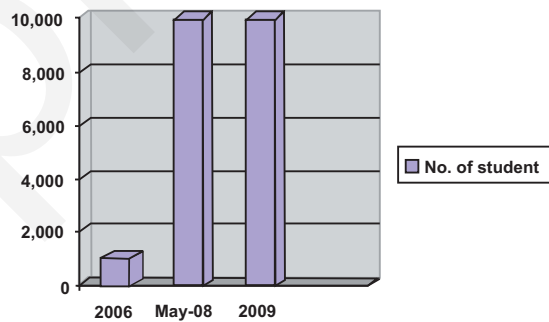
Education Vouchers in Pakistan: Quick Facts

Table 2: Education Voucher Scheme in Lahore

Education Vouchers: Overview			
Partner Institutions			52
Gender			
Co-Education	Male Schools	Female Schools	
52	0	0	
Geographical Distribution (Location)			
Division	No of Students	Division	No of Students
Sukh Nehr	5661	Harbans Pura	1114
Daroghawala	1202	Wara Sattar	1039
Fateh Garh	975		
No of Hous Holds			2700
Students Benefited			
Male			4800
Female			5200
Total			10,000

Source: Punjab Education Foundation

Figure 3:
Growth in
EVS Students



Punjab Education Foundation pioneered the idea of education vouchers by starting this scheme in 2006. Initially technically aided by Open Society Institute of George Soros Foundation, this scheme is

funded by the government and incorporates only private sector schools for vouchers. EVS was launched in 2006 with 1000 vouchers enrolled and 13 schools were affiliated. By March 2008, the scheme has grown to 10,000 students and 52 schools. All these schools are private and provide co-education facility. Out of 10,000 students, 5,200 students are female.

Under this scheme, 'vouchers' worth Rs. 300 per month per student are given to selected low income families chosen on the basis of economic profiling. These vouchers enable these parents to select a school of their own choice in their vicinity. Upon admission, parents present these vouchers to school administration, which then deposits these vouchers with PEF, which credits an equal amount to the bank account of the participating school.

Selection of Area of Operations

Board of Directors (BoD) of PEF approves the area of operations where it determines that poorest of the poor will be able to benefit from the scheme. Currently, the areas under operation include: Sukh Nehr, Daroghawala, Fateh Garh, Harbanspura, and Wara Sattar. These areas are located towards North of Lahore around the famous Pakistan Mint. It is important to consider the cluster nature of this scheme. As the success of this scheme depends on meritorious selection of beneficiaries, the clustering of the scheme in one particular community helps in quick flow of information through informal means. This flow of information helps in ensuring transparency and integrity.

Selection of Beneficiaries

The factors considered in the selection of beneficiary families are: socio-economic status, size of the household (large families are preferred), occupation of head (labor and particularly daily wage labor, unskilled family workers and hawkers are preferred). PEF staff also visits door to door to ascertain needs-basis of the applicant families or prospective participating families.

Criteria for Selection of Partner Schools

EVS works with private schools only. As it provides incentive to parents to send their children to school, EVS naturally becomes a source of competition for private schools of the area. Although the author was not provided with the approved yardsticks for awarding EVS to private schools, following points are worth consideration ¹².

1. The fee being charged by the private school should not be more than Rs. 300.
2. The enrolment should vary between 100 and 500.
3. The school should have respectable infrastructure.
4. The partner schools should lie within ½ kilometer radius of the selected area.

Selection of Partner Schools

1. PEF advertises in print media to solicit interest from prospective partner schools.
2. Preliminary test of selected subjects is held in short-listed schools.
3. Physical inspection of the school is carried out. .
4. Discretion lies with the BoD and no approved yardsticks for school selection exist.
5. PEF Project offices displays list of all partner schools at their office and parents are free to choose a school of their choice.

Access to Information by Households

1. Awareness and information is first spread through camps which is then carried by the word of mouth. About 50-60 parents visit PEF project office daily as revealed during an interview the PEF project office staff.
2. PEF staff visits door to door in the designated areas to select vulnerable areas. This also helps raising awareness about the scheme.

¹² Dr. Allah Bakhsh Malik, 2007. "Freedom of Choice: Affordable Quality Education in Public Private Partnership". Published by Maqbool Academy, Lahore.

Where/How data about families are kept?

Data about prospective families, generated as a result of door to door surveys, are kept in a computer in the head office, which also help in printing computer generated vouchers.

Amount of Voucher

Each voucher is worth Rs. 300/ and each recipient gets the voucher after every quarter i.e. he/she receives Rs. 1200 per quarter. According to PEF sources, this amount is considerably higher than the average tuition fee of the private schools in the area, which charge between Rs. 150 and Rs. 200 per month. PEF expects that the partner schools will invest remaining amount on infrastructure development of the school. However, this is not obligatory.

Disbursement Procedure

1. Selected families receive education vouchers every quarter at the project office located within easy access of the people residing in the area.
2. Parents carry these vouchers to a school of their choice and present them to school management.
3. School management sends these vouchers to PEF head office, which then issues instructions to the bank to transfer the corresponding amount in school's name.

Profile of Students

Most of the students presently benefiting from EVS belong to the age group of 4 to 17 years; most are in primary classes, some in elementary and very few in secondary classes; all belong to poor or low income category.

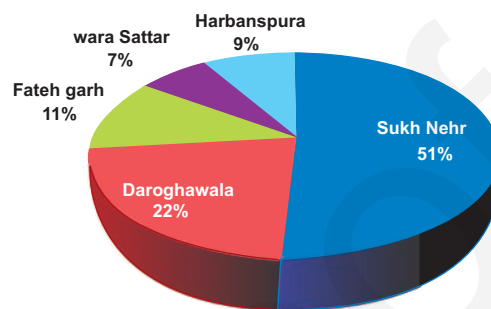
Quality Control

To maintain quality of schools participating in the EVS, the PEF conducts Quality Assurance Test on bi-annual basis. This test helps in understanding the growth in academic performance of students.

Socio-Economic Profile of the Area

PEF's Education Voucher Scheme is currently in pilot stage. The area selected for pilot stage consists of a cluster of adjoining communities in North of Lahore, located around the famous Pakistan Mint.

Figure 4: Distribution of Households



Source: Punjab Education Foundation

This area was selected, as earlier suggested, on the basis of peculiar socio-economic characteristics determined after a survey carried out in the beginning of the project. Although the writer was not given access to the original survey, only the more recent statistics were made available to him. These statistics are collected by PEF staff during their on-going household survey in the area to identify the potential beneficiaries and also to investigate the actual needs of the applicants. These statistics are helpful in getting an insight into the socio-economic profile of the entire area.

Distribution of Households

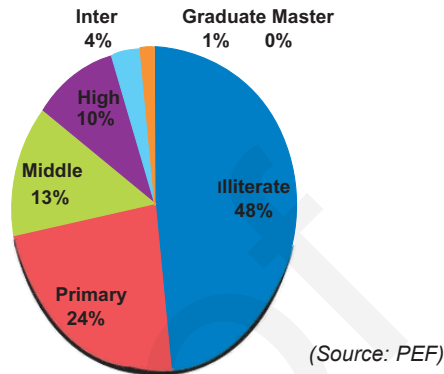
PEF database contains information on 6,193 households. A distribution of these households in the above mentioned areas is given in Figure 3.

Education Profile

Education is a key indicator of level of development a household may achieve over time. The statistics mentioned below indicate the level

of education attained by the head of the household. It seems likely that the distribution of education is a fair reflection of national level.

Figure 5: Education Profile

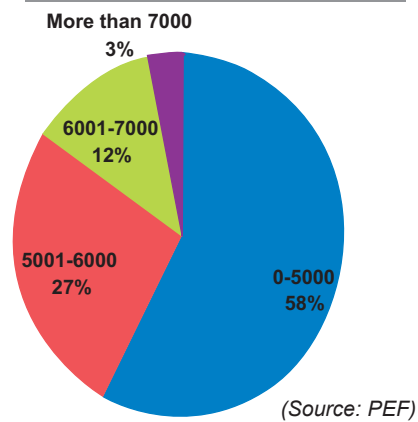


The zero percentage allocated to Master level is obviously a rounding off issue because of the smaller number in the total. The distribution of education also reveals an interesting fact: PEF can easily consider this area as a representative sample of national level educational status and thus reliable estimates can be made for replication and scaling of the program.

Figure 6: Income Distribution

Income Distribution

The education vouchers are meant to be distributed in low income households. In this way too, PEF seems right on the target. Most of the people living in the area are earning considerably lower than the minimum wage limit and fall into poor category. Hardly 3% households earn more than Rs.7,000 per month, which is too not enough to qualify the households even into lower

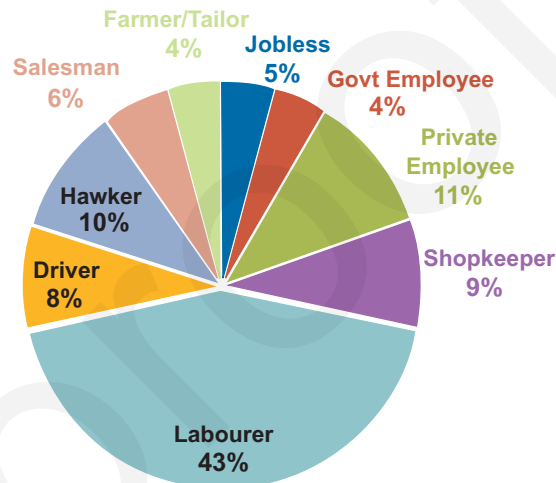


middle income group. By all means, these households are considered in the low income bracket.

Professions

The income distribution can be explained easily by the type of work people do. In this case, almost half of the households earn daily wages as laborers. The other professions as mentioned below can be considered a typical example of low income professions.

Figure 7: Professional Background



(Source: PEF)



Education Voucher Scheme

Background and Brief Review of Literature

Nobel laureate Milton Friedman is credited with the idea of popularizing education vouchers in 1960s. A strong believer in the virtues of free market, Friedman had suggested that the choice of schools should be left to parents instead to the state. The role of the state should be to ensure that the families who otherwise could not afford to pay for the tuition fees should be financially supported – by way of vouchers – which were redeemable only at schools.

Ever since Friedman popularized the idea of vouchers, several countries had adopted various versions of these schemes. The most important characteristic of all such schemes is school choice. The decision of school selection rests with the parents or students and not with the state. This choice encourages schools to compete with each other to attract better students to perform better. Parents who could not afford to pay for a school of their own choice are aided with non-transferable and non-cashable vouchers, which they use as an instrument to pay tuition fee.

The vouchers do not come without controversies. Many critics believe that these vouchers cause concentration of high IQ students at specific schools, and thus lead to deterioration of standards at other schools. Thus the competition is a zero-sum game, in which benefits to some schools are countered by costs to other schools. Another negative point is possible transfer of state resources to private hands

may be at the cost of the poor families. As vouchers are financed by the government, it must cut down its conventional spending on the education to pay for vouchers.

In a review article carried by The Economist, the vouchers were endorsed in these words: *“New research shows that parental choice raises standards – including for those who stay in public schools.”* In the same article, the magazine adds: *“FEW ideas in education are more controversial than vouchers – letting parents choose to educate their children wherever they wish at the taxpayer’s expense... the principle is compellingly simple. The state pays; parents choose; schools compete; standards rise; everybody gains.”*¹³

Educational vouchers have received criticism not just from the left, who believe that the provision of the education is the responsibility of the state alone but also from the far right. For example, writing for a right wing think tank, ‘The Future of Freedom Foundation’, Jacob G. Hornberger has these rather unkind words for Friedman, the founder of the education vouchers.

*“But the real tragedy [of school vouchers] is that so many freedom devotees in America also won’t let go of socialism. All too often, their answer to the problem involves a futile attempt to make socialism work more efficiently. They want competition in public schools, vouchers, and other schemes, which have the ultimate effect of leaving the socialist system intact, reformed, and more efficient.”*¹⁴

Institute of Economic Affairs, “the most influential think tank in the history of UK”, published a review article on the education vouchers, which has this to say.

*“...A large body of empirical research [on education vouchers]...consistently finds that school choice improves academic outcomes for those who use it, improves outcomes at nearby government schools, and has other positive effects.”*¹⁵

¹³ The Economist, May 3rd 2007. Free to Choose, and Learn

¹⁴ Jacob G. Hornberger, 2009. The Future of Freedom Foundation. (<http://www.fff.org>)

¹⁵ Greg Forster, 2008. Institute of Economic Affairs (<http://www.iea.org>)

In India, Center for Civil Society has led tremendous amount of work to popularize the idea of education vouchers under the leadership of Parth Shah. In a policy study conducted by Shah and Munzinger ¹⁶, experiences of eleven countries in education vouchers have been narrated and possible implications for Indian system of education have been identified. As Pakistan inherited a similar educational system from the British, the study has several useful lessons Pakistani educational planners ought to learn. This study identifies following key benefits of education vouchers:

1. Choice of Students: Students get a choice to select a school of their own liking.
2. Equality of Opportunity: As vouchers finance needy students, they bring the access of education at par for the marginalized.
3. Incentives for schools to increase enrolment and quality: As education vouchers extend direct financial assistance to schools against admission of students on EVS, more and more schools compete for these initiatives.

Masood Bano, in her study of various public private partnership models in education, has briefly reviewed the EVS ¹⁷.

“[PEF] is continuing with the EVS despite its higher administrative cost ¹⁸ (when compared with a competing scheme i.e. Foundation Assisted Schools (FAS)) because it puts the incentive in the hand of the child and the parents to ensure that the child gets good education...EVS allows for a more direct intervention within the target population than FAS.”

¹⁶ Parth Shah and Corinna Braun-Munzinger, 2008. Education Vouchers: Global Experience and India Promise. Center for Civil Society. (<http://www.ccsindia.org>)

¹⁷ Bano, Masooda (2008). Paper Commissioned for the EFA Global Monitoring Report 2009, Overcoming Inequality: why governance matters”, UNESCO

¹⁸ According to sources quoted by Masooda Bano, EVS costs PEF nine times more than FAS Scheme in terms of administration.

The current National Education Policy (2009) is largely supportive of the EVS under the larger framework of public-private partnership. However, as Bano noted ¹⁹, there is apparently a shift back towards the role of the state as the key service provider from an earlier emphasis on the public-private partnership largely on account of capacity constraints by private partners, which includes both NGOs and the private sector.

The World Bank's sponsored survey ²⁰, quoted earlier, has indicated vouchers as a desirable policy option. However it has also pointed out various possible and real concerns. For example, as private schools tend to locate in the relatively richer and denser urban and urban slums, the children studying in the rural schools, which are largely public, are likely to be left behind. This usually happens due to lack of good quality teachers in the rural areas.

Education voucher is a relatively new idea in Pakistan, and so far has not been exclusively researched or evaluated in details. The book "Freedom of Choice" by the former managing director of PEF, Dr. Allah Bakhsh Malik and the study by Masooda Bano are great sources of knowledge. PEF did conduct a preliminary evaluation at the start of the project, but they could not provide a copy of the study to this author. However, they confirmed that the study did not measure any impacts of the scheme and was perhaps conducted prematurely. By this account, present report constitutes a pioneering research in this field.

¹⁹ Ibid

²⁰ <http://siteresources.worldbank.org/PAKISTANEXTN/Resources/Publications-and-Reports/367132-1208398596098/ch52008LEAPS.pdf>

Analytical and Methodological Issues

Perhaps due to their controversial nature, education vouchers throughout the world have remained focus of academic analysis. These analyses have studied the impact of education vouchers on academic achievements or learning outcomes, enrolment in the government schools in same vicinities and socio-economic segregation. The current study focuses only on the first issue while marginally discussing the other issues.

Essentially three types of methodologies have been used to study the impact of education vouchers ²¹. The most widely used method is random assignment. Under this method, subjects are randomly divided into two groups: a group that will receive the treatment being studied (such as education vouchers) and a control group that will not receive it. Due to the fact that EVS in Pakistan is not based on random selection, such as a lottery, this method is not applicable.

The other two methodologies include tracing of individual students with education vouchers over time and tracing of schools over time. Due to the data availability constraints, this study selected a variant of the latter method while considering participating schools as unit of analyses. Under this method, results of test administered by an external body, PEF in this case, have been used to compare the academic achievement of students receiving education vouchers with those students without such a facility.

²¹ Based on Forster, Greg, 2008. Institute of Economic Affairs, UK

These tests are conducted biannually by the PEF to monitor the quality of education at their partner schools. Called 'Quality Assurance Tests,' these are subject-wise academic tests and are organized for various classes at primary and middle levels. The results are recorded for each student and are classified in 'EVS students' and 'non-EVS students' categories. Thus, they provide reliable instrument to compare the academic performance of two groups.

Other than tests, five individual in-depth interviews (IDIs) were conducted with administrators/principals, which covers about 10% schools included in the EVS. For the purpose of confidentiality, only inferences from these interviews are included as part of this report, because all interviews were conducted privately and on the condition of anonymity.²² Detailed interview was also taken with the project-in-charge, who looks after the project management at operational level. Overall information about the scheme was available from the website, which was used. In addition, some senior level officials were also interviewed.

Baseline for Comparison: Quality Assurance Test

Punjab Education Foundation conducts a periodic, subject-wise Quality Assurance Test for each grade, where EVS has been launched. The results of these tests help in comparing academic standards between EVS and non-EVS students. Results of 896 students were made available for this research for a test conducted in November 2008. These students were based in various schools. Out of 896 students, 548 (61%) students were EVS students while remaining 348 (39%) were non-EVS students. The grade-wise distribution of these students is shown in Table 3. The segregated results of QAT are shown. These results have been compiled on the basis of average (arithmetic mean) of the respective class mentioned. The total marks for this QAT

²² Understandably, no principal would want to give up EVS scheme as 'reward' for any critical remarks on the scheme and keeping that conflict of interest, interviews had to be conducted after taking these principals into confidence. At the same time, these interviews had to be conducted in an environment independent of the Foundation, otherwise responses would have been biased in favor of the scheme.

Quality Assurance Test: Comparison of Average Scores

Classes/ Grades	Science		Urdu		English		Math	
	Max: 15		Max: 10		Max: 15		Max: 15	
	EVS	NON EVS	EVS	NON EVS	EVS	NON EVS	EVS	NON EVS
4	9.3	9.68	5.74	6.2	11.29	12.39	14.21	14.52
5	7.69	7.96	6.25	6.89	10.36	11.08	11.32	11.51
6	8.2	8.47	6.36	6.55	8.21	9.13	11.81	6.56
7	8.78	8.25	7.22	6.36	8.83	8.21	12.32	11.81

Table 3: Results of Quality Assurance Tests (Source: PEF)

were 60,²³ in which Science, Urdu, English and Mathematics were given 15 marks each. This test was conducted in about 15 schools and for the ease of analysis, the results have been collated. This also took care of differences across schools, which is out of the scope of the current study. The same test was conducted for EVS and non-EVS students at the same time.

²³ There is a conflict in terms of marks. The marks sheet provided by the PEF indicates that total marks are 55, whereby Urdu was given 10 marks. However, in actual marks for each student, there are several results in Urdu, which are in the range of 12-14. Therefore, we opted for the second choice thus taking 60 marks as total.

Following table shows overall results while for class 5th, detailed marks distribution have been shown in subsequent diagrams. An analysis of these results follows.

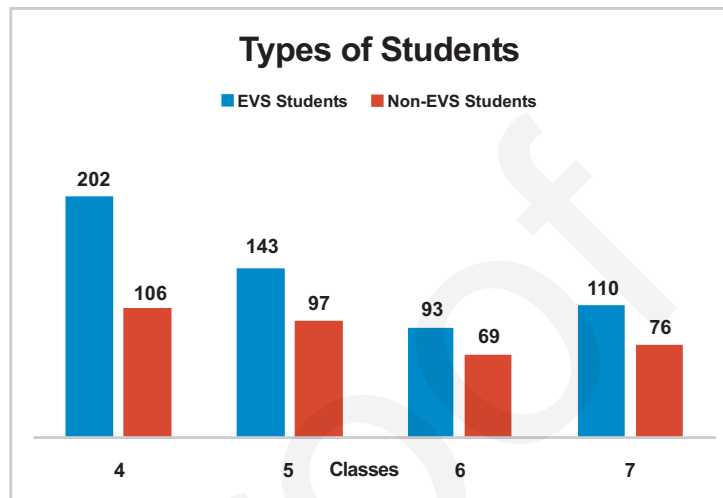


Figure 8: Types of Students (Source: PEF)

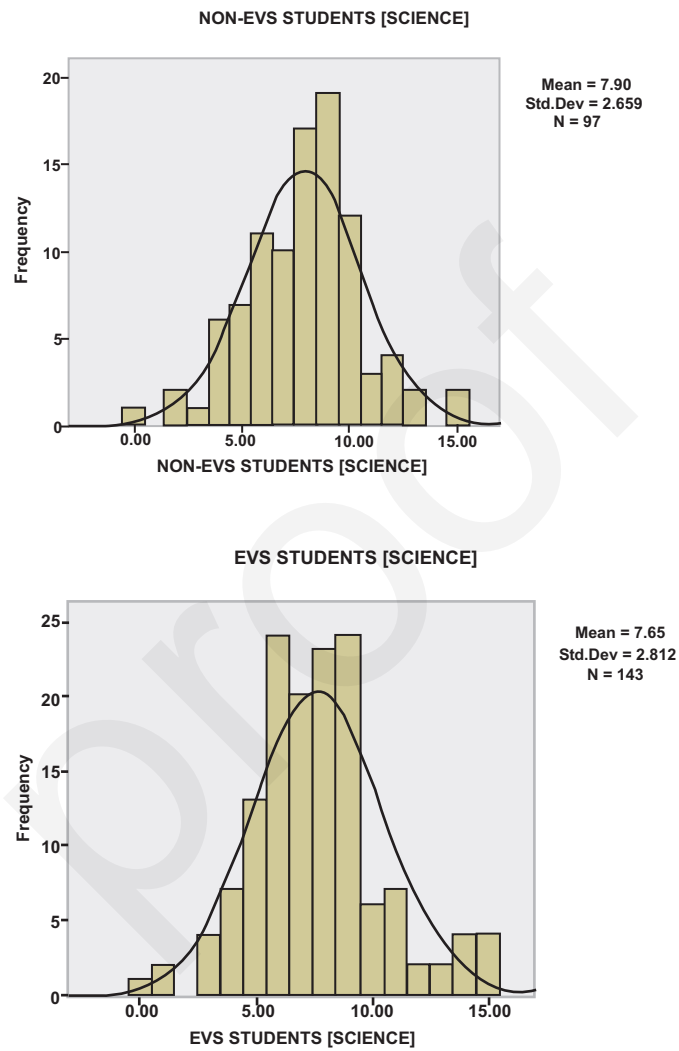


Figure 9: Performance Comparison of EVS and Non EVS Students [Science]

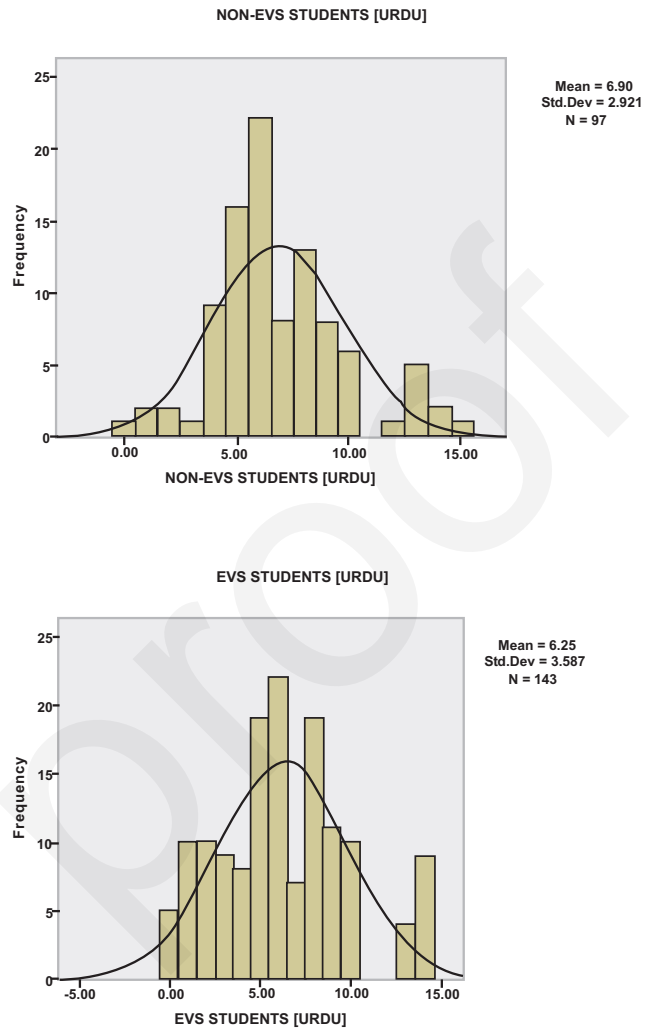


Figure 10: Performance Comparison of EVS and Non-EVS Students [URDU]

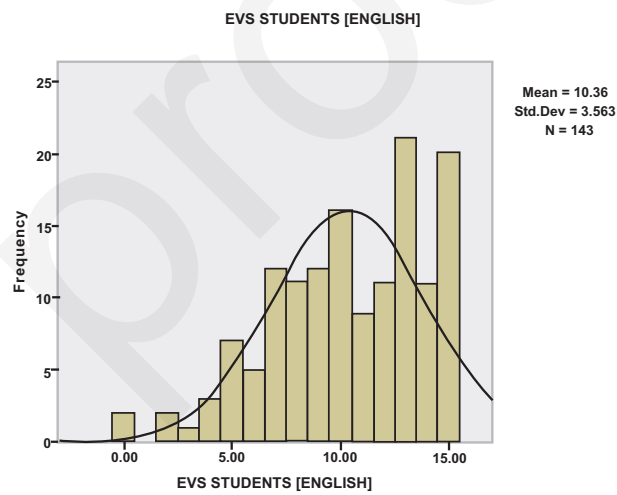
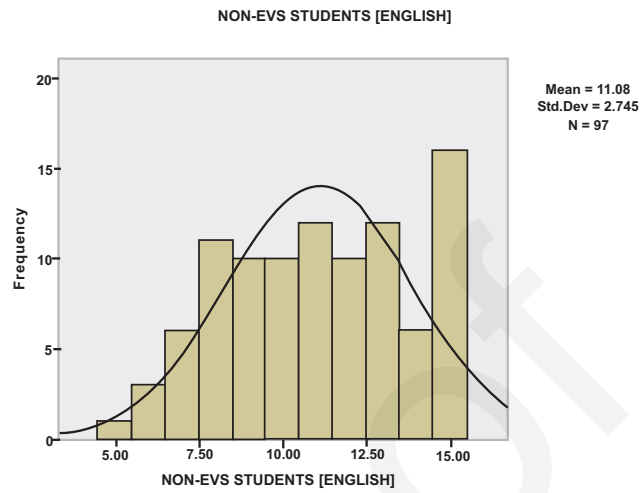


Figure 11: Performance Comparison of EVS and Non-EVS Students [ENGLISH]

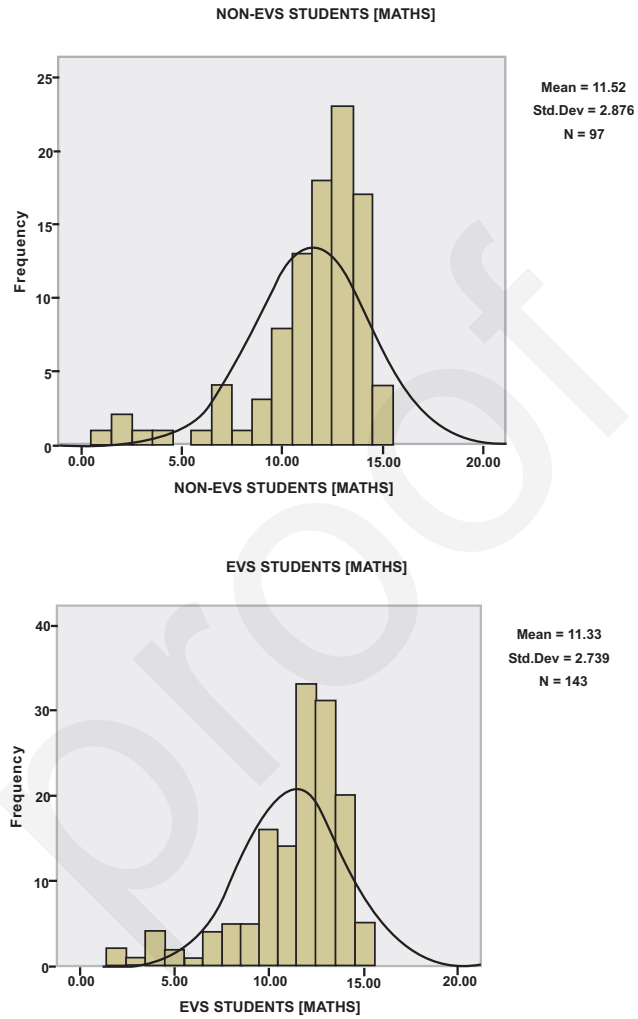


Figure 12: Performance Comparison of EVS and Non-EVS Students [MATHS]



General Findings

Comparison of Scores

1. The scores clearly give a comparative position between EVS and non-EVS students. One result is obvious: the EVS students, which come from lower income group and poor educational background tend to exhibit the same level of academic standards, if not better, as shown by the students who come from middle income groups and better educational backgrounds. This is an amazing result, as it shows that initial conditions of students do not matter, if they are subject to similar kind of education and environment. Furthermore, it paints a very favorable scenario for the EVS replication, as it is able to bring more students in better quality school education and thus improves their chances of entering higher standards of living.
2. Furthermore, in above diagrams, distribution of marks in class 5th has been shown, which bring further insights in the comparative account. In the subject of science, the distribution appears quite similar: most of the students in both EVS and non-EVS group have obtained scores around the mean, whereby a few lie on either lowest or highest extreme. This shows that the arithmetic means are not influenced by the extreme values. For example, a comparable mean is meaningless, if there are extreme values within a distribution. To be more specific, if in the EVS group, one or two students perform exceptionally well, while others perform exceptionally bad, the absolute average of the

class would conceal these extremes. That is why complete distribution has been shown, which support the overall argument.

3. The marks distribution of Urdu varies across EVS and non-EVS students. The distribution of results of non-EVS appears normal, whereas the distribution of EVS students have a rather thick left tail. This indicates that while averages are comparable, the EVS students, in Urdu, have somewhat lagged behind their counterparts in the non-EVS group.
4. The marks distribution of English also varies. In this case, the EVS group seems to perform better on the whole than the non-EVS group, as the former group contains more students with high scores than the latter EVS-group in which most students obtained average score.
5. In Mathematics, just like Science, the EVS and non-EVS students seem to exhibit very similar results. Most of the students in both groups have obtained more than 65% marks, and quite a few have obtained around 80% marks. This trend is quite similar in both groups.

Findings of EVS Partner Schools Survey

The results of QAT help compare academic standards. At the same time, it is important to understand the viewpoint of key stakeholders i.e. schools administrators. The success of the reform depends a lot on how key stakeholders respond and react to it. The viewpoints of administrators of schools, which are partner of EVS, are captured in the following points ²⁴.

1. The key benefit which private schools have received is enhanced enrolment. As EVS meets the cost of needy students, their parents start sending their children to the EVS partner private

²⁴ Names of respondents are kept confidential on their request

schools of the area. As this increases the overall enrolment at the school, it attracts other, mostly self-financed students at the schools. The overall increase in the enrolment in these schools, on the average, is as high as 100%.

2. The enhanced enrolment also improves the reputation of private schools, which help them to grow.
3. The facilities at schools, particularly those charging lesser fee than the amount of the voucher i.e. Rs300, have improved as administrators have surplus cash which they can invest in improvement of school. This is not the case with schools, which are charging higher fees, in which case, the voucher is good enough only to meet the costs of additional students.
4. Education standards are same for EVS and Non EVS students i.e. they are subject to the same level of evaluation.
5. As EVS gives choice to parents, they assume a bargaining power over school administrators. Once admitted in a school, they can shift to any other EVS partner school, if they are not satisfied with quality of the service. As EVS is currently being administered in schools with geographical proximity, such transfers are practical. In fact, as our interviews with school administrators suggest, many parents exercise this right quite often to the discomfort of the school administrators.
6. In our background interviews with the participating schools' administrators some favoritism has been alleged in the case of selection process by schools. It has been argued by some respondents that the families enrolled in EVS get preference during selection of additional students over those families which are not enrolled in EVS.
7. Although EVS is built on meeting the certain standards by the private schools especially in terms of environment and facilities, these standards are at times ignored while selection of partner schools is made.

8. The EVS has generally had no effect on the enrolment at the government schools of the area ²⁵. The EVS students at the private schools mostly belong to the drop out category.
9. The additional resources available to schools due to EVS assistance have helped them in improving working conditions for their teachers, including their salaries.
10. The amount of a voucher covers tuition fee as well as cost on the bag, uniform and books for students.

²⁵ There is an admitted caveat here as most of the data were collected during the summer vacation; no government school administrator was available. The private school administrators were interviewed at their homes, which were, in all cases, located very close to their schools

Conclusions and Recommendations

Impact on competition

The central premise of education vouchers is to enhance school choice. The results from the study clearly point out that this has been achieved in several ways. Firstly, the advent of EVS has increased the options for students in terms of schools and they are no longer dependent on either the government school or any specific private school. Secondly, the schools themselves compete with each other to attract more and more students with vouchers - not for immediate financial gains - but for increasing their enrolment, which in turns enhances their business prospects.

Performance of Students

The results of QAT clearly indicate that the students with EVS have performed equally well, when compared with self-financed students. The scores, as demonstrated by arithmetic means and marks distribution, show that initial conditions of students in terms of their socio-economic background and educational qualifications of their parents do not matter, if they receive good quality of education. This supports the overall rationale of the scheme and indicates fair chances of its replication.

Impact on Schools

There are private schools, which charge tuition fees more than the voucher amount, i.e. Rs. 300 are able to meet expenses on EVS students with no financial gains. The schools which charge tuition fee

less than the voucher amount are able to invest in their schools' facilities. The school administrators view intangible benefit of greater reputation far more significant than any material benefit due to EVS.

Impact on enrolment

A very positive and significant outcome of EVS scheme is that enrolment in the area has been increased and it has brought about 20-25% of out-of-school children back to school. ²⁶ Another important indicator of success is non-existence of drop out factor in the partner schools. In the course of three years, not a single drop out has been reported ²⁷. It shows that poor parents desperately want to educate their children despite a contrary perception.

Impact on government schools

There is a popular fear that introduction of EVS would lead to demise of government schools. Although this research did not specifically address this question, the evidence available from interviews, and from the literature review, suggests that the government schools remain unaffected. Theoretically, EVS may induce government schools administrators to improve their performance; however, this has not apparently happened. This can only be judged by examining the results of government schools over a specific time period, which was out of the scope of this study.

Accountability

The EVS makes the schools accountable to the parents instead of government department. This single reversal of order alone can create lot of positive synergies in the system. The parents usually live in the vicinity of the private schools, which mean they can easily approach the schools administrators and teachers. The school choice also increases the pressure on the administrators, sometimes to an unfair limit, but often for the overall gain of the community.

²⁶ Interview: Shafique Ahmad, Project Coordinator, Punjab Education Foundation

²⁷ Interview: Dr. Allah Bakhsh Malik, former Managing Director, PEF

In terms of whether EVS vouchers are being distributed to the deserving families, the community-based design of the scheme allows for greater scrutiny. As the partner schools are located in the same larger area of the city, parents can often get to know other parents, and if something goes wrong in the distribution of the vouchers, they can raise their voice. As some interviews with the administrators suggest, this has happened sometimes.

Standards and Regulations

The EVS partner schools are chosen on the basis of certain criteria that include the number of students already admitted, type and status of facilities at the school, and building and space considerations, etc. The research reveals that there is an element of oversight on the part of the PEF, which is not considering all the standards and regulations before partnering with a school. However, the overall impression in terms of regulations enforcement is quite positive.

Are Vouchers Enough: Other Issues

Leadership

PEF is working without a permanent Managing Director since May 2008, when Dr. Allah Bakhsh, founder of EVS in Pakistan, completed his three years tenure. One result is very clear: the number of vouchers has stayed stagnant at 10,000 over past 15 months, which rose from 1,000 to 10,000 in a span of two years between 2006 and 2008. If EVS, and similar schemes, have to be expanded, it is impossible without having a permanent head of the organization.

Access to Schools

School choice can be affected by a number of factors and as such government aid in the shape of education vouchers would be considered just one, and not the only significant factor in the school choice. The first practical issue is the access of schools to students. As a World Bank study ²⁸ confirms, the private schools tend to focus

²⁸ World Bank, 2006. Improving Educational Outcomes Through Choice and Decentralized Management; Authors: Jishnu Das and Tara Vishwanath. Other core members of the team are Tahir Andrabi, Asim Ijaz Khwaja and Tristan Zajonc

on urban or semi-urban areas, and students in rural areas may not have access to a private school. Even the distance can become a great obstacle, especially when it comes to girl-students.

Addressing the issue of physical access and proximity to schools, the Government of Punjab did undertake a program to issue transport vouchers. As a matter of fact, this scheme did not issue vouchers - but cash assistance to parents of students, who otherwise could not afford transportation charges. However owing to a number of administrative problems, lack of interest of teachers and poor monitoring standards, this scheme was discontinued.²⁹

Composition of Student Body

The composition of student body is another key factor which affects choice. Students are naturally attracted towards schools which already have higher concentration of high performing students. The schools would often advertise the accomplishments of their present and past students, which would motivate others to attend the same school. Education vouchers do face criticism on this account. The vouchers aided schools may attract students from otherwise well performing schools, and thus introduce an element of cut-throat competition because of a relatively limited availability of students under a specific time period and in a specific area.

Quality of Teachers

Other factors include the quality of teachers, which is usually better at private schools; and facilities, on which account government schools are usually better. Although the government schools pay their teachers at least twice as much at the private schools, and offer them more training opportunities, the output in terms of academic achievement of these schools remain low. The teachers at the private schools know that their tenure and promotion simply depends on the quality of results, which their students would demonstrate. That incentive pushes them to go an extra mile.

²⁹ This assertion is based on a background interview with Mr. Masha Allah, Coordinator SAHE, an NGO working on education.

On the basis of these factors, the education vouchers should be perceived as part of a more complex set of variables that affect the school choice. As a matter of fact, education vouchers can have greater effect if they are synchronized with the factors like better teachers and can have a lesser weight if other factors - such as facilities in government schools - work the other way.

Unintended Consequences

Each policy reform results into some unintended consequences. The research on EVS points out to following:

1. As revealed in our background interviews with school administrators, some private schools have started paying additional money to the EVS students to attract more EVS students. This might be dubbed as financial aid to deserving students, but this amounts to an unfair practice, and should be taken notice of by the PEF.
2. Parents have taken unfair advantage of the school choice: they simply shift their children to other schools, if, for example, the first school fails to give their children a new uniform. This would result into a net loss for the partner schools, from where the students leave, because there is always an initial investment by the schools on new comers, which is lost when the students leave prematurely.
3. As private schools compete with each other to attract the parents, they sometimes use innovative marketing tools. For example, a school introduced cadet's uniform. Such tactics, sometimes perceived unethical, result in more incentives for the EVS students.



Recommendations

Political Ownership

It seems that despite all tall claims by the current government in Punjab for expanding education, they have not yet turned much attention to the affairs of PEF, as the post of the Managing Director is lying vacant since May 2008. This may reflect the priority of current set-up to move back towards giving the state the central and pivotal role from the earlier private-partnership model, demonstrated by PEF. We demand that the post of Managing Director be immediately filled up with a dedicated professional.

Design of EVS

The EVS has been designed to extend maximum benefits to the poorest households. This is a laudable policy objective; however, it does involve discretion. Although due investigation is made while families are selected, there is always a possibility of favoritism. Therefore, transparency must be ensured during the selection of families receiving vouchers.

Regulations

The partner schools should be subjected to periodical review dependent on the results of their students, additional private investment, and improvement in working conditions for the teachers. Standards should be developed, communicated and enforced. PEF may also consider introducing ranking of the partner schools on similar basis.

Replication and Scalability

The EVS has been piloted quite successfully. From a few dozen students just two years ago, the scheme now benefits more than 10,000 students, though this number has unfortunately remained stagnant over past 15 months since departure of the former Managing Director. This is high time for replication and scalability of the scheme. As such, private educational foundations and international donors should be contacted and briefed thoroughly on the merits of this scheme.

Political Shift in Budgetary Allocation

We demand that the budgetary resources should be spent on the private sector development instead of establishing new schools. The government should resist the temptation of erecting new physical infrastructures with a motive for political gains, which are short term in nature. Instead, the government should invest in the private sector development, which has now become an equal partner in investment in schools, given the fact that four rupees in every ten rupees in new investment in the schools has come from the private sector.

Monitoring and Evaluation

The PEF may constitute mechanisms on third party basis to conduct independent assessment of the scheme. The QAT should also be outsourced for increased impartiality. Similarly, the third party assessment should consider unintended consequences of the scheme, some of which have been elucidated above.

Concluding Remarks

Despite achieving a great success, the EVS looks like a drop in the ocean. Even if we assume all of 10,000 EVS students were earlier drop outs, this achievement looks modest in the face of reality. In Pakistan today, more than 6.5 million school going age children are out of schools. They are out despite free education by the government and ever expanding schools structure. Probably they want more than free education; education which can help them learn

and education which can give them skills for livelihood. It seems that private education does liberate them to learn however both the society and the state seem to despise the private sector education providers instead of celebrating their new-found contribution in the field of education service delivery.

Annexure-I:

Provision of School Education
Overview of Provision of School Education in Pakistan
(Ministry of Education, 2005-06)

Public Sector

Stage	Male	Female	Total
Pre-Primary	2,392,219	1,904,159	4,296,378
Primary	6,639,788	4,932,846	11,572,634
Middle	2,169,600	1,376,236	3,545,836
High	888,505	563,530	1,452,035

Private Sector

Stage	Male	Female	Total
Pre-Primary	1,508,643	1,235,660	2,744,303
Primary	2,770,093	2,223,605	4,993,698
Middle	875,462	744,168	1,619,630
High	338,041	294,218	632,259

Other Public Sector

Stage	Male	Female	Total
Pre-Primary	48,619	46,147	94,766
Primary	136,748	131,337	268,085
Middle	48,251	48,606	96,857
High	24,512	24,202	48,714

Total

Stage	Male	Female	Total
Pre-Primary	3,949,481	3,185,966	7,135,447
Primary	9,546,629	7,287,788	16,834,417
Middle	3,093,313	2,169,010	5,262,323
High	1,251,058	881,950	2,133,008

Annexure-II:

EVS Partner Schools in Lahore

Sr. #	School Name / Address	District
1	Al-Saddiq Public Girls High School, Din Muhammad Colony Cotly Pir Abdul Rehman Baghban Pura Lahore.	Lahore
2	Al-Siddique Public High School, Mehsool Chungi Wara Sattar G.T.Road Lahore	Lahore
3	Al-Tariq Foundation School , Wara Sattar Near Chungi Stop G.T. Road Lahore	Lahore
4	Azam English High School, Bilal Road Rasheed Pura Lahore.	Lahore
5	Bright Model School, Darogha Wala Lahore	Lahore
6	Danish Public School,Main Bazar Sohewari Sadat Park Lahore.	Lahore
7	Fine Public High School, Charage Bibi Road Baghban Pura Lahore	Lahore
8	Fine way Nursery & Middle School, Angoori Bagh Scheme Lahore	Lahore
9	Gulistan Public School, Hassan Abad Fateh Garh Road Lahore	Lahore
10	Habib Girls High, Madina coloy Behind Shalamar Bagh, Lahore	Lahore
11	Inculcator School System, Salamat Pura, Salamat Pura Shalamar Housing Scheme Lahore	Lahore
12	Iqra Dar-ul-Atfal School System, 180/7-A, Saif Park Lahore	Lahore
13	Iqra Public High School, Near Pakistan Ment Lahore	Lahore
14	Iqra Public Model School, Mehr Fayyaz Colony, A-Bolck Fateh Garh Lahore	Lahore
15	Iqra Standard School , Qalandar Pura Canal Bridge Harbans Pura Lahore	Lahore
16	Iram Chand English High School, H # 445, St # 23 A, Mujahid Abad Lahore	Lahore
17	Islamic Public High School , Gulshan Park, Fateh Garh, Mughal Pura Lahore	Lahore
18	Jinnah Model School, Main Bazar Sahuwari Mughal Pura Lahore	Lahore
19	Little Angel Public High School, Main Bazar Qallandar Pura Lahore	Lahore
20	Mujaddia Islamia High School, Qalander pura Harbans Pura, Lahore	Lahore
21	Nayab Ideal Model High School, Nishter Town Darogha Wala Lahore	Lahore
22	New Gulf Standard School, Kotly Pir Abdul Rehman Rasheed Pura Road, Lahore	Lahore
23	New Kashmir Girls High School, Angoori Bagh Shalamar Lahore	Lahore

Annexure

24	New Kashmir Girls High School, 15-A Sultan Mahmood Road shalamar Town Lahore	Lahore
25	New Oxford School System, H # 34, Ghosia Colony Suck Nehar, Lahore	Lahore
26	New Pearl Public High School, Nai Abadi Harbans Pura Lahore	Lahore
27	Quaid Public School , Main Bazar Harbans Pura Lahore	Lahore
28	Sadiq grammer High School , St # 18, Gulshan Park Moughal Pura Lahore	Lahore
29	Sardar Public High School, Tauheed Park Darogha Wala Lahore	Lahore
30	Super Star School, Madina Coloy Near 32 Darbar Ishaq Pahalwan B/H Shalamar Garden Lahore	Lahore
31	The Horizon star School System, Wara Sattar , Chungi Stop G.T. Road Lahore	Lahore
32	Trueman School System, Khan Colony Dohbi Ghatt Daroga Wala, Lahore	Lahore
33	Wahab Public School, Gulshan Shahbaz Colony Lahore	Lahore
34	The Trust School System, Amir Town New Harbans Pura Lahore	Lahore
35	New Kashmir Model High School, Kotli Pir Abdur Rehman Lahore	Lahore
36	Al-Zia English High School, Kotli Pir Abdur Rehman Lahore	Lahore
37	Little Angles School, Angoori Bagh, Lahore	Lahore
38	New Khalid Model Girls High School, Kotli Pir Abdur Rehman Lahore	Lahore
39	Harward School, Angoori Bagh Scheme Lahore	Lahore
40	Sunny Model School, Sahuwari, Sukh Nehr, Lahore.	Lahore
41	Sir Syed Public High School, Rasheed Pura, Lahore.	Lahore
42	Global Grammar School, Rasheed Pura, Kotli Pir Abdur Rehman Lahore	Lahore
43	Iqbal Ideal High School, College Road Lahore	Lahore
44	National Model School, Atta Road, Lahore.	Lahore
45	Habib Public School, Shahbaz Park, Lahore.	Lahore
46	Al-Badr School, Salamat Pura, Lahore.	Lahore
47	Little Angel School, Daroghawala, Lahore.	Lahore
48	Shama Public School, Qalandar Pura Lahore	Lahore
49	Al-Mehdi Foundation School, Salamat Pura, Lahore.	Lahore
50	Bright Future School, Wara sattar Lahore	Lahore
51	Iqbal Ideal School Sukh Nehr Lahore	Lahore
52	New Horizon Public Model High School, Gulshan Farooq Housing Scheme, Fateh Garh road Lahore	Lahore

Registration Form used by PEF



Form: II
PUNJAB EDUCATION FOUNDATION
 AREA OFFICE (EVS)



EDUCATION VOUCHER SCHEME
 Rashid Pura Road, Behind Nadia Ghee Mills,
 Opp. Ahmad Grammar School, Lahore. Tel: 042-6521992

REGISTRATION FORM

UC No: _____ Area: _____ Town: _____ District: _____
 Guardian Name: _____ NIC No: _____
 Father / Mother Name: _____ NIC No: _____
 Qualification: _____ Occupation: _____ Income PM: _____
 Home Address: _____
 Contact: _____

Sr #	Children Name	Gender	Date of Birth	Age	Voucher No.
1					
2					
3					
4					
5					
6					
7					
8					
Children below age four years					
1					
2					
3					
4					
5					

Remarks: _____

Parentage Sign / Thumb _____

Verifying Officer (EVS) _____



Form 1
پنجاب ایجوکیشن فاؤنڈیشن۔ ایجوکیشن ووچر اسکیم
ایریا آفس: رشید پور روڈ، مقب، نادری گیٹ، ہالنگھال، امرگر ٹرسکول، لاہور۔ فون نمبر: 6521992



ووچر رجسٹریشن سلپ

سیریل نمبر: 2394

مورخ: _____
نام سرپرست: _____ شناختی کارڈ نمبر: _____ ۱۷ تا ۱۷ سال کے بچوں کی تعداد: _____
رہائشی پتہ: _____ فون نمبر: _____



پنجاب ایجوکیشن فاؤنڈیشن۔ ایجوکیشن ووچر اسکیم
ایریا آفس: رشید پور روڈ، مقب، نادری گیٹ، ہالنگھال، امرگر ٹرسکول، لاہور۔ فون نمبر: 6521992



ووچر رجسٹریشن سلپ

سیریل نمبر: 2394

مورخ: _____
نام سرپرست: _____ شناختی کارڈ نمبر: _____ ۱۷ تا ۱۷ سال کے بچوں کی تعداد: _____
رہائشی پتہ: _____ فون نمبر: _____

خاص ہدایات

- بچوں کی رجسٹریشن اور مفت اتساہ و اتروانے کے لیے ہمیں لے کر مورخہ _____ بروز _____ کو دفتر میں تشریف لائیں۔
 - تیار اپنے ساتھ بچے کی گھسی چیزیں لازمی لے کر آئیں ورنہ بچوں کا نام مفت تعلیم دلانے کے لیے درج نہیں کیا جائیگا۔
 - (۱) والدین میں سے کسی ایک کے شناختی کارڈ کی فوٹو کاپی۔
 - (۲) بچل گیس، پانی یا ٹیلی فون کاپل۔
 - (۳) بچوں کی اصلی پیدائشی یعنی جنم پرچی۔
- بچوں کی رجسٹریشن اور اتساہ و اتروانے کے بعد وہ چر حاصل کرنے کیلئے مورخہ _____ بروز _____ ووچر اسکیم کے دفتر میں تشریف لائیں اور اپنے علاقہ میں موجود پنجاب ایجوکیشن فاؤنڈیشن۔ ایجوکیشن ووچر اسکیم کے تحت منتخب ہونے والے کسی بھی اسکول میں دو دو چارج جمع کروا کر اپنے بچوں کو منت اور سمیاری تعلیم دلوائیں۔

دستخط ذمہ دار آفیسر

Verifying Officer (EVS)

Annexure V:

Profile of the Alternate Solutions Institute

Alternate Solutions Institute, Pakistan's first free market think tank, was set up in April 2003 in Lahore. It is an independent, registered, non-profit, non-governmental, educational and research entity, established for the "welfare of the people by the people," based on mutual help and cooperation, free from any political or partisan influence.

Mission:

Its mission is to promote a limited responsible government in Pakistan under the rule of law protecting life, liberty, and property of all of its individual citizens without any discrimination.

Values:

The guiding philosophy of the Institute is based on the values of limited government, rule of law, protection of property rights, market economy, individual freedom, and private initiative.

Objectives and Activities:

1. Seeking solutions to the challenges facing Pakistan (such as) in the areas of economy, education, health, law, environment, in accordance with its guiding philosophy and values and it does this by:
 - a. Publishing and promoting original texts with solutions to these challenges, or undertaking, publishing and promoting research into solutions in both English and Urdu or other regional languages;
 - b. Conducting seminars, workshops and conferences to educate/train students, teachers, lawyers and journalists, particularly, and people at large generally;

- c. Collaborating/cooperating with any individual or organization, national or international, that shares its aims and guiding philosophy on the basis of equality, mutual respect and organizational independence;
 - d. Preparing, publishing and promoting translations of relevant texts from other languages into Urdu and other regional languages;
2. Promoting the implementation of these solutions by changing the climate of opinion in Pakistan so that there is an improved understanding of the benefits of limited government, rule of law, protection of property rights, market economy, individual freedom and private initiative. Such a change in opinion will be enabled by the activities as enunciated above.

Institute's electronic newsletter:

Institute's electronic newsletter **FreePakistan**, a compilation of views and news taken especially from the national newspapers' print and online editions, is sent out on the first of every month.

Institute's presence on the worldwide web:

Email: info@asinstitute.org

English website: <http://asinstitute.org>

Urdu website: <http://hum-azad.org>

E-Newsletter FreePakistan: <http://asinstitute.org/subscribe>



Institute's contact numbers:

Fax: 042 – 35 77 54 15

Handset: 0323-4414814, 0300-4414814

Institute's mailing addresses:

Postal address:

P. O. Box No: 933, GPO, Lahore-54000 Pakistan

Office address: Room No. 32, 3rd Floor, Landmark Plaza, 5/6 Jail Road, Lahore, Pakistan

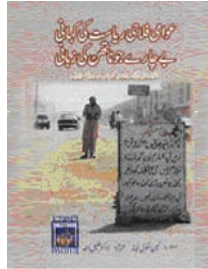


Ali Salman is an analyst specializing in economic development, governance and youth policy.

As a consultant, Ali has worked on various research projects for Alternate Solutions Institute, CIPE, US-AID, CIDA, SAP-PK, and Friedrich Naumann Foundation. Starting his career as Research Associate at the Planning Commission, Ali Salman has worked in the private, public and development sectors of Pakistan for over ten years.

Ali did MA in Economics from Boston University as a Fulbright Scholar; MA in Development Studies as Royal Netherlands Fellow, and MBA from Quaid-i-Azam University, Islamabad. Currently, Ali works as Managing Partner at Development Pool, a Lahore based socio-economic consultancy firm. He also serves as Consulting Director (Institutional Development) for Alternate Solutions Institute.

Institute's Publications

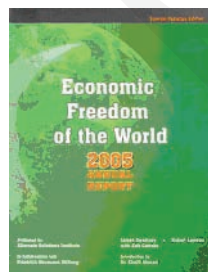
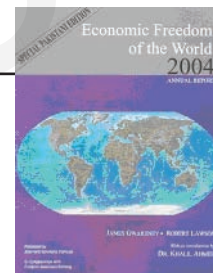


Awami Falahee Riasat Kee Kahani, Becharay Jonathan Kee Zabani,

By Dr. Khalil Ahmad (Urdu translation of Ken Schoolland's *The Adventures of Jonathan Gullible: A Free Market Odyssey*) - 2003

Special Pakistan Edition of the Economic Freedom of the World 2004 Annual Report,

By James Gwartney and Robert Lawson,
Introduction by Dr. Khalil Ahmad (in
collaboration with Friedrich Naumann
Foundation, Pakistan) - 2005



Special Pakistan Edition of the Economic Freedom of the World 2005 Annual Report

By James Gwartney and Robert Lawson with
Erik Gartzke, Introduction by Dr. Khalil Ahmad
(in collaboration with Friedrich Naumann
Foundation, Pakistan) - 2006

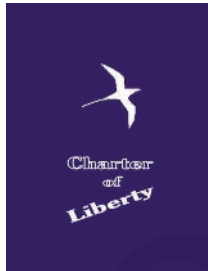
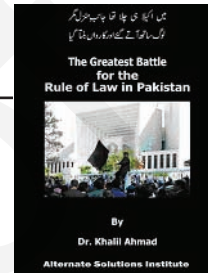


Ideas for a Free and Responsible Society

[CD] - 2006

The Greatest Battle for the Rule of Law in Pakistan.

By Dr. Khalil Ahmad - 2007



Charter of Liberty.

By Dr. Khalil Ahmad – 2007

Awami Falahee Riasat Kee Kahani, Becharay Jonathan Kee Zabani (2nd edition).

By Dr. Khalil Ahmad (Urdu translation of Ken Schoolland's The Adventures of Jonathan Gullible: A Free Market Odyssey) - 2008

