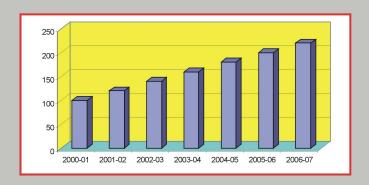


### **FINANCING OF EDUCATION** IN THE PUBLIC SECTOR



Ministry of Education (Policy & Planning Wing) Islamabad

#### **Financing of Education in the Public Sector**



#### GOVERNMENT OF PAKISTAN MINISTRY OF EDUCATION Policy & Planning Wing Islamabad.

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#### Introductory Note

Pakistan is now poised at an important turning point with good prospects of sharply reversing the poor economic and social performance witnessed in the decade of the 90s. The comprehensive and forceful reform agenda, which the Government has been pursuing during the last six years, has already improved the financial position very considerably and has helped to revive growth.

Creation of adequate fiscal space is a necessary but not a sufficient condition for improved public development and social spending. Opening up of the fiscal space, if properly utilized, can certainly increase the room for improving governance and adequate funding in the social sectors.

The lessons learnt from the experience of the last decade are being reflected in the reforms programs being pursued by the Ministry of Education and the Provincial Education Departments. Emphasis is being placed on improvements in quality through training of both new and existing teachers, better physical facilities in schools and higher non salary spending. It is recognized by policy makers that increased public spending is necessary for improving educational attainments. The achievement of targets in respect of Universal Primary Education (UPE) will not be feasible if allocations for education at the Federal, Provincial and District Governments level do not reach 4% of the GDP.

Consideration must be given to the maintenance of equity in financing of education to eliminate the existing gender gap at all levels of education by the year 2015. The current gender disparity is 26% at the primary level. This increases sharply to 40% at the middle school level due primarily to lack of access to middle schools for girls. Provinces have to motivate District Governments by providing financial incentives for establishment of middle, secondary and higher secondary schools for girls. The District Governments have to make substantially higher investments in recruitment of qualified female teachers at various levels of girls education. Private sector should be provided fiscal incentives to establish institutions for girls specially in the rural areas of Sindh, NWFP and Balochistan where the gender gap continues to be a source of major national concern and embarrassment.

Quality has been ignored and sacrificed for too long due to financial constraints. Substantially higher investments are required to bring about drastic quality improvements. This can happen only with substantially higher outlays for education to make up for the neglect of the 90s.

The Ministry of Education is grateful to CIDA for its valuable technical assistance.

(DR. SYED FAYYAZ AHMAD)
Joint Educational Adviser
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#### EXPLANATORY NOTES

The data on financing of education in the public sector must be read with the following explanatory notes:-

- i) This publication updates data published earlier in March 2005 under the title "budgetary allocations for education". Data for 2006-07 has been added. Changes in allocations conveyed subsequent to the above publication have now been incorporated in the relevant year's data.
- ii) The allocation for education as a percentage of GDP as reflected in our publication of March 2005 was based on the GDP figures published in the Economic Survey 2004-05. The GDP figures have since been revised (see Economic Survey 2005-06). This publication has accordingly revised the GDP figures and allocation for education as a percentage of GDP.
- iii) The allocation in case of Special Education is placed under two heads of demand i.e demand No. 110 and 148. These allocations are sub-sumed under the appropriations for education.
- iv) The amount shown against the Ministry of Religious Affairs is the allocation for Educational Scholarships made by the Central Zakat Council.
- v) The development allocations shown against Culture and Youth Affairs Division and the Ministry of Scientific and Technological Research relate to investment made directly or indirectly in educational institutions and various sub sectors of education.
- vi) The allocations for education shown in respect of Ministry of Interior, Industries and Production Division, Ministry of Labour, Manpower and Overseas Pakistanis, Ministry of Railways, Ministry of Water & Power and Communications Division is actually the investment made by the Organizations under their administrative control.
- vii) In the case of Provinces, non-devolved data is drawn from Demands for Grants and Appropriations (Current and Development).
- viii) In the case of Punjab, the budget documents place Education Secretariat expenditure under the allocation for General Administration. This allocation has been added to the allocation for education made under the head 41000.
- ix) In case of Punjab, the allocation for Technical & Vocational Education is not made under the functional classification of 41000 Education but under 50000 Economic Services. In the present data, the amount

- allocated for Technical & Vocational Education has been accounted for under the functional classification of 41000.
- x) Releases if any, made by the Ministry of Education to the Provinces for implementation of the Education Sector Reforms Program are excluded from the respective development budgets of the Provinces / District Governments.
- xi) In case of all Provinces, the expenditure on education being incurred by other Departments has been accounted for under the functional classification 41000 Education.
- xii) In case of AJ&K, the data is drawn from the budget books of the Government of AJ&K.
- xiii) According to the Economic Survey 2005-06 GDP figure of this year is provisional and liable to change.
- xiv) GDP (MP) for 2006-07 has been added. The figure is based on the Economic Survey 2006-07 and is provisional.

# Financing of Education in the Public Sector 2000-01

Federal Governments	Current	Development	Total
Ministry of Education	3840.738	1243.000	5083.738
Federal Government Education Institutions in Cantonments & Garrisons	628.659	22.832	651.491
Federally Administered Tribal Areas	1284.247	214.000	1498.247
Federally Administered Northern Areas	342.945	155.014	497.959
AJ&K	1900.000	352.000	2252.000
Federal Government Special Education Institutions (Social Welfare & Special Education Division)	121.324	71.728	193.052
Cabinet Division	12.610	0.000	12.610
Establishment Division	22.564	10.866	33.430
Culture & Youth Affairs Division	0.000	36.866	36.866
Ministry of Scientific & Technological Research	0.000	448.829	448.829
Defence Division (Army, PN, PAF)	199.889	000.000	199.889
Ministry of Health	2.597	0.000	2.597
Industries & Production Division	78.145	0.000	78.145
Ministry of Labor, Manpower & Overseas Pakistanis	183.771	0.000	183.771
Zakat & Ushr Division	915.200	0.000	915.200
Ministry of Railways	35.880	0.000	35.880
Ministry of Water & Power	74.306	0.000	74.306
Communications Division	40.730	0.000	40.730
TOTAL (Federal)	9683.605	2555.135	12238.740

PROVINCIAL GOVERNMENTS			
Punjab	31089.514	306.888	31396.402
Sindh	14210.290	1958.964	16169.254
NWFP	10581.071	770.000	11351.071
Balochistan	3944.643	786.954	4731.597
TOTAL (Provinces)	59825.518	3822.806	63648.324
G. TOTAL	69509.123	6377.941	75887.064

- i) Details of Demands for Grants and Appropriations 2000-01, Government of Pakistan, Finance Division, Islamabad.
- ii) Budget books of the Governments of Punjab, Sindh, NWFP and Balochistan for 2000-01.
- iii) Budget books of the Government of AJ&K for 2000-01.
- iv) Official communications from various Federal Ministries / Divisions addressed to the Ministry of Education.

In the year 2000-01 the revised GDP (MP) amounted to Rs. 4162 billion. The public sector allocation for education amounts to 1.82% of the revised GDP.

## Financing of Education in the Public Sector 2001-02

Federal Governments	Current	Development	Total
Ministry of Education	3353.142	2550.204	5903.346
Federal Government Education Institutions in Cantonments & Garrisons	707.978	23.332	731.310
Federally Administered Tribal Areas	1353.216	243.162	1596.378
Federally Administered Northern Areas	374.289	228.517	602.806
AJ&K	2100.000	457.080	2557.080
Federal Government Special Education Institutions (Social Welfare & Special Education Division)	143.531	68.650	212.181
Cabinet Division	12.385	0.000	12.385
Establishment Division	43.305	0.000	43.305
Culture & Youth Affairs Division	0.000	18.002	18.002
Ministry of Scientific & Technological Research	0.000	806.765	806.765
Defence Division (Army, PN, PAF)	870.688	000.000	870.688
Ministry of Health	2.110	0.000	2.110
Industries & Production Division	122.609	0.000	122.609
Ministry of Labor, Manpower & Overseas Pakistanis	261.547	0.000	261.547
Zakat & Ushr Division	895.573	0.000	895.573
Ministry of Railways	45.170	0.000	45.170
Ministry of Water & Power	99.704	0.000	99.704
Communications Division	38.815	0.000	38.815
TOTAL (Federal)	10424.062	4395.712	14819.774

PROVINCIAL GOVERNMENTS			
Punjab	32156.694	1635.735	33792.429
Sindh	14455.606	1438.000	15893.606
NWFP	8508.356	625.038	9133.394
Balochistan	4854.888	430.880	5285.768
TOTAL (Provinces)	59975.544	4129.653	64105.197
G. TOTAL	70399.606	8525.365	78924.971

- i) Details of Demands for Grants and Appropriations 2001-02, Government of Pakistan, Finance Division, Islamabad.
- ii) Budget books of the Governments of Punjab, Sindh, NWFP and Balochistan for 2001-02.
- iii) Budget books of the Government of AJ&K for 2001-02.
- iv) Official communications from various Federal Ministries / Divisions addressed to the Ministry of Education.

In the year 2001-02 the revised GDP (MP) amounted to Rs. 4401 billion. The public sector allocation for education amounts to 1.79% of the revised GDP.

## Financing of Education in the Public Sector 2002-03

Federal Governments	Current	Development	Total
Ministry of Education	4831.754	2603.728	7435.482
Federal Government Educational Institutions in Cantonments & Garrisons	811.167	42.048	853.215
Federally Administered Tribal Areas	1536.182	616.553	2152.735
Federally Administered Northern Areas	414.336	276.748	691.084
AJ&K	2400.00	458.000	2858.000
Ministry of Women Development (Nutrition Support Program for girls in primary schools)	0.000	590.000	590.000
Federal Government Special Education Institutions (Social Welfare & Special Education Division)	157.242	56.250	213.492
Cabinet Division	14.151	0.000	14.151
Establishment Division	49.906	0.000	49.906
Culture & Youth Affairs Division	0.000	74.500	74.500
Ministry of Scientific & Technological Research	0.000	51.034	51.034
Ministry of Interior (CDA School)	3.479	0.000	3.479
Defence Division (Pak Army, PN, PAF)	1350.921	0.000	1350.921
Ministry of Health	2.300	0.000	2.300
Industries & Production Division	133.612	0.000	133.612
Ministry of Labor, Manpower & Overseas Pakistanis	378.300	0.000	378.300
Zakat & Ushr Division	1930.281	0.000	1930.281
Ministry of Railways	37.550	0.000	37.550
Ministry of Water & Power	104.622	0.000	104.622
Communications Division	35.170	0.000	35.170
NCHD	119.477	0.000	119.477
TOTAL (Federal)	14310.450	4768.861	19079.311

PROVINCIAL GOVERNMENTS			
Punjab	31241.602	1461.215	32702.817
Sindh	17713.122	2550.711	20263.833
NWFP	11010.855	347.123	11357.978
Balochistan	5183.191	1240.254	6423.445
TOTAL (Provinces)	65148.770	5599.303	70748.073
G. TOTAL	79459.220	10368.164	89827.384

- i) Details of Demands for Grants and Appropriations 2002-03, Government of Pakistan, Finance Division, Islamabad.
- ii) Budget books of the Governments of Punjab, Sindh, NWFP and Balochistan for 2002-03.
- iii) Budget books of the Government of AJ&K for 2002-03.
- iv) Official communications from various Federal Ministries / Divisions addressed to the Ministry of Education.

In the year 2002-03 the revised GDP (MP) amounted to Rs. 4822 billion. The public sector allocation for education amounts to 2.09% of the revised GDP.

## Financing of Education in the Public Sector 2003-04

			· .
Federal Governments	Current	Development	Total
Ministry of Education	1408.537	3107.102	4515.639
Higher Education Commission	5305.647	4477.613	9783.260
Federal Government Education Institution in Cantonments & Garrisons	788.267	59.258	847.525
Federally Administered Tribal Areas	1595.722	518.533	2114.255
Federally Administered Northern Areas	464.135	304.504	768.639
AJ&K	2510.000	375.000	2885.000
Federal Government Special Education Institutions (Social Welfare & Special Education Division)	189.825	105.925	295.750
Cabinet Division	14.960	0.000	14.960
Establishment Division	49.728	0.000	49.728
Youth Affairs Division	0.000	145.412	145.412
IT & Telecom Division	0.000	576.818	576.818
Ministry of Scientific & Technological Research	0.000	65.892	65.892
Ministry of Women Development (Nutrition Support Program for girls in primary schools)	0.000	700.000	700.000
Ministry of Interior	3.637	0.000	3.637
Defence Division (Pak Army, PN, PAF)	1409.185	0.000	1409.185
Ministry of Health	2.743	0.000	2.743
Industries & Production Division	149.915	0.000	149.915
Ministry of Labor, Manpower & Overseas Pakistanis	564.226	0.000	564.226
Zakat & Ushr Division	1939.429	0.000	1939.429
Ministry of Petroleum & Natural Resources	4.040	0.000	4.040

Ministry of Railways	66.681	0.000	66.681
Ministry of Water & Power	120.972	0.000	120.972
Communication Division	34.046	0.000	34.046
NCHD	277.000	0.000	277.000
Pakistan Bait-ul-Mal	129.200	0.000	129.200
TOTAL (Federal)	17027.895	10436.057	27463.952

Provincial Governments			
Government of Punjab	4435.233	6188.247	10623.480
Government of Sindh	3174.501	463.740	3638.241
Government of NWFP	1358.641	2660.595	4019.236
Government of Balochistan	1904.510	1457.997	3362.507
Total (Provinces)	10872.885	10770.579	21643.464

District Governments			
Punjab	34051.975	7826.660	41878.635
Sindh	18298.821	864.156	19162.977
NWFP	10002.497	20.337	10022.834
Balochistan	4083.053	19.561	4102.614
<b>Total District Governments</b>	66436.346	8730.714	75167.060
Total Provinces & District Governments	77309.231	19501.293	96810.524
Grand Total Federal, Provincial & District Governments	94337.126	29937.350	124274.476

- i) Details of Demands for Grants and Appropriations 2003-04, Government of Pakistan, Finance Division, Islamabad.
- ii) Budget books of the Governments of Punjab, Sindh, NWFP and Balochistan for 2003-04.
- iii) Budget books of the Government of AJ&K for 2003-04.
- iv) Official communications from various Federal Ministries / Divisions addressed to the Ministry of Education.
- v) Official communications from the District Governments to the Ministry of Education.

In the year 2003-04 the revised GDP (MP) amounted to Rs. 5640 billion. The public sector allocation for education amounts to 2.20% of the revised GDP.

## Financing of Education in the Public Sector 2004-05

			(RS. In million)
Federal Governments	Current	Development	Total
Ministry of Education	236.545	1756.857	1993.402
Higher Education Commission	7045.608	9104.436	16150.044
Federal Government Educational Institutions in ICT	1297.921	450.590	1748.511
Federal Government Education Institutions in Cantonments & Garrisons	887.55	56.636	944.186
Federally Administered Tribal Areas	1764.795	884.062	2648.857
Federally Administered Northern Areas	674.369	361.068	1035.437
AJ&K	3250.900	534.198	3785.098
Federal Government Special Education Institutions (Social Welfare & Special Education Division)	208.426	215.352	423.778
Cabinet Division	16.210	4.000	20.210
Establishment Division	48.546	000.000	48.546
Youth Affairs Division	000.000	294.848	294.848
Ministry of Scientific & Technological Research	000.000	72.275	72.275
Ministry of Women Development (Nutrition Support Program for girls in primary schools)	000.000	300.000	300.000
Defence Division (Pak Army, PN, PAF, Cantt Boards)	1480.000	000.000	1480.000
Ministry of Health	4.184	000.000	4.184
Ministry of Water & Power	125.087	000.000	125.087
Ministry of Railways	41.240	000.000	41.240
Ministry of Interior	3.840	000.000	3.840
Ministry of Petroleum & Natural Resources	4.308	000.000	4.308
Ministry of Industries & Production	206.243	000.000	206.243

Ministry of Communications	32.869	000.000	32.869
Ministry of Labour & Manpower	492.420	000.000	492.420
IT & Telecom Division	42.716	000.000	42.716
Zakat & Ushr Division	1938.944	000.000	1938.944
Pakistan Baitul Mal	208.975	000.000	208.975
TOTAL (Federal)	20011.696	14034.322	34046.018

Provincial Governments			
Government of Punjab	5596.973	8391.197	13988.170
Government of Sindh	2120.625	660.000	2780.625
Government of NWFP	1426.253	3545.189	4971.442
Government of Balochistan	1184.579	1879.164	3063.743
Total (Provinces)	10328.430	14475.550	24803.980

District Governments			
Punjab	38477.328	2843.984	41321.312
Sindh	21120.971	1563.040	22684.011
NWFP	11854.712	248.911	12103.623
Balochistan	4840.257	168.800	5009.057
<b>Total District Governments</b>	76293.268	4824.735	81118.003
<b>Total Provinces &amp; District Governments</b>	86621.698	19300.285	105921.983
Grand Total Federal, Provincial & District Governments	106633.394	33334.607	139968.001

- i) Details of Demands for Grants and Appropriations 2004-05, Government of Pakistan, Finance Division, Islamabad.
- ii) Budget books of the Governments of Punjab, Sindh, NWFP and Balochistan for 2004-05.
- iii) Budget books of the Government of AJ&K for 2004-05.
- iv) Official communications from various Federal Ministries / Divisions addressed to the Ministry of Education.
- v) Official communications from the District Governments to the Ministry of Education.

In the year 2004-05 the revised GDP (MP) amounted to Rs. 6581 billion. The public sector allocation for education amounts to 2.12% of the revised GDP.

## Financing of Education in the Public Sector 2005-06

Federal Governments	Current	Development	Total
Ministry of Education	2282.813	4520.522	6803.335
Higher Education Commission	10493.412	11700.000	22193.412
Federal Government Education Institutions in Cantonments & Garrisons	1027.697	32.862	1060.559
Federally Administered Tribal Areas	2079.491	1300.000	3379.491
Federally Administered Northern Areas	656.482	323.840	980.322
AJ&K	3362.400	390.000	3752.400
Federal Government Special Education Institutions (Social Welfare & Special Education Division)	238.971	782.596	1021.567
Cabinet Division	17.488		17.488
Establishment Division	52.836		52.836
Youth Affairs Division		301.465	301.465
Ministry of Scientific & Technological Research		144.814	144.814
Ministry of Women Development		8.100	8.100
Defence Division (Pak Army, PN, PAF, Cantt Boards)	1332.889		1332.889
Ministry of Health	4.602		4.602
Ministry of Water & Power	147.122		147.122
Ministry of Railways	17.018		17.018
Ministry of Interior (CDA)	5.028		5.028
Ministry of Petroleum & Natural Resources	40.555	8.349	48.904
Ministry of Industries & Production	199.093		199.093
Ministry of Communications	46.254		46.254
Ministry of Labour & Manpower	541.662		541.662

IT & Telecom Division	245.956		245.956
Ministry of Religious Affairs	1937.715		1937.715
Pakistan Baitul Mal	229.872		229.872
National Commission for Human Development (NCHD)	1042.238		1042.238
Overseas Pakistanis Division	1.861		1.861
TOTAL (Federal)	26003.455	19512.548	45516.003

Provincial Governments			
Government of Punjab	6188.189	9256.536	15444.725
Government of Sindh	4558.969	1018.088	5577.057
Government of NWFP	1438.306	3192.623	4630.929
Government of Balochistan	1368.051	1990.581	3358.632
Total (Provinces)	13553.515	15457.828	29011.343

District Governments			
Punjab	45935.320	4679.688	50615.008
Sindh	23944.434	1408.641	25353.075
NWFP	13387.535	695.533	14083.068
Balochistan	6032.200	98.076	6130.276
<b>Total District Governments</b>	89299.489	6881.938	96181.427
<b>Total Provinces &amp; District Governments</b>	102853.004	22339.766	125192.770
Grand Total Federal, Provincial & District Governments	128856.459	41852.314	170708.773

- i) Details of Demands for Grants and Appropriations 2005-06, Government of Pakistan, Finance Division, Islamabad.
- ii) Budget books of the Governments of Punjab, Sindh, NWFP and Balochistan for 2005-06.
- iii) Budget books of the Government of AJ&K for 2005-06.
- iv) Official communications from various Federal Ministries / Divisions addressed to the Ministry of Education.
- v) Official communications from the District Governments to the Ministry of Education.

In the year 2005-06 the provisional GDP (MP) has been placed at Rs. 7713 billion. The public sector allocation for education amounts to 2.21% of the provisional GDP.

#### **Financing of Education in the Public Sector**

**2006-07** 

Federal Governments	Current	Development	Total
Ministry of Education	2996.184	6560.258	9556.442
Higher Education Commission	11280.386	16300.000	27580.386
Federal Government Education Institutions in Cantonments & Garrisons	1151.794	23.060	1174.854
Federally Administered Tribal Areas	2420.485	1300.000	3720.485
Federally Administered Northern Areas	803.650	594.866	1398.516
AJ&K	4086.655	550.000	4636.655
Social Welfare & Special Education Division (DG SE and PBM)	497.216	173.536	670.752
Cabinet Division	19.897	0.400	20.297
Establishment Division	65.652		65.652
Culture and Sports Division		129.000	129.000
Ministry of Scientific & Technological Research		117.689	117.689
Ministry of Health	7.559		7.559
IT & Telecom Division	236.871	81.861	318.732
Ministry of Religious Affairs	2153.596		2153.596
Ministry of Water & Power	152.673		152.673
Ministry of Communications	48.566		48.566
Ministry of Interior (CDA)	7.404		7.404
National Commission for Human Dev.	1657.993		1657.993
Ministry of Defence (ML&C)	44.316		44.316
Ministry of Petroleum and Natural Resources (PMDC)	7.011		7.011
Ministry of Labour and Manpower	504.999		504.999
Overseas Pakistanis Division	250.000		250.000
Ministry of Industries and Production	248.642		248.642
Ministry of Railways	51.418		51.418
TOTAL	28692.967	25830.670	54523.637

#### **Explanatory notes:**

Data is incomplete in respect of the following Ministries:

- i) Ministry of Defence
- ii) Ministry of Communication
- iii) Minisry of Petroleum & Natural Resource.

Provincial Governments			
Government of Punjab	17370.187	13230.000	30600.187
Government of Sindh	11761.075	1471.885	13232.960
Government of NWFP	1939.866	4460.420	6400.286
Government of Balochistan	1233.367	1957.716	3191.083
Total (Provinces)	32304.495	21120.021	53424.516

<b>District Governments</b>			
Punjab	50603.659	5919.294	56522.953
Sindh	24425.063	2559.018	26984.081
NWFP	16870.177	846.904	17717.081
Balochistan	7029.243	316.548	7345.791
Total District Governments	98928.142	9641.764	108569.906
Total Provinces & District Governments	131232.637	30761.785	161994.422
Grand Total Federal, Provincial & District Governments	159925.604	56592.455	216518.059

Balochistan: Data is provisional for 5 Districts. NWFP: Data is provisional for 2 Districts.

Source:

- i) Details of Demands for Grants and Appropriations 2006-07, Government of Pakistan, Finance Division, Islamabad.
- ii) Budget books of the Governments of Punjab, Sindh, NWFP and Balochistan for 2006-07.
- iii) Budget books of the Government of AJ&K for 2006-07.
- iv) Official communications from various Federal Ministries / Divisions addressed to the Ministry of Education.
- v) Official communications from the District Governments to the Ministry of Education.

In the year 2006-07 the provisional GDP (MP) has been placed at Rs. 8706 billion. The public sector allocation for education amounts to 2.49% of the provisional GDP.