

# **Financial Implications of Article 25-A:**

## **Case Study of Punjab**

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## Financial Implications of Article 25-A: Case Study of Punjab

### 1.0 Introduction

Since inception, education has always been acknowledged as a basic right of citizens of Pakistan in all the constitutions. Later, different policy documents<sup>1</sup> also recognized the importance of universal education as a fundamental right. Nevertheless, it was not a legal right of the citizens as previous governments only accepted/documentated it as a basic right and did not provide for provision of free education to all. However, with passage of Eighteenth Constitutional Amendment, free and compulsory education for the children of 5-16 years of age group has been accepted as statutory fundamental right by inserting Article 25-A<sup>2</sup> in the Constitution.

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*”.

Therefore, the rationale for 25-A is the provision of “quality education for free”. But still, it leaves a scope for debate as it has been made conditional to the manner determined by law. Therefore, inclusion of Article 25-A in the Constitution provides an opportunity for achievement of EFA and MDG goals while reflecting on implementation prospects of Article 25-A. For this purpose, the state needs to delve deep and come up with a workable plan on the basis of serious reflections on the financial, legal, and technical implications of the commitment meted out through Article 25-A.

In this context, present section of the study attempts to calculate the financial resources required to implement the newly inserted Article 25-A. For this, the case of Punjab has been taken to generate estimates for the financial resources that are required to meet the constitutional obligation.

### 2.0 Compliance with 25-A: Challenges Ahead

The total estimated population of the Punjab province was 90.515 million in 2009, which is 55.6% of total population of Pakistan. Around 48.4% (i.e. 43.774 millions) population of

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<sup>1</sup> Since the First National Education Conference there have been a total of 10 policy documents on Education; 1) Report of the Pakistan National Educational Conference-1947, 2) Report of the Second Pakistan Educational Conference-1951, 3) Report of the National Commission on Education-1959, 4) Report of the Commission on Students Problems and Welfare-1966, 5) Proposals for New Education Policy-1969, 6) New Education Policy-1970, 7) Education Policy-1972-78, 8) National Education Policy-1979, 9) National Education Policy-1992, 10) National Education Policy-1998-2010, 11) National Education Policy 2009

<sup>2</sup> **25-A: Right to education:** “*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*”

Punjab province comprises females. The province has a total area of 2, 05,344 Sq.Km, with the average population density of 441 persons per Sq.Km. According to PSLM, 2008-09 literacy rate of the province (10 years and above) is 59% (male 69% and female 50%). Currently, Punjab is confronted with serious challenges in terms of enrolment in including NER and GER, number of teachers, teacher training, non-teaching staff, infrastructure including classrooms, schools, basic facilities, etc. A detailed description of educational situation of Punjab is given hereafter:

## 2.1 Enrolment Rate 5-16 (ER 5-16)

At present, the GER of the province is 91% at primary level, 50% at middle level, and 34% at secondary level. Table 1 provides stage and gender-wise GER of the province.

**Table 1: Stage-wise Gross Participation/ Enrolment Rate 2009-10<sup>3</sup>**

| Stage/ Age-group                     | Population <sup>4</sup> (in #) | Enrolment <sup>5</sup> (in #) | GER <sup>6</sup> (in %) |
|--------------------------------------|--------------------------------|-------------------------------|-------------------------|
| <b>Primary<sup>7</sup> (5-9)</b>     |                                |                               |                         |
| <b>Total</b>                         | <b>9,821,589</b>               | <b>8,963,209</b>              | <b>91</b>               |
| Male                                 | 5,133,632                      | 4,747,696                     | 92                      |
| Female                               | 4,687,957                      | 4,215,513                     | 92                      |
| <b>Middle<sup>8</sup> (10-12)</b>    |                                |                               |                         |
| <b>Total</b>                         | <b>6,271,138</b>               | <b>3,855,574</b>              | <b>50</b>               |
| Male                                 | 3,246,825                      | 1,696,466                     | 52                      |
| Female                               | 3,024,313                      | 1,450,488                     | 48                      |
| <b>Secondary<sup>9</sup> (13-14)</b> |                                |                               |                         |
| <b>Total</b>                         | <b>4,320,851</b>               | <b>2,262,040</b>              | <b>34</b>               |
| <b>Male</b>                          | 2,219,210                      | 836,892                       | 38                      |
| <b>Female</b>                        | 2,101,641                      | 630,652                       | 30                      |

Data indicates that girls, when compared with boys, lag behind by 11% at primary level, 4% at middle stage and 14% at secondary stage. The overall difference of GER from primary to middle stage is 41% and from middle to secondary level is 16%. These variations indicate that level-

<sup>3</sup> PMIU Data

<sup>4</sup> Calculated from National Institute of Population Studies Estimates

<sup>5</sup> PMIU Data 2009 and NEMIS (For Private and Other Public)

<sup>6</sup> Definition: Total enrolment in a specific level of education, regardless of age, expressed as a percentage of the eligible official school-age population corresponding to the same level of education in a given school year.

Calculation Method: Divide the number of students enrolled in a given level of education regardless of age by the population of the age-group which officially correspond to the given level of education, and multiply the result by 100.

<sup>7</sup> Primary level/ stage means Class-I-V.

<sup>8</sup> Middle level/ stage means Class VI-VIII

<sup>9</sup> Secondary level/ stage means Class IX-X

wise drop-out rate consistently increases to the next level and is required to be minimized through improving the quality of instruction and access to continuing education facilities. (Table 1)

## 2.2 Net Enrolment Rate (NER)

The NER is 60% in Punjab, which is more for boys' vis-à-vis girls at primary, middle, and secondary levels of education. (Table 2)

**Table 2: Net Enrolment Rate (NER) 2009-10**

|                        | 2009-10 |
|------------------------|---------|
| <b>NER</b>             | 60%     |
| <b>Primary Stage</b>   |         |
| Boys                   | 64%     |
| Girls                  | 60%     |
| <b>Middle Stage</b>    |         |
| Boys                   | 23%     |
| Girls                  | 21%     |
| <b>Secondary Stage</b> |         |
| Boys                   | 14%     |
| Girls                  | 13%     |

Source: PSLM, 2009-10

## 2.3 Out of School Children of 5-16 Year Age Group

Estimated population of 5-9 years age-group in 2009 by NIPS was 9.822 million including 4.688 millions girls. On the basis of past trend of NER at primary stage, it has been found that 3.73 millions kids of 5-9 year age-group were out of school.

According to PSLM (2008-09) in Punjab province, 61% population (71% male and 51% female) of 10+ age group attended school in 2007-08. This indicates that 39% of 10+ populations either dropped-out or never attended the school. When analyzed by gender, the population (10+ age group) that never attended school comes to 29% for male population and 49% for female population.

## 2.4 Number of Schools

Statistics indicates a sharp decrease in number of public sector schools at middle, secondary, and higher secondary levels of education for both boys and girls. These are the areas which require particular attention of the government while gearing towards achieving the targets under the article-25.A. A gender-disaggregated analysis highlights that more number of schools are

available for girls than boys at primary and middle levels of education. However, the number of girls' schools decreases at higher levels of education (Table 3)

**Table 3: Number of Public Sector Schools by level and gender in 2009-10<sup>10</sup>**

| Gender       | Mosque <sup>11</sup><br>Schools | Primary <sup>12</sup><br>Schools | Middle <sup>13</sup><br>Schools | Secondary <sup>14</sup><br>Schools | Higher <sup>15</sup> Sec.<br>Schools | Total<br>Schools |
|--------------|---------------------------------|----------------------------------|---------------------------------|------------------------------------|--------------------------------------|------------------|
| Boys         | 3,285                           | 21,912                           | 3,163                           | 2,974                              | 246                                  | 31,580           |
| Girls        | 57                              | 22,058                           | 4,371                           | 1,865                              | 231                                  | 28,582           |
| <b>Total</b> | <b>3,342</b>                    | <b>43,970</b>                    | <b>7,534</b>                    | <b>4,839</b>                       | <b>477</b>                           | <b>60,162</b>    |

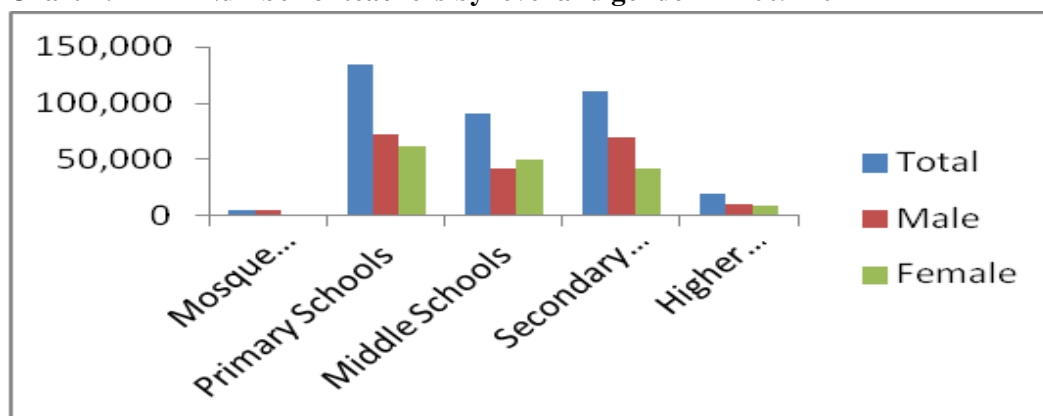
Source: PMIU Data

It can be concluded from the table-2 above that for every boy's middle school there are 7 feeding primary schools and for girls this ratio is 1:5.

## 2.5 Number of Teachers

Data shows that number of teachers decreases at higher levels of education. A gender-disaggregated analysis indicates that there is more number of male teachers' vis-à-vis female teachers at all levels of education except middle level where female teachers outnumber male teachers. (Chart 1)

**Chart 1: Number of teachers by level and gender in 2009-10<sup>16</sup>**



<sup>10</sup> PMIU 2009

<sup>11</sup> Mosque schools offer pre-primary and primary level education.

<sup>12</sup> Primary schools offer pre-primary and primary level education.

<sup>13</sup> Middle schools offer middle level education (majority of the middle schools in the province of Punjab have the pre-primary and primary sections as well)

<sup>14</sup> Secondary schools offer education from class VI to X (majority of the secondary schools have the primary section also).

<sup>15</sup> Higher Secondary schools offer education from class VI to XII.

<sup>16</sup> PMIU 2009

Data also indicates that on average there are: 1.5 teachers in each mosque school, 3 in each primary school, and 12 in a middle school. Likewise, there are 23 teachers in a secondary school and 40 in a higher secondary school on the average.

## 2.6 Missing Facilities

In total, 1.7% schools are shelter-less, 3.1% schools have dangerous buildings, 18.8% schools are without boundary walls, 12% schools do not have water facility, 19.1% schools are without toilet blocks, and 38% schools are without electricity in Punjab. Data presents serious challenges of physical infrastructure at primary level of education where higher numbers of schools do not have boundary walls, building, electricity, toilet blocks, and drinking water facility. (Table 4)

**Table 4: Missing Facilities 2009-10**

| Missing Facilities    | Mosque Schools | Primary Schools | Middle Schools | Secondary Schools |
|-----------------------|----------------|-----------------|----------------|-------------------|
| Without Boundary wall | 1952 (58%)     | 8225 (19%)      | 560 (7%)       | 452 (9%)          |
| Without Building      | 490 (15%)      | 495 (1%)        | 5 (0.07%)      | 1 (0.02%)         |
| Dangerous Building    | 205 (6%)       | 1508 (3%)       | 74 (1%)        | 67 (1%)           |
| Electricity           | 2425 (73%)     | 19288 (44%)     | 879 (12%)      | 99 (2%)           |
| Toilet Block          | 1914 (57%)     | 8759 (20%)      | 410 (5%)       | 330 (7%)          |
| Drinking Water        | 1223 (37%)     | 5515 (13%)      | 291 (4%)       | 101 (2%)          |
| <b>Total</b>          | <b>8209</b>    | <b>43790</b>    | <b>2219</b>    | <b>1050</b>       |

Source: PMIU Data

## 3.0 Analysis of Education Budget

In order to generate estimates of budget required to achieve target set in Article 25-A, it is essential to understand the current pattern of budgetary allocations and spending and on education at district and provincial levels. Hence, analysis of education budget of districts and the province, for fiscal year (FY) 2009-10, is presented hereafter.

Like all other provinces the education budget in Punjab is allocated at two levels i.e. provincial and district. During the FY 2009-10, district and provincial education budget was Rs.112, 717.86 million, comprising Rs.86,999.67 million current budget and Rs.25,718.19 million for development budget. In FY 2010-11, Government of Punjab allocated Rs.130, 926.04 million to education sector, which includes 85% current budget and 15% development budget. (Table 5)

**Table 5: Total Education Budget (Provincial and District) Current and Development**

|  | 2009-10           | 2010-11           |
|--|-------------------|-------------------|
| <b>School Education Budget (Provincial + District)</b> | <b>112,717.86</b> | <b>130,926.04</b> |
| Current Budget   | 86,999.67         | 110,752.20        |
| Development (School Education)                         | 25,718.19         | 20,173.84         |

Out of total budget of the province, Government of Punjab allocated Rs.27, 374.71 million to education sector in FY 2010-11, which comprises 51% current budget and 49% development budget. As compared to FY 2009-10, current budget increased by 29% and development budget increased by 2% only. (Table 6)

**Table 6: Allocation Trend (Provincial Budget) Current and Development Budgets**

| Year    | Current     |            | Development |            |
|---------|-------------|------------|-------------|------------|
|         | Rs. Million | Change (%) | Rs. Million | Change (%) |
| 2007-08 | 21,754.57   |            | 20,303.26   |            |
| 2008-09 | 22,521.63   | 4          | 30,078.00   | 48         |
| 2009-10 | 21,267.17   | -6         | 26,125.00   | -13        |
| 2010-11 | 27,374.71   | 29         | 26,597.42   | 2          |

Source: ISAPS Calculation from Punjab Budgets 2008-09 to 2010-11

Moreover, the share of current and development budgets in the overall education budget of Punjab has been fluctuating significantly, which underscores the need for steady increase in allocations under different budgetary lines to achieve the targets set in Article 25-A.

At district level, in FY 2009-10, Rs.88, 440.42 million were allocated for education, which included Rs.79, 320.19 million current budget and Rs.9, 120.05 million development budget. However, in the current FY 2010-11, the education budget of districts has decreased by 20% over the last year's budget, whereas development budget was reduced by 62% (Table 7)

**Table 7: Allocation Trend (District Education) Current and Development Budgets**

| Year    | Current     |            | Development |            | Total District Education Budget |            |
|---------|-------------|------------|-------------|------------|---------------------------------|------------|
|         | Rs. Million | Change (%) | Rs. Million | Change (%) | Rs. Million                     | Change (%) |
| 2009-10 | 79,320.19   |            | 9,120.05    |            | 88,440.24                       |            |
| 2010-11 | 102,370.19  | +29%       | 3,493.05    | -62%       | 105,863.24                      | -20%       |

Source: I-SAPS calculations from Budget Books



## 4.0 Financial Resources Estimation for Article 25-A

In this section, financial resources have been estimated for achieving objectives of Article 25-A. While estimating following questions and their respective service ratios as practiced in Punjab has been used.

1. What would be the unit cost per student per year after inclusion of out of school children in the education system?
2. How many teachers need to be recruited and what would it cost?
3. How many teachers need to be trained and what would it cost?
4. How many non-teaching staff is required and what would it cost?
5. How many schools and classrooms are required and what would it cost?
6. What would it cost to provide missing facilities in all the schools?

### 4.1 Data Sets

In order to calculate estimates for 25-A, three types of statistical data sets have been used, which include:

1. Programme Management and Implementation Unit (PMIU) Data base
2. National Education Management Information System (NEMIS)
3. Pakistan Social Living and Standards Measurement Survey (PSLM)

The reason for using three different datasets stems from the fact that none of the available datasets provides statistics for all required indicators. For example, the NER data has been taken from PSLM for the reason that NER cannot be calculated without conducting a household survey and PSLM is the only data source that conducts household survey. Similarly, stage/level-wise enrollment data for the public, private, and other public sector (Cantt. & Garrison, PAF, Pakistan Railway, etc) institution has been taken from the NEMIS report as it was not available in the PMIU database

### 4.2 Methodology and Variables

- a. Estimated financial requirement for compliance with 25-A has been calculated assuming that all 5-16 years old children would be attending school, and education would be available free to all children up to 10<sup>th</sup> grade. For generation of estimates, year 2009-10 has been taken as base year and estimations have been projected for the next 15 years, i.e., till 2024-25. Therefore, current statistical data and budgetary information was collected and analyzed to

grasp the current state of education in the Punjab province. On the basis of the current situation, projections have been made for the next 15 years<sup>17</sup>.

- b. The Gross Enrollment Rate (GER) for 2009 has been calculated on the basis of PMIU. Stage/ level-wise enrollment data for the public sector schools, the stage/ level-wise enrollment data for private and other public sector (Cantt. & Garrison, PAF, Pakistan Railway, etc.) institution has been taken from the NEMIS report. The population data (from 2009-23) was taken from the NIPS. The projections have been made accordingly on the basis of improving the class wise transition rates (calculated for the public sector only). The data for the Net Enrollment Rate (NER) has been taken from the PSLM report for the base year.
- c. Survival and Dropout Rates have been calculated from the NEMIS reports of 2000 onwards as PMIU data for the same period was not available. Number of out of school children of 5-9 year age group for the base year has been calculated on the basis of NER data provided in the PSLM and for next 15 years it has been projected on the basis of enrollments and population figures.
- d. Establishment of new primary schools has been calculated to accommodate the additional enrolment, out-of-school children (those who are not going to school due to lack of access), and to improve the access at this stage.
- e. Number of schools by level for the year 2009 is taken from the PMIU data, and for the years to come, it has been calculated on the basis of need and access. The average number of students in one school for 2009 is calculated from PMIU data, and projection has been made accordingly. Up-gradation of the school from one level to the next is calculated to accommodate the stage-wise additional enrollment and in improving the access to continuing education facilities.
- f. The ratio between Primary and Middle/ Elementary School is 6.3 Primary Schools feed into 1 (One) Middle School after working out the number of schools to be up-graded, its ratio will become 5.74:1 in 2014-15, 4.65:1 in 2019-20 and 4:1 in 2023-24.
- g. The ratio between Middle/ Elementary School and Secondary school is 1.56 Middle Schools for 1 (One) High School after working out the number of schools to be up-graded, its ratio will become 1.41:1 in 2014-15, and 1.29:1 in 2023-24.

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<sup>17</sup> The baseline of 15 years has been selected on the basis of inputs from the Provincial Education Departments. Moreover a minimum time period of 10 years was suggested during the deliberations of the constitution commission.

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- h. The ratio between Middle/ Elementary School and Secondary school was 1.56 Middle Schools have 1 (One) High School after working out the number of schools to be up-graded, its ratio will become 1.41: in 2014-15, and 1.29:1 in 2023-24
  - i. As for the private sector is concerned, the contribution rate has been maintained as of base year i.e., 40%. It has not been costed owing to the absence of policy on financing private schools.
  - j. Number of classrooms has been calculated from PMIU data. The required additional classrooms have been worked out to accommodate the prescribed policy of forty students per classroom (40:1). The classrooms being added through establishment of new schools and up-gradation of existing schools has been considered while estimating the requirement of additional classrooms.
  - k. The requirement of new teachers has been worked out from PMIU data. Student-teacher ratio at school level for 2009 has been calculated from the PMIU data and projected accordingly as per policy, The demand of additional teachers is calculated on the basis of improved Student-Teacher Ratio from 34:1 in 2009 to 33:1 in 2014-15, 32:1 in 2019-20 and 40:1 in 2024-25.
  - l. For calculating the ratio for teaching and non-teaching staff, the data has been taken form PMIU. The data for the non-teaching staff members are for those who are working in schools. The data for the non-teaching staff working at district and provincial level was not available, therefore have not been factored in.
  - m. The ratio for teaching and non-teaching staff has been calculated as 4.5 teachers for 1 non-teaching staff.
  - n. The School Council, free textbooks, and stipend cost has been worked out from the budget books of Government of Punjab, Finance department, for the year 2010-2011. The required budget estimates for the years to come have been calculated on the basis of constant unit cost.
  - o. The inflation rate for 2009-10 was taken from the Economic Survey of Pakistan and this rate has been kept constant for projections.
  - p. The benchmarks and assumptions have been established on the basis of service ratios of government of Punjab. For example, service ratio of government of Punjab for student teacher ratio is 40:1.

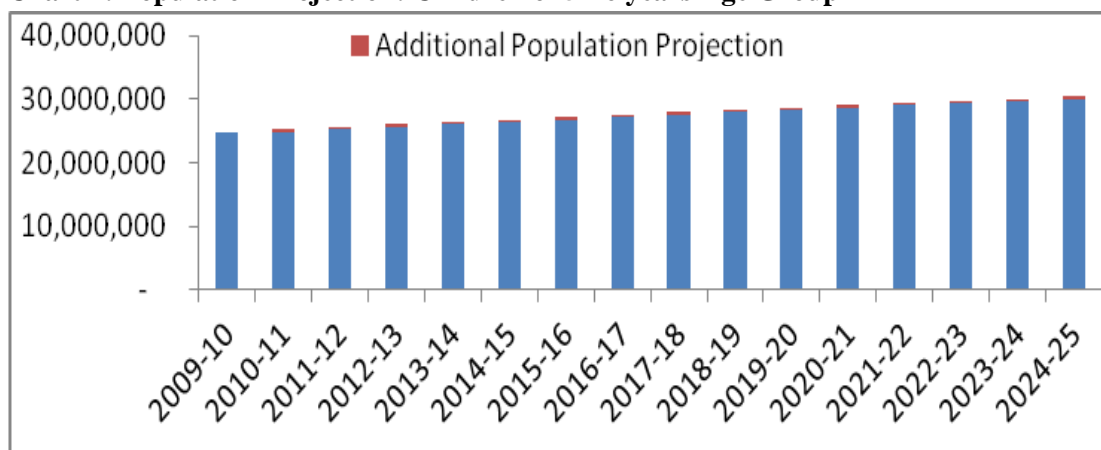
- q. Costing has been done using government rates and unit costs. For example, for addition/construction of new schools, construction rate of government has been used. Therefore, any change in service ratio would affect the costing of projections. If we want to make system work more efficiently by changing the service ratio, then financial resources need to be recalculated. Moreover, further improvement in the system to enhance quality of education or expanding the definition and scope of 'free education' would mean additional money, which would require recalculation of financial estimates.
- r. All employee-related expenses have been increased by 6% annually on average. This average has been calculated in accordance with the existing government policy of increments on basic pay scales. For example, average salary of school teachers has been calculated from the district budgets. It has been projected for the next 15 years according to number of teachers being added every year and increasing their average annual salary by 6%. Non-salary expenses for schools have been calculated on the constant rate in the years to come.
- s. Inefficiency cost has not been calculated. For example, currently teaching and non-teaching staff ratio is 4.5:1. The cost of bringing this ratio to international best practice of 10:1 has not been calculated, which can be done for making the system work more efficiently. It is understood that by calculating the inefficiency costs and ridding the system of these costs will improve efficiency of government and will help achieve the compliance with Article 25-A in a more cost effective manner.

### 4.3 Projections

The following section describes achievable targets with affordable costs against a wide range of indicators including population, enrolment, number of teachers, number of schools, infrastructure, basic facilities, unit cost per student, unit cost for professional development, etc.

#### 4.3.1 Population

Projections have been made on the basis of NIPS data, which indicates an annual increase of more than 300,000 (approx.) populations between 5-16 years of age group.

**Chart 2: Population Projection: Children of 5-16 years Age Group**

#### 4.3.2 Enrollment

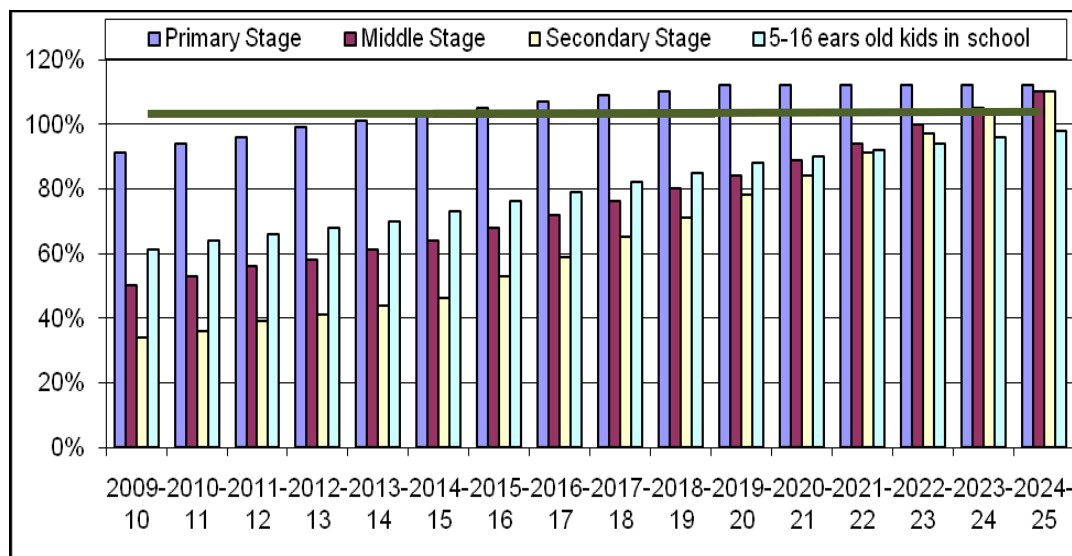
Currently, enrollment rate of 5-16 years old children is 61%. Projections are made to achieve the 98% enrollment of 5-16 years of population by 2024-25. In this case, the projected budget for education elevates to an annual average of 15% to achieve the target in coming 15 years. (Table 8)

**Table 8: Projection**

| Enrolment Rate (5-16)       | Base Year (2009-10)                             | Projection (2024-25) |
|-----------------------------|---|----------------------|
|                             |   | 61%                  |
| Projection                  | Average Annual Increase in Budgetary Allocation |                      |
| Achieving target by 2024-25 | 15%   |                      |

With 15% average annual increase in education budget, Punjab can achieve 98% Net Enrollment Rate (5-16 years age group) till 2024-25. (Chart 3)

**Chart 3: Projected Increase in Enrollment based on GER**



The costs of textbooks, school councils, and stipends would increase due to provision of stipends and free textbooks to more students.

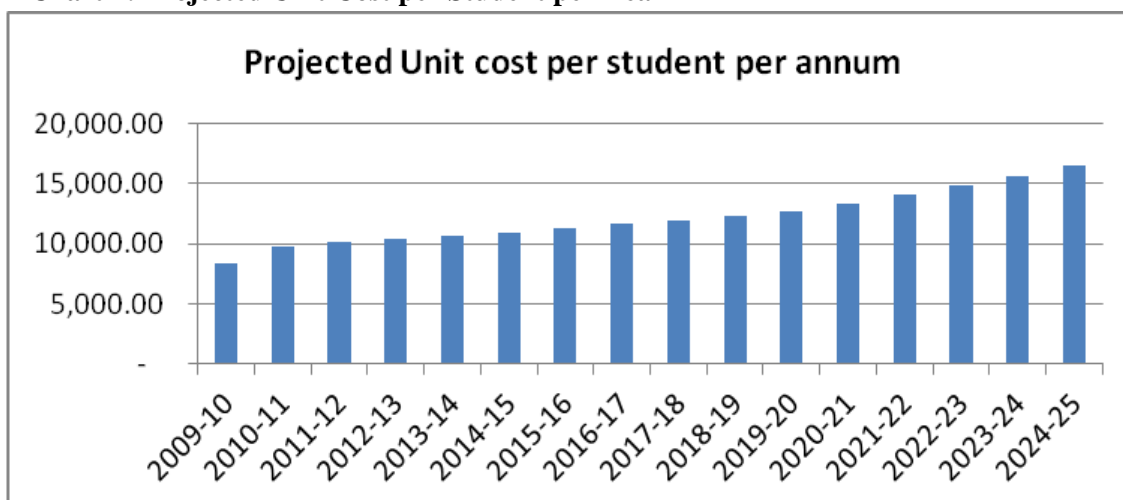
**4.3.3 Unit Cost Per Student Per Year**

It is assumed that owing to increase in salary cost and number of teachers, projection would elevate the unit cost per child per year to the level of Rs.16,078.40 by 2024-25. (Table 9)

**Table 9: Projected Unit Cost Per Student per Year**

|  | Base Year<br>(2009-10) | Projection<br>(2024-25) |
|--|------------------------|-------------------------|
| Unit Cost (Rs. per child per year)*  | 8433.09                | 16,078.40               |
| *At all levels from pre-primary to secondary and includes non-salary costs of administration too |                        |                         |

The projected unit cost per student per year is shown in the chart 4 below:

**Chart 4: Projected Unit Cost per Student per Year**

#### 4.3.4 Classroom Construction

To accommodate additional enrollment and out-of-school children, more classrooms and schools would be required. By taking 2009-10 as base year, projection indicates that 263,184 additional classrooms and 5815 additional schools would be required by 2024-25 to adjust more students in the classrooms. There is also a need to reduce classroom-students ratio to 1:40 in the next 15 years, which is currently 1:44.

**Table 10: Projected Increase in Number of Classrooms and Schools**

| Increase in          | Base Year (2009-10) | Projection (2024-25) |
|----------------------|---------------------|----------------------|
| Number of Classrooms | 236,288             | 499,472              |
| Number of Schools    | 59,685              | 65,500               |

Unit cost is Rs.2.5 million for constructing a building of primary school, Rs.5.01 million for up-gradation of primary to middle school, and Rs.5 million for up-gradation of middle to secondary school. (Source: Punjab Development Budget, 2010-2011).

#### 4.3.5 Basic Facilities

The projection for basic facilities has been made on the assumption that infrastructure backlog and missing facilities will be taken care of approximately within 2 years span. Projection has been worked out for provision of basic facilities in all those schools, which are without basic facilities, with an estimated cost of Rs.11.67 billion by year 2012-13. Once this backlog is taken care of the resources will be used for up-gradation of existing schools and inclusion of new schools in the system.

#### 4.3.6 Teacher Demand and Supply

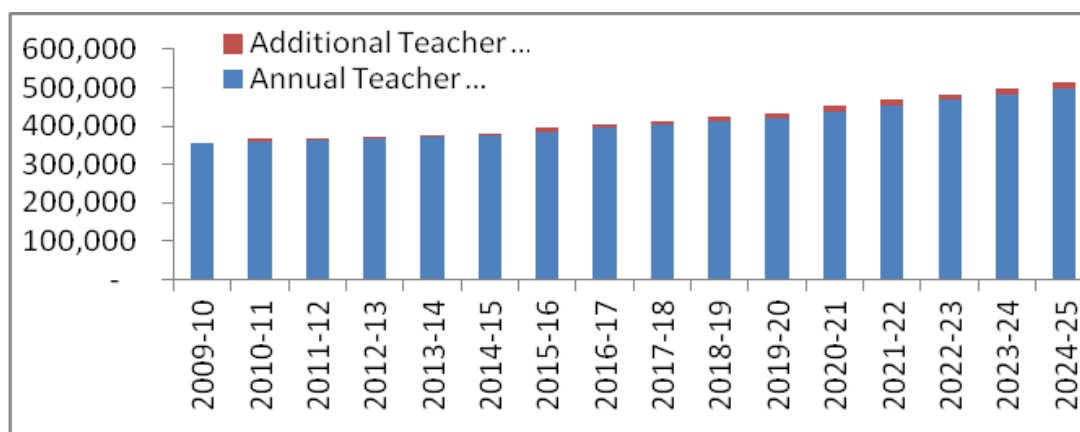
The projection shows a direct proportion between enrolment rate and teacher demand, as increase in enrollment of children would result in an increased demand for teachers. (Table 11) However, availability, recruitment, and training of such a huge human resource in itself are serious challenges for the government.

**Table 11: Projected Increase in Number of Teachers**

| Increase in  | Base Year<br>(2009-10) | Projection<br>(2024-25) |
|--|------------------------|-------------------------|
| Number of Teachers   | 354,607                | 499,472                 |
| Note: The data does not include principal and subject specialist (SS). |                        |                         |

Therefore, for compliance with 25-A in view of government service ratio, 144,865 additional teachers would be required to bring the student-teacher ratio at 40:1 in the next 15 years.

**Chart 5: Annual Teacher Requirement at School Level**



#### 4.3.7 In-Service Teacher Training

In-service teacher training is essential for professional development of teachers and for provision of quality education to students. Punjab has institutionalized the in-service teacher-training programme. For this purpose, finances are being provided through current budget where major part of budget is utilized for salary of trainers. According to projection, Rs.4832.7 per teacher would be required.



### 4.3.8 Teaching-Non-Teaching Staff

The estimations have also encompassed the case of non-teaching staff, which is currently 4.5:1. It means that currently for every 4.5 teachers there is one person available from non-teaching staff. These ratios have been calculated for schools only, and do not include the staff working at district and provincial levels. Cautious estimates indicate that inclusion of non-teaching staff at district and provincial level would take this ratio down further to 3:1.

The same ratio has been maintained in the projection. However, costing can be done if Government of Punjab desires to improve situation by increasing the teaching-non-teaching staff ratio to 10:1. This ratio (10:1) is closer to international best practice and would result in cost saving.

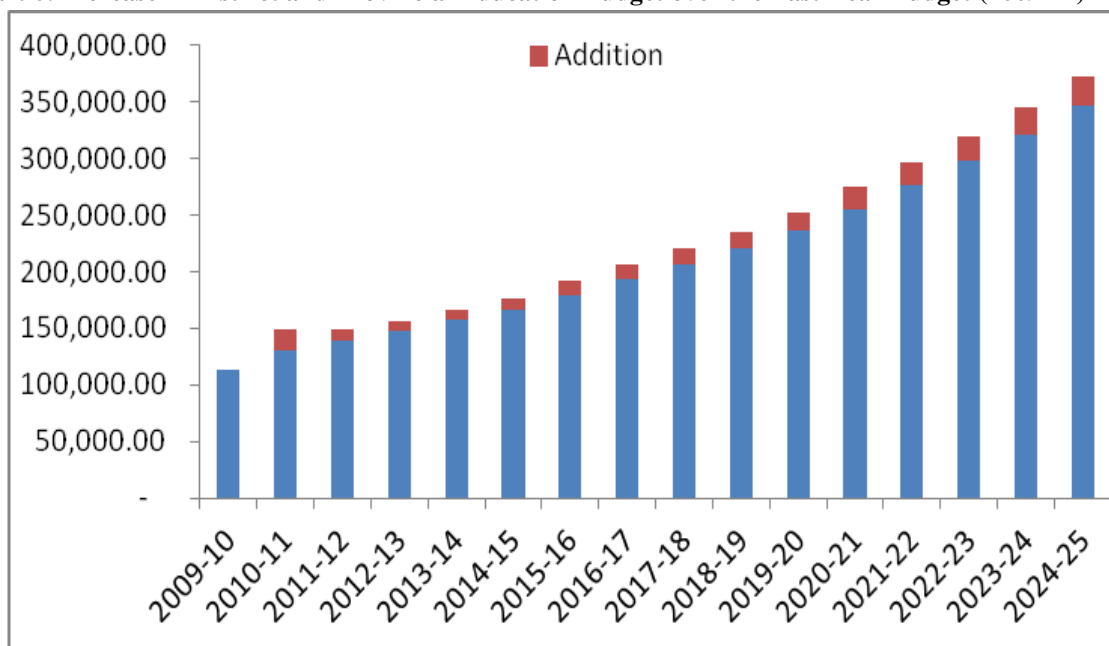
## 4.4 Budget Projections

Estimates indicate that on the whole allocation of Rs.3387.046 billion, with an average increase of 6-8%, will be required under district and provincial education budgets for achieving 98% enrollment rate by 2024-25. This shows that in 2024-25 there will be need to allocate at least an estimated amount of Rs.336, 039.70 million under district and provincial education budgets. (Table 12 and Chart 6)

**Table 12: District and Provincial Education Budget**

|                                   | <b>Base Year<br/>(2009-10)</b> | <b>Projection<br/>(2024-25)</b> |
|-----------------------------------|--------------------------------|---------------------------------|
| Current Budget (Rs. Millions)     | 87037.80                       | 306,305.26                      |
| Development Budget (Rs. Millions) | 25,822.61                      | 29,734.45                       |
| <b>Total</b>                      | <b>112,860.41</b>              | <b>336,039.70</b>               |

With an average increase of 6-8% in the total education budget of the province it is estimated that on average Rs. 225.8 billion will be required each year for next 15 years.

**Chart 6: Increase in District and Provincial Education Budget over the Last Year Budget (2009-24)**

## 5.0 Conclusion

In order to be compliant with the requirement of Article 25-A, the required financial resources are estimated to be Rs.3387 billion for achieving 98% enrolment rate of 5-16 years of population by 2024-25. It includes Rs.3023.78 billion current and Rs.363.26 billion development budgets. On average, a 15% annual increase over the previous years in education budget is required for achieving the targets under 25-A. The achievement of targets is closely linked with the resource absorptive capacity. Various researches have proved that system lacks capacity to efficiently absorb even the available financial resources. This capacity deficit needs to be bridged to effectively manage the additional resources and to seize the opportunities available after the 18<sup>th</sup> Amendment. Provinces should make sector plans and come up with calculations to engage federal government and international partners for additional targets to achieve the target set in Article 25-A.

Inefficiency costs of system have not been calculated in the projections given in this section. If inefficiency cost is calculated and curtailed it will help get rid of the system inefficiency thus ensuring compliance with Article 25-A in a more cost effective manner.