



(Draft Report)

**Study on Low Cost Private School Sector in
Khyber Pakhtunkhwa**

by

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List of Abbreviations

ASI	Adam Smith International
BISE	Board of Intermediate and Secondary Education
BTT	Beautiful Tree Trust
CQE	Campaign for Quality Education
EEF	Elementary Education Foundation
ELS	Empathy Learning System
EMIS	Education Management Information System
ESRU	Education Sector Reform Unit
EVS	Education Voucher Scheme
FAS	Foundation Assisted Schools
FGD	Focus Group Discussion
GPI	Gender Parity Indices
IVS	International Village Schools
LPCS	Low Cost Private Schools
MDG	Millennium Development Goals
NEC	National Education Census
NGO	Non-Governmental Organization
PEF	Punjab Education Foundation
PSA	Private School Association
PSLM	Pakistan Social and Living Standards Measurement

Executive Summary

The goal of this report is to study the structure, services and challenges of the low-cost private schools in Khyber Pakhtunkhwa. The study aims to: (a) Analyze existing coverage and spread of low cost private schools in KP; (b) Map existing market structure, competition scenario and potential for growth; and (c) Examine incentives and motivation of existing and prospective service providers for setting up, sustaining and scaling up schools to facilitate increase in enrolment.

Literature cited indicates that during the last few decades, there has been a sharp growth in the number of private schools across Pakistan. A major contributor to this growth has remained the inability of the public sector to meet the increasing demand as well as to offer quality education. According to government statistics and some studies almost 33 to 50 per cent of students in Pakistan are currently enrolled in private schools.

The data collection methods employed for this study include documentary review, survey of 140 low cost private schools in seven districts, focus group discussions (FGDs) and in-depth interviews with parents, school owners and key government officials. In order to map the size and growth of private sector in KP the data has been extracted from the National Education Census (NEC) 2005¹ and National Education Management Information System (NEMIS) for 2011-12.²

Key results indicate that profitability and social service are the two major motivations for establishing the low cost private schools in KP, and most of the schools are established with initial investment coming from the personal savings of the owner. Although, the school owners are educated professionals, they generally lacked capacity and experience to run a school. An interesting observation is that the most private schools are located in close proximity to government school within the radius of one kilometre thus rendering the selection criteria of the EEF programmes non-practical. Focus group discussions indicates that there is an increasing trend in transfer of students from the government schools to low cost private schools due to better curriculum in the private schools and high teacher absenteeism in the government schools. The report also finds that there is a high degree of influx in the private education market marked by simultaneous closure of schools, sale to new owners as well as inclusion of new entrants. As most of the low cost private schools charge fee in the range of PKR 300-1200 per month, private schools are willing to accept support from the government in form of direct monetary support, subsidizing transportation cost and financing of building infrastructure.

¹ Government of Pakistan, 2006. *National Education Census 2005*. Pakistan Bureau of Statistics (PBS), Islamabad. Available at: <http://www.pbs.gov.pk/content/national-education-census-2005-pakistan>

² The NEMIS data is published in *Pakistan Education Statistics* every year.

The study recommends that (a) the criterion of a minimum distance (2-5 kilometres) of low cost private school from a government school to receive support should be reviewed and made flexible. (b) For expansion and sustainability of low cost private schools, innovative options such as education voucher and per child cost may be introduced to provide minimum protection to private schools so that they are able to survive in poor and cash starved communities. (c) The assistance provided to the low cost private schools should include, besides fee waiver, support for financing infrastructure and subsidising transportation cost (d) Regulation of private schools should become effective including inspection of private schools in order to ensure that they meet minimum standard and provide basic facilities to all children (f)The support programme for low cost private schools should focus on capacity building of the owners and administrators to develop their managerial, accounting, operational, communication and staffing skills.

Chapter I: Introduction

There are various studies and data sets available on private sector education in Pakistan but a comprehensive study on the state of low cost private sector schools in Khyber Pakhtunkhwa (KP) is missing. Among the studies that have examined growth of private education in Pakistan, only a few have taken into account the implications of existing regulatory framework and the dynamics of rapidly growing private education market.³ Most of the work on private schools focuses on access, quality and educational outcomes, and not on issues relating to competition, regulation and market practices especially in the context of KP province. This highlights the need to dig deep into the characteristics of private schools in the localized context of KP and explore the extent to which the potential of private sector schools can be harnessed to achieve the Education for All (EFA) goal. In this context, the present study has been carried out to understand the dynamics and potential of growth of the low cost private schooling in KP. It contains information regarding spread of schools, different school models, their infrastructure, supply and demand challenges, entry barriers, market practices and potential of growth.

The current study on Low Cost Private Schools in Khyber Pakhtunkhwa is significant as it (1) offers better understanding of the low cost private education in Khyber Pakhtunkhwa; and (2) provides information for planning growth and expansion of low cost private schools to help the government achieve education for all goals. The proposed study provides information and evidence-base to Khyber Pakhtunkhwa government to devise and implement strategy and plan for the expansion of private sector schools which is likely to improve education indicators of the province.

1.1. Setting the Context

Millennium Development Goals oblige national governments to strive for Universal Primary Enrolment by 2015. Like other provinces, KP is likely to miss this target. The current level of fresh enrolments in government primary schools in Khyber Pakhtunkhwa province is less than 100,000 per year, which is significantly lower than the target of 660,000 fresh enrolments annually to meet the MDG of Universal Primary Enrolment. In Khyber Pakhtunkhwa, while there has been an increase in the district level primary and secondary education budget from Rs. 26 billion to Rs. 57 billion since 2009, the additional enrolments at primary level have remained less than 100,000 each year, while total additional secondary enrolments are around 75,000 during this time period. Thus, there seems disconnect between the budgetary allocation and enrolment gains. Despite an increasing trend in real

³ There is a vast body of literature that examines the growth of private schools in different regions of Pakistan along with issues of diversity. See, for example, Jones, B., Baid, M., Sajid, S., Rahman, S. (2005); Andrabi, T, Das, J, & Khwaja, A. I. (2002); Rehman T. (2004), I-SAPS (2010), CRCP (2011), I-SAPS (2011), Humayun S., Rizwana S. and Roger C. (2013)

expenditures, there is only marginal improvement in catching up on enrolment gaps. In view of this high enrolment gap the significance of the private sector education especially low fee private schools can hardly be overstated to bridge this gap.

During the last few decades, there has been a sharp growth in the number of private schools across Pakistan. A major contributor to this growth has remained the inability of the public sector to meet the increasing demand as well as to offer quality education. In response to this failure of public sector school system, parents have opted to send their children to private schools. According to government statistics and some studies almost 33 to 50 percent of students in Pakistan are currently enrolled in private schools.⁴ The share of private sector in Pakistan is estimated to be around 33%, with an annual growth rate of 25%. In addition to the sharp increase in the number of service providers, a noteworthy feature has been its diversity in terms of fee range (low, medium and high), medium of instruction (Urdu and English), and sex (male, female and mixed). Private schools can also be categorized on the basis of income, faith, ownership and financing, etc.⁵

This diversity has resulted in the emergence of a complex market, catering to a wide range of preferences of parents. It is important to note that as soon as parents in Pakistan have the marginal extra income to afford the low-fee private schools, they choose these schools for their children⁶ This trend also seems valid for KP province where private education institutions have been consistently increasing over the years. However, there is no concrete evidence available on the structure, growth and market dynamics of private schooling in KP province. Given that majority of private schools in KP, like other regions of the country, is low-fee, it becomes even more important to understand their functioning, financing, market practices and potential for growth. In this context, the present study has been carried out to support Government of KP in its efforts for expansion of low cost private schooling in order to achieve EFA goal. The study describes and analyses the state of the low-cost private education sector and provides information related to sector profile, access and quality, competition, sustainability, consumer perspective and options for expansion of low cost private schooling.

1.2. Objectives

The goal of this report is to study the structure, services and challenges of the low-cost private schools in Khyber Pakhtunkhwa. The study aims to:

- i. Analyze existing coverage and spread of low cost private schools in KP;

⁴ PETF [Pakistan Education Task Force] (2011), *Education Emergency Pakistan*, Islamabad.

⁵ Institute of Social and Policy Sciences (I-SAPS), (2010). *Private education sector in Pakistan: Mapping and musing*. Islamabad: I-SAPS. Available online from: <http://i-saps.org/publication.html#>

⁶ Sir Michael Barber (2010). "Education Reform In Pakistan: This Time It's Going To Be Different", Pakistan Education Task Force (PETF). Islamabad.

- ii. Map existing market structure, competition scenario and potential for growth; and
- iii. Examine incentives and motivation of existing and prospective service providers for setting up, sustaining and scaling up schools to facilitate increase in enrolment.

1.3. Methodology

Both quantitative and qualitative research tools have been employed to collect relevant data and meaningful information for this study. The selection of these tools has helped in collecting data from multiple sources about different aspects of private sector education in the province. The data collection methods employed for this study include documentary review, survey of schools, focus group discussions (FGDs) and in-depth interviews with key government officials. The documentary review is based on selective literature review especially focusing on research carried out on private education in Pakistan. In order to map the size and growth of private sector in KP the data has been extracted from the National Education Census (NEC) 2005⁷ and National Education Management Information System (NEMIS) for 2011-12.⁸

For the purpose of this study a survey was carried-out in a sample of 140 private schools selected from 7 major districts of the province. The districts for the survey have been selected from each major Division of the province thus covering socio-economic and geographic variation. The survey was conducted to collect information regarding school spread, infrastructure situation in different regions, socio-economic groups served through private schools, life span of schools, barriers to entry, sustainability and growth challenges, incentives and motivations of private school owners, financing mechanisms and possible options to scale up the private sector, etc.

To get in-depth information, focus group discussions were conducted among parents, district field coordinators and school owners. The FGDs were conducted after preliminary analysis of data. In total 6 FGDs were conducted. One FGD was conducted with the owners/principals of private schools and members of Private Schools Association (PSA) and related unions. Second FGD was conducted with officials of relevant government departments at provincial level. District education officials were also invited to participate in this FGD. Four FGDs were conducted with the parents of children enrolled in LCPS in 2 selected districts.

Lastly, in-depth interviews were held to determine the views of government officials. The meetings and interviews were held to collect views of different stakeholders regarding challenges faced by LCPS as well as potential for growth and related opportunities.

⁷ Government of Pakistan, 2006. *National Education Census 2005*. Pakistan Bureau of Statistics (PBS), Islamabad. Available at: <http://www.pbs.gov.pk/content/national-education-census-2005-pakistan>

⁸ The NEMIS data is published in *Pakistan Education Statistics* every year.

1.4. Scope and Limitations of Research

The findings and their respective analyses presented in this study are constrained by three factors. First factor is the definition of the private sector schools for this study. Private sector schooling or education as mentioned in this study refers to for-profit private sector 'schools', especially the ones which cater to the needs of middle and low income groups. The private sector does not include not-for-profit or charitable institutions. The private sector assessed in this study also does not cover private academies, tuition centres and coaching institutions.

Low cost private schools in KP can be classified into three broad types in terms of ownership. First, for profit entrepreneur owned schools; second, non-profit NGO run schools, and third, *madrissah* schools. Another classification can be made, particularly in the case of privately run schools on the basis of recognition by the government as some schools providing education may not be recognized. The *madrissah* schools are usually administered under *vafakul madaris*. Another typology is possible in terms of financing. Private entrepreneur led schools are financed by private investment. In such schools savings by the owners and cost of operation is usually recovered through fees. Additionally, government provides assistance to selected low cost private school through KP Education Foundation. This assistance is provided only to recognized schools who meet pre-determined criteria. The *madrissah* schools are largely supported through community donations and are usually free of cost to users. The NGO run schools are financed through financial support of the community, members of NGOs and donor agencies. Many of these schools are managed on no-profit, no-loss basis restricting tuition fees only to cost recovery. It is important to note that this study limited its scope by mainly focusing on for profit low cost private schools, NGO run private schools in KP. *Deeni Madaris* are also not covered in this study as they are managed differently and administered under *vafakul madaris*.

Secondly, the study provides a wide-ranging analysis on important aspects relating to market composition and practices in private sector schooling, especially focusing on 7 districts in KP. The study only provides details of the competition scenario in private sector schools, and does not compare and contrast the variables with public sector schools.

Third factor is the comparability of data sets used in this study. The data regarding growth and size of the private education in KP has been largely drawn from the National Education Census (NEC) 2005 and published data from National Education Management Information System (NEMIS) for 2011-12. It is cautioned that these two sets of databases (the Census and NEMIS report) are not strictly comparable due to some differences in scope and methodology. Moreover, the data of private education in NEMIS reports is based on estimates derived from the past trends, contrary to the public sector data which is based on

annual census. While these differences do not allow an apple-to-apple comparison, there is no other database on which one could rely for drawing a holistic scenario over a longer period.

1.5. Structure of the Report

There are four chapters in this study. The first chapter includes details regarding the context, scope, methodology, instruments and limitations of the study. Second chapter contains literature review. Third chapter contains discussion and inferences drawn from the data and analysis. Fourth chapter includes key inferences and recommendations for improvement and growth of low cost private schooling in KP.

Chapter II

2.1. Literature Review

In the past 10-12 years, private schooling in Pakistan has increased at a rapid rate. This increase has not just been in urban areas but in rural areas as well, especially in the provinces of Punjab and Khyber Pakhtunkhwa. Moreover, there is no more an elite bias in these private schools. Low-cost private schools have also been set up that help in educating the lower class, especially those belonging to rural areas. It used to be assumed that the poor do not encourage education for their children but evidence suggests that they actively make use of schools that have been set up in their areas.⁹ Before we analyse the effectiveness of these schools, let's discuss the factors that have contributed to the growth of private schooling.

The research and evidence on private education sector in Pakistan informs that better test scores, English as the medium of instruction, better physical infrastructure, and lower rates of teacher absenteeism are the major reasons for growth of private schools.¹⁰ When choosing schools, English is a very important determinant for parents. They prefer sending their children to schools where English is the medium of instruction. In addition to lower teacher absenteeism, there is also greater accountability for teachers in private schools. Since the remuneration of private school teachers is linked to their performance; hence they have an incentive to perform to their fullest potential. The assessment of students of primary schools in Punjab, informs that the test scores of children in private schools were significantly better than those of children in public schools.¹¹ This is another factor which pushes parents to send their children to private schools. They do not just want to see their children going to school; they also want to see them performing well.

Low teacher to student ratio is an important factor that affects parents' choice for the private schools.¹² In private schools there are more teachers and fewer students than in public schools, which ensure that each student gets maximum attention. The infrastructure of private schools also helps in affecting parents' choice between a private and public school. In addition, gender disparity also comes in the picture when parents are deciding where to

⁹ Andrabi, T., Das, J., & Khwaja, A. I. (2008). A dime a day: The possibilities and limits of private schooling in Pakistan. *Comparative Education Review*, 52(3), 329–355.

¹⁰ Harlech-Jones, B., Baig, M., Sajid, S., & Rahman, S. (2005). Private schooling in the Northern Areas of Pakistan: A decade of rapid expansion. *International Journal of Educational Development*, 25(5), 557–568.

¹¹ Andrabi, T., Das, J., Khwaja, A. I., Vishwanath, T., & Zajonc, T. (2007). *Learning and education achievements in Punjab schools (LEAPS): Insights to inform the education policy debate*. Washington, DC: World Bank.

¹² Lloyd, C. B., Mete, C., & Sathar, Z. A. (2005). The effect of gender differences in primary school access, type, and quality on the decision to enroll in rural Pakistan. *Economic Development and Cultural Change*, 53(3), 685–710.

send their girls for education. Private schools are preferred due to their higher gender parity indices (GPI) for education.

The evidence suggests that low cost private schools are run by sole proprietorship, financed through the owner's earnings. The teachers employed in these schools are usually personal contacts of the owners, which helps to ensure low costs. There are about 125-150 students enrolled in a given academic year in these schools, and the teacher –student ratio is about 1:22 to 25.¹³

These low-cost private schools are built on sustainable models, which offer low fees¹⁴ to the parents, ensuring affordability for the maximum people. Through an education survey, it was found that the annual fee for private primary schools was around Rs. 1426 in urban areas and Rs. 892 in rural areas.¹⁵ Another small sample study has shown that private schools charge very low fee even for the poor in urban areas of Quetta and Lahore, where the schools charge an average of Rs. 85 per month.¹⁶ In addition, research based on countrywide data shows that fee is low for all the provinces in Pakistan. The median annual fee, for urban area is Rs. 1,232 for 547 schools and for rural area is Rs. 1,152 for 1,167 schools in Khyber Pakhtunkhwa.¹⁷ It is believed that an affordable fee structure such as this ensures that parents keep sending their children to school, without facing financial constraints.

The sustainability of low-cost private schools is somehow ensured by their low expenditures. The research conducted with this reference informs that the teachers in private schools are paid three times lesser than those in public sector, after being adjusted for teacher training, education and experience. Low salaries help to keep the costs low of these private schools.¹⁸

Another step that has been taken to sustain the low-cost private schools is public-private partnerships in the education, in which the state provides subsidies to low-cost private schools to help them in expansion and increase equitable access to schooling. Various studies have been carried out to understand how well public financing has been able to bring about the intended developments in low-cost private schools.

The programme, known as Foundation Assisted Schools (FAS), was started in 2005 and by 2008 it covered 1082 low-cost private schools at all levels of primary, middle and secondary.

¹³ Wheeler, K & Egerton-Warburton, C (2012). Catalyzing Support and Investment for LCPS in Pakistan.

¹⁴ This refers to tuition fee only.

¹⁵ Andrabi, T Das, J, & Khwaja. A. (2005). Private Schooling: Limits and Possibilities retrieved 2013, August,1, from http://www.hks.harvard.edu/fs/akhwaja/papers/PrivateSchoolFinal_Nov5.pdf

¹⁶ Alderman, H., Orazem, Peter F. and Paterno, Elizabeth M., 2001, *School Quality, School Cost, and the Public-Private Choices of Low-Income Households in Pakistan*, The Journal of Human Resources 36:2,.

¹⁷ Op. Cit. Andrabi et al. 2008.

¹⁸ Op. Cit. Andrabi, Das, & Khwaja, 2005.

This programme provides subsidies to almost 20% of all private schools in the Punjab districts where there are a great number of low-cost private schools.

Study carried out in 1999 evaluates the impact of subsidies given for the purpose of increasing female enrolment in the low-cost private schools. It was found that these conditional subsidies for free enrolment of girls greatly improved the number of girls enrolled in those schools. Along with that, the enrolment of boys was also significantly increased, and these results were gained at much lower costs than they would have been achieved through a public school.¹⁹

Irfan Muzaffar carried out a study in 2010 under Campaign for Quality Education (CQE) to evaluate whether low-cost private schools really are the answer to the problem of education in Pakistan. The study argued that privatization of education sector in Pakistan could lead to an increase in the inequalities already present in the education sector. It is believed that private schools exclude a large portion of the population, those in the poor class especially, from getting education due to lack of affordability. Because of this, the public sector is still a larger provider of education. Furthermore, the study also states that the low-cost private schools deliver education of only relatively better quality compared to public schools but they still do not match the standards of a good quality education. Hence, it is not only the public schools but low-cost private schools also need to improve quality of education.²⁰

Evaluation of the impact of Education Voucher Scheme (EVS) also provides very interesting insights. EVS was started by Punjab Education Foundation (PEF) to facilitate the enrolment of students from poor households in private schools. The parents of these children were provided with vouchers worth Rs. 300 every month, to be used in enrolling their child in any private school in their vicinity. After thorough evaluation, it was found that EVS has helped in enhancing enrolment in private schools and the average increase in enrolment is 100%. It was also noted that students under EVS stand at the same academic standards as other self-financed students of private schools. The education vouchers have also helped in enhancing school choice for low-income families and have made schools accountable to parents. However, there is still room for increased transparency in selecting households for the vouchers and expansion programmes need to be carried out to increase the effectiveness of this scheme.²¹

In a preliminary study carried out by the Khyber Pakhtunkhwa Education Sector Programme, an in depth analysis was done of the private schools located in Khyber Pakhtunkhwa and various trends were highlighted. It was found that Peshawar had the greatest number of private schools in the province (15%) while the lowest were in Tor Ghar

¹⁹ Kim J., Alderman, H., Orazem, P. (1999). Can Private School Subsidies Increase Schooling for the Poor?: the Quetta Urban Fellowship Programme. *World Bank Economic Review*. 13(3), 443-466.

²⁰ (Muzaffar, 2010)

²¹ Salman A (2010). Liberate to Learn: A Study of the Education Voucher Scheme in Lahore. *Journal of The Institute of Economic Affairs*. 30(3), 35.

(0.1%). Almost 70% of all private schools were located in rural areas while the remaining was in urban. 89% of these schools offered co-education; approximately 7% were for boys alone and 4% for only girls. Almost 31% of these schools were of Primary level, 34% of Middle, 26% of Secondary, and 9% of Higher Secondary. Almost 79% of these private schools were registered while the remaining were not. Of all the private schools in Khyber Pakhtunkhwa, about 68% were affiliated with Board of Intermediate and Secondary Education (BISE) while the remaining were unaffiliated with any education boards. The medium of instruction was English in 17.5% of these schools. The remaining had Urdu (81.6%) and Pashto (0.8%). These results show that there is a lot of improvement in this province when it comes to education, especially when compared to the facts and figures in Punjab.

There has been a lot of international support for improving the education sector in Pakistan and much of this support is directed towards low-cost private schools, to ensure the access of quality education to the lower classes as well. It is believed that low-cost private schools should be provided with maximum support because they are the key to providing quality education which is accessible by, and affordable to, all classes of people and pertains to the education of both boys and girls. The public sector is not large enough to cater to all the out-of-school children, hence low-cost private schools need to be provided with necessary support for expansion. Moreover, at the moment, there is still room for improvement in these low-cost private schools in terms of the quality of education and this room can be filled through the help of government intervention. Lastly, the gender gaps can also be brought down through supporting low-cost private schools as they have demonstrated more gender equality in their enrolment. Wheeler and Egerton-Warburton believe that through both direct intervention, which would include financial subsidies linked to performance, and indirect intervention, including training programmes for teachers and management, these low-cost private schools can be given the maximum chance for expansion and improvement.²²

Reviewing these various studies highlights the importance of private sector in improving the level and quality of education in Pakistan. Within the private sector, low-cost private schools have played a vital role in reaching out to the poorest of households. Various steps have been taken over the years to create expansion opportunities for these schools and maximize their positive impact. However, given the large number of out-of-school children and high level of poverty, there is still a lot of room for expansion and improvement for low-cost private schools.

The above review informs that general literature available on private education in Pakistan and few studies conducted in KP focus mainly on the growth and competition of the sector and there is hardly any literature available which deals with expansion, regulation and

²² Op. Cit. Wheeler and Egerton-Warburton, 2012.

sustainability challenges of private education especially low fee schools in KP. Considering this evidence gap this study will provide insights into market and competition structure, consumer perspectives and innovative options for expansion and sustainability of low cost private schooling in KP.

Chapter III

3.1. Sector Mapping: Size and Growth of Private Education in KP

In Pakistan, private schooling has increased at a rapid rate especially in past 10-12 years. This increase has been witnessed in urban as well as rural areas, particularly in the provinces of Punjab and Khyber Pakhtunkhwa. Low cost private schools have set up to educate the low classes mainly belonging to rural areas and low income families are encouraged to send their children to the private schools established in their area.²³ It is evident that lower student-teacher ratios and less absenteeism of teachers compared to public schools have been major influential factors for increasing enrolment in the low fee private schools in all regions of the country.²⁴

In line with the national trend, private schooling in KP has also witnessed significant growth during last decade. According to Pakistan Education Statistics 2011-12, there are more than 34,000 educational institutions in KP²⁵ from pre-primary to degree college level.²⁶ Out of this number, 20% are private (Table 1). Most of these private institutions operate at three levels: primary (2,421), middle (2,374) and high (1,414).

Table 1: Number of Private Educational Institutions in KP in comparison with Public Sector

Level	2005			2011-12		
	Public	Private	Total	Public	Private	Total
Pre-Primary		101	101		112	112
Primary	20734	2254	22988	22,760	2421	25,181
Middle	2,379	2,185	4564	2,557	2374	4,931
Secondary/High	1,409	1,282	2691	1,836	1414	3,250
Higher Secondary and Inter Colleges	252	290	542	317	371	688
Degree Colleges (Others)	107	39	146	166	40	206
A. Total –KP	24881	6151	31032	27,636	6732	34,368
B. Total -Pakistan	151,744	76,047	227,791	162,800	64991	227,791
A as % of B	16%	8%	14%	17%	10%	15%

Source: National Education Census 2005, Pakistan Education Statistics 11-12

Note: "Others" category does not include "Other public sector".

²³ Andrabi, T., Das, J., & Khwaja, A. I. (2008). A dime a day: The possibilities and limits of private schooling in Pakistan. *Comparative Education Review*, 52(3), 329–355

²⁴ Banerjee, A., & Esther, D. (2005). Addressing absence. *Journal of Economic Perspectives*, 20 (1), pp. 117-132.

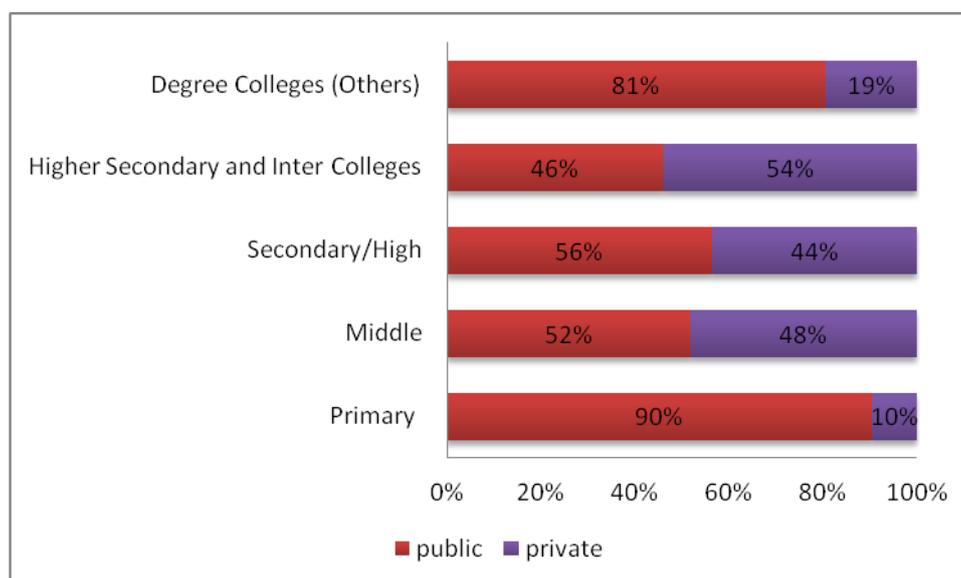
²⁵ Universities are not included in this number.

²⁶ National Education Management Information System. 2013. *Pakistan Education Statistics, 2011-12*. AEPAM, Ministry of Education, Trainings and Standards in Higher Education, Islamabad.

Between 2005 and 2011-12, there was 11% increase in the number of educational institutions in KP. A breakdown of the data shows that the growth of private sector schools was 9% i.e. 2 percentage points lower than the public sector. During this period, 581 new private education institutions were opened, an average of 83 institutions per year. This number appears insufficient considering the fast growing population of KP province and its literacy rate.

Overall, the number of educational institutions is higher in the public sector (80%) in KP, most of which are primary schools. The remaining 20% institutions are in the private sector. This proportion is comparatively lower than Pakistan’s overall proportion, for which private sector accounts for about 29% of the total number of educational institutions. It is important to note that the private schools have exceeded the number of government schools at higher secondary and inter college levels in KP. This might be an indicator of the public sector’s failure to provide access to education at higher level within reasonable distance. At the primary level, however, government schools are far greater in number i.e. 90% of the total primary level education institutions in the province.

Figure 1: Share of Private Sector in Total Number of Educational Institutions in KP in 2011-12

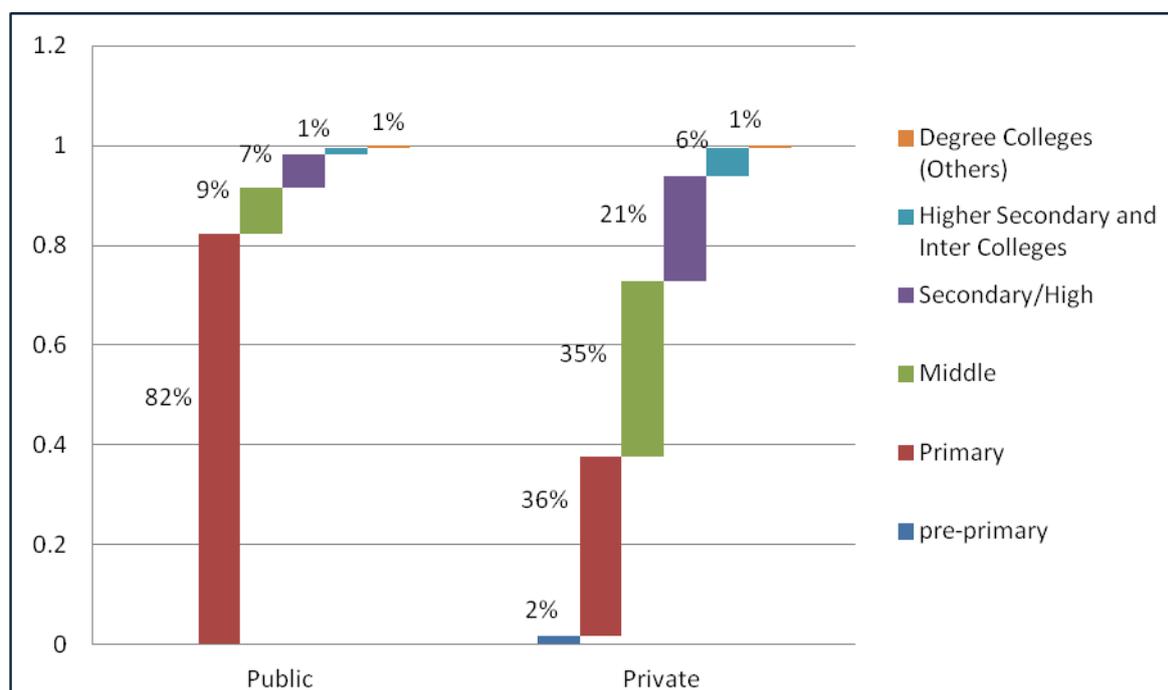


Source: Pakistan Education Statistics 2011-12

Out of total private schools in KP 38% are pre-primary and primary level institutions. Data informs that there is significant proportion of private institutions at middle (35%) and secondary (21%) levels as well. The distribution at different education levels in private education market seems logical and symmetric. On the contrary in public sector an overwhelming majority of the institutions (82%) is at primary level. This informs about a huge supply gap from the public sector at middle, secondary and higher secondary levels.

Figure 2

Institutions at Different Education Levels: 2011-12



Source: Pakistan Education Statistics 2011-12

As far as enrolment is concerned, there are about 1.4 million children enrolled in private schools in KP from pre-primary to higher secondary level in 2011-12. Private education institutions in KP have witnessed 2% decline in enrolment since 2005.

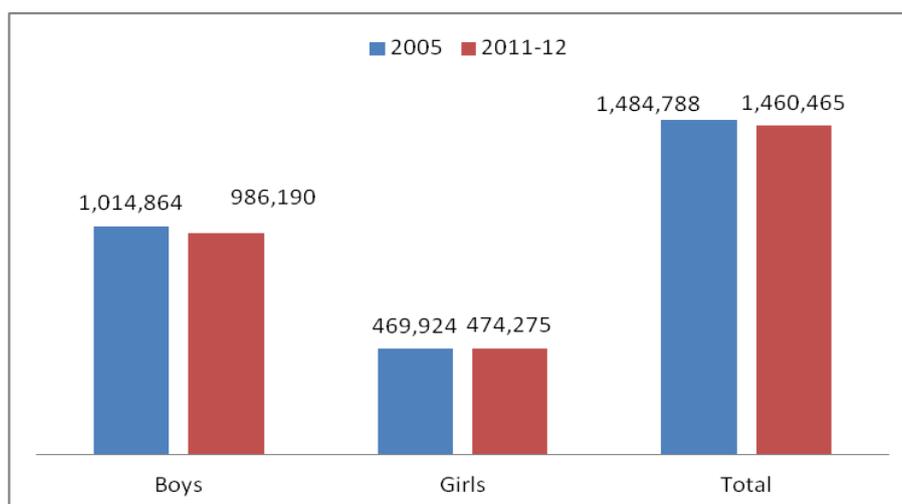
Table 2: Enrolment in Private Educational Institutions in KP (by Education Level)

Education Level	2005			2011-12		
	Boys	Girls	Total	Boys	Girls	Total
Pre-Primary	369,820	182,270	552,090	336,706	184,908	521,614
Primary	415,519	197,022	612,541	421,111	199,276	620,387
Middle	147,149	54,906	202,055	148,566	55,135	203,701
Secondary/High	61,756	24,738	86,494	62,187	24,676	86,863
Higher Secondary and Inter Colleges	20,620	10,988	31,608	17,620	10,280	27,900
Total -KP	1,014,864	469,924	1,484,788	986,190	474,275	1,460,465

Source: National Education Census 2005, Pakistan Education Statistics 11-12

Gender disaggregated data informs that decline is visible only in enrolment of boys whereas number of girls enrolled in private schools has increased during past 7 years. Despite decline in enrolment trend the overall enrolment of boys is 68%, much higher than that of girls (32%). The number of boys is higher at all stages from pre-primary to higher secondary level.

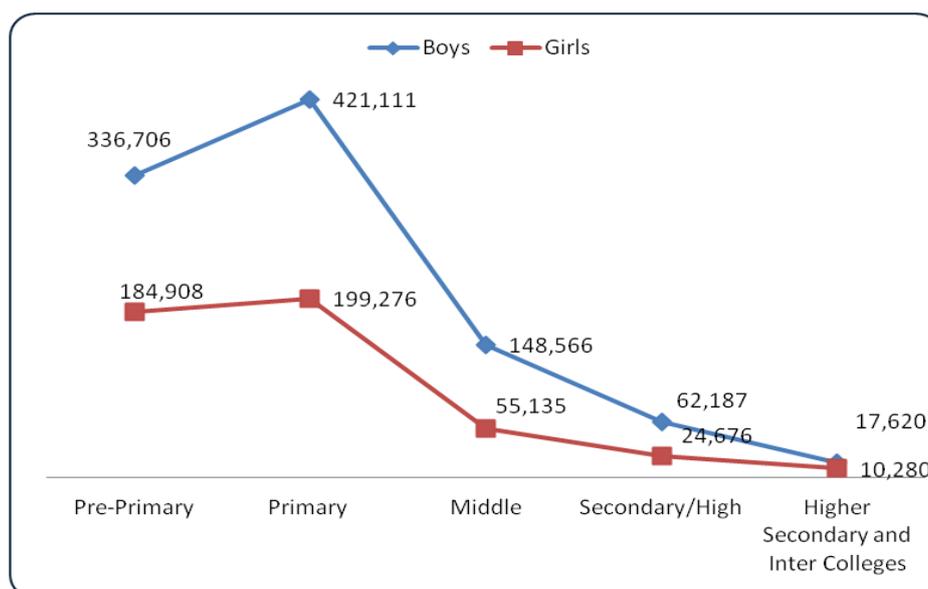
Figure 3 Private Schools' Enrolment in KP Gender Disaggregated: 2011-12



Source: National Education Census 2005, Pakistan Education Statistics 11-12

Education level-wise breakdown of data indicates that the highest enrolment in private sector in KP is at the primary stage (42%) followed by pre-primary (36%), middle (14%), secondary (6%) and higher secondary (2%). Logically pre-primary level enrolment should be highest as children transit from pre-primary to primary and higher stages. However, there could be two reasons for highest enrolment at primary stage; i.e. i) at primary level almost all private schools receive children who transfer from government schools; and ii) at times children are directly enrolled into primary stage without formal pre-primary education.

Figure 4 Private Schools' Enrolment in KP (Education Levels): 2011-12



Source: Pakistan Education Statistics 11-12

3.2. Sector Profiling: Ownership, Investment and Incentives

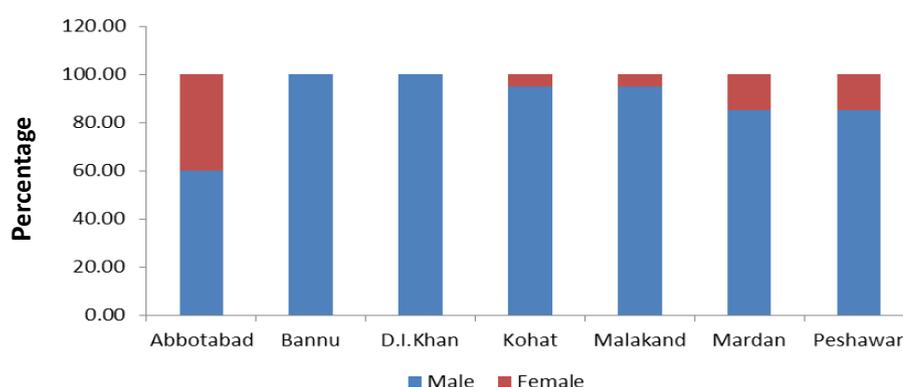
This sub-section sketches the profile of low cost private schooling in KP by providing information on how the schools are established, the purpose behind setting up the schools, type of ownership, the type and level of schools, owners qualification and experience, and the area occupied by schools. This information has largely been collected through a survey of a sample of schools. The sample of schools was selected from all eight divisions of the province. Details of survey and methodology are mentioned in chapter I of this report.

3.2.1 Private Schools Owners' Profile: Age, Gender, Qualification and Service Tenure

Survey findings inform that age of the majority of private schools owners in D.I. Khan, Kohat and Mardan was on average between 31 and 40 years. However, 60 per cent owners in Abbottabad aged between 26 -40 years and 50 percent in Peshawar fall in the age group of 26-30 years. It is also noteworthy that in all districts except Abbotabad more than 80 per cent school owners are male; this male ownership is up-to 100 per cent in Bannu and D.I. Khan.

Ownership with respect to gender of various school levels, i.e. primary, middle and secondary differs on the basis of gender. Number of female owners is significantly less than the number of male owners in all districts. The highest number of female owner is observed in middle schools in Abbottabad. On the other hand, the results indicate the overwhelming majority of male owners at all levels (Primary, Middle and Secondary) in all district. This ownership pattern can be attributed to the overall patriarchal setting of society in KP. The data also informs that majority of **school owners are young entrepreneurs.**

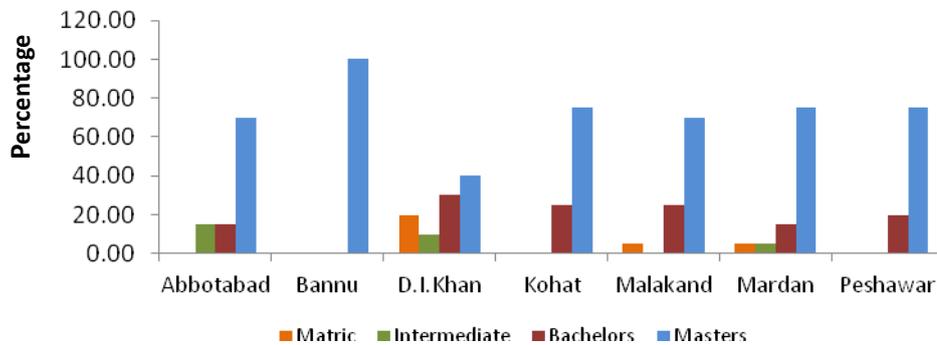
Figure 5 Gender of School Owners: Survey Data (percentage)



According to the survey results, **majority of the owners are well educated as they possess masters as highest qualification** (70% Abbottabad, 100% Bannu, 40% D.I. Khan, 75% Kohat, 70% Malakand, 75% Mardan and 75% Peshawar). With respect to professional qualification,

the overwhelming majority of school owners holds B.Ed.²⁷ degree (60% in Bannu, Kohat and Mardan, 55% Malakand, 50% Peshawar, 45% D.I Khan and 30% Abbottabad).

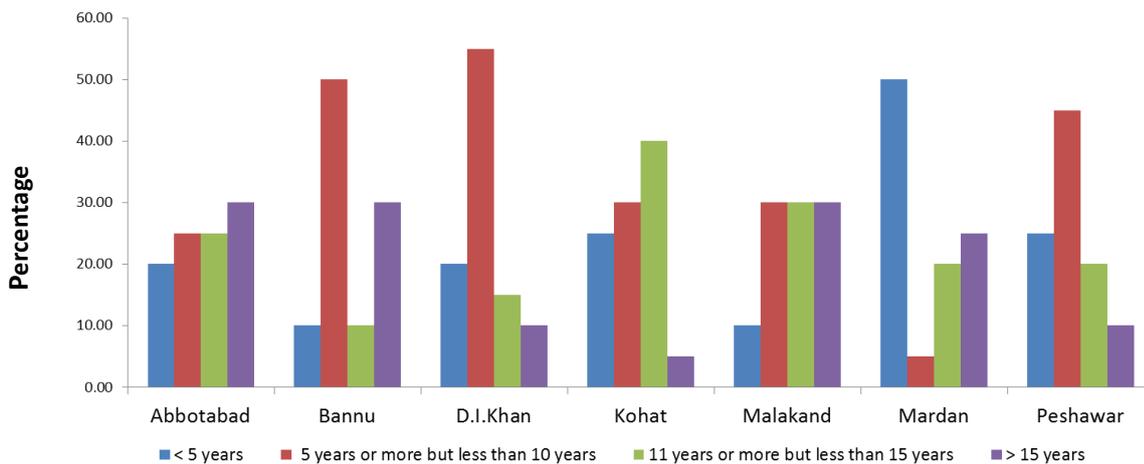
Figure 6 Qualification of School Owners



In most cases, schools are run by professionals serving in the industry for a significant time period. **The longest service tenure of the owners are noted in Abbottabad** (more than 15 years) and Kohat (more than 11 years but less than 15 years) and the smallest is in Mardan (50% have tenure of less than 5 years).

However, **the majority of the school owners do not have any prior experience of managing the school** and current schools are their first entrepreneurial experience. In Malakand, none of the respondent has any experience; in Peshawar 35 per cent, in Kohat 25 per cent and in Abbottabad and D.I Khan only 10 per cent have experience. Contrary to the general trend in the province, in Bannu, 70 percent of the owners have previous experience followed by 55 percent in Mardan.

Figure 7 Tenure of School Owners

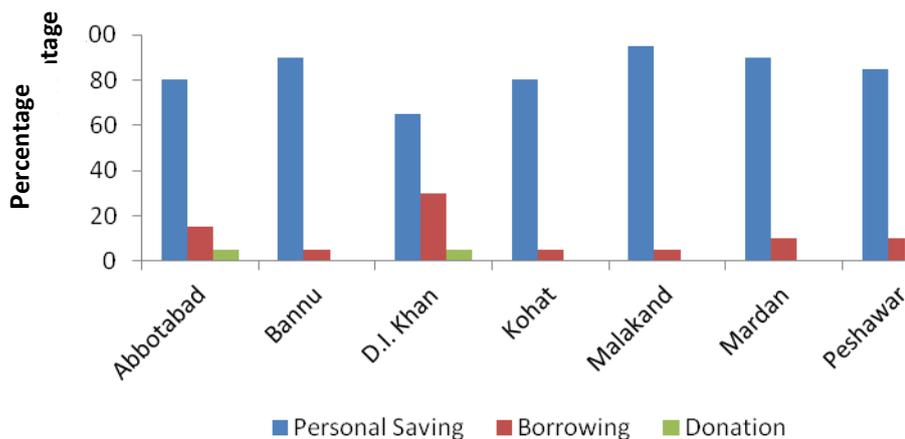


²⁷ Bachelors of education (B. Ed.) is a course offered for those interested in pursuing career in teaching. Duration of the course ranges between 1 to 1.5 years. Minimum qualification required for entry into B.Ed. course is Bachelor of Arts (B.A.), Bachelor of Science (B.Sc.) or Bachelor of Commerce (B.Com).

3.2.2 Investment, Incentives and Income

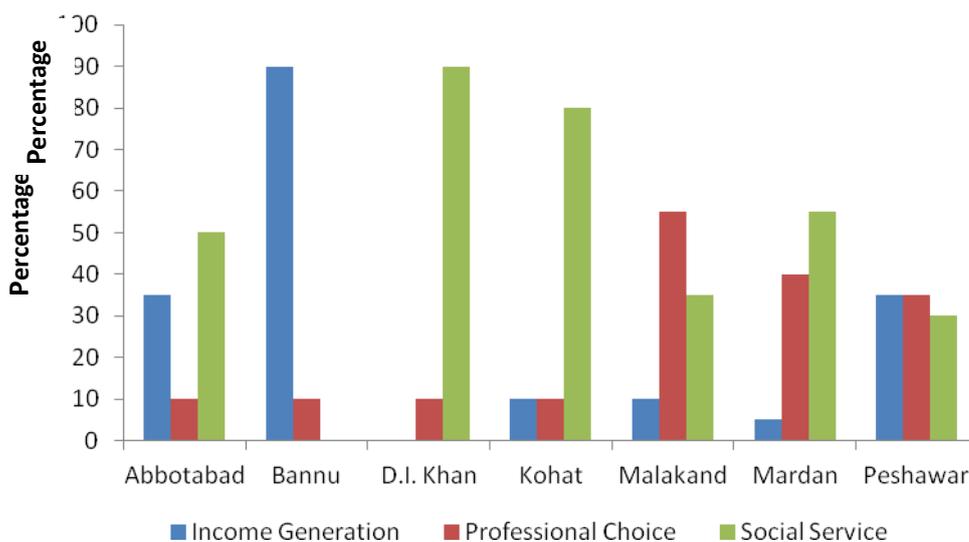
The schools are mostly led by private entrepreneurs (90 % in Malakand and Peshawar up to 100 % in Kohat and Mardan). With respect to source of initial investment, **many owners have set-up the schools with initial investment from personal savings** (65% in D.I Khan up to 95% in Malakand).

Figure 8 Initial Investment to Set-up School



Majority of school owners claim to have set-up school as a social service (30% in Peshawar up to 90% in D.I. Khan). Second major incentive is profitability (5% in Mardan up to 90% in Bannu). A significant number of owners (such as 55% in Malakand, 40% in Mardan and 35% in Peshawar) choose to start the school as a professional choice.

Figure 9 Purpose and Incentive to Set-up School



Interestingly, of the small representation of female owners, the survey shows that **most females set-up a school for income generation** (5% in Malakand and Mardan, 25% in Abbottabad) followed by social service (5% Kohat, 10% Abbottabad and 15% Mardan).

As income generation is not the primary reason to enter the private education market, it is not surprising that **school income is not the sole source of income for owners in most districts** except Bannu, where 100% owners rely on income from school. Other source of income for majority of owners is salary from other job, or personal business other than school.

Table 3 Source of Income (if school income is not the only source)

	Abbottabad	Bannu	D.I. Khan	Kohat	Malakand	Mardan	Peshawar
Salary from another job	100.00		100.00	40.00	50.00	37.50	8.33
Other school(s)							8.33
Other personal business				60.00	33.33	62.50	83.33
Others					16.67		

Majority of the schools occupy more than 1 Kanal but less than 2 Kanal of area (35% schools in Kohat up to 60% in Mardan). However, in Bannu 30% of schools have school area of less than 2 Kanal but more than 5 Kanal. Except for D. I. Khan, where 70 per cent of the school buildings are owned by school owners, a large number of the school buildings in other districts are rented (55% school buildings in Bannu and Peshawar up to 75% in Malakand).

Table 4 School Area (In %)

	Abbottabad	Bannu	D.I.Khan	Kohat	Malakand	Mardan	Peshawar
Less than 1 Kanal	20.00	35.00	20.00	30.00	5.00	20.00	45.00
More than 1 but less than 2 Kanal	50.00	10.00	55.00	35.00	45.00	60.00	45.00
More than 2 but less than 5 Kanal	30.00	30.00	25.00	30.00	50.00	10.00	10.00
More than 5 Kanal		25.00		5.00		10.00	

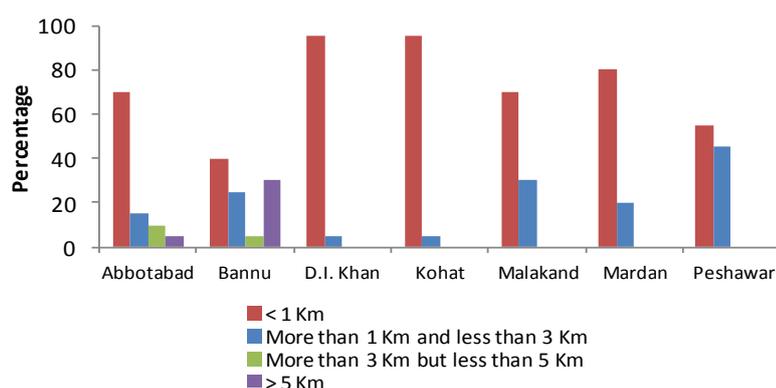
3.3. Access and Facilities

Studies have shown that private schools often have more dedicated teachers, better facilities and performance. It is estimated that with reference to learning outcomes, children in government schools in Pakistan would need 1.5 to 2.5 years to catch up with children in low-cost private schools.²⁸

This section provides an overview of the quality of private school in terms of the pupils' performance, increase in enrolments and teachers profile working in private schools.

Survey data informs that **most of the private schools are located within the radius of 1 Km** from the government school in all districts (95% in D.I Khan and Kohat, 80% in Mardan, 70% in Abbottabad and Malakand, 55% in Peshawar and 40% in Bannu).

Figure 10 Private School's Proximity to Public Schools



Focus group discussion and interviews with government officials revealed that **the distance criteria for selection of school for Elementary Education Foundation (EEF) support should be revised.** Survey findings inform that usually private schools are in the proximity of 1 km from the government schools. The owners of private schools and members of private school association during interviews and discussions shared that if the government schools are over-crowded and there is a demand in the area, private schools should be facilitated by EEF irrespective of the distance. This is essential in view of the fact that 2.1 million children of school going age in KP are out of schools.²⁹ Since a significant number of private schools are established for income generation therefore such school owners would be interested in setting up schools in the deprived areas. This will help address accessibility issue in the areas where number of out of school children is high.

²⁸ Andrabi, T., Das, J., Khwaja, A. I., Vishwanath, T., & Zajonc, T. (2007). Learning and education achievements in Punjab schools (LEAPS): Insights to inform the education policy debate. Washington, DC: World Bank.

²⁹ Pakistan Education Statistics, 2011-12.

Facilities such as ventilated and spacious classrooms, toilets, playgrounds, school boundary wall and electricity are provided in overwhelming majority of schools in each district. On the other hand, not all districts have library for students such as in Bannu 95% of school lack this facility, followed by Malakand (80% schools), D.I Khan (70% schools), Kohat and Peshawar (55% schools) and Mardan (50% schools). Similarly, hostels for students as well as teachers are not a common facility in low fee private schools of KP province. Almost all districts are short of hostel facility for students (85% schools in Peshawar up to 100% in Mardan, Malakand and Bannu) as well as hostel for teachers.

Table 5 School Facilities (In %)

	Abbottabad	Bannu	D.I Khan	Kohat	Malakand	Mardan	Peshawar
Ventilated Classrooms	100	100	100	100	100	100	100
Sufficient accommodating classrooms space	85	100	75	80	100	90	85
Chair and desk for every student	100	100	45	75	100	90	100
Library at school	75	5	30	45	20	50	45
Toilet facilities for students	100	100	85	100	100	100	100
Playground	90	85	40	55	90	75	70
School boundary wall	100	95	90	100	100	95	100
Hostel for students	10		5	5			15
Hostel for teachers		25	5		5		10
Electricity	100	95	95	100	100	100	95
Availability of Water	95	100	100	100	100	100	95
Engage students in extracurricular activities	100	95	85	90	100	80	95

Survey data reveals that all classrooms are equipped with blackboard in Abbottabad, D.I. Khan, Kohat and Malakand. However, there are few classrooms short of blackboard in rest of the districts. In addition, most of the classrooms also have table and chair for teachers in all districts.

Table 6 Status of Classrooms (In numbers)

	Abbottabad	Bannu	D.I. Khan	Kohat	Malakand	Mardan	Peshawar
No. of Classrooms	251	234	165	258	226	229	279
Classrooms have Blackboard	251	228	165	258	226	221	272
Classrooms with chair and table (for teachers)	221	190	160	239	216	222	273

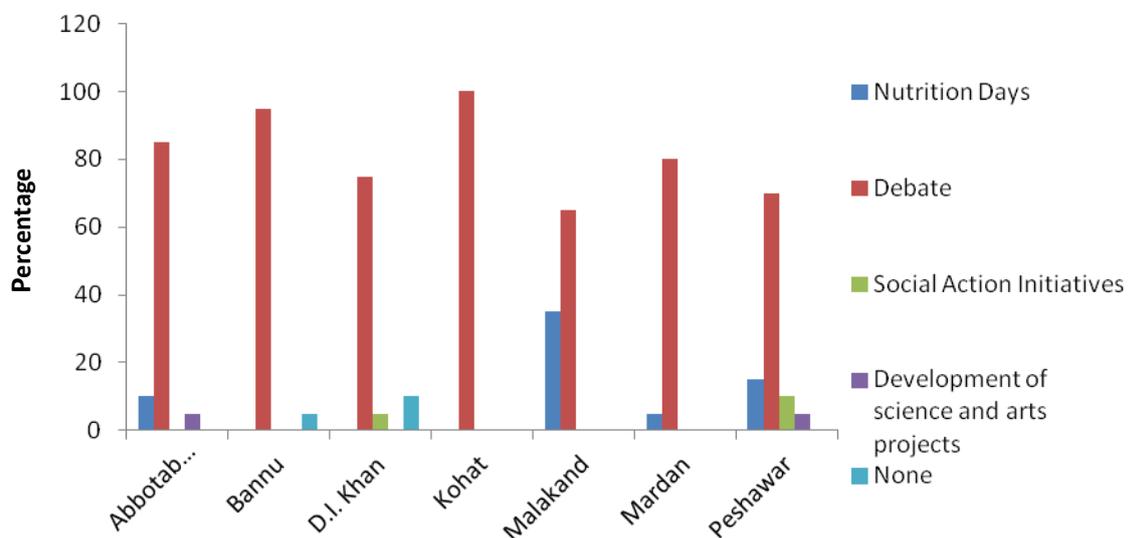
Additionally, **drinking water is abundantly available in almost all district schools from well or bore hole** (50% in D.I Khan up to 90% Bannu, Malakand and Mardan) except for Abbottabad where drinking water is primarily provided through pipes in 75 per cent schools.

3.4. Quality of Education

Data regarding enrolment in the schools over past two years was also collected during the survey. According to survey data the **enrolment (in numbers) indicates an increasing trend**, especially for Grade I to V, from 2011-12 to 2012-13 in all districts except for Bannu (which shows the decreasing trend). Also, exam results show improved performance in terms of number of students getting more than 60 per cent in exams both for primary grade as well as secondary grade.

Majority of the schools engage students in extracurricular activities particularly debate competitions (65% schools in Malakand up to 100% schools in Kohat). Other activities include nutrition days in few schools of Abbottabad, Mardan, Malakand and Peshawar and science and arts projects.

Figure 11 Type of Extra-curricular Activities in Schools

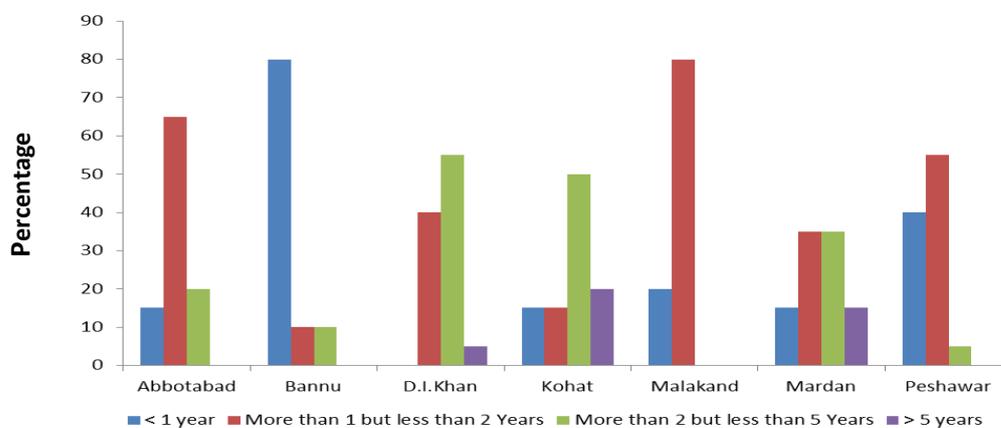


Survey data indicates that **private schools in KP employ qualified teachers**, majority have Masters (MSc or MA) in almost all districts except for Abbottabad, where the highest qualification is M.Phil. for all grades. It is interesting to note that there are only two districts that have Ph.D. teachers namely Kohat and Peshawar.

Most of the teachers in Abbottabad, Malakand and Peshawar are in service for more than 1 year but less than 2 years. In D.I. Khan and Kohat, the tenure for majority of teachers is more

than 2 years but less than 5 years. Only in Bannu, 80 percent of the teachers are in service for less than 1 year. This **short service tenure** highlights an important area of concern that is low retention of teachers in private schools. It is evident and was affirmed by school owners during discussions that private school teachers have high tendency to leave the job or shift from one school to another within a year or two after employment. This trend also points towards a policy and planning level challenge regarding training of private school teachers by EEF. Since retention span of a significant number of teachers in private sector is less than 2 years, therefore any effort of government to train these teachers might not yield desired results. Considering this situation the EEF should undertake measures to ensure retention of trained teachers in their respective schools for at least 3 to 5 years.

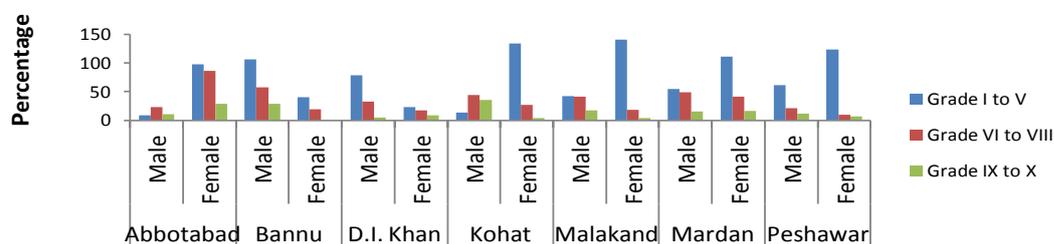
Figure 12 **Tenure of Teachers**



According to government data there are 63,948 teachers in the private education institutions (from pre-primary to degree level) in KP. Out of these teachers 51% are male whereas 49% are female teachers. The number of female teachers is higher from pre-primary to middle level whereas from high school onwards the male teachers are more in number.³⁰ Our survey data also confirms that with progression from primary to secondary level, number of female teachers reduces. **There are more female teachers at primary level compared to male teachers in the same category** for all districts except for Bannu and D.I. Khan. It should be noted that these results are not necessarily indicating gender bias. There is a possibility that these results coincide with the general trend of female teachers working more with young children.

³⁰ Pakistan Education Statistics, 2011-12. (2013). Table 3.4, pg 96.

Figure 13 Grade-wise Teachers: Gender Disaggregated Data



Many schools claim having been provided opportunity for professional development of teachers by giving trainings on annual basis especially in Malakand (45% schools), followed by Kohat (40% schools), Mardan and Peshawar (35% schools). In D.I Khan, 65 per cent of the schools provide teachers training once during the tenure. However, 100 per cent schools in Bannu and 50 per cent in Abbottabad reported that they never offer training for professional development of teachers. Although private school owners claim that they take this initiative to organize trainings for their teachers but discussions with the teachers inform that these trainings are usually conducted by the EEF.

Table 7 Teachers Training (In %)

	Abbottabad	Bannu	D.I Khan	Kohat	Malakand	Mardan	Peshawar
Monthly	5				10	15	15
Bi-annually	15			20	20	15	10
Annually	25		10	40	45	35	35
Once during the tenure	5		65	10		15	10
Never	50	100	25	30	25	20	30

3.5. Market Dynamics: Entry, Competition and Scalability

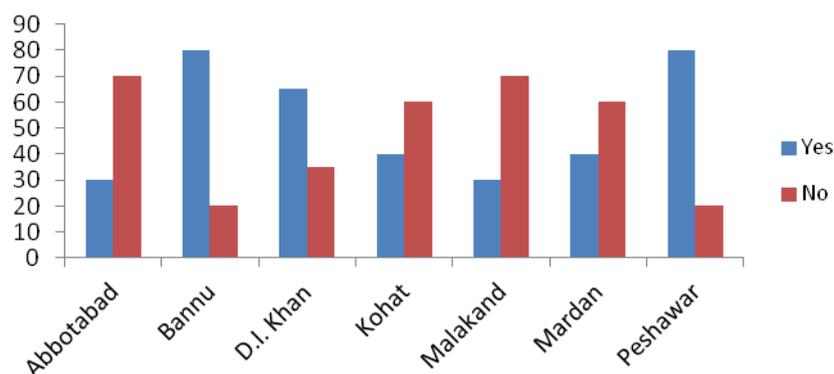
Earlier research in private education in Pakistan informs that diversity in private education sector in the country resulted into emergence of a complex market, catering to diverse set of consumers with a diverse set of preferences.³¹ Survey results, FGDs and interviews from Government officials depict that there is a competition among low cost private schools in

³¹ Consumer Rights Commission of Pakistan (CRCP)/Competition Commission of Pakistan (CCP). (2010). *Study on Competition Assessment of Private Schooling Sector in Pakistan: Lessons from Rawalpindi/Islamabad.*(Unpublished)

KP. A high level of **competition exists between private schools in terms of increasing enrolments and attracting quality teachers**. In addition, there exists a high degree of pressure on schools to show good performance in examination so that they can attract more students and increase the enrolments. Despite the presence of government schools in a radius of 1 km, the owners of private schools do not feel challenged by the competition from government schools.

Many of the survey respondents indicated that **new entrants in private education market have increased** (50% in Abbottabad, 65% in Mardan and 100% in Malakand). Others were either of the opposite view (60% in Peshawar and 45% in Bannu) or were unaware of the trend (45% in D.I Khan). According to the respondents, **the reason to enter the private education market is the high profit margins** (65% in D.I Khan, 80% in Bannu and Peshawar) and high chances to sustain for new low cost entrants in the private education market (70% in Peshawar and 100% in Bannu).

Figure 14 High Profitability Major Cause of Entry to Private Education Market



Government officials informed during FGDs that **students transfer from government schools to private schools**. As in number of areas, the government schools are overcrowded or non-functional. Due to these reasons and excess burden on government schools, many students are unable to access the education. Thus, for those students who are not facilitated by government schools, comparatively good quality private schools seem a viable choice under this situation.

The survey results also indicate an **increasing tendency of student transfer in all districts**. Over the last two years, from 2010-11 to 2011-12, student transfer increased by 56% in D.I Khan, followed by 42% increase in Peshawar, 34% increase in Mardan, 32% increase in Bannu, 21% in Malakand, 13% increase in Kohat and 9% increase in Abbottabad. The data given in following table describes the number of student transferred and percentage change over last two years.

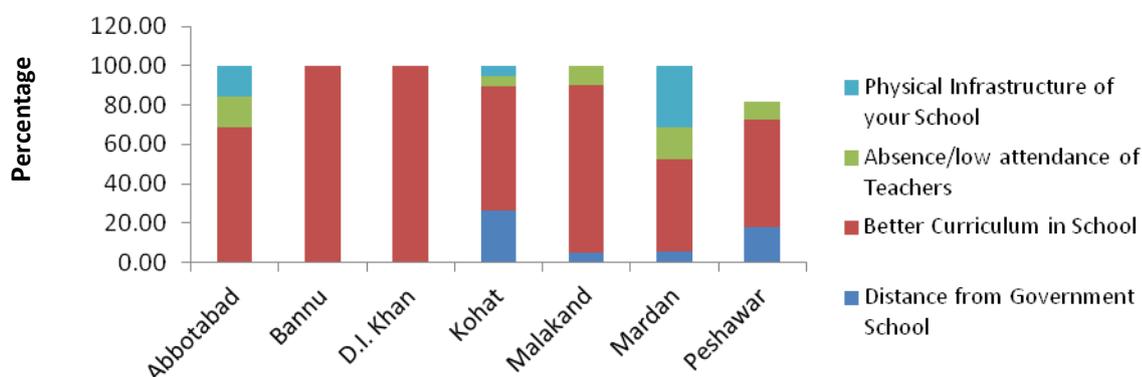
Comparison of annual enrolment in year 2011-12 with the intake from the government schools indicates wide variations in the percentage of students transfer. In Peshawar, only 2 per cent of the students enrolled that year were transferred from a government school whereas, in Abbottabad 23 per cent of the students came from the government school.

Table 8 Student Transfer (In Numbers)

	2010-11	2011-12	% change
Abbottabad	395	429	9%
Bannu	517	684	32%
D.I. Khan	509	796	56%
Kohat	365	411	13%
Malakand	464	562	21%
Mardan	388	521	34%
Peshawar	64	91	42%

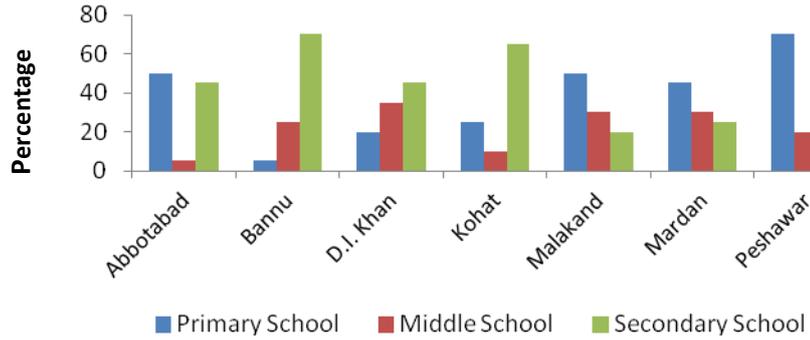
According to school owners, the **primary reasons for transfer are:** better curriculum of private schools, high absent rate of teachers in government schools, distance from government schools and physical infrastructure of private school.

Figure 15 Reasons of Transfer from Public to Private Schools



Majority of nearby government schools in Bannu (70%), Kohat (65%), D.I. Khan (45%) are Secondary Schools. In Peshawar (70%), Malakand and Abbottabad (50%) and Mardan (45%) most of the nearby government schools are primary level schools.

Figure 16 Level of Nearby Government Schools



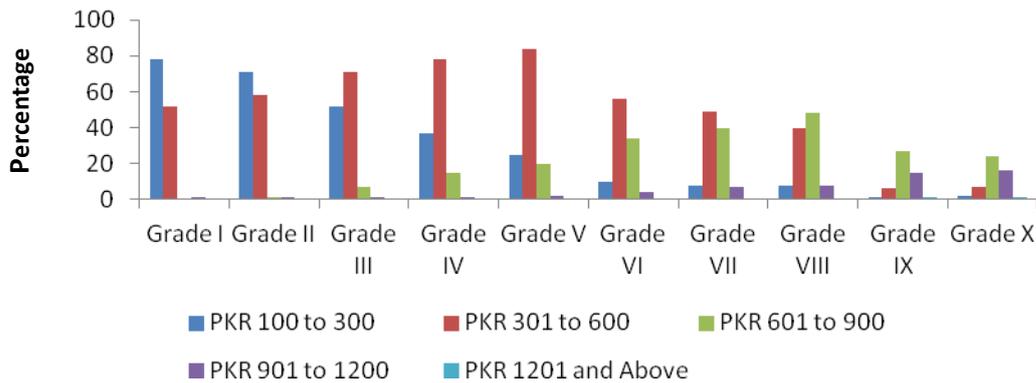
In D.I Khan, 80% of the nearby government schools are boys' school, followed by 60% government schools for boys in Kohat 40% in Abbottabad. However, in Bannu and Malakand, 65% of the nearby government schools are for girls.

Table 9 Type of nearest government school (In %)

	Girls School	Boys School	Mix School
Abbottabad	35	40	25
Bannu	65	30	5
D.I. Khan	20	80	
Kohat	30	60	10
Malakand	65	30	5
Mardan	35	30	35
Peshawar	40	45	15

The survey results supports the earlier studies mentioned in literature review, as the broad fee range of 98% of the LCPS in Khyber Pakhtunkhwa is from PKR 300 to PKR 1200. The fees charged by schools vary according to the grade. Up to Grade V, majority of the schools average fee range between PKR 100 to 600. As the grade level increase from VI onwards, the average fee of most of the schools fall in the range of PKR 301 to 900. There are few schools charging fee in the range of PKR 901 to 1200 for secondary level. The broad fee range of 98% of the LCPS in Khyber Pakhtunkhwa is from PKR 300 to PKR 1200 per month.

Figure 17 Average Monthly Fee of a Student



Majority of the schools raise fee on annual basis. As there is a high demand of quality teachers so the significant portion of increased fee goes to staff salary to retain the qualified teaching staff.

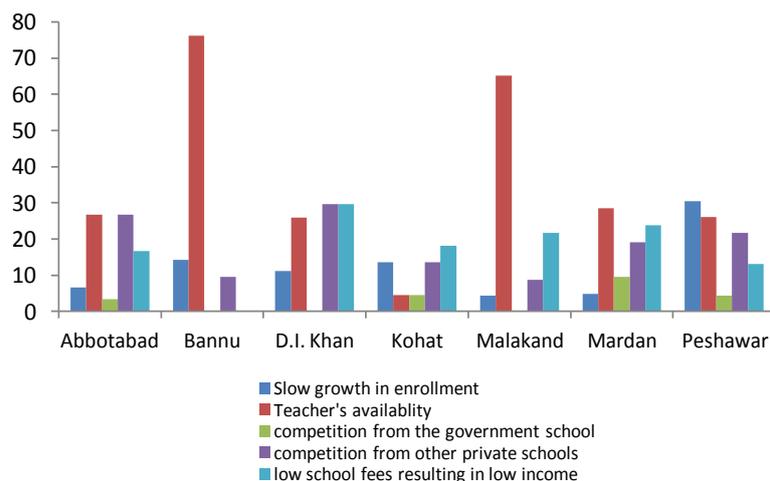
According to the owners, **schools are operating not only for profit motive but also as a social cause.** And, those schools operate as a social service also recognised by the members of the society.

3.6. Sustainability

Sustainability is the major challenge faced by LCPS. Many schools fail to survive because of poor infrastructure, low enrolment, lack of quality teachers and challenge in rising fee as most of the students cannot afford. For these reasons, **schools are either closed down in approximately 50 per cent cases or have been sold to other party.** Major reasons of closure include but not limited to lack of sufficient initial investment, high operating expenses, uneducated or inexperienced owners, high competition within private education market, high fee which is unaffordable by many and high overdue.

Participants of FGD also indicate the challenges faced by private schools in terms of access to textbooks which they lack as compared to government schools. Unlike private schools, government schools do not face the problem of accessibility and affordability of syllabus books. All the government schools have free availability of books which is not the case for private schools. Also, the books given in government schools are not available otherwise in the market so the private schools cannot follow the same syllabus. **In addition, availability of qualified teachers is the issue faced by various private schools** with wide variation amongst districts-as low as 5 per cent of schools in Kohat and as high as 76 per cent of schools in Bannu identify this as a major challenge. Other reasons include competition from private schools, low school fee which results in low income and slow growth in enrolment.

Figure 18 Challenge to Sustainability of Private School



Schools established with income generation as a prime objective face the challenge of teachers' availability especially in Bannu (65%). The owners choose to start a school as a professional choice also faces the same issue of availability of qualified teachers particularly in Malakand. As majority of the schools is a result of social cause, the biggest challenge for sustainability is competition from other private schools (10% in Kohat and Malakand up to 35% D.I. Khan) and low school fees resulting in low income (5% in Abbottabad and Peshawar up to 35% D.I. Khan)

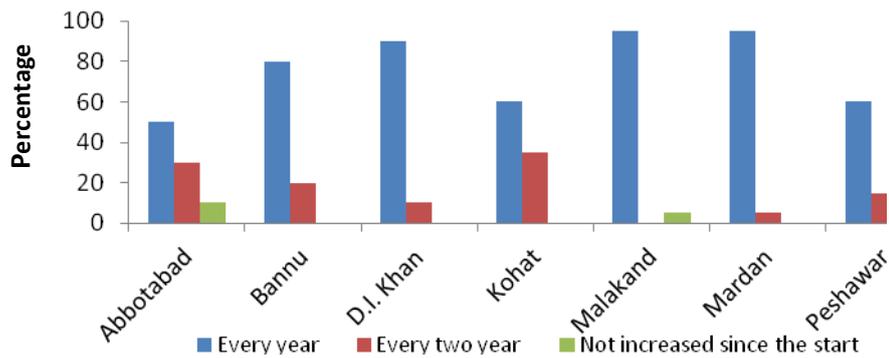
Private schools restrict by small income bracket of the pupils' family as in almost all schools except in D.I Khan, **income bracket of the family of students fall in the range of PKR 6001 and PKR 20,000 per month.** In D.I Khan, 75% of the families of students have much lower and smaller income bracket of PKR 4000-6000 per month.

Table 10 Income bracket of student's family (In %)

	Abbottabad	Bannu	D.I. Khan	Kohat	Malakand	Mardan	Peshawar
PKR 4000-6000	45	5	75		25	15	35
PKR 6001-20,000	55	55	25	95	75	85	65
PKR 21001-40000		20		5			
PKR 40001 and above		20					

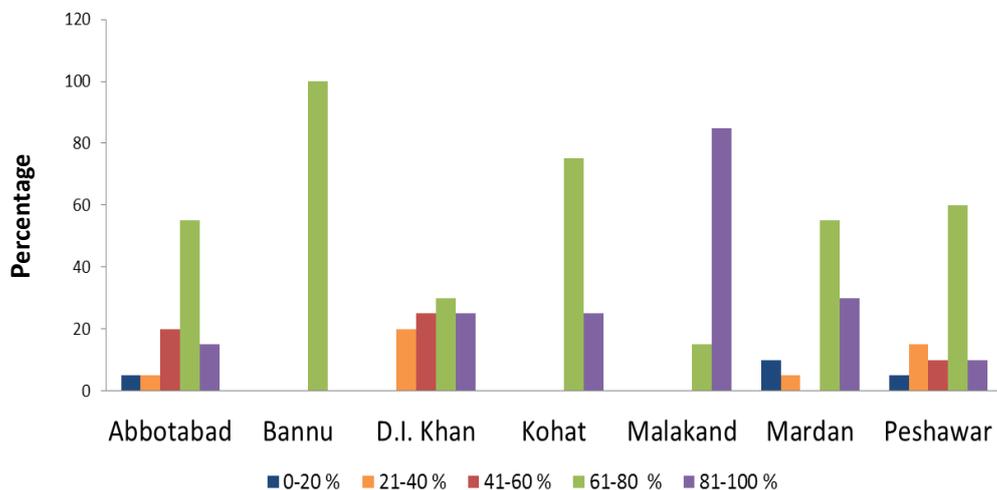
Thus, majority of the schools increase fee every year or every two years. The constraint in raising fee is primarily the paying capacity of parents and high level of competition among private schools.

Figure 19 Frequency of Change in Fee Structure



Majority of the students finance most part of their tuition fees themselves with some variation at district level. The students who need financial assistance mostly receive it in the form of fee waiver, followed by scholarship.

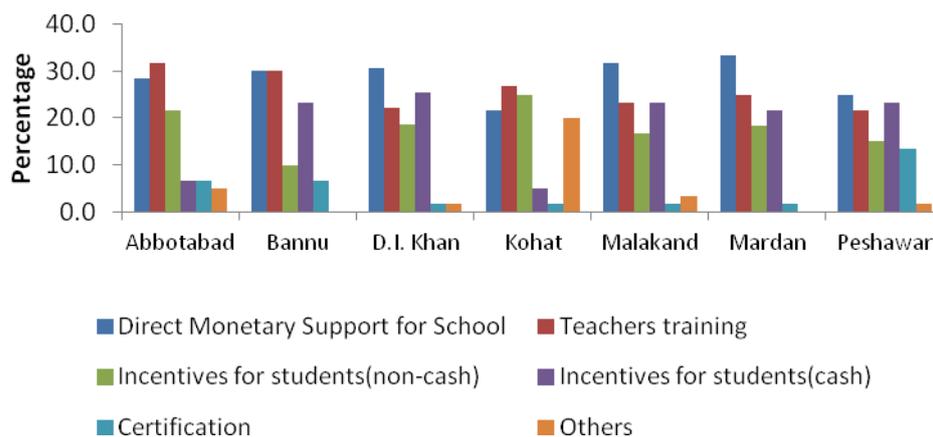
Figure 20 Number of Self Financed Students



Sustainability of schools is influenced by the capacity of students to pay the fee on regular basis. The purpose of setting up of a school, that is, income generation or social service does not seem to influence the distribution of self-funded and financially assisted students across the districts. The only exception is Bannu.

Direct monetary support (29%) and teachers' training (26%) are two major areas where private school owners would like to seek assistance and support from the government. A significant number of school owners also seek cash and non-cash incentives for students from the government.

Figure 21 Type of Assistance Private Schools Require



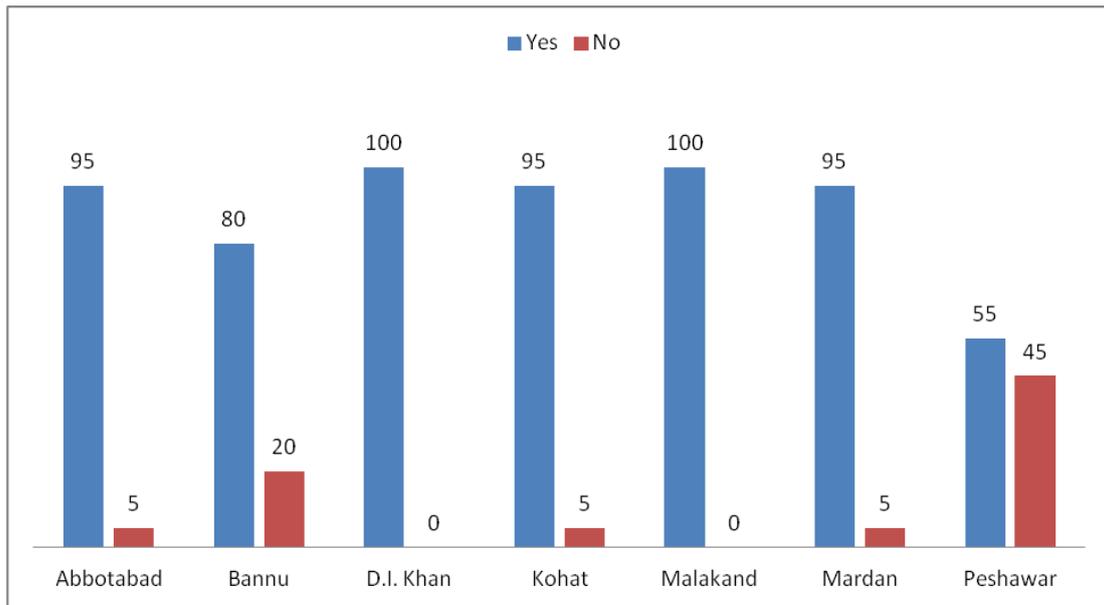
3.7. Consumers' Perspective: Access, Choice, Quality and Affordability

During FGDs parents shared that the quality of education is poor in public schools. Teaching takes place on irregular basis; the schools are either closed or remain busy in other activities. Parents also pointed out that slang street language is commonly spoken by students in the schools. They were of the opinion that public sector education is plagued with political issues as well as curriculum and textbook delivery problems. Many schools have no furniture in classrooms, and lack sufficient teaching staff, toilets, clean drinking water and playground.

In contrast parents seemed fully satisfied with the facilities, environment and quality of education in private schools. In their opinion private schools are making commendable contributions in promoting quality education especially for the children of households with very low earnings. They also appreciated the professionalism of teachers and strong leadership abilities of the school owners.

Other characteristics of private school appreciated by parents include proximity of school, low fee structure, better education standard, regular check on homework, building and classroom condition, availability of chilled drinking water in summer and washrooms for students. These points flagged by the parents during FGDs inform about the reasons for high transfer rate of students from public sector to the private schools. Survey data informs that in all districts except Peshawar more than 80 per cent private schools enrolled students that transferred from government schools. In Peshawar around 55 per cent students transferred from government to private schools.

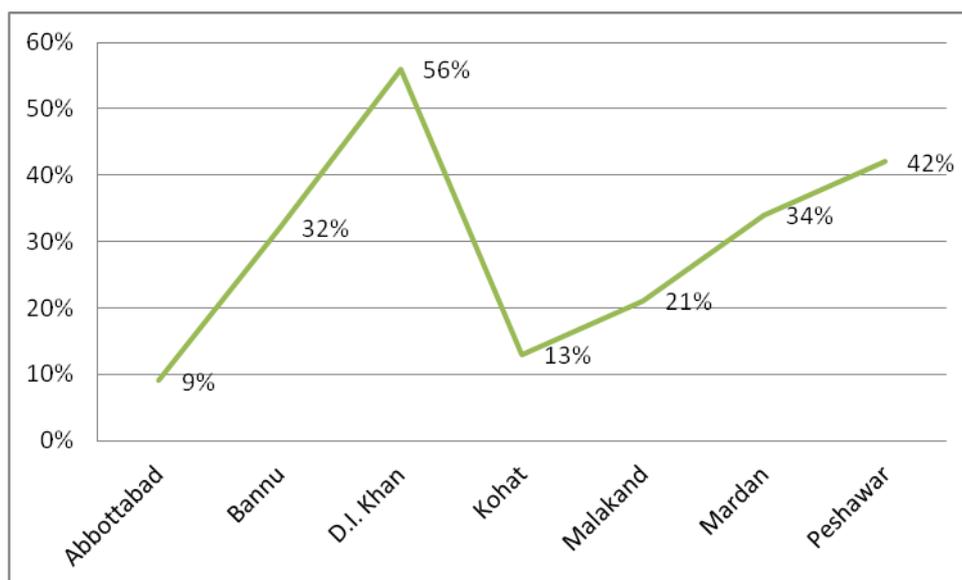
Figure 22 Students Transferred from Government Schools



During FGDs parents also mentioned that the private schools are providing children with the knowledge, skills, manners and ability to work and be self-sufficient. Parents consider that private schools are affordable as they provide better quality education in a fairly low fee structure.

Considering the services provided by private schools, parents believe that fee charged by these schools is reasonable. They believe that their children in private schools score significantly higher than earlier performance at government schools. According to parents, their kids had no awareness in public school, they knew nothing about English and their reading and spelling abilities were extremely limited. But education provided in private school enabled their children to learn and perform better in their studies. This belief of parents resulted in increasing trend of transfer from government to private schools. This trend is confirmed by the survey data that shows an increasing trend of transfer from government to private schools over two consecutive academic years i.e. 2010-11 to 2011-12.

Figure 23 Percentage Increase in Students Transferred from Government to Private Schools



During discussion majority of parents valued their children's education and demonstrated willingness to pay tuition in exchange for the hope of a brighter future for them. But they consider frequent increase in fee as a challenge as it makes it difficult for them to afford schooling for all children especially in view of their limited income.

Parents suggested that the government should keep a check on the quality of every school to enable them to work efficiently and increase beneficial competition between schools. They also proposed that the government should inspect private schools to ensure that they meet minimum standards and ensure that all children are provided basic facilities. According to parents these basic standards to be ensured in private schools should include safe and sufficient infrastructure and facilities, reviewing the text books, child-friendly practices in the classrooms and outside as well as better teacher-training programmes.

Parents also commented during discussions that it would be extremely helpful if government could work out on improving monitoring system so that they can understand the challenges that students are facing in private schools and support the schools to address these challenges accordingly.

3.8. EEF Interventions: Challenges and Opportunities

The Education Sector Plan (ESP) describes the Khyber Pakhtunkhwa Government's comprehensive and ambitious strategy for the development of the elementary and secondary school sector in the Province.

The ESP recognises substantial contribution made by private sector in improving access to and quality of basic education. It also considers that the expansion and improvement of education services in KP will require an increase in private sector participation. The major

mechanism identified for strengthening private education sector is through the enhanced role of the Elementary Education Foundation (EEF) which was established on the principles of public private partnership.

EEF executes various programmes such as Rokhana Pakhtunkhwa Talimee Programme (RPTP), Girls Community Schools, and Private Educational Institutions Teacher Training Programme (PEITTP) etc. to achieve its goals.

The basic parameter for selection of low cost private schools for support under its programmes is the distance of the school from the government school. For girls' school, it is 2 km distance from government schools. Boys' schools should be 3 km away from government schools and 5 km is the condition for co-education schools. This informs that only those low fee private schools can benefit from EEF interventions which are not located in the vicinity of a public sector school.

The results from FGDs and interviews with private school owners and association members indicate that the selection criteria defined by EEF should be revised and made flexible. Private school owners shared during discussions that schools in hard areas are facing different challenges in comparison to schools in urban or semi-urban areas. Therefore EEF should revise its selection criteria and funding to private schools should be provided on the need basis considering the differential needs of each region.

According to the participants of FGDs, there are many areas where the government schools exist but are either non-functional or over crowded. In such areas private schools have been established to bridge the supply-demand gap. However, many of these private schools need government support but they are deprived of the opportunities provided by EEF as they do not meet the present distance criteria. In addition, there are number of areas where there is no school at all. In such regions EEF should give a flexible selection criterion by allowing 2 or more schools of the same area to benefit from EEF interventions. This will encourage private sector to open more schools in the deprived areas. It was also pointed out during discussions that existing selection criteria only allow participation of secondary and high level schools. It was suggested by school owners that the criteria should be revised by including primary level schools in the programmes.

The support provided under the existing programme is mostly in the form of fee waiver. According to the survey results, **in terms of types of assistance, majority of the schools expect direct monetary support** (22% in Kohat up to 33% in Mardan), followed by training and professional development of teachers (22% in Peshawar up to 32% Abbottabad), non-cash incentive for students (10% in Bannu up to 25% in Kohat), and cash incentive for students (5% in Kohat up to 25% in D.I Khan).

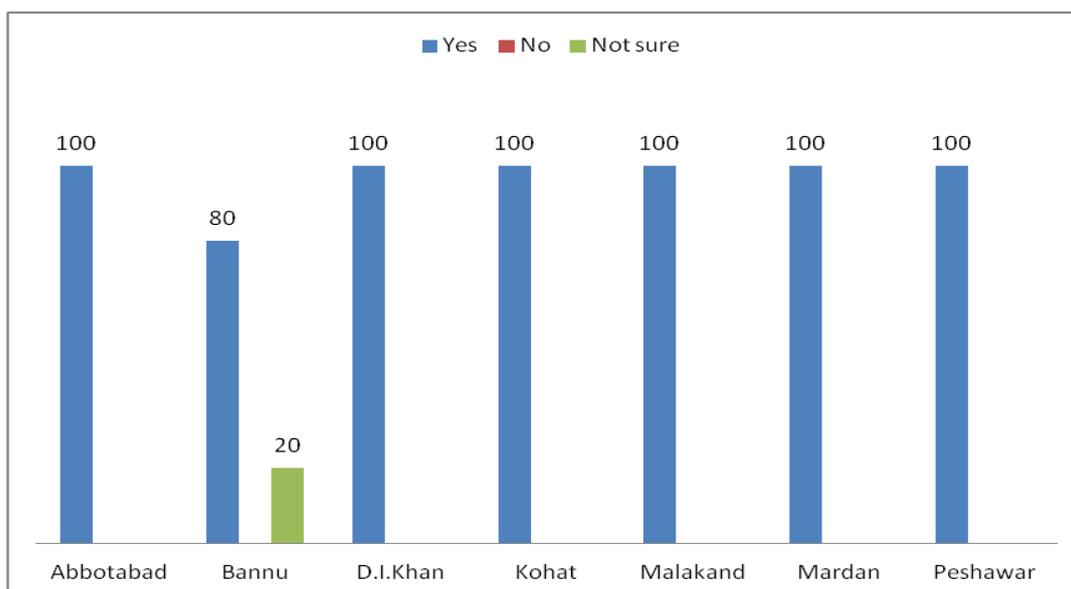
In FGDs, many of the participants mentioned that there is need to expand the support other than fee waiver. According to majority of school owners, **schools need subsidising transportation cost** as the schools are situated afar and it is challenging for students especially for girls to commute in these areas. In addition, few of the participants indicate the need of **support for improving infrastructure** of private schools by providing funds for libraries, schools buildings and alike. It was highlighted during FGD with private schools association that with existing infrastructure, schools can only accommodate additional students at higher level if the demand continues to increase. For which, one way suggested by participants was that schools should be provided loans for infrastructure.

Officials also emphasized the need to provide support for building and expanding infrastructure. Giving the example of a school in Laki Marwat, namely 'Quresh Model School' that is located in a hard area which spent the funding on building infrastructure from the scratch. In addition, district level officials mentioned during interviews that subsidising transportation cost is highly demanded by the schools selected for the programme.

According to the EEF officials interviewed, **government can provide 40 percent over and above the current per capita subsidy to the schools which has not been used**. In addition, initially the agreement with the schools was for one year which has been revised to three years as a result of reservation from LCPS.

In all districts except Bannu, **school owners welcome support from the government to help them manage and sustain the schools**. With respect to support from donor agencies, majority of the schools welcome it (45% in Bannu up to 100% D.I Khan, Malakand and Mardan).

Figure 24 Would you welcome support from the government to ensure sustainability of the school? (School Owners' Response)



However, irrespective of their objectives, schools seem to be indifferent to the source of the support. Schools established as a social cause require more support as compared to schools falling in other two categories i.e. professional choice and income generation.

Discussion during FGD with the private school owners informed that **the late sanction of funds from the government is a significant issue for low cost private schools as it affects the enrolments per session.** It is mainly because due to uncertainty about available funds, schools remain unaware of the number of students they can support. In addition, the lack of funds also affects salaries of the staff.

Contrary to the findings of survey where majority of private schools would like to seek support from the government, interviews with EEF officials are of the view that **the demand from schools was not significant.** They hold this opinion in view of their experience where less than 100 schools responded to the advertisement issued to solicit expression of interest from the private schools as the partner of the EEF. However, EEF needs to map reasons for this low response rate of the private schools. Few reasons identified during survey and discussions during this study include: inflexible selection criteria of EEF; generalized advertisement not targeting differential needs of specific area or district, uncertainty of schools regarding availability and release of funds from EEF, etc.

Most of the participants of the FGD with government officials have positive view regarding the impact of the programme on LCPS as many schools show improvement in terms of increase in enrolments especially of girls. For some schools, the programme also supports employing good faculty and enhancing infrastructure as mentioned by a participant from Mardan during FGD with private schools owners. In addition, many of the flood affected schools get the support under this programme and able to survive, which

would be a challenge otherwise. Participants of FGD had consensus that female schools were absent in many areas but, **as a result of EEF interventions, female enrolment has increased**. However, transportation is still a significant challenge for the female students especially in remote areas.

The government officials during interviews pointed out that the response from number of schools under the programme was positive. Taking for instance the example of a school in Karak, where the owner decided to provide free education to female students from primary to eighth grade after getting funding from EEF for female students of 9th and 10th grade.

It was revealed during FGDs that the teachers' training is the requirement of the programme and is done by every participating school. In addition to professional development of the staff, the programme also helped in management development of the school administration.

3.8.1. Legal Framework of EEF

As per Article 25-A, "The State shall provide free and compulsory education to all children of the age of five to sixteen years in such manner as may be determined by law". Although, provincial legislations corresponding to this Article has not been enacted as yet, it does oblige the government of KP to make arrangements for provision of compulsory and free education for all the citizens in the age bracket of 5-16 years. It is understood that this provisioning is not fiscally viable for government alone. Therefore, participation of the private sector, in particular, low cost private sector schools attains paramount importance for the government to fulfil its constitutional obligations towards its citizens.

It is for the purpose of public private partnership that the government decided to establish the Elementary Education Foundation (EEF). The EEF is an autonomous organization established under the EEF Act, 2003 with the statutory mandate "to take all measures for the promotion, improvement and financing of education and development of human resources in the province by strengthening of the private sector" thus improving literacy, community participation and quality of education.

The EEF law details the function of the foundation, the composition of the Board and includes broad principles for laying down rules, procedures and processes. The statutory composition of the Board of Directors (Board of the EEF) is specified in Section 5 of the EEF Act, 2003. The Board has 14 Members: 10 from the public sector and 4 from the private sector. The Board's current composition shows an imbalanced representation of the private sector compared to the public sector and legislative changes to bring a balance are under consideration.

3.9. Regulatory Framework for Private Sector Schools

The previous government, on December 10, 2012, had tabled a bill “Khyber Pakhtunkhwa Private Schools Regulatory Authority Bill, 2012” following the directives of Peshawar High Court (PHC) to regulate the private educational institutions in the province. According to the proposed bill, an 18 member committee would be formed, of which, three members would be from Private Schools Association.

The regulatory authority would be responsible to register and look after the private schools in the provinces. Its proposed mandate includes disciplinary action against unregistered schools by imposing a fine or two years of irrevocable imprisonment or both.

According to provincial government, different curricula are being taught to the students in the private schools which called for an action by the regulatory authority to enforce uniformity. Also, it would fix the fees of schools and ensure implementation of half fee concession to siblings studying in the same private education institute. The service matters of teachers including selection criteria, trainings, salaries and alike would be taken care of by the proposed regularity authority.

Private schools associations unanimously rejected the bill saying that the bill was introduced to discourage and curb the potential and growth of private education sector through coercive measures. The bill was not passed by the KP Assembly.

3.10. Options for Expansion of Private Education Sector: Models that Might Work

There are various examples of low cost private school chains operating in Asia, Africa and Latin America to address the needs of the students in an effective manner. These examples illustrate unique models employed by various schools aiming to provide quality education at an affordable price. In order to ensure expansion and growth of low cost private school sector in KP, few options or models are shared here that can be adapted to suit the specific circumstances of the province.

3.10.1. Omega Schools Chain

Taking for instance Omega Schools, which is a chain of for-profit low cost private schools and has adopted 'pay as you learn' approach. By July 2013, Omega Schools has more than 12,000 students in 20 schools across Ghana offering education from nursery to Junior High school. For a daily school fee of 1.5 Ghana Cedis (about US\$ 0.75), Omega students get uniforms, a school bag, work books and exercise books,

and a hot daily lunch. The innovation is hugely popular with parents, who no longer have to save but can simply find the funds each day to send with their children to school.

Each Omega School's start-up cost includes the cost of land, construction of a 12-classroom building with kitchen, office and toilets. The schools are fitted with a payment device with an installed accounting package to record student attendance and payments. The start-up cost also makes provision for the initial cost of text books, stationery etc.

While considering possible options to support expansion of low cost private schools, government of KP can learn few lessons from the Omega Schools regarding start-up and sustainability of low cost private schools' chains.

3.10.2. Beautiful Tree Trust (BTT) and Empathy Learning Systems (ELS)

Similarly, Beautiful Tree Trust (BTT) and Empathy Learning Systems (ELS) are joint initiatives aiming to extend quality education to the poor in Hyderabad's old city slums in India. BTT is a non-profit trust that runs eight English-medium schools serving over 3,000 students in nursery through 10th standard grade levels. ELS is a complementary education services company that provides lesson plans to BTT, trains teachers, and offers other needed support services. Although ELS staff members are closely associated with BTT, they also provide for-profit services to other low-cost private schools that are not run by BTT.

BTT schools target the poor through their low cost structure. They charge between 100-300 Rupees a month, depending on grade level, in addition to yearly fees of up to 500 Rupees. The schools are located within poor communities and normally staffed with teachers from the surrounding areas.

3.10.3. IDP Rising Schools Programme

IDP Foundation developed the concept for IDP Rising Schools Programme in 2008, to provide loans to low-cost private schools. The pilot phase for IDP Rising Schools Programme included 105 private schools.

IDP Rising Schools Programme provides loans of 2,000–15,000 Ghana cedis (approximately 1,000-7,500 USD) to low-cost private schools. Schools can use loans to finance infrastructure development, equipment procurement (such as acquiring a school vehicle), and land acquisition.

3.10.4. International Village School (IVS)

IVS established in Kenya is a secondary school for boys and girls who are high achievers but need financial assistance. The fees for registration, tuition, and materials are another hurdle for many Kenyan families. IVS's curriculum focuses on math and science as well as improving students' self-confidence. Students receive their own textbooks for every subject and free breakfast and lunch is provided so students are able to concentrate on studies. In 2012, the school had 98 students and more than 50% attended for free while the rest had their fees significantly reduced. Students who attend without paying are sponsored by a donor who receives regular progress reports.

3.10.5. Gyan Shala School Model

The Gyan Shala school model was developed to give poor children a world-class education in Ahmedabad city of India. Most Gyan Shala schools are one room and single grade, and their teachers are local women recruited from within each school's community. The school uses available space in low-income neighbourhoods. Classes are grouped in clusters managed by senior teachers. Students range from Class 1 to 8. The student to teacher ratio is roughly 25:1.

In Gyan Shala schools students work in groups and also gather on the floor for whole-class activities. Because most funding goes towards teachers and materials, facilities are often basic but the space is often structured in innovative ways. Classes run for three hours a day in order to ensure teacher retention. Gyan Shala schools have also developed their own curriculum with the assistance of the government. Children are mainly taught in their local language and English lessons as second language start at Grade 1.

The above examples can inform the government regarding expansion and sustainability of low cost private school in KP. The concept and lessons learnt from these models can be adapted to make the low private schooling flourish and sustain in KP.

The government data, survey findings and FGDs during this study inform that the private education market has huge potential for growth in KP. Nurturing this market through government support will provide choice to those who still can't access and afford education. It is also evident that through expansion of this sector government would be able to improve not only access to education but also quality of learning thus moving a step forward to achieve EFA goals and meet its constitutional obligations.

Chapter IV

4.1. Conclusions

This study examines the services provided by low-cost private sector schools in Khyber Pakhtunkhwa. It provides information about coverage of private sector schools, spread of schools, supply and demand analysis, access and quality situation, competition in the market and potential for growth. This information has been collected from seven districts through survey of school owners, focus group discussions with parents and school owners. In addition, interviews of government officials have been conducted to see their perspective.

Results reveal that a selection criterion for low cost private schools joining EEF programmes is currently centric to the presence of government school at a particular distance. For girls' school, it is 2 km distance from government schools. Boys' schools should be 3 km away from government schools and 5 km is the condition for co- education schools. Due to rigidity of this selection criterion based on distance from government schools, many low cost private schools become ineligible for EEF support as they are located within the radius of 1 Km from the government schools in all districts. This situation is very disappointing for low cost private school owners who are managing the schools in areas where many government schools exist that are either non-functional or over crowded. This situation results in poor or no access to education in the area. In such circumstances low cost private schools established in deprived areas are major contributors to education sector and their efforts should be supported by the government.

With respect to the type of support provided to the private schools, most of them are given funding from government to support students by giving fee waiver. However, survey showed that majority of the schools prefers receiving direct monetary support, training and professional development of teachers and non-cash incentive for students from government. Focus group participants and officials also informed that significant number of schools seek subsidies on transportation as long distance is a challenge for students especially girls in the remote areas.

Fee range in majority of the schools is from PKR 300 to PKR 1200 per monthly that increases annually in most schools. All the participants expressed the challenge in charging high school fee because of the lack of parents' capacity to pay high fee. In addition, there are challenges to sustainability of the private schools especially located in far flung areas. However, qualified teachers and good infrastructure increase the chances of survival in highly competitive private sector education sector.

Results indicate that there is an increasing tendency of student transfer from public schools to private schools in all districts. Comparison of annual enrolment in year 2011-12 with the

transfer from the government schools data indicates that a significant number of students enrolled in private schools are the ones who transferred from public schools. In number of areas, the government schools are over- crowded or non-functional. Due to these reasons, students who are not facilitated by government schools, comparatively good quality private schools seem a viable choice.

Many of the participants are of the opinion that there is potential of high profitability in education market. There are mixed views regarding new entrants in private education market. Three districts indicated that the number of schools has increased in last few years, others were of opposite view and respondents from D.I. Khan were unaware of the trend. It was also mentioned that many schools failed to sustain and are closed down or sold to other parties because of various challenges such as insufficient initial investment, high operating expenses, inexperienced owners, high competition, and high fee overdue.

Most of the participants have positive view regarding the impact of EEF's initiatives on LCPS as many schools show improvement in terms of increase in enrolments especially of girls. Similarly, the programme helped in professional development of the staff and improved management capacity of the school administration.

Policy design was reported ineffective due to inflexible eligibility criterion for selection of schools and challenges in outreach and communication of the programme of EEF. It was shared during interviews that only few private schools responded to the advertisement issued to solicit expression of interest as the partner of the EEF. The low response was due to generalized nature of the advertisement which was open to all schools in Khyber Pakhtunkhwa and failed to target any specific area or district.

4.2. Key Findings

1. Private schools are owned by well educated professionals though they generally lacked capacity and experience to run a school.
2. The source of initial investment to establish a school is personal savings in most cases while in most schools school owners' personal income comes from sources other than the school earnings.
3. Profitability and social service are the two major motivations for establishing the low cost private schools thus qualifying them as social enterprises.
4. The low cost private schools are usually situated in small buildings occupying area between one *kanal* to two *kanals* – 450 square yards to 900 square yards.
5. Most private schools are located in close proximity to government school within the radius of one kilometre thus rendering the selection criteria of the EEF programmes non-practical.

6. Private schools provide basic facilities like drinking water, ventilated classrooms, playgrounds, electricity and toilet facility to students.
7. The teachers hired by low cost private schools are mostly master degree holders though their subsequent retention remains the biggest challenge to sustainability of private schools and also to the utility of training support offered by EEF.
8. At primary level, most of the teachers are female though at middle and secondary level, most of the teachers are male.
9. There is an increasing trend in transfer of students from the government schools to low cost private schools due to better curriculum in the private schools and high teacher absentia in the government schools.
10. Most of the low cost private schools charge fee in range of PKR 300-1200 per month which is affordable by low income group.
11. There is a high degree of influx in the private education market marked by simultaneous closure of schools, sale to new owners as well as inclusion of new entrants.
12. Most of the private schools are willing to accept support from the government however they show reluctance in accepting support from the donors.
13. Majority of the schools demand direct monetary support, though they also mentioned the need of subsidising transportation cost and financing of building infrastructure.
14. There is realisation that the support system for low cost private schools is affected by the poor targeting in terms of outreach as well as operational issues such as delay in release of funds to private schools.
15. Positive impacts of the government support include increase in female enrolment, professional development of teaching staff and improvement in management capacity of schools administration.

4.3. Recommendations

i. Flexible Selection Criterion for EEF Programme

The criterion of a minimum distance (2-5 kilometres) of low cost private school from a government school to receive support under EEF programme should be reviewed and made flexible. It was identified that most of the private schools respond to supply-demand gap in a specific area. Such schools cater to the needs of low income groups in different regions and also support government in improving access to and quality of education. As most of the low fee private schools are located within the radius of 1 kilometre from government schools therefore they become ineligible to apply for EEF programme.

It would be more practical to revise the distance criterion and adopt a more flexible approach for selection of schools considering rural-urban disparities and differential needs

of each region. In order to ensure maximum participation in EEF programme permission should be granted to support more than one school in a Union Council.

ii. Adapt Innovative Options for Expansion of Private Schools

Survey data informs that most of the school owners are willing to expand their schools by accommodating more children and opening up new branches if government support is provided. Government considers public private partnership as an important policy option to ensure access to quality education for all. Since government and private schools are willing partners therefore government should undertake more initiatives to support expansion and sustainability of low fee private schools.

The government data, survey findings and FGDs during this study inform that the private education market has huge potential for growth in KP. Nurturing this market through government support will provide choice to those who still can't access and afford education. It is important to note that private schools do not have any incentive to reach-out the most disadvantaged communities with little paying ability. This limitation highlights the need to introduce innovative programmes (e.g. vouchers, per child cost) to provide minimum protection to private schools so that they are enable to survive in poor and cash starved communities. There are various successful model and examples around the world that can be adapted to make the low private schooling flourish and sustain in KP.

It is also evident that through expansion of this sector government would be able to improve not only access to education but also quality of learning thus moving a step forward to achieve EFA goals and meet its constitutional obligations. Government should consider and adopt the innovative models for expansion of low fee private schooling.

iii. Mode of Assistance to Private Schools

The assistance provided to the low cost private schools should include, besides fee waiver, support for financing infrastructure and subsidising transportation cost. The study informs that private schools have different needs in different regions. Considering these differential needs it would be more practical for EEF to initiate demand driven education vouchers scheme to enhance the parental choice and competition amongst the private schools.

iv. Regulating Private Schools

The study informs that parents demand government to keep a check on the fee, infrastructure and quality of education in private schools. They consider that government oversight is essential to enhance fair competition among private schools. They also proposed that the government should inspect private schools to ensure that they meet minimum

standards and ensure that all children are provided basic facilities. According to parents these basic standards to be ensured in private schools should include safe and sufficient infrastructure and facilities, reviewing the textbooks, teachers' qualification and retention, etc.

The government officials also informed during interviews that different curricula are being taught to the students in the private schools. This highlights the need to ensure uniformity of curricula in the private education sector. The regulation of private schools is also considered essential for standardization of fee structure and implementation of half fee concession to siblings studying in the same private education institute.

On the other hand there is a huge opposition from private schools to the regulatory authority earlier proposed in the province. Support and buy-in of private schools is essential for the success of any regulatory regime to be introduced in the province. In this context, government should take all stakeholders on board and address concerns of private schools before introducing any regulatory regime in the province.

v. Capacity Building

The support programme for low cost private schools should focus on capacity building of the owners and administrators to develop their managerial, accounting, operational, communication and staffing skills.

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Annex-I

Focus Group Discussion: Key Messages

The FGDs were organized to supplement, contest, explain, and cross-validate the findings of structured questionnaire. The aim was to obtain in-depth qualitative information to supplement and cross-validate the data collected through main questionnaire. Moreover, the FGDs highlight issues in the interface between the beneficiaries and the service providers. In all, 16 FGDs were conducted and the responses from the participants have been structured around most common themes.

I. Parents

Key Messages

1. All the participants acknowledged that the school have better education standard in a relatively low fee structure.
2. All the participants of the FDGs were of the opinion that lowering private school fee or raising measured quality raises private school enrolment.
3. Participants also universally agreed that the schools are providing children with the knowledge, skills, manners and ability to work and be self-sufficient.
4. There is a consensus among the participants of FGDs that they are not willing to switch their children to public schools.
5. The participants feel that it would be extremely helpful if government could work out on improving monitoring system so that they can understand the challenges that students are facing.

All the parents compared the quality of private and public schools. They shared their views that owners of private schools take a business approach to their work but here the principal's vision is to improve curriculums and quality of education.

Parents responded that the facilities and environment provided is outstanding and they are fully satisfied with it. Facilities included low fee structure, better education standard, regular check on homework, building and classroom facility, chilled water and washrooms. Besides these, individual attention and psychological assessment is also given, if needed.

Participants are of view that the quality of education is poor in public schools. According to them, the state of education is very dismal in public schools. Teaching takes place on irregular basis; the schools are either closed or remain busy in other activities and street language is common. In addition, it is plagued with political problems, curriculum and textbook delivery problems. Many schools have no furniture in classrooms, and lack a teaching staff, toilets, clean drinking water and playground. But in comparison, these low

cost schools have autonomy and clarity of mission. Students are provided with all the basic facilities. They are making commendable contributions in promoting quality education since we people have a very low earning power. Teacher professionalism and strong leadership are more prevalent here. It is reasonable to assume that a “definite difference” has been noted by the parents in their child’s learning.

Most of the participants agreed that the schools are providing children with the knowledge, skills, manners and ability to work and be self-sufficient. They are affordable to middle and low income groups and that is why they are fully satisfied with it. An illuminating and important thing is that the participants indicated that the schools have quality education in a fairly low fee structure.

Parents were positive about services provided in the schools. They expressed that the services provided here are considerably more than the fee charged. They also stressed the importance that children in private schools score significantly higher than those in government schools.

Among parent’s comments it was clear that they would not compromise on the education of their child. They indicated that their kids had no awareness in public school, they knew nothing about English and their reading and spelling abilities were extremely limited. But education provided here enabled them to improve and learn better. Parents valued their children’s education and demonstrated willingness to pay tuition in exchange for the hope of a brighter future for them. However a few parents held doubts that if there is a regular increase in fee than it would be difficult for them to afford as they belong to poor households and unable to pay enough to support the alternatives of high-quality schools.

All the participants expressed reservation that public schools have become dumping grounds for students; teachers are not well trained on how to address the needs of the students. They indicated that the schools are saddled with unmotivated and disrespectful teachers which cause lack of discipline and motivation among students. On the other hand, low-cost private schools are providing excellent environment to their children and hence they produce better academic outcomes than government schools.

Parents suggested that the government should keep a check on the quality of every school to enable them to work efficiently and increase beneficial competition between schools. They also proposed that the government should keep an inspection in private schools, and ensure that all children acquire a set of basic facilities. These included infrastructure, reviewing the text books which the kids found a little difficult to read and comprehend, child-friendly practices in the classrooms and outside and better teacher-training programs.

They also commented that it would be extremely helpful if government could work out on improving monitoring system so that they can understand the challenges that students are

facing and support that is most needed to help students succeed behaviourally and academically in school.

II. District Coordinators

Key Messages

1. Participants feel that the school selection criteria are rigid and should be revised in terms of distance and number of schools within each union council.
2. Majority of the participants were of a view that schools require support in terms of subsidising transportation cost and improving infrastructure.
3. There is a positive impact of the programme in terms of increase in enrolment especially of female students.

i. Rigid Selection Criteria

There was a consensus among the participants of FGDs that selection criteria should be flexible based areas and programme targets. Funding should be provided on the need basis as schools in hard areas are facing different challenges in comparison to schools in urban or semi-urban areas.

According to existing criteria, only those LCPS can be selected which do not located near government schools. All the participants indicated that there are many areas where the government schools exist but are either non-functional or over crowded. Thus, majority of the needed schools do not fall under the present distance criteria. In addition, there are many areas where there is no school at all and the criteria should expand its horizon to include more schools by relaxing distance criteria and opening new schools in the required areas. Few of the participants point out that the existing selection criteria only include secondary and high level schools. It should also include primary level schools as there is a demand from those schools as well.

ii. Challenges: Sustainability, accessibility and affordability

According to the participants, there are challenges for sustainability to the schools located in far flung areas. But, with qualified staff and good infrastructure the chances for survival increase.

Participants also indicate the challenges face by private schools in terms of facilitation they lack as compare to government schools. Unlike private schools, government schools do not face the problem of accessibility and affordability to syllabus books. All the government have free availability of books which are not the case for private schools. Also, the books given in government schools are available otherwise in the market so the private schools cannot follow the same syllabus. However, it was appreciated by all participants that in private schools, teachers are regular which usually is not the case in government schools

iii. Type of Support

Many of the participants raise the need of supports other than fee waiver. According to majority of them, schools need subsidizing transportation cost as the schools are situated at far and it is challenging for students especially for girls to commute in these areas. In addition, few of the participants indicate a support need in building infrastructure such as libraries, schools buildings and alike. For which, one way suggested by participants was that the schools should be provided loans for infrastructure.

iv. Improvement in LCPS performance

Most of the participants have positive view regarding the impact of the programme on LCPS as many schools show improvement in terms of increase in ennoblements especially of girls. For some schools, the programme also supports employing good faculty and enhancing infrastructure as mentioned by a participant from Mardan. In addition, many of the flood affected schools get the support under this programme and able to survive, which would not be a challenge otherwise.

III. School Owners

Key Messages

1. Most of the participants indicate that the government schools are either over-crowded or non-functional and have limited capacity to cater extra students.
2. There is high level of competition among private schools in terms of enrolments, employing quality staff and performance in exams.
3. Delay in sanction of funds from government affects the enrolment and salaries of the staff in almost all schools.
4. Majority of LPCs increase the fee annually and charge within the range of PKR 400 to PRK 1200, varying according to grades
5. Many of the participants are of the opinion that there is potential of high profitability in education market, despite the challenge of sustainability.

i. Level of Competition

All the participants are of a view that the private schools do not face any competition from government schools. But, a high level of competition exists between private schools in terms of increasing enrolments, attracting quality teachers. In addition, there exists a high degree of pressure on schools to show good performance in exams so that they can attract more students and increase the enrolments

ii. Student Transfers from Government to private schools

According to participants, students transfer from government schools to private schools. As in number of areas, the government schools are over- crowded or non-functional. Due to these reasons and excess burden on government school, many students are unable to access

the education. Thus, for those students who do not facilitated by government schools, comparatively good quality private schools seem a viable choice under this situation.

iii. Distance criteria

All participants suggest that the distance criteria for selection of school should be revised. If the government schools are over-crowded and there is a demand in the area, private schools should be facilitated irrespective of the distance so that students are given access to education. The nearby schools left out due to selection criteria sometime creates problems for selected schools as a result of political ties and high competition.

iv. Poor government procedures

There is a consensus among participants that the late sanction of funds from government is the significant issue as it affects the enrolments per session as schools are unaware of the number of students they can support. In addition, the lack of funds also affects the salaries of the staff.

v. Fee range

Majority of the participants express the challenge in charging high school fee because of the lack of parents' capacity to pay high school. Majority of schools are charging fee in the range of PKR 400 to PKR 1200 and increase it on annual basis. There is a high demand of quality teachers so the significant portion of increased fee goes to staff salary to retain the qualified teaching staff.

vi. Increase in female participation

There is consensus among participants that female schools were absent in many areas. But, as a result of the programme, female enrolments have increased. However, transportation is the significant challenge for the female students especially in remote areas.

vii. Type of support

Most of the participants point out that the schools now can only accommodate more students at high level with current infrastructure. The schools require support in terms of infrastructure to expand.

viii. Profitability in education market

According to the participants, schools are operating not only for profit motive but also as a social cause. And, those schools operate as a social service also recognised by the members of the society.

Many of the participants are of the opinion that there is potential of high profitability in education market. However the biggest challenge lies in the sustainability as many schools fail to sustain because of poor infrastructure, low enrolment, lack of quality teachers and challenge in rising fee as most of the students cannot afford. For these reasons, schools are either closed down in approximately 50 per cent cases or have been sold to other party. Major reasons of closed down include but not limit to lack of sufficient initial investment,

high operating expenses, uneducated or inexperienced owners, high competition, high fee which is unaffordable by many and high overdue.