

Determinants of Private School's Existence: An Evidence from Pakistan

By

Sami Ullah Qureshi

Research Student at Applied Economics Research Centre (AERC)

University of Karachi

Flow of Presentation

- Introduction
- Objectives
- Review of the literature
- Methodology
- Results
- Conclusion and Policy Implications

Introduction

- Private sector performs a significant role in delivering the social services-like health and education- in Pakistan. .
- Provision of these services is usually the responsibility of the Government.
- *“State Shall be responsible for eradication of illiteracy and provision of free and compulsory education up to secondary level, within minimum possible time”* (Article 37-B Constitution of Pakistan)
- *“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”* (Article 25A- Right to Education- of Constitution)
- *But due to scarcity of resources state can't afford the whole burden.*

- According to PES 2016-17 38% of private educational institutions are facilitating 43% of students.
- In terms of teaching staff, 49% of teachers work in the public institutions, compared to 51% in the private sector.
- Existence of private sector in provision of education is not a new phenomenon in Pakistan.
- At the time of Pakistan's independence due to scarcity of resources state face constraints in education delivery.
- Initially private educational institutes were formed as;
 - madrasahs
 - Christian missionary schools
 - Schools run under the supervision of
 - business entrepreneurs
 - non-governmental organizations.

- In 1972, state decided to adopt the policy of nationalization, expansion and growth of private educational institutes got a severe setback.
- But in the late 1980's after decentralization private sector again got back in its form, and since that time it is continuously growing.
- Now questions arises that;
 - Does private sector exist in those areas where public sector does not exist, or it is adopting the gap filling approach?
 - Does it exist only in those areas where scope of money is greater?
 - Why people demand private schooling, in the presence of government schools, that charge very minimal amount for their services?
- Study is aimed to analyze the answers of these questions by determining the factors of private sector's existence.

Objectives of the Study

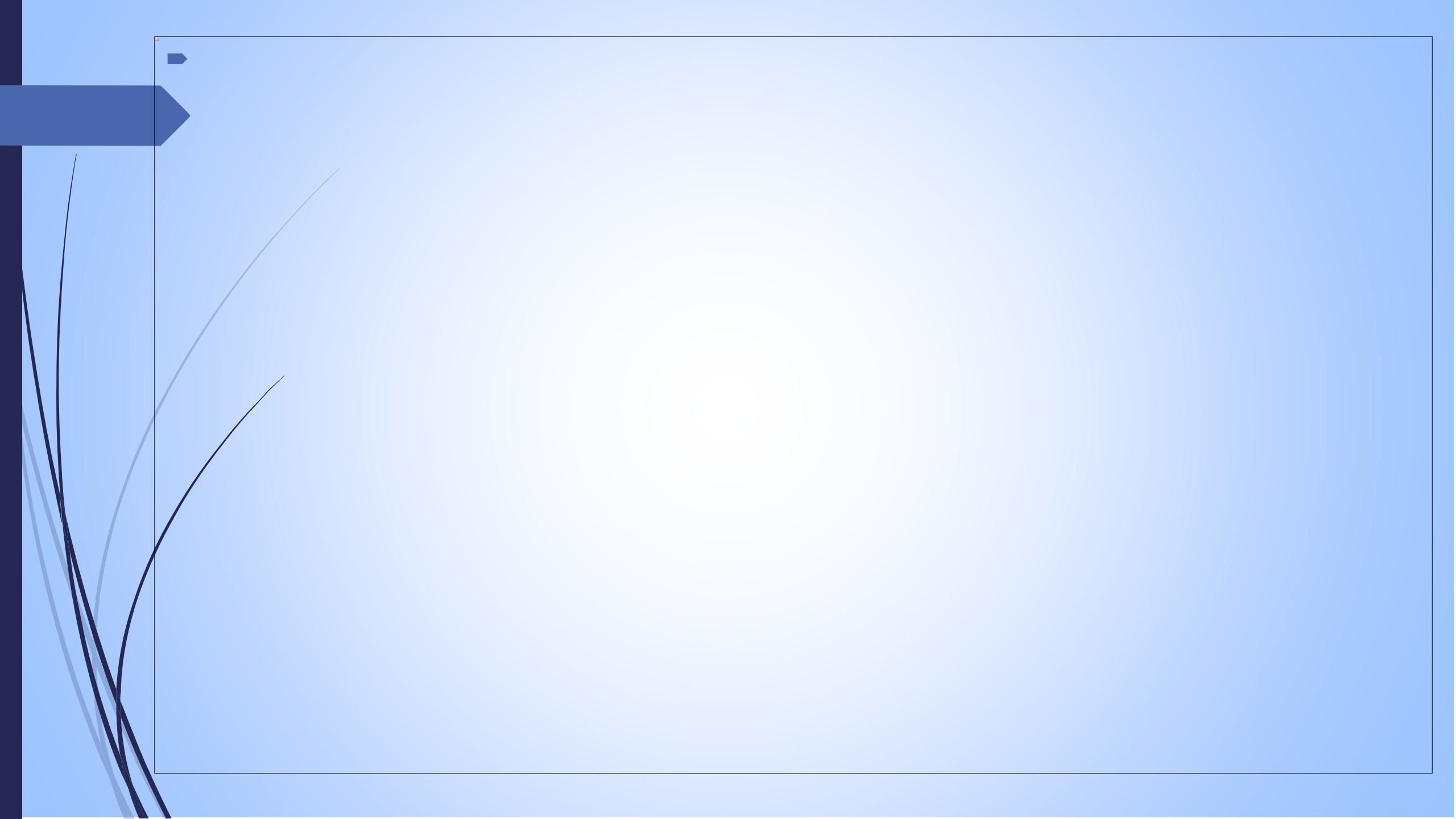
- To determine the factors that are the cause of existence of Private schools or factors that leads to create demand of private schooling.
- To analyze the issue for both regions and overall Pakistan.
- To analyze the issue for boys and girls separately.

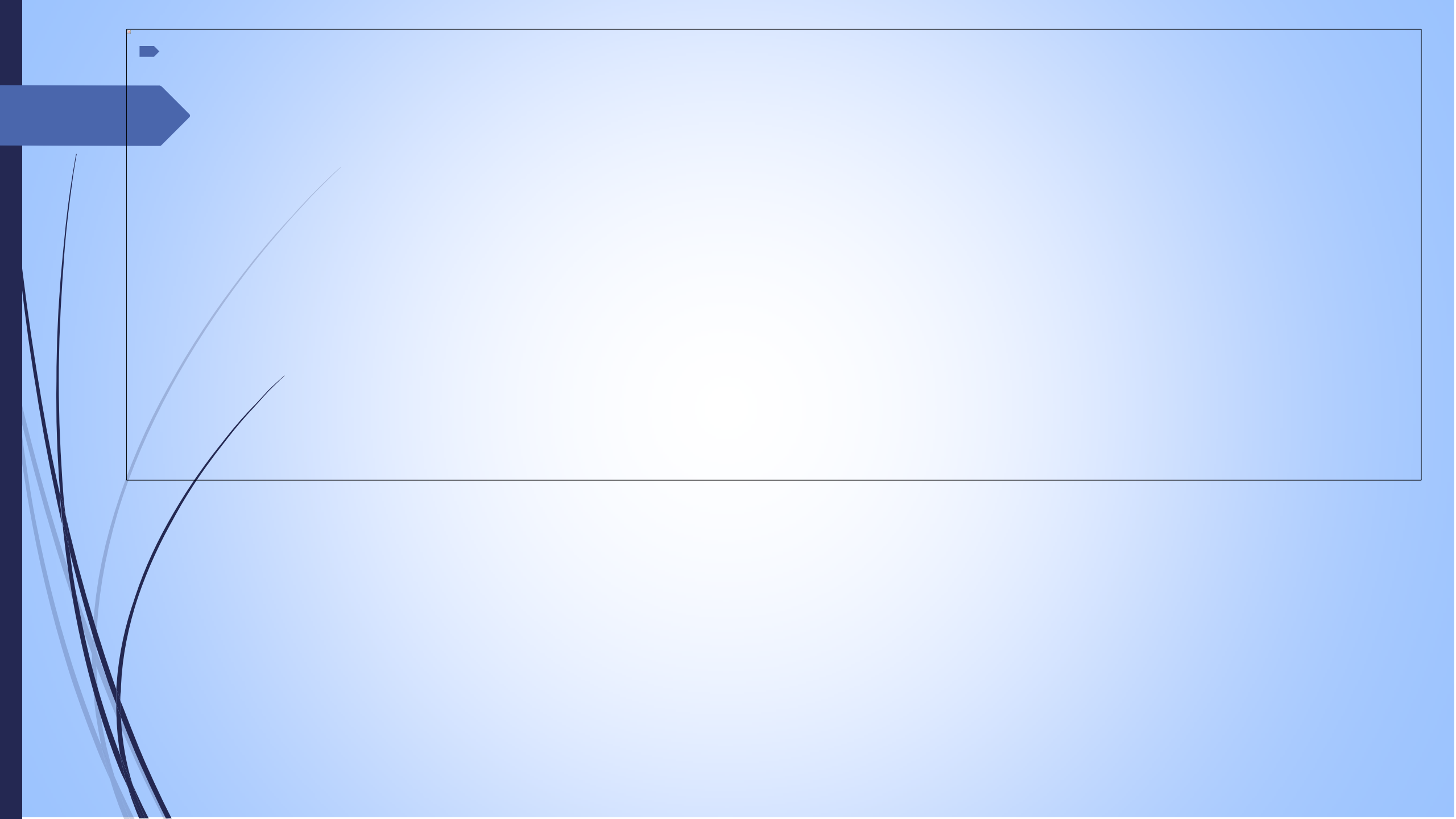
Review of Literature

- Existing literature is related to the comparison of the performance of Public Vs Public Schools, parent's choice of private vs public schools for their children in case of specific cities or areas of Pakistan.
- For example, Awan and Zia (2015), Ashley et. al, (2014), Iqbal(2012), Amjad (2012), Aldermen (2001), Andrabi et al, (2005), Ajaz and Karamat (2002), Ahmed and sheikh (2014), Khan et al, (2011) etc.
- According to the best of my knowledge, at national level existing literature has not investigated the factors that lead to the existence of private schools, over time and by division and region in case of overall Pakistan.
- Therefore, study aims to contribute in the existing literature by investigating the issue for both regions of Pakistan and by time.

Data and Methodology

- The data is obtained from the PSLM Survey for years that are 2001-2002, 2005-2006, 2007-2008, 2011-2012, and 2013-2014.
- Since the PSLM survey did not obtain the response of same households or individuals in each year therefore formulation of true panel is not possible.
- In order to resolve this issue a pseudo panel approach is used to analyze the issue.
- The superiority of Pseudo panel technique with respect to the simple cross-sectional data is its capability to describe the previous or historical characteristics as well as it further predicts future behavior simultaneously.





Results

Demand of private Schooling (without year 2007-08)

(Fixed effect Test)

Dependent variable:	All Pakistan	Urban	Rural
GERPRI			
HHINC	2.93e-06(0.103)* [2.07]	3.25e-06(0.232) [1.50]	-6.27e-09(0.994) [-0.01]
MEDU	.0256729(0.009)** [6.12]	.0210452(0.003)*** [8.59]	.0329629(0.033)* [3.76]
FEDU	.0031608(0.367) [-1.06]	.0063727(0.385) [1.01]	-.0074358(0.317) [-1.20]
PUBBAD	.54725(0.104)* [2.12]	.783432(0.105)* [1.89]	.3857938(0.105)* [1.92]
PRIGOOD	3.52941(0.000)*** [98.02]	3.706346(0.000)*** [34.26]	3.229349(0.000)*** [25.51]
PUBDIS	.0643336 (0.717) [0.40]	-.0058796(0.973) [-0.04]	-.1497272(0.150) [-1.91]
PRIDIS	.0279531(0.005)*** [7.28]	.0869742(0.228) [1.51]	.0044659(0.416) [0.94]

PRIEXP	-1.34e-06(0.106)* [-2.19]	-7.02e-07(0.106)* [-1.95]	-6.64e-07(0.089)* [-2.49]
PUBEXP	8.81e-06(0.017)*** [4.80]	8.43e-06(0.044)* [3.34]	9.05e-06(0.081)* [2.58]
INCLC	.1215277(0.105)* [2.03]	.152776(0.060)* [2.95]	.0705434(0.368) [1.06]
INCUL	.1118896(0.107)* [1.79]	.1487168(0.042)** [3.41]	.095285(0.223) [1.53]
HHSIZE	-.0025402(0.273) [-1.34]	-.0016492(0.626) [-0.54]	-.0000702(0.880) [-0.16]
PFGRAD	.2023633(0.209) [1.59]	.038502(0.496) [0.77]	-.1003515(0.708) [-0.41]
PMGRAD	-.2163397(0.004)*** [-8.05]	-.2371974(0.048)** [-3.25]	-.0436924(0.878) [-0.17]
PSG	-.0433163(0.105)* [-1.91]	-.0010345(0.964) [-0.05]	-.0436924(0.101)* [-2.25]
PSB	.0441779(0.061)* [2.93]	.0538305(0.169)* [1.81]	.0387543(0.026)* [4.12]
R-Square	0.9810	0.9772	0.9863
F(4, 11) Prob > F(4, 11)	733.20 (0.0000)	247.48 (0.0000)	245.67 (0.0000)

Demand for Private Schooling (with year 2007-08)		(Fixed effect Test)	
Dependent variable: GERPRI	All Pakistan	Urban	Rural
HHINC	3.04e-06(0.087)* [2.26]	3.55e-06(0.043)** [2.92]	6.29e-07(0.401) [0.94]
MEDU	.0246972(0.005)*** [5.53]	.0197493(0.004)*** [6.14]	.0316009(0.012)** [4.37]
FEDU	.0031413 (0.248) [-1.35]	.0043222(0.573) [0.61]	-.0053353(0.312) [-1.16]
PUBBAD	.3103706(0.319) [1.14]	.6770509(0.209) [1.50]	.1419523(0.475) [0.79]
PRIGOOD	3.542353(0.000)*** [65.43]	3.679774(0.000)*** [51.37]	3.215094(0.000)*** [25.02]
PUBDIS	.1752925(0.417) [0.90]	.3257966(0.429) [0.88]	-.1457012(0.105)* [-2.01]
PRIDIS	.0289194(0.000)*** [13.94]	.0888428(0.085)* [2.28]	.0054891(0.480) [0.78]

INCLC	.1292582(0.109)* [2.05]	.1647779(0.018)** [3.85]	.0921853(0.301) [1.19]
INCUL	.1192834 (0.107)* [1.86]	.1641055(0.010)** [4.54]	.1126578(0.108)* [1.60]
HHSIZE	-.0033759(0.109)* [-1.78]	-.0026509(0.470) [-0.80]	-.0007962(0.445) [-0.85]
PFGRAD	.2940616(0.009)*** [4.73]	.1770751(0.044)** [2.90]	.0402721(0.640) [0.51]
PMGRAD	.0357637(0.012)** [-4.35]	.3016785(0.059)* [-2.62]	-.1492022(0.394) [-0.95]
PSG	-.2655576(0.200) [-1.54]	.0348341(0.422) [0.89]	-.0207676(0.065)* [-2.52]
PSB	-.0336746(0.045)** [2.89]	.0342928(0.269) [1.28]	.0380001(0.053)* [2.72]
Constant	-.1138085(0.008)*** [-2.64]	-.2627616 (0.000)*** [-4.02]	-.0834361 (0.320) [-0.99]
R-squar	0.9827	0.9795	0.9863
F-test (Prob. F-test)	1052.86 (0.0000)	350.97 (0.0000)	86.31(0.0000)

Conclusion and Policy Implications

Empirical investigation reveals that income of family significantly associated with the demand for private schooling consequently it is one of the reasons of the private school's existence

- Further, Education of mother plays a vital role in creating the demand of private schooling, since educated mother is more aware and has ability to take right decision.
- Perception of people regarding good delivery of educational services by private sector and household's perception associated with poor quality education delivered by public school are also the reasons of the existence of private schools.
- Educational expenditures associated with private schooling is another factor that makes private schooling out of reach of the parents, hence reduce the demand of it.

- Moreover, availability of female graduates is also a factor that leads to the existence of private schools, it is also indicated by Andrabi et al, 2006.
- Results also reveals that size of the family insignificantly but negatively associated with the demand of private schooling.
- Furthermore, average distance of private schools is positively and significantly associated with the demand of private schooling this indicates that an individual still demands private schooling if it is situated far from the residence of household because of poor delivery of educational services from public schools.
- Government should look into the monitoring, supervision and management issues of government educational institute.

- This leads to the bad perceptions of individuals regarding public educational institutes which causes the demand of private educational institutes
- If the government educational institutes improve their monitoring and supervision issues then people can get quality education at very nominal rate, and everyone can afford better quality education.
- It will not only improve the country's literacy rate but also generate the bulk of human capital which leads to the enhancement in the prosperity of the economy.
- Since it is indicated by the study that bad perception regarding public educational institutions will force parents to send their child in costly private schools for their better education.
- Government should have to bring out the positive changes in delivery of public educational institutes so that the perception of the individuals changes from bad to good regarding government schooling system.

- It will bring out the increment in the enrollment rate of public educational institutes, which further creates win-win situation in case of both expansion of quality education as well as quality education will be affordable for everyone.
- Government should look into the expenditures charged by private schools because private schools charge greater amount for their services. Hence government should take actions against such private schools.



Thank You. . . ☺