TIME TO DECIDE:

Pakistan is at a critical decision point. “Muddling through” the current economic crisis, and continuing to avoid urgent, fundamental, and long overdue policy shifts will bring major costs and risks. If the political will for once-in-a-generation changes does not materialize, this crisis could “go to waste”, as many have before. The same old pattern of slow development and recurrent crises would be repeated, as climate and other shocks mount in severity and frequency.

Alternatively, the current crisis could be a turning point, if it leads stakeholders and decision makers to realize that the current model of development has failed, leaving a large proportion of the population behind.

At this critical juncture, and as a long-standing partner of Pakistan, the World Bank has a responsibility to recommend a set of fundamental policy shifts that we believe are required to durably change Pakistan’s development course. These policy notes outline required policy shifts and are intended to steer debate and build consensus around the urgent adoption of a new development framework. Recommended policy shifts would require those who have gained from the status quo to give up undue benefits, through eliminating distortions that favor a minority while muting broad-based growth, and mobilizing resources from the wealthy to finance much needed expansions of basic services for those most deprived (including education, health, and access to water). These changes would ultimately benefit all, leading to faster and more sustainable and inclusive growth and development, and allowing Pakistan to realize its potential to reach upper-middle income status by its centennial in 2047.

InVESTMENT IN EDUCATION HAS BEEN LOW, DESPITE A GROWING POPULATION, WHILE INEFFICIENCY AND A LACK OF PRIORITIZATION HAVE MEANT THAT THE LIMITED INVESTMENT IN EDUCATION IS NOT USED EFFECTIVELY. SPECIAL ATTENTION IS NEEDED TO GET GIRLS INTO SCHOOL AND LEARNING. IMMEDIATE ACTIONS SHOULD BE TAKEN TO BUILD SCHOOL CAPACITY (PARTICULARLY FOR GIRLS), PRIORITIZE FOUNDATIONAL SKILLS INCLUDING READING IN ALL SCHOOLS, EMBRACE MULTIGRADING, AND ADOPT DATA DRIVEN DECISIONS. WITHIN THE NEXT FIVE YEARS, PRIORITY ACTIONS ARE TO SUPPORT TEACHERS TO HAVE THE RIGHT SKILLS, INVEST IN EARLY CHILDHOOD EDUCATION, TEACH CHILDREN IN A LANGUAGE THEY UNDERSTAND, AND SIGNIFICANTLY INCREASE THE AMOUNT AND EFFICIENCY OF THE EDUCATION BUDGET. THESE INVESTMENTS WILL PUT PAKISTAN ON THE RIGHT TRACK TO SUBSTANTIALLY REDUCING LEARNING POVERTY WITHIN THE NEXT TEN YEARS.

Sustainable and Resilient Solutions to Pakistan’s Learning Crisis

More than three-quarters of 10-year-old children in Pakistan are unable to read and understand an age-appropriate paragraph — a phenomenon that has been termed Learning Poverty.

Investment in education has been low, despite a growing population, while inefficiency and a lack of prioritization have meant that the limited investment in education is not used effectively. Special attention is needed to get girls into school and learning. Immediate actions should be taken to build school capacity (particularly for girls), prioritize foundational skills including reading in all schools, embrace multigrading, and adopt data driven decisions. Within the next five years, priority actions are to support teachers to have the right skills, invest in early childhood education, teach children in a language they understand, and significantly increase the amount and efficiency of the education budget. These investments will put Pakistan on the right track to substantially reducing Learning Poverty within the next ten years.

The Problem

Pakistan is Facing a Long-standing Learning Crisis

More than three out of every four (78%) of Pakistan’s ten-year old children cannot read and understand a simple text by the age of 10. ‘Learning Poverty’, as this phenomenon is called, is high in Pakistan for two reasons. First, about 20 million children remain out of school. With an estimated 73% of children enrolled in school, Pakistan is behind other countries in the region, and even behind the average low-income country (Figure 1). Second, even when enrolled in school about two-thirds of children do not learn to read with comprehension by the end of primary school primary school.1 These low levels of learning outcomes are evident in subjects such as science and mathematics as well: in the latest internationally comparable data, Pakistan ranked 57 out of 58 participating countries in these subjects.2

Girls in Pakistan face special challenges in their access to and retention in schools. Far more girls (12 million) than boys (8 million) are not in school, particularly because many girls never make it to school. Key challenges for girls’ education include long distances to the nearest school, a lack of (female) teachers, overcrowding in schooling, a lack of adequate, functional toilets at schools, as well as social norms restricting girls’ education. And the challenge keeps increasing as Pakistan’s population continues to grow quickly, in part because girls drop out of school and start having children at an early age.

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1 Minimum proficiency levels are set globally by the Global Alliance for Monitoring of Learning led by the UNESCO Institute of Statistics. [https://gaml.uis.unesco.org](https://gaml.uis.unesco.org)

School closures during COVID-19 pandemic and the 2022 floods have deepened the learning crisis, signaling that the school system remains vulnerable to future shocks. During the COVID-19 pandemic, all schools were closed for 18 months, prompting dropouts and learning losses. One common reason for dropouts was parents’ views that their children would not be able to catch up with learning. And in 2022, over 17,000 schools were damaged by the floods, impacting over 2.6 million enrolled children who were out of school for seven weeks on average.\(^3\) Six months on, one-third of households expected that their children would need to be taken out of school to work.\(^4\) Concerted effort is needed to re-enroll students who have dropped out; and to introduce remedial learning to cover learning losses.\(^5\)

**Pakistan cannot achieve sustained economic growth without addressing the learning crisis.** Pakistan’s Human Capital Index (HCI) value of 0.41\(^6\) is lower than the South Asia average of 0.48, comparable more to Sub-Saharan Africa average (0.40). Increases in human capital, essential for development, cannot be achieved without equitable access to quality education. Education confers a broad range of economic benefits: it helps people get jobs especially in the formal sector; increases people’s incomes and employability, improves economic mobility, and enables families to escape poverty. It also increases individuals’ and families’ resilience to shocks. The skills that students obtain are associated with greater productivity, technology adoption, and innovation, and education – and the skills it confers – contributes to higher growth.

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\(^3\) Government of Pakistan et al., (2022) Pakistan Post-Disaster Needs Assessment (PDNA)


\(^6\) This means that a child born today will only attain 41% of the human capital she could attain by age 18 if she had access to the complete education and full health. This figure does not take into account further loss of human capital from the recent floods.
Returns to schooling are higher for women and are the highest for lower income countries\textsuperscript{7}. However, at the current pace of progress and population growth, it will take Pakistan at least 50 years and 31 years just to enroll all girls and boys into school, respectively\textsuperscript{8}.

### Recommendations

Pakistan has the knowledge and ability to tackle the learning crisis, even if the scale of this problem is large. There are eight key priorities,\textsuperscript{9} four priorities to be addressed in the first year, and four priorities to be addressed within five years.

**First Year Priorities:** (i) increase access to school, especially for girls, (ii) prioritize mandatory reading lessons in all schools, (iii) provide instructional support for multigrading, and (iv) adopt data driven decisions, especially to closely monitor learning outcomes.

1. **Plan to bring every child into school, particularly focusing on girls.** Pakistan has had periods of expanding schooling quickly through the elimination of school fees in the public sector and engaging in public-private partnerships. However, there is still a considerable shortage of schools and classrooms, along with safety risks both enroute to school and in school, especially for girls. Public funds for new classrooms, teachers and schools are needed but remain scarce. As a complementary short-term solution, provinces should continue to scale up public-private partnerships, with clear guidelines on establishing government subsidized low-fee private schools in areas where there are no public schools. Public campaigns to promote enrollment, highlighting the benefits of schooling, have proven to be highly cost-effective. Conditional cash transfers for girls to attend schools have also proven effective for increased enrolment and retention.

2. **Make a daily literacy/reading lesson mandatory in all schools across the country.** The ability to read and comprehend text impacts a student’s learning ability in all other learning areas. Schools therefore need to focus on developing reading skills from the earliest grades, by dedicating at least 90 minutes per day to reading activities, focusing first on teaching children to read, and then on reinforcing reading fluency through routine reading practice. Policy makers can build on initiatives that have proven to work in Pakistan, at scale, like the Pakistan Reading Project,\textsuperscript{10} or the Room-to-Read\textsuperscript{11} project. These projects have shown that all children can learn to read with the right materials and continuous support for teachers.

3. **Recognize the reality of multigrade teaching and provide support to teachers, building on successful experiments that group students by their actual levels of learning.** Many schools do not have enough teachers for every grade. For example, 44% of schools in Sindh have two classrooms or less. This situation is likely to continue for decades, given the growing student population. Teachers need support for multigrade teaching, so that they can target teaching appropriately to students’ needs. This means specific training, appropriate materials, and support that focuses on whether children are learning, not on whether the textbook has been used. Many schools do not have enough teachers for every grade. For example, 44% of schools in Sindh have two classrooms or less, requiring multigrading. This situation is likely to continue for the immediate future, given the growing student population. Teachers need support for multigrade teaching, so that they can target teaching appropriately to students’ needs.

\textsuperscript{7} https://blogs.worldbank.org/education/50-years-after-landmark-study-returns-education-remain-strong

\textsuperscript{8} https://blogs.worldbank.org/education/facing-challenges-girls-education-pakistan

\textsuperscript{9} Beyond education, Pakistan should find ways to tackle its population growth as it requires public services like education to constantly expand to provide coverage for all.

\textsuperscript{10} The Pakistan Reading Project was a USAID-funded project, implemented by all four provinces to help improve reading instruction in public schools.

\textsuperscript{11} The Room-to-Read project is an international project to create low-cost reading material, which has been implemented in Pakistan by ITA to produce low-cost multi-language reading material.
This means specific training, appropriate materials, and support that focuses on whether children are learning, not on whether the textbook has been used. Implementation approaches that group children for all or part of the day based on their learning level rather than their age – referred to as Targeted Instruction or Teach at the Right Level (TaRL) – have proven to be effective and can be adapted to multigrade settings.

4. **Invest in collecting and using data by setting performance targets, particularly to closely track improvements in learning outcomes.** All provinces have established data systems, with regular monitoring of schools by administrators and collection of data for decision making. Some provinces are also introducing unique identifiers for students, so that students can be tracked as they move between grades and public schools. This data needs to be used by administrators at all levels to set targets and to track progress, adapting policy when there is no improvement. Importantly, systems to monitor student learning outcomes need to be improved across all levels and this data used to target support to teachers and schools. At a minimum, foundational learning levels should be assessed across all provinces and at national level at least every two years, in a form that enables comparisons between student groups and tracking of outcomes across years. The recently established Pakistan Institute for Education (PIE) has made strides forward in the measurement of learning outcomes, its data will need to be used by policy-makers to set targets and improve learning levels, while also safeguarding the credibility of data collection efforts.

**Five Year Priorities:** (v) support teachers to have the right skills, (vi) invest in early childhood education, (vi) teach children in a language they understand and (viii) increase the amount and efficiency of the education budget.

5. **Ensure teachers have the right skills and knowledge and are equitably distributed among schools.** Good progress has been made, for instance, by introducing classroom-based teacher coaching\(^\text{12}\), setting targets for districts and schools, and recruiting teachers based on merit. The next steps are to ensure all teachers know the subjects they are teaching and use effective teaching practices, through introducing an objective examination of subject content for new teachers and for re-certification of existing teachers. In addition, transparent rules and expectations on career progression and incentives are needed to ensure adequate teachers are assigned to and teach in rural schools.

6. **Increase the supply of high-quality early children education and parenting programs.** The net enrollment ratio in primary education has been increasing since 2015, but is still at 73%, as many children start school late and are overage for primary school. Even when early childhood education (ECE) is offered in school, rates of enrollment—ranging from 16% in rural areas to 26% in urban areas—mean children are not ready to start school on time. Children in Pakistan who enroll in early childhood education (ECE) are more likely to be developmentally on track at age 3 and 4 than children who never enroll. In Punjab, for instance where the province sets quality standards for ECE and monitors these actively, 74% of children aged 3 and 4 who attended an ECE program were rated as developmentally on track compared with 52% of children not enrolled.

7. **Teach children in a language they understand.** There is strong evidence from Pakistan and around the world that learning should be in a language that students understand best, usually their mother tongue.\(^\text{13}\) Limited comprehension of the language of instruction encourages rote learning, instead of learning for understanding and application. Conversely, learning in the mother tongue provides a more solid foundation to learn multiple languages from an early age. Provincial governments should consider changing the medium of instruction, textbooks, teacher guides and assessments to regional languages, and develop more effective strategies to transition to a national or international language for instruction at an appropriate age.

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\(^{12}\) The Classroom Observation Tool, based on the World Bank's Teach model, was implemented in Punjab to mentor teachers based on 11 pedagogical practices.

8. **Amplify the education budget and maximize the efficiency of spending.** Pakistan spends much less public money on education than other countries (Figure 2), only 2.4% of its Gross Domestic Product (GDP) and only 14.5% of total government expenditure. That leaves a greater cost-of-education burden for households with school-age children and leads to inequalities in children’s access to school and ability to learn as rich households spend three times as much as poor households.\(^{14}\) Along with spending more on education, the government needs to improve the efficiency of that spending, and the best way to this is to improve teachers’ capacity to teach, as teachers are the largest expenditure category\(^{15}\) and the most important educational input to student learning. Guaranteeing that funds reach their designated accounts on time and that audit and accountability procedures enable need-based spending, allowing for timely and effective spending, is also critical.

**Figure 2: Government Expenditure on Education, Total (% GDP)**

<table>
<thead>
<tr>
<th>Income Categories</th>
<th>South Asia</th>
<th>World</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bhutan</td>
<td>7.0% (2021)</td>
<td>4.3% (2020)</td>
</tr>
<tr>
<td>Maldives</td>
<td>5.8% (2020)</td>
<td>4.5% (2020)</td>
</tr>
<tr>
<td>India</td>
<td>4.2% (2020)</td>
<td>4.2% (2020)</td>
</tr>
<tr>
<td>Nepal</td>
<td>2.9% (2020)</td>
<td>2.4% (2021)</td>
</tr>
<tr>
<td>Afghanistan</td>
<td>2.1% (2021)</td>
<td>2.1% (2021)</td>
</tr>
<tr>
<td>Pakistan</td>
<td>3.0% (2020)</td>
<td>2.4% (2021)</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>4.1% (2020)</td>
<td>4.1% (2020)</td>
</tr>
<tr>
<td>Lower Middle Income</td>
<td>3.9% (2020)</td>
<td>3.9% (2020)</td>
</tr>
<tr>
<td>Low &amp; Middle Income</td>
<td>3.8% (2020)</td>
<td>4.0% (2020)</td>
</tr>
<tr>
<td>Low Income</td>
<td>3.0% (2020)</td>
<td>3.0% (2020)</td>
</tr>
</tbody>
</table>

Source: WDI

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\(^{14}\) According to data from the Pakistan Bureau of Statistics (PBS) 2018-19, the richest quintile of households spends 12,000 rupees per family member compared to 4,000 rupees for the poorest quintile.

\(^{15}\) While education budgets account for a large portion of provincial spending, a substantial amount is allocated to salaries and recurrent expenditures. In Punjab, Sindh, and Khyber Pakhtunkhwa, only 11-12% was allocated to development expenditures, which include construction of new schools, support to teachers and public-private partnerships.
What Will it Take?

A political consensus will be needed to develop a strategic investment plan for the country’s education system. The deep problems in the education system will not be rooted out in one political cycle but will need policy makers’ efforts over several decades. This requires and alignment of technical and political priorities, and targeted, data-driven actions, supported by all political parties, civil society, and development partners.

The government will also need to recognize, and address more directly, the heterogeneity across and within provinces, so that investment of resources and prioritization of interventions to improve access, equity and quality respond to local conditions. This can be achieved, in part, by empowering local administrative units with greater capacity, autonomy and authority for decision making. Previous experiments have been successful: Punjab and Khyber Pakhtunkhwa experienced increased in participation and retention rates, especially among girls, during their respective District Steering Committee and District Performance Management regimes, led by Deputy Commissioners and District Education Officers. However, these were of short duration and focused more on delegation of responsibility rather than power and budget: for such routines to sustain and have long term impact, efforts to decentralize decision making need to be formalized by delegation of human and financial resource management powers to local administrative units. In parallel, the technical capacity of central institutions needs to be strengthened so they can support education delivery more effectively at the local level. Textbook, teacher and assessment development institutions, and data collection and monitoring units need to adopt technology to introduce greater efficiency to their services, recruit resources with the right skills, motivate them with career management and growth incentives, and introduce routine feedback loops with schools so that their services are aligned with the needs of students.

Pakistan needs to gradually increase its education spending to 5.4 percent of GDP from its current base of 2.4 percent. The World Bank has estimated that bringing every child in school and ensuring that all children learn the basics would require an additional 3 percent of GDP on top of what is currently spent – bringing the needed education expenditure to 5.4 percent.

While increasing educational expenditure is of crucial importance for Pakistan, the investments need to be based on evidence of what works. The actions proposed above are all backed by evidence of their effectiveness\(^\text{16}\) and by examples of practices that have proven effective in Pakistan.

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\(^{16}\) See also the latest report from the Global Education Evidence Advisory Panel, ‘Cost-Effective Approaches to Improve Global Learning.”