

UNLEASHING

PAKISTAN'S POTENTIAL

What Happens to Education When
You Dare to Innovate

Shahid Kardar

Published by the Pakistan Education Task Force as part of its March for Education campaign, raising the profile of the education emergency in Pakistan.

Copies of this pamphlet can be downloaded from <http://educationemergency.com.pk/> or <http://pakistaneducationtaskforce.com/>

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One

Nothing to be done

How do we find a way to get essential services to the people in an environment where the public delivery system has failed?

This singular question was at the heart of the challenge I was asked to take on back in 2005, when the Government of Punjab offered me the position of Honorary Chairman in a restructured Punjab Education Foundation.

The education indicators in the country are the most compelling proof of the failure of the public delivery system to do what it is supposed to. Even with relatively better enrolment rates in the Punjab, one third of children do not go to school at all, and only one in five poor children will complete secondary schooling. The children that do attend school are learning very little, because there simply is no investment in quality

by the public delivery system.

To solve a problem, you need to define it clearly. There are two concurrent challenges that policymakers face in trying to solve the education riddle.

The first is simply that the demand for education is high. The incontrovertible evidence of this demand is in the growth of private sector schools in Pakistan. You see, parents are a lot smarter than we give them credit for - they have been voting with their feet and we simply refuse to acknowledge it. That is why they have been walking away from the government system for years. This has been easier to do because in some areas private schools are inexpensive, with average monthly fees back then as low as Rs100. The dramatic rise in low cost private schools is a massive indictment of the public schooling delivery system by Pakistani parents.

Why are Pakistani parents rejecting the public sector school system? This is the second challenge to the education sector - it is a supply problem. Simply put, parents are choosing private sector schools at a blistering pace because of the problem of an

unaccountable public sector delivery system. Thousands of teachers at government schools just don't show up to work. Worst yet, the ones that do aren't held accountable to any standards of quality of teaching. This accountability problem is a supply-side problem. The supply of education leaves much to be desired, and the solution does not lie in simply raising the salaries of service providers - the teachers.

When I accepted the position of Chairman, we had an imposing set of challenges. Was it possible to find a *different* way to deliver

“None of this would have been possible without leadership. The Chief Minister, Chief Secretary and Chairman of the Planning and Development Board all were instrumental. Their support was vital because the PEF was allowed to operate like a professional organisation, with no political interference, and no need to adhere to the patronage-based informal rules that apply to so much of the public sector”

quality education, especially to the poor? To do so at a reasonable cost and for enough children to make a dent in Punjab's education challenges? And to avoid the political obstacles that had led many earlier generations of reformers to give up in despair?

I was fortunate enough to work with great leadership, a group of upstanding and competent board members, and a young team of talented and visionary co-workers. Together we refused to accept that, when it came to Pakistan's education, there was really *nothing to be done*. Indeed, the sheer struggle against the odds forced us to innovate, developing what the World Bank has described as one of the most cost-effective programmes on the planet for getting children into school.

When I became Chairman at PEF, we set a clear goal. We wanted to see whether we could meet parents' demand for education without them having to compromise on the quality of its supply. In other words we wanted to divorce the government's responsibility for financing education from their involvement in the provision of education services through establishing and running effective schools.

Soon the Punjab Education Foundation will be responsible for providing a million children from poor families with a decent education. The figure for this year is nearly 850,000 and growing fast. To give an idea of scale, that is more than the entire enrolment of the primary and lower secondary system of a small country such as Switzerland. Our costs are remarkably low as well, at only Rs350 per student. It is, by my estimate, six times cheaper for the Government of Punjab to educate students through the Punjab Education Foundation than it is to use its own schools (the Foundation's own most recent data suggests it is three times cheaper).

Perhaps the most compelling part of the PEF's success, for me, has been its unique ability to demonstrate that children are genuinely learning - providing hard data that shows that standards are both high and improving. For publicly funded education in Pakistan, this is unheard of. But again, we were committed right from the start that without a focus on quality, cramming classrooms full of children would have little meaning. PEF-funded schools provide a dramatically higher quality of education than their competitors in both regular government schools, and non-PEF private schools.

We reduced fraud and waste to the bare minimum. Indeed, we were so determined that our system should be free of even the perception of corruption that PEF staff are not allowed to accept even a glass of water when they visit a school. This is an old-school uprightness that is organic and natural to this region. We simply have to stand up for it, to make it happen.

None of this would have been possible without leadership. What do I mean by leadership? Simply put, whatever faults and weaknesses it might have had otherwise, on the issue of allowing the PEF to flourish as an effective and efficient organisation, as Chairman, I had the total and complete support of the Chief Minister at the time, Ch. Pervez Elahi, as well as the two top bureaucrats in the Punjab then, the Chief Secretary, Salman Siddique and the Chairman of the Planning and Development Board, Suleman Ghani. They did not just provide support with words, or with budgets. Their support was vital because the PEF was allowed to operate like a professional organisation, with no political interference, and no need to adhere to the patronage-based informal rules that apply to so much of the public sector. If the PEF had not been inoculated by

these leaders from patronage and political interference, its successes would simply not have been possible. Accountability wasn't just a slogan at the PEF, it was how the organisation was configured, from the very top levels of the Government of the Punjab.

It is because of these factors and the measures we took to drive home our advantages, like outsourcing some administrative functions, that, against the odds, and in a context hitherto dominated by mediocrity and venality, less than a hundred pioneers achieved something that has the potential to revolutionise education not just in the Punjab and Pakistan, but in the entire developing world.

Two

Foundations

I was, of course, far from the only one frustrated by the terrible standards of education on offer to Pakistan's children.

All across the country, parents were desperate to ensure that their children were given the best possible chance in life. For the rich, the solution was easy: flight from the government school system to elite education institutions in the private sector.

Almost unnoticed, however, a new breed of private school was springing up. In every town and city across the province, and increasingly in rural areas too, entrepreneurs were starting schools in less well-heeled areas, and charging fees that poorer parents could afford.

They found an enthusiastic market. Many believe that

the poor have no thirst for education, but this is a myth. Denied access to decent government schooling, many were - and still are - making great financial sacrifices to get their children into private schools that charge fees of a few hundred rupees per month. Private school enrolment has sky-rocketed in Pakistan, from less than a percentage of the total in the early Eighties to one-third of all students today. This voting with feet is central to understanding both what is wrong with the education system in Pakistan - that government schools just don't deliver, and how to fix it - and the need to separate the responsibility to finance the service, from the responsibility to deliver the service.

Why are Pakistani parents rejecting the public sector school system? The booming low-cost private sector was not driven by price alone. Results were very often better than those achieved by government schools. Most of the teachers were educated women, who got their education from the government secondary schooling system, who could not find jobs elsewhere. They usually didn't have formal qualifications, but they were more likely to turn up regularly for work than their better-paid counterparts in the public sector. Their dedication seemed to make a difference.

Independent testing has shown that children in low-cost private schools achieve better results than children in all subjects.

But these schools were far from being a panacea. Especially in slums, buildings were often of shockingly low quality (although there is ample evidence that parents care more about dedicated teaching than well-equipped facilities). Standards were, at best, just adequate. It was also hard for parents to distinguish the better schools in their area from those that were more interested in making money than providing a decent education. Finally, why should parents be forced to pay, when education is now universally recognised as a basic right?

Still, there was clearly *something* happening in low-fee private schools. We needed a way to harness the sector's dynamism and its ability to reach into poor communities. By combining public sector funding and private sector provision, we wondered whether it would be possible to educate *more children*, to a *higher standard*, and at *lower cost* than either public or private sectors could manage on its own.

This was no theoretical question. I believed then,

and I still believe today, that unless Pakistan can provide decent quality services to its citizens, it will continue to implode from within.

Between private and public

The Punjab Education Foundation was established in 1991, but was a moribund organisation until it was restructured in November 2005. An autonomous statutory body, it sits between the Government of Punjab, which funds the programmes, and the students and private education institutions that participate in them.

When I became Chairman, we set a clear goal. We wanted to see whether it was possible to divorce the government's responsibility for financing education from the provision of effective schools. Our aim was to use public funds to provide the poor with quality educational opportunities that would be delivered through the private sector. This was to be a genuine public-private partnership - one that drew on the strengths of both sectors.

The concept was a simple one, but working out how to implement it was not. We wanted to deliver to the

highest standards, at a scale that would make a real dent in Punjab's educational challenges, and with a degree of transparency and probity that would provide citizens with renewed confidence in the state's ability to offer them effective public services. We had to start from scratch, working out everything for ourselves. There were no models to learn from elsewhere in Pakistan, or even internationally. We therefore had to learn by doing, fine-tuning the model as we implemented it.

On one issue, however, we were unwavering. The Board of Directors would be *absolutely* independent from political interference and from the management of the Foundation. Its members, distinguished representatives from both public and private sectors, have complete financial, executive and administrative autonomy. Neither the Chief Minister of Punjab nor the Education Minister has any influence over how the Foundation works. And while the Board takes charge of policy development and strategic direction, management is undertaken by professionals hired for their ability to deliver results.

Over the years, the Foundation, under my leadership and that of my successors, has devised three main

programmes, each of which provided a different answer to the question of how to provide low-cost, quality education through the public financing of private institutions. We have funded schools directly. We have provided vouchers to parents so they can send their children to the school of their choice. Most recently, we have provided incentives for schools to be built in remote areas that currently have no access to education.

All three programmes are supported by world-class information technology, robust systems for monitoring quality, and a programme that is proven to help schools improve standards.

The programmes

The Foundation Assistance Schools Programme is the PEF's flagship. It currently educates over 800,000 students in 1,779 schools.

Any private school can apply to join our programme as long as it meets the following criteria. It must have a minimum of 100 students enrolled, have at least three rooms, and meet minimum standards for its building, classroom, library, and - in the case of

secondary schools - laboratories. Most importantly, the school must pass our Quality Assessment Test in maths, Urdu and English. Three classes are selected at random for external assessment and two-thirds of their students must secure at least 33% in the tests. Fewer than half of schools that apply are of good enough quality to be accepted on the scheme.

We then strike a very simple bargain with each Foundation Assisted School. The Foundation, using government money, buys out all the places in the school, allowing it to start to provide free schooling. Schools receive a monthly fee of

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Rs350 per student for elementary classes, rising to Rs700 per student for Higher Secondary Science classes. To encourage girls' education, an additional Rs25 is provided for female students.

In return, the school must strive to improve its standards. Schools are inspected twice each year using the same Quality Assurance Methodology, with the benchmark rising to 40%. If a school fails twice consecutively, its financing is discontinued. Some schools are foolish enough to believe they can use their political connections to evade this standard. They can't. All our decisions are recorded and externally audited. There is no room to fudge.

There are other standards too. Management costs must not exceed 9% of total running expenses, and schools must eliminate all fees for students if they wish to remain in the programme. Charging for stationery, class tours, registration, etc. are all strictly banned. We expect there to be around thirty students in each class, and ban schools from crowding more than thirty five into a classroom.

The programme uses carrots as well as sticks to encourage improved performance. The top scoring

school in each district in terms of enrolment and quality assurance results receives a Rs50,000 reward, and the five best teachers in the best performing schools receive a Rs10,000 reward. These rewards are paid by the PEF directly. There's no room for bonuses for administrators, or corrupt officials to get in the way.

Foundation schools are highly likely to be in poorer areas, but we wanted to go a step further in targeting the very poorest and most marginalised children that live in these areas. To do that, we set up a second scheme, where the money follows the student, not the school. Take the example of a family struggling to survive on an income of less than Rs7,000 per month. Our fieldworkers are trained to find families like these and to offer them vouchers for each of their children. These are worth Rs350 per child per month and can be used in any local school which has registered with the Foundation and met its quality standards.

The pilot scheme in Lahore has now put 25,000 children into school, while smaller schemes have now been launched in Kasur, Multan, and Rawalpindi. Schools participating in the scheme receive income

from vouchers, but many also report a boost in enrolment from fee-paying students. Parents know that a PEF school is likely to be a good school, and start using our 'hallmark' as they make the decision on which is the best place to educate their children.

The Education Voucher Scheme relies on the dedication of the staff the Foundation has in the field. They know their areas and are able to find families that have the most desperate need for education. In the future, there is the potential to ramp up this scheme considerably, especially if ways can be found to reduce the upfront cost of identifying the most deserving families.

The third scheme addresses the problem faced by remote rural areas that do not have a school at all. It was piloted in 2008 and already gives nearly 19,000 children an education. The New School Programme makes a simple offer to entrepreneurs prepared to build a school in an area where there is no other school within a radius of 2km. Once the school is open, the Foundation will provide monthly payments of Rs350 for a minimum of fifty students, thus reducing the risk the school owner faces. The school must then meet the same quality standards as other PEF schools.

Supporting excellence

Much of the Punjab Education Foundation's most important developments happen behind the scenes. The key systems focus on students and teachers.

For students, the Foundation has recently set up a Student Information System that allows it to track the performance of every student enrolled in a PEF school. Managers have online access to each student's record. They can see everything from the student's photo to the financial support that has enabled him or her to stay in school.

Support for teachers is even more important. Traditionally, teachers in the private sector have had few opportunities for professional development. To meet this need, we established the Continuous Professional Development Programme (CPDP), which builds the capacity of low-cost private sector school teachers and administrators through *in situ* training.

CPDP strengthens pedagogical skills, content knowledge and school management. Training is provided by specialists from NGOs and private teacher-training organisations. Training courses for

teachers, which align with the National Education Curriculum and focus on English, maths, physics, chemistry and biology, involve a six-day intensive course covering a cluster of schools and include direct mentoring through classroom observation. The PEF provides financial and technical support for the programme, and certifies teachers who have been through the training. The PEF continuously monitors the results of the programme in terms of its effects on learning outcomes.

CPDP has so far trained over 63,000 teachers in 3,000 training workshops, at an average cost per participant of Rs2,100. Over 6,800 head teachers and vice head teachers have also been trained.

Results

The PEF's Education Voucher Scheme and the New School Programme are both at a fledgling stage, and although both appear to offer great promise for getting underprivileged children into school, we do not yet have robust evidence of their effectiveness. The Foundation Assisted Schools programme, on the other hand, has proved a resounding success, whose effectiveness has been demonstrated by a

series of independent assessments.

A 2009 impact assessment study by the World Bank compared schools registered under FAS with those that were not registered. Specifically, in order to compare like with like, it examined schools that had narrowly passed the Short-Listing Quality Assurance Test that determines whether a school will be accepted onto the programme with schools that narrowly failed. Within ten months of passing the test, schools registered with the FAS programme showed an increase in student enrolment of 37% compared with the neighbourhood baseline mean. The number of teachers also increased by 37%. The study's authors calculated that the annual cost per student of increasing enrolment in FAS schools by 1% was just Rs97, and described FAS as "one of the cheapest programmes globally for raising enrolment."

FAS has also improved the quality of schooling. A study by the independent consultancy Innovative Development Strategies (IDS) Pvt. Ltd. in 2008 found that FAS partner schools achieved significantly higher marks in Urdu, English, maths and science tests than non-partner schools. Class 4 students obtained average marks of over 60%, compared with less than

40% in non-partner schools. In Class 7, FAS students averaged almost 70%, compared with just over 50% in non-partner schools. Unlike the World Bank analysis, however, this study did not compare schools that had been closely matched before taking the FAS Short-Listing Quality Assurance Test, so it may be that the true differences are less stark. On the other hand, IDS found that almost 90% of parents with children in FAS schools believe their children's educational achievement is improving. Over 90% said the school is meeting needs better than other local schools, and over 90% were satisfied with the instruction offered.

But the simplest measure for the Foundation is how rapidly its schools improve when tested using its own, externally administered quality assurance. Each year the average result, across all schools, has continued to improve - from 63% in the first year to well over 80% today.

The evidence is incontrovertible. We set out to provide more education to the poorest, at higher standards, and at a lower cost. And that is just what the Punjab Education Foundation has been able to do. So successful has it been that the Government of Punjab

has begun to turn over its own failing schools for the Foundation to run - with over a thousand recently handed over. When even the politicians realise a programme is worthwhile, you know you must be doing *something* right.

Three

Learning from the PEF

Today, unfortunately, we have some very strange ideas about how countries are supposed to develop. And even more damaging ones about what should be done in countries where the state fails to discharge its core responsibilities to citizens.

We are too prone to believe that development should proceed on a model developed in the West during the 19th and 20th centuries. But countries can't carve out their future by simply following a pattern laid down by others before them. They need to develop their own approaches to the problems they face. The lesson is even more important when the standard model has failed. Then it is definitely time to think afresh, to engage in the bold institutional innovation that led Chile, for example, to pioneer completely new approaches to the provision of pensions; or Muhammad Yunus to create a new model of providing

credit to the poor through the Grameen Bank in Bangladesh; or the Brazilian government to mobilise to defeat hunger through its Fome Zero (Zero Hunger) programme.

In Pakistan, we desperately need to innovate, especially in fields like education. Because our data are so poor, we do not really know how many children are out of school, but the best estimates suggest that over 25 million children between the ages of 5-16 years do not receive the education that is guaranteed to them as a fundamental right in our country's Constitution, after the 18th Amendment. Many more have to pay, when the Constitution says that education should be offered free to all.

But yet our fiscal position is perilous. Under the 18th Amendment, Provincial Governments are given exclusive responsibility for school-level education. If they are serious about discharging this responsibility, they will have to find ways of making sure resources are focused tightly on delivering results. This is a period where we badly need to learn to do more with less.

But innovation is only worthwhile if it can be done

to scale. To be sure, the Punjab Education Foundation has piloted its programmes, but its real success has been in growing them to scale. The current management has plans to continue the expansion. It may be able to double in size over the next five years, but only if it continues to battle against political interference, focus with laser-like attention on quality, and keep an eagle eye on any signs that standards of delivery are becoming compromised, or even worse, corrupted.

But the Foundation is clearly a success -

“The PEF is also unique in the education sphere because it depends so heavily on evidence of performance. Results of Quality Assessment Tests are publicly available, and the rigour with which the PEF evaluates schools on an ongoing basis is a vital guarantee of quality. With students given a choice of which school to attend, those institutions that fail to deliver a good education will go to the wall.”

perhaps the most significant institutional innovation in Pakistan's history. So what, then, can we learn from the PEF?

Unique characteristics

The PEF is unique in Pakistan, and perhaps in the world, because in an environment where public and private sector organisations have traditionally engaged in destructive and self-interested competition, to the detriment of society, the programme has drawn on the strengths of public and private sectors to promote social advancement.

The PEF does not do away with tradition, but adapts it to modern needs. Traditionally, the public sector has been responsible for both the funding and provision of education, particularly for poorer children. This model proved unable to cope with the population boom and continued economic stagnation, however, and millions of children missed out on an education. Under the PEF model, government remains the ultimate provider of education, but it uses non-state instruments for delivery. Instead of competing with the private sector, it complements it, providing funds and stewardship while private organisations take

charge of implementation.

The PEF is also unique in the education sphere because it depends so heavily on evidence of performance. Results of Quality Assessment Tests are publicly available, and the rigour with which the PEF evaluates schools on an ongoing basis is a vital guarantee of quality. With students given a choice of which school to attend, and even whether or not to attend school at all, those institutions that fail to deliver a good education will go to the wall. Because of this focus on results, it is difficult for schools to cheat the system. With tests set and marked by different individuals, and with those individuals never reviewing the same school more than once in a three-year period, head teachers and administrators know that they are unlikely to be able to hide poor performance for long. This brings merit to the fore, and reassures parents and students - the ultimate arbiters of the system - that they can trust institutions that receive accreditation.

Key lessons

The PEF's success provides a number of lessons for those working on education and perhaps also those

toiling in other fields.

The first lesson is that *talent matters*. Autonomous, independent-minded leaders are crucial for driving forward such a programme. We recruited talented young personnel who were strongly committed to the goal of improving education, and we favoured those recruits who appeared unafraid to reject political interference. Innovative projects such as the PEF often ruffle feathers, and being able to stay focused on our goals, however many toes we trod on and however often pressure was placed on us to veer off course, was essential.

The second is that *good systems matter even more*. The Punjab Education Foundation's main value is in the fact that it has created a unique and robust model for delivering education, and has created the systems that allows its staff to operate this model to the highest standards. The PEF has documented processes for every aspects of its operation and these are continually refined and improved.

There is a serious trust deficit among the Pakistani public about government controlled or funded institutions. Many people assumed that we would

select schools on the basis of nepotism or in return for bribes, but we combated this by putting data at the heart of the project. Our data is sacrosanct; without it the project is unsustainable, and we set great store by its purity. Collection of data is scrupulously impartial. Our accounts are audited by the Auditor General of Pakistan and by the independent auditors Ernst & Young Ford Rhodes Sidat Hyder and KMPG Taseer Hadi & Co. Chartered Accountants. During our assessments of schools, teachers do not know which class will be evaluated, and marking of Quality Assessment Tests is carried out, not by PEF staff or our inspectors, but by professors of Government College and Punjab University.

This leads to the third lesson - *the importance of reputation or brand*. Because we know our data are honestly gathered, we are happy to make it public, thereby increasing public confidence in everything we do. Our annual report is placed before the provincial legislature; our rankings of schools are displayed on district notice boards; and the PEF now has a regularly-updated interactive website, including an online complaints facility, for stakeholders and the community.

It is an honour to become a PEF-approved school, one that helps that school - and its teachers - achieve recognition and respect in its community. Those working within the PEF have a strong belief that it is the best organisational method for achieving our goals, and are dedicated to embedding the system in the broader education sector. Commitment to the model from external stakeholders has also been instrumental.

For me, possibly the most vital lesson is that there is no point doing anything worthwhile without *leadership that really owns and supports innovation*. The reformed PEF and the models we wanted to implement were risky. I knew I enjoyed the Chief Minister's confidence, but I could not have predicted how dedicated he was to making the effort really work. The vision of the Government of Punjab's political and bureaucratic leadership helped get the project off the ground and gave the PEF the autonomy it needed, and the Chief Minister, Education Minister, Chief Secretary and others have continued to defend our rules and regulations, mechanisms and processes against attacks by hostile parties that either don't understand what we are doing, or feel frontally challenged by the example of success we've helped create. The

challenges came from all sorts of places, including members of parliament, the media, and disgruntled schools that were not accepted onto the scheme. Without a change of mindset at the political level, outsiders such as myself and my colleagues would have had little chance of achieving change.

The leadership we had right at the top was crucial. Just how crucial cannot be overstated. The inescapable reality is that good managers or executives in the public sector have zero potential for success unless they have the confidence of leadership, including a real autonomy in what they do, and how they do it. The Chief Minister at the time, Ch. Parvez Elahi gave me a free hand to achieve results. Not once was I asked to do anything other than deliver the outcomes that the PEF was committed to. One incident is particularly telling. During the launching phase in a district that was politically important for him, I had feared the Chief Minister may ask me to provide some extra schools. What the Chief Minister did shocked me. He sought me out and said "Whatever you do, don't give this district any special treatment. I don't want anything to impinge on your reputation." That kind of freedom and autonomy tends to be unheard of in the public sector, and not every manager

is blessed with it. I was lucky that such support was available, not only at the political level, but also at the administrative and bureaucratic level. The Chief Secretary of the Punjab at the time, Salman Siddique, and the Chairman of the Planning and Development Board, Suleman Ghani, were also incredibly supportive. I never had to deal with interference, nepotism or patronage at the PEF - a curse that derails so many other executives in the public sector. This leadership and its enabling role in allowing the PEF to function as purely an instrument of service delivery, rather than patronage, was absolutely fundamental to the success of the efforts.

Having discussed at length the PEF's successes, I conclude with a note of caution. There are a number of risks inherent to the model. Convincing politicians and civil society elsewhere in Pakistan of its worth will be no simple task. These groups are often highly sceptical of low-cost private sector schools and see them as worthless profiteers, even though they themselves send their children to privately-run institutions. Their commitment to partnerships between public and private sectors is also dubious; many see them merely as opportunities for dispensing political patronage in selecting partner institutions. Persuading

bureaucrats to adhere to the PEF's principles of autonomy, meritocracy and transparency will therefore be difficult - in other Pakistani states than the Punjab, wholesale cultural change may be needed before such a model can be widely implemented. The PEF has shown that such change is not impossible, however, and it is my sincere hope that by disseminating its message, we will begin to spark reform elsewhere.

About the Author

Mr. Shahid Hafiz Kardar is the current Governor of the State Bank of Pakistan, a position he took over in September, 2010. From 1999 to 2001, Mr. Kardar was Minister for Finance, Planning & Development, Excise & Taxation, and Industries & Minerals Development, Government of Punjab.

In 2005 he became Chairman of the Punjab Education Foundation (PEF) and helped establish a model for publicly funded education delivered by the private sector. The PEF's work is globally recognised as an exceptionally innovative and successful example of effective governance in the education sector.

During his long and illustrious career, Mr. Kardar has served the government in a variety of other capacities too, including as member of the National Commission for Government Reform (2006-2008), member of the Banking Laws Review Commission from 2003 to 2007; and member of the Advisory Board of Kasht Microfinance Bank Ltd. Most recently he was a member of the Pakistan Education Task Force.

He has authored three books, "Reflections on Pakistan's Economy", "The Political Economy of Pakistan" and "Polarization in the Regions: The Roots of Discontent", besides writing several research papers covering economic and social issues of the country.

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Demand for education in Pakistan is high. Yet Pakistani parents have to contend with serious inadequacies in the public school system. When Shahid Kardar became chairman of the Punjab Education Foundation in 2005, (a position he stayed in until 2008), he set a clear goal. He wanted to see whether the government could meet parents' demand for education without their having to compromise on the quality of its supply. In other words, he wanted to separate the government's responsibility for financing education from its involvement in the provision of education services, by establishing and running effective schools. The success of the PEF model proves that this is possible.

In this paper, Mr. Kardar, who is now Governor of the State Bank of Pakistan, describes what the PEF achieved, and how it achieved those things. All the ingredients for success, the fiscal space, the leadership, the managerial talent, the systems of accountability, and most of all, the ability to deliver quality were found in Pakistan, indigenously and without assistance. The PEF's success is proof that Pakistan is entirely capable of innovating and reforming on its own.

