PAKISTAN: Can Low-Cost Private Schools Improve Learning?

Education is central to giving children the building blocks for a life free of poverty. When schools fail to deliver quality education, children are left without the skills and knowledge they need to realize their capabilities and become productive adults. This isn’t just a problem of insufficient supplies or poor facilities. Policymakers and education experts in developing countries often grapple with the problems of accountability: It can be hard to create mechanisms for holding schools responsible for student achievement, but across the world, promising innovations are being introduced. Impact evaluations are being used to test different models for promoting better teaching and more successful schools, including through support for low-cost private schools, which can offer an alternative to poorly functioning public schools.

The World Bank is working hard to help countries meet the United Nations Millennium Goal of universal primary education, and to ensure that schools teach effectively and students can learn. To understand whether low-cost private schools can improve access to education and promote student learning—especially in cases where public schools aren’t succeeding—the World Bank carried out an evaluation of a new public-private education partnership in Pakistan at the request of the government. Private schools in the program receive a per-student monthly subsidy in exchange for waiving tuition for all students and meeting a minimum pass rate in a standardized academic test administered to students. By linking the subsidy to student learning standards, the program aims to push schools to perform better. The evaluation found that the threat of losing the subsidy worked, successfully pushing schools to ensure better learning so that they could keep their funding. To encourage schools to do even better, the minimum pass rate schools must reach to receive the subsidy is being progressively increased. Given the discussion underway in many countries about holding schools to minimum learning standards, this study shows that the risk of losing incentives can be a powerful motivator for schools to do better.

Pakistan’s overall education levels are among the lowest in the South Asia region and, in fact, in the world: Adult literacy was 50 percent in 2005, the year the private school program was launched, compared with a literacy rate of 58 percent across the region, according to World Bank figures. Although around 95 percent of children start primary school on time, the completion rate is less than 70 percent. Student learning is also generally low. A test conducted in 2003 by the World Bank and other researchers as part of the Learning and Educational Achievement in Punjab Schools study found that, by the third grade, less than 20 percent of students in rural Punjab could comprehend a simple paragraph in Urdu and that few could tell time or subtract double-digit numbers.

Increasingly, low-cost private schools, especially in rural areas and poor urban neighborhoods, are an attractive option for families looking for better educational opportunities for their children. The percentage of children enrolled in private schools in Punjab province jumped 36 percent between the 1998-1999 school year and 2004-2005, right before this program was launched. The schools’ popularity was likely due, in no small part, to their low fees and perceived better quality education. These schools often boast lower teacher absentee rates, better facilities, and higher levels of student learning, even though teacher salaries tend to be lower than in public schools.

Did you know:
School participation in Punjab for children aged 6-15 was…
65.7 percent overall
61.2 percent for girls
60.9 percent for children from rural areas
48.7 percent for children from the poorest households
(Pakistan household survey data, 2004/05)
For the Pakistani government, these low-cost private schools offered an opportunity to reach students from economically-disadvantaged families with a potentially higher quality of education by channeling some public funds for education to these schools.

To expand access to such low-cost private schools – and promote better quality education – the Pakistani government created a special accountability-based public-private education partnership program for Punjab province, where more than half of the country’s 182 million people live. The Foundation Assisted Schools program, which started as a pilot in 2005 and is administered by the government’s Punjab Education Foundation, targets low-cost private schools. Schools admitted into the program receive monthly, per-student cash subsidies. In return, schools must waive tuition for all students, which helps attract poor families, and ensure that a minimum percentage of their students pass a biannual standardized academic test, called the Quality Assurance Test (QAT). Schools that fail to reach the minimum pass rate two times in a row are dropped from the program. The monthly subsidies were initially fixed at about $3 per student, or about half the cost of what the government was spending to educate students in public schools. Schools are free to use the money as they see fit. The schools must follow the national curriculum and to promote further uniformity, government textbooks are handed out free of charge to the schools. To be initially considered for the program, two-thirds of the school’s students have to meet a minimum passing grade in a basic entry screening test.

The program began in November 2005 with 54 schools in seven districts in Punjab. As of June, 2010, when the evaluation was completed, the program covered 798,000 students in 1,779 primary, middle, and secondary private schools in 29 of Punjab’s 36 districts. In 2010, the program had a budget of about $29 million. Currently, the program covers one million students.

World Bank researchers set out to evaluate the effectiveness of pushing schools to meet minimum learning standards by linking continued program eligibility to student test scores. They relied on data from five consecutive rounds of semi-annual standardized testing, beginning with the 2007-2008 school year. This corresponded to the first major expansion of the program, which occurred during Phase 3, when the number of schools increased to 676 from 194. This large increase, coupled with what was an unexpectedly high rate of failure to meet the minimum pass rate in the November, 2007 QAT round, gave researchers an adequate sample size to evaluate the impact of the threat of expulsion from the program. To measure impact, researchers used a regression discontinuity design, comparing the average student QAT scores in schools just below the minimum pass rate cut-off point in the previous QAT round to those in schools just above the minimum. (For a full description of methods used by the researchers, please see their Policy Research Working Paper #5465.) The evaluation looked at the causal effects on student learning of the threat of expulsion of schools from the program as well as the causal effects on learning of cash bonuses to teachers for achieving a pass rate of at least 90 percent in the QAT.

**Accountability works. Schools threatened with losing access to subsidies almost always managed to raise student scores to meet the minimum pass rate needed to keep the funds.**

The schools that joined the subsidy program in Phase 3 took their first QAT test in November, 2007, about two months into the school year. The QAT is a curriculum-based, multi-subject, written test created for this program. For a school to meet the minimum pass rate, at least 67 percent of students tested needed to score 40 percent or better on the QAT. In the November testing round, 51 percent of schools failed to meet the minimum pass rate. In order to maintain the subsidies, these schools had to raise student achievement to meet the minimum pass rate in the Spring 2008 round of testing. In March, 2008, among the schools that didn’t meet the minimum pass rate the previous round, almost 100 percent passed.
In many cases, these low-cost schools rely on offering free tuition in order to attract students, making the threat of losing the subsidies a serious one.

Losing access to the subsidies can seriously hurt a school’s operations, since families may have enrolled their children to take advantage of the free tuition. Schools that have been disqualified have trouble holding on to their staff and keeping students, and many end up closing. This live-or-die approach for schools in the program puts added pressure on schools to succeed.

To protect against cheating the system, multiple versions of the same test are prepared, the test versions and grades tested are varied across schools and over testing rounds, and all students are expected to be in school on testing day.

In primary schools, the QAT is given to two grades, and in middle and secondary schools, three grades are tested. Grades tested in one round are not necessarily tested in the next round. Starting with the November 2007 round of QAT testing, the administration of the tests was done by independent agencies. Strict guidelines cover how the tests are to be transported to the schools and require hand-scoring of each test. A staff member of the foundation in charge of the program is present at each test.

Schools are told on which day they will be tested, but to avoid teachers sending home weaker students, schools must show 100 percent attendance on the day of the test. (Although in practice the test is given if the attendance rate is at least 80 percent.) To prevent schools from focusing teacher attention on grades that will be tested, schools don’t know until the day of the test which grades will be picked. There are eight versions of the test for each grade and these are brought to schools in sealed packets and randomly distributed.

However, once schools met the minimum pass rate, they did not rise any higher.

The program was successful at pushing schools to do better, or at least as well as necessary for staying in the program. But researchers did not see any signs that schools that met the minimum pass rate in the QAT after failing the first time managed to keep raising their student learning levels even higher.

To counter this, the Pakistani foundation in charge of the program has begun regularly raising the minimum pass rate after each testing round. The plan is to encourage schools to keep pushing themselves and their students. Early results from the tests show that schools have successfully met the challenge, as very few are forced to drop out because of missing the minimum pass rate two times in a row.

The program shows that it is possible for schools to produce higher learning even with less money. Parents seem to agree.

A LEAPS survey (http://www.leapsproject.org/assets/publications/LEAPS_Report_ExecSummary.pdf) of private and government schools in Punjab found that parents ranked 60 percent of teachers in private schools as “above average” or excellent, compared with 45 percent of teachers in government-run schools.

While government-run schools do spend more than these private schools, the extra money does not necessarily raise the quality of lessons or result in better infrastructure. Instead, the higher costs appear linked to higher teacher salaries—a function of teachers being government employees. Low-cost private schools pay their teachers less, but get more out of them.

The program makes other demands of schools to raise quality.

Schools have to accept a range of conditions. Apart from waiving tuition and fees for all students and meeting the
minimum pass rate in the QAT, they can conduct only one
class at a time in the classroom, they must provide adequate
infrastructure, furniture, and teaching tools, ensure a maxi-
mum teacher-student ratio of 1:35, and commit to not using
the school for after-hours classes or tutoring.

A separate study* conducted by the World Bank
found that schools that initially tested just above
the minimum pass rate in the screening test to enter
the Punjab-based program, later showed improved
school facilities, lower teacher-student ratios and
better student learning compared with schools that
tested just below the minimum pass rate and did not
enter the program.

Unpacking the “black box” of why something works isn’t
easy, and researchers who worked on both projects suggest
these changes could be due to a number of factors. The re-
searchers were able to identify the important role the threat
of expulsion played on raising learning levels in schools. But
this mechanism is just one of many that may be at work. For
example, schools want to ensure that they aren’t in danger of
falling below the minimum pass rate in the QAT, so they may
invest more to make sure student learning improves to give
themselves a bigger “cushion” in test results. Second, start-
ing in November 2008, schools were required to display their
QAT pass rate—and that of other schools in the district—in
a prominent place. This likely leads to pressure from parents
on the school to do even better. Third, because parents don’t
have to pay for schooling, this may free up resources for other
spending on children, such as books or better food. Students
also may be able to spend more time in school and on school-
work, because their schooling costs are covered. Fourth, the
per student subsidy and the ability to rely on it—as opposed
to possibly intermittent payments by parents in a fee-charging
school—may make it possible for a school to do more long-
term planning and invest more in student learning.