

# Best Practices in Regulation of Private Education

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## Introduction

Regulation of private schools and role of non-government players in education, particularly private education providers at elementary education-level continue to attract immense interest of researchers, policymakers and educationists from across the world. In countries like India, and more recently Kenya, Ghana and some of the other countries from African subcontinent where private schools are playing a pivotal role in universalizing access to elementary education, the debate on role and regulation of private sector has intensified over the last decade or more.

In light of this, current paper aims to understand how the governments in different parts of the world have leveraged upon the private sector to achieve specific educational goals. The idea here is not to recommend one model above the other but to simply look at some of best practices which can direct us towards right policy measures for constructive engagement of the private sector in school education. The study presented here examines three cases of government regulation of private education, namely:

- 1) Regulation of Hagwon/supplemental education centres in South Korea,
- 2) Per-child funding model in the Netherlands
- 3) The Punjab Education Foundation in Pakistan

South Korea was chosen for consistently finishing in the top five countries in the latest rounds of the Programme for International Student Assessment. Netherlands boasts of an exceedingly high enrollment rate in private schools unseen in most of the developing world. Pakistan sets an example of collaborative regulation of private sector through the Punjab Education Foundation.

In India, reforms in regulation of private schools have been argued on the basis of universalizing access to education while recognizing the increasing role of private in enabling that access, particularly for the poor. However, the experience so far has been that the regulations create entry and exit barriers in the provision of education by entrepreneurs thereby reducing competition and keeping the cost of education high. It is in this context that regulation of private education is observed in the case studies to

better understand how governments in other parts of the world have managed to harness private investment in education for the benefits of the society in general.

## Case Study 1: South Korea

### Education in South Korea

South Korea ranked in the top 5 of participating countries for reading and mathematics in 2012 and has maintained a ranking above the OECD average in the PISA rankings since 2003

- Total Number of Schools: Elementary: 5855, Middle Schools: 3144 and High Schools: 2313
- Total enrollment: 7,260,996
- Total Enrollment in private schools: 1,291,094 (17.78 %)
- Total number of Hagwons: ~95,000<sup>1</sup>
- Total number of Private Tutors: ~84,000 individual
- Percentage of students attending Hagwons: 74%<sup>2</sup>
- Government spending on education: 8% of GDP<sup>3</sup>
- Private spending on k12 education: 19% of total spending<sup>4</sup>
- Per-child expenditure: 6976 US\$ (elementary) 8199 US\$(secondary)<sup>5</sup>
- Secondary school dropout rate: 0.9% at Lower Secondary & 1.8% at Upper Secondary<sup>6</sup>

### Private Education in South Korea

The public school system in Korea distinguishes public schools from private schools *de jure* however there is no *de facto* difference between public and private schools. That is because most private schools, which account for over 15% of total schools in South Korea, are run on government funding. Because formal private schools in South Korea receive government funding, they are required to follow the same procedures for admission and teaching as state-run public schools. Therefore, even though formal

<sup>1</sup> [http://english.moe.go.kr/web/1722/site/contents/en/en\\_0219.jsp](http://english.moe.go.kr/web/1722/site/contents/en/en_0219.jsp) South Korean Ministry of Education website

<sup>2</sup> Blazer, C. "Is South Korea A Case of High-Stakes Testing Gone Too Far?" Miami, Florida: Office of Assessment, Research and Data Analysis; February 2012

<sup>3</sup> OECD Indicators, Education At A Glance 2011.

<sup>4</sup> ibid

<sup>5</sup> ibid

<sup>6</sup> UNESCO 2014 EFA Report

private schools are technically non-public entities allowed to have their own set of rules, the conditions for government funding eliminate the differences between government-run schools and privately-run schools. In effect, this means that the common schooling system has subsumed the private formal schooling system to remove any notion of choice from the side of parents and students when enrolling in school. This is the primary reason why parents and students choose to avail supplemental education to improve chances of getting into the best universities which have highly competitive admission processes. **(J. Lee 2011)**

One form of supplemental education is taking private tutoring. In Korea, everyone who wants to teach can be a private tutor for individuals or small groups. Since there are no regulations and guidelines for private tutoring concerning time, location, method or tuition fees, there is little information available in public domain on individual private tutoring. Another form of supplemental education is Hagwon, which is an institutionalized form of private tutoring. After school, students go to school-like *Hagwon* where they are taught by qualified and experienced instructors.

Since the formal common schooling system has created private formal schools in the mould of state-run schools, **informally run private after-school centres or Hagwon are the only institutions in the education system that offer students choice.** Students can choose which Hagwon they will attend, if at all, and the kind of tuition offered differs between Hagwon. Some Hagwon offer training in arts and sports, while others are focused on science and languages. This choice is lacking in the formal education system and could partially explain why almost three-fourth of the students attend Hagwon in addition to attending formal schools. **(Mori and Baker 2010)**

As found in multiple surveys regarding supplemental education in Korea, the demand for Hagwons and private tutoring emerged from students and parents' simple need for a better education than what schools offered. Parents wanted their children to get higher scores than others, to enter a well-known university, and to get a job with high earnings.<sup>7</sup> Students want to be taught differently according to their interest and ability. Korea does not have a flexible school system and varied options for success, so any student's future depends on the results of competitive college entrance exams. A

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<sup>7</sup>Lee, Jin. "Policies on Supplemental Education in Korea", Illinois: Springer, 2011.

survey of 624 households in 2010 showed that among the main reasons expressed by parents and students for using supplemental education were the governments' failed educational policies and dissatisfaction with schools. (J. Lee 2011) Since students and parents cannot choose which school the student will attend, the only option for them is supplemental education.

## Hagwons

Hagwon are privately run for-profit informal education institutions in South Korea. Students attend Hagwon in addition to attending formal schools during the day. Initially, Hagwon provided opportunities for English language education for the native population as far back as 1885 when missionaries from the USA started the Paichai school. At different points in South Korea's history, such private education has faced criticisms of contributing to increasing the gap between the rich and the poor who could not afford the fees charged by Hagwons. Hagwon often specialize in subjects like mathematics, foreign languages, science, arts, or music. Many Hagwon also have adults as students, particularly those dedicated to teaching the English language. Currently, Hagwon continue to thrive, especially in urban centres, and public demand for Hagwon show no signs of decreasing.

*"Providing a 50 percent price subsidy for private tutoring to households under the median household income increases average test scores by 0.18 standard deviations and narrows the income achievement gap by 47 percent, at the cost of increased government spending. A voucher system funded by a tax on private tutoring also narrows the income achievement gap by 31 percent, but at the cost of decreasing average test scores by 0.07 standard deviations." (Choi 2012)*

Several econometric models trying to determine the relationship between incidence of private tutoring and learning outcomes in South Korean students provide evidence that "private tutoring is an important determinant of Korean students' test score performance." (Byun, Kim and Schofer 2015). The criticism of Hagwons is that private tutoring besides formal public education widens the achievement gap between students from privileged backgrounds and students from disadvantaged backgrounds based on purchasing power. (Choi 2012) While this is a valid criticism of supplemental

education, it is important to also understand that the reasonable course of action is to improving access to Hagwons or improving public education to meet the learning outcomes achieved by Hagwons considering that parental demand for Hagwons continues to be high.

## Regulation of Hagwons

### **Prohibition: 1980s**

To stop the steadily increasing dependence on supplemental education, the Korean government in 1980 prohibited students from taking part in any kind of supplemental educational service for the purpose of test preparation. A person who notified the government of students, parents or tutors who were taking part in supplemental educational services received a reward, and the reported people were punished by the law. This prohibition did not allow even students who really needed remedial learning to take supplemental education. In conjunction with this policy, the government abolished several entrance exams, changed the school curriculum and national standards, and established diverse schools. Despite these efforts, nothing has changed. The demand for supplemental education services has been increasing until now, and the expenditure and participation rates have been pushed up fast. **(Lee, Lee and Jang 2010)** Furthermore, the Supreme Court in 2000 ruled that **prohibiting supplemental educational services was unconstitutional**. As a result, the number of Hagwon and private tutors has drastically increased, and almost all students are using and willing to pay for their services; no longer are supplemental education services just for the rich. It is also important to recall the studies mentioned earlier which also point towards higher learning outcomes among students that availed private tutoring than students who did not, even when controlled for income levels and type of formal school attended. **(J. Lee 2011)**

### **Revised policy approach: 2000s**

The government of South Korea started imposing regulations on Hagwon after the Supreme Court ruling citing outright bans to be unconstitutional. The long hours spent by Korean students in after-school Hagwon after formal schooling and the financial

stress on poorer household were taken into account. New laws required Hagwon to furnish documentation to register themselves as legal entities with education department, issue receipts for fees paid and preventing them from running late into the night. However, the large number of Hagwon operating in the country made it incredibly difficult for the city councils to enforce the regulations effectively. **(Tae-jong 2008)** Regulations were continuously revised and the government even declared rewards for citizens who reported non-compliance from Hagwon.

Along with these restrictions, Hagwon also had to disclose their tuition amounts to the government so people could complain if the schools attempted to raise the tuition. The licenses of Hagwon caught running false advertisements will be revoked. Hagwon are required to issue cash receipts. The regulations were intended to reduce the cost of private education. However, some Hagwon added weekend classes to compensate for shorter weekday classes. Other parents have sought out private tutors to make up for lost study time. Other Hagwon simply ignored the regulations. It was reported in April 2009 that 67 percent of Hagwon sampled were found to have overcharged for tuition. Forty percent were found to have charged parents over two times the registered tuition amount. **(Shin-who 2009)** Nevertheless, the demand for Hagwon showed no signs of decreasing.

### **Competition: Post 2010**

The Ministry of Education, Science and Technology placed greater emphasis on After School Programs by revising the existing educational policies in 2004. The basic idea was to meet the demand for supplemental education on site at school. Each school would design a curriculum, hire instructors either within or outside of the school, and charge a small tuition fee from students who registered in the program. In other words, the government tried to **absorb the demand for supplemental educational services into public education rather than over-regulating and prohibiting these services.** Initially, the government did not allow schools to make contracts with for-profit institutions for After School Programs. However, the government has now expanded the range of providers of for-profit, supplemental educational institutions for the schools. **(J. Lee 2011)** These providers are recruitment/education companies that have

their own curriculum, books, managers, supplies and teachers all within their company. These companies go from school to school trying to make contracts with the principals. Once contracts are made, the companies choose the teacher which best suits the school, with inputs from the principal. So each teacher is working for the company, not the public school.

To provide students equal access to supplemental educational services, the After School Programs emphasize three key strategies: **vouchers for disadvantaged students, support for students in rural areas which have fewer supplemental educational institutions,** and **daycare services at the primary school level.** 53 per cent of students participated in the After School Programs in 2008, and participating students paid an average of US\$24 (equivalent to about 26,000 Won) a month. Families with incomes below US\$30,000 stated that the After School Programs helped them reduce their expenditures for *Hagwon* and private tutoring. **(J. Lee 2011)**

## Case Study 2: The Netherlands

### Education in Netherlands

The Netherlands achieved above-average scores in mathematics, reading and science on PISA 2012. The Dutch had a greater share of top performers (with 19.3% of students at or above Level 5 compared to the OECD average of 12.6%) and a lower share of low performers (with 14.8% of students below proficiency Level 2 compared to the OECD average of 22.2%).

- Total number of K12 education institutions: **7261** primary schools and **645** secondary schools
- Average size of schools: **218** students in primary and **1458** students in secondary
- Total enrolment in K12 education: **2.5 million** (1.6 million in primary + 974,000 in secondary)
- Expected success rate (percentage of students enrolled expected to obtain a certificate) at secondary level: **85%**<sup>8</sup>
- Government spending on education: **5.9% of GDP**<sup>9</sup>
- Total spending on education: **6.9% of GDP**
- Per-child expenditure: **6380 Euros** (primary) and **7790 Euros** (secondary)<sup>10</sup>
- Secondary school dropout rate: **0.6%**<sup>11</sup>

### Private education in Netherlands

A central provision of the Dutch Constitution is that all schools, public and independent, are funded on an equal basis if they observe statutory regulations. These include having a minimum of 260 students, licensed teachers, and a school plan with attainment targets approved by the government-appointed school inspector. The Dutch education system is made up of three major types of schools: public schools, Catholic or Protestant independent schools and non-denominational independent schools. Each of these groups of schools has national organizations for parents,

<sup>8</sup> Directorate of Education. The State of Education in the Netherlands, Amsterdam: Ministry of Education, Science and Culture, 2012.

<sup>9</sup> *ibid*

<sup>10</sup> *ibid*

<sup>11</sup> *ibid*

teachers and school boards. This produces a large degree of *school choice* in the Netherlands, one of the education system's primary strengths. Independent schools are very popular, and two-thirds of government-funded schools are independent. Teachers in both public and independent schools are paid according to the same salary scales.

Under the Ministry, the Education Inspectorate is responsible for assessing school performance. Recent policy changes have served to make the Inspectorate more independent from the Ministry (**European Agency for Special Needs and Inclusive Education 2009**). The Inspectorate is responsible for examining and publishing findings relating to school and teacher performance, including outcomes of education and organization of the learning process. If the Inspectorate identifies a problem within a school, specific areas of improvement are identified. At times, the Inspectorate may suggest policies to address the problem. A second inspection occurs at a later date to assess improvement.

The government in Netherlands works primarily as a ***facilitator and financier of education***. The production of education is mostly done by independent schools with their own managements even though they receive state funding. Provisions for school autonomy go hand-in-hand with a per-child funding system because it would be unreasonable to release or withdraw funds based on school performance without allowing schools decision-making capacities.

Decentralized decision-making in turn allows each school to focus on certain areas more than others, to attract more students through their performance. This effectively ***improves school choice*** in the system by increasing the number of different types of schools a parent can consider before enrolling their child in school. Such increased choice is primarily important because it increases competition among schools to achieve better learning outcomes to retain existing students and attract new students. Netherlands takes this one step further by increasing the number of channels within schools that students can choose from, thereby increasing competition among these channels and increasing internal efficiency of these schools.

## Per-child Funding

All Dutch children get a certain amount of money that is given to the school of their choice to provide them their educational services. That amount is the same for all Dutch children, with two exceptions. The first exception is for students whose parents have very low education levels. This includes a small proportion of children from families with a Dutch heritage and a large proportion of students from immigrant families. The amount given to the schools chosen by these students is more than twice the amount given for students who are not so designated. Furthermore students who come to school with physical or neurological handicaps also get an additional amount of money, which they can take either to regular schools to supplement their regular allotment, or to special schools for the handicapped. **This system of school finance, generally called a pupil weighted financing system, obviously provides substantially more money behind students who need more resources to get to high standards than to those who need less to get to the same standards.** Once the students choose their schools and the money is distributed by the state based on the characteristics of those students, the school is free to spend that money as it wishes and is not obligated to spend any particular sum on the students who brought additional money into the school. **(Directorate of Education 2006)**

It follows from the model described above that, the more students a school attracts, the greater the quantum of the budget at its disposal. Consequently, schools can differentiate themselves from one another. Schools may blossom with added emphasis in fields, such as performing arts, law, mathematics, sciences, etc., so as to corner a niche portion of the “market”. Schools can attract parents and students based on these credentials. Parents and children can ascertain whether the education they prefer is generalised or geared towards a specific vertical, and pick a school accordingly. Schools modifying their budgets to differentiate themselves will find the need to market themselves to parents and students alike. There would be dissemination of information to parents and students, through schools or a consolidated and representative body.

Such a model puts the onus on schools to use local information to interact with market forces and make efficient decisions at the school-level. The weighted student formula allows school managements to more flexibly allocate staff in nuanced ways that are not

possible using staffing ratios. In such a system, school principals can use their discretion to, among other things:

- Hire additional teachers to reduce class size or provide additional assistance to disadvantaged students
- Hire additional counselors, attendance clerks, parent liaisons and extra security officers
- Increase certain useful part-time staff (such as a parent liaison) to full-time status
- Retain teachers to maintain their desired class numbers despite declining enrolment

The primary critique of such a per-child funding system is that it promotes segregation and therefore widens gaps caused by socio-economic factors. However, the Netherlands' experience with a weighted per-child funding system that accounts for disadvantaged sections is encouraging. **The impact of students' socio-economic status on mathematics scores decreased between 2003 and 2012 (11.5%)** and remains below the OECD average of 14.8%<sup>12</sup>. Among participating OECD countries, literacy proficiency among adults (16-65 year-olds) is above average on the 2012 OECD Survey of Adult Skills.

## Enabling policy factors

### School Autonomy

Decentralized decision-making is inevitable for the successful implementation of a per-child funding model. Schools have considerable freedom in the Netherlands to decide how to teach but the state does define what they must teach, in the form of attainment targets for the schools in each of the subject matter areas. The Dutch Inspectorate is charged with inspecting schools on a regular schedule to make sure that the schools' funds are being spent appropriately, the curriculum is in place and the attainment targets are being met. In the Dutch system, the schools are responsible for hiring teachers, but teachers' compensation and working conditions are set by national negotiations between the government and the teachers union. The Dutch Ministry of

<sup>12</sup> OECD PISA 2012 Results <http://www.oecd.org/pisa/keyfindings/pisa-2012-results.htm>

Education, Culture and Science is responsible for setting the standards for entrance into the teacher education institutions, for the curriculum of those institutions and for teacher licensure, thereby giving it substantial control over the quality of teachers in the Netherlands. Individual schools are responsible for hiring teachers, but the teachers they hire must be paid at the rates on the schedule negotiated nationally.

The national government issues teacher training and hiring guidelines specifying which institutions will be responsible for:

- preparing the teachers going to each kind of school in the system
- establishing the criteria for hiring teachers
- setting the criteria for admitting candidates to the schools of education
- setting the curriculum for the teacher education institutions and bargaining wages and working conditions with the national teachers' union

The Dutch education system is unified, with national policy directives from the Ministry of Education, Culture and Science impacting all localities, but school administration and management is decentralized, and the authority over schools is held at the municipal level. The Ministry's jurisdiction extends only to:

- length of courses
- compulsory and optional subjects
- lesson frequency and length
- class size norms
- examination syllabi and national examinations and qualifications
- salaries, teaching hours and status of teachers

The municipal authorities are responsible for ensuring compliance with Ministry standards, establishing public schools when necessary and planning and coordinating facilities, equipment and staff. They may also determine specific curricula and teaching materials, though the subject matter must fall within the Ministry framework. In 2006, the Ministry decided to provide all funding to primary schools in the form of block grants, so that schools would have total autonomy over spending.

## School Choice

The Netherlands has a long history of school choice, based on the fundamental legal principle of “pragmatic tolerance”. There has been no attempt by the state to impose a common schooling system unlike other parts of the world, in an attempt to curb inequalities. Independent schools comply with basic education department guidelines but are autonomously run based on dominant ideologies of the managements and make up more than two-thirds of all schools. While these schools receive state funding, they are also free to limit their admission to children of parents who concur with the school management’s ideologies. The fact that the Netherlands has managed to reduce the impact of socio-economic status on learning outcomes, as evidenced by the 2012 PISA data, should be read in juxtaposition to the “widening inequality” arguments for the abolition of such a system in favour of common schooling in most parts of the world.

One of the key features that contribute to the effectiveness of such a school choice based system is the availability of quality information about schools to sufficiently inform parental choice. A 2009 study based on the quality information of schools published by a Dutch newspaper provides evidence that “negative (positive) school quality scores decrease (increase) the number of students choosing a school in the year after publication. The size of these effects is typically small, except for the effect of receiving the most positive score for academic school tracks. The inflow of first year students at an academic school track goes up by 16 to 18 students after the track has received this quality score.” **(Koning and Wiel 2010)**

Parents and students are strongly counseled by their primary school faculties when considering which secondary schools to apply to. Those schools can determine whom they will admit. The broad structure of those schools is set by the government. There are three broad classifications of secondary school: academic, general and vocational. Within those divisions, there are further divisions. On the vocational side, one important source of those further divisions is the degree to which theoretical work or practical or applied work dominates the program. The whole system is modularized

and largely performance-based. So students can carve their own path through the system. Researchers looking at the choices actually made by a cohort of secondary school students between 2003 and 2007 counted more than 2,000 different routes taken through the system of secondary education. **(Kuiper, Nieveen and Berkvens 2014)**

## Case Study 3: Punjab, Pakistan

### Education in Punjab

In early 2000s, the education landscape of Pakistan was facing severe challenges in terms of access and quality of education available to majority of country's school-going population. World Bank funded a longitudinal comparative research between 2003 and 2007 titled Learning and Education Attainments in Punjab Schools (LEAPS). The study, among other things, reported that private schools outperformed public schools on learning outcomes for comparable student populations. The study further went on to establish that per student costs in private schools were much lesser in comparison to the public schools.<sup>13</sup> The private schools that the study referred to were Low Cost Private Schools (LCPS) or Budget Private Schools (BPS), contributing to near 40 per cent<sup>14</sup> of total enrolments in Pakistan. Government of Pakistan, thus had to tackle the challenge of low enrolments, populated yet poorly performing public schools on one hand and on the other of rapidly growing low--cost private school system catering to the poor.

Pakistan Education Act II was passed in 2004 to revitalize the role of Punjab Education Foundation (PEF, originally established in 1991). PEF was now entrusted with the responsibility of promotion of education, especially encouraging and supporting the efforts of the private sector in providing education to the poor, through public private partnership<sup>15</sup>. Foundation Assisted Schools (FAS), the flagship program of PEF was launched in 2004 as a pilot covering 56 schools in the Punjab province. Three more programs namely, Continuous Professional Development Program (CPDP), Education Vouchers Scheme (EVS) and New Schools Program (NSP) were launched soon after. In 2014 the outreach of all three programs together was 1,595,924 in 36 districts of Pakistan. The World Bank under its Specific Investment Loan and the Department for International Development (DFID) of Government of UK through a grant under its

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<sup>13</sup> <https://www.povertyactionlab.org/partners/learning-and-educational-achievement-pakistan-schools-leaps>

<sup>14</sup> Annual Status of Education Report 2014

<sup>15</sup> Osorio, Raju et al, Evaluating the impacts of public student subsidies to low cost private schools in Pakistan, *Journal of Development Studies*, November 2014

Punjab Education Sector Program 2 (PESP)<sup>16</sup> 2013--2018 have invested significantly in PEF.

### **Punjab Education Foundation (PEF)**

Over the years PEF has played a pivotal role in overcoming the challenges that the school education sector in Pakistan faced at the time of Foundation's restructuring. Over the years, PEF has moved from strength to strength delivering on many but especially on two fronts: Per child model of funding in school education and learning outcomes--driven regulation of private schools. Also, through effective engagement with private schools, particularly with BPS, PEF has given us a hope that Right to Education and private schools not only can coexist but the latter can in fact contribute majorly towards fulfillment of Millennium Development Goal of universalization of elementary education.

Some of the salient features of the Punjab Education Foundation are:

- It is headed by a 15 member' government appointed Board of Directors, a majority of which are drawn from the private sector
- The selection of schools is based on quality-driven criteria
- An Independent Monitoring & Evaluation Unit reporting directly to the Board of Directors
- Outcomes based regulation of schools: affiliation and funding of schools is linked with learning outcomes
- Learning outcomes are measured twice a year through Quality Assurance Tests (QAT), monitored by a Third Party agency
- Complete data of schools with enrolment numbers and assessment results published is available in the public domain through the website, blog, social media and printed reports

### **Impact of PEF**

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<sup>16</sup> <https://finances.worldbank.org/countries/Pakistan>

Between 2010 and 2014, the PEF reached out to 14,813 schools and enrolled 15,95,924 children across 36 districts of Punjab province. The average per-child per year cost less than 4.87 USD (511 PKR) in 2014<sup>17</sup>, and was termed by the World Bank as one of the most cost effective models for increasing enrolments. The Foundation now aims to reach out to 2.2 million out-of-school children by 2019.<sup>18</sup> PEF also recently announced the introduction of a pilot project for children with minor disabilities<sup>19</sup> in a bid to create an inclusive model of education. Replication of the work done by PEF is progress in other provinces of Pakistan through Sindh Education Foundation and Kashmir Education Foundation.

Program	Year	Target	Program Strategy	Expenditure	Scope
<b>Foundation Assisted Schools</b>	2005	Economically Weaker Sections	Encourages and promotes quality education through financial and technical support to partner schools rural, urban and slum areas of Punjab	500 PKR to 1000 PKR per student	36 districts/1.3 million children
<b>Continuous Professional Development Program</b>	2005	PEF partner schools teachers and head teachers	Provides customized trainings to all PEF programs by conducting training need analysis (TNA) and identifying weak areas	-	19,500 teachers and head teachers
<b>Education Voucher Scheme</b>	2006	Children between 6 & 16 years belonging to less affluent areas	Vouchers for children to attend any EVS partner schools	450 PKR to 600 PKR per-student	36 districts/3 lakh children
<b>New School Program</b>	2008	Open to all	New schools at sites where no government or private sector formal school exists	550 PKR to 800 PKR per-student	1478 schools in
<b>Academic Development Unit</b>	2005	All PEF partner schools	Conduct Quality Assurance Tests (QAT) of PEF partner schools to gauge learning outcomes for the contract renewal of successful schools and contract termination of twice-failure schools	-	36 districts/ All PEF partner schools

## Discussion

<sup>17</sup> Punjab Education Foundation, Annual Report 2014

<sup>18</sup> *ibid*

<sup>19</sup> <http://www.thefrontierpost.com/article/355096/pef-plans-project-for-children-with-minor-disabilities/>

The Indian education system seems to be in a position similar to South Korea's two decades ago, with policy aiming to shut out formal private schools and discourage after-school private tuitions while parental demand moves in the opposite direction. In this context, the Korean experience offers us insights into how best to regulate non-formal private tutoring. Much like the Korean experience demand for private tutoring in India in addition to formal education is increasing very year. The Korean government in the past took a hostile approach to private tutoring as the policy approach was convinced it widened inequalities within the society. However, with studies managing to establish a positive relationship between private tutoring and learning achievements and continuing parental preference despite heavy regulation including outright bans, the private tutoring sector in Korea has also bludgeoned. The lack of adequate school choice in the formal education system has to be held primarily responsible for this scenario. It is difficult to completely re-haul a large, established school system overnight but it is much easier to adopt policies that make gradual shifts towards achieving school choice. The Korean government's recent approaches towards private tutoring, where it competes with private tutors while only requiring them to meet broad recognition norms is a good example of such policy.

The per-child funding system in Netherlands ensures that the state subsidy for education follows the students, instead of merely funding schools. The government in Netherlands works primarily as a facilitator and financier of education. The production of education is mostly done by independent schools with their own managements even though they receive state funding. Provisions for school autonomy and access to information go hand-in-hand with a per-child funding system because it would be unreasonable to release or withdraw funds based on school performance without allowing schools decision-making capacities in a demand-driven system. Decentralized decision-making in turn allows each school to focus on certain areas more than others effectively improving school choice in the system by increasing the number of different types of schools a parent can consider before enrolling their child in school. The Netherlands has consistently managed to decrease the impact of socio-economic status on learning outcomes even while operating under this system. This is mostly because the weighted per-child funding system puts a premium on students from disadvantaged backgrounds, thus bringing more funding with them to the school of their choice. This customizability of the model based on the social and economic fabric of the territory it is applied in, is one of the strengths of this model.

Both India and Pakistan have been facing similar challenges over the years in terms of access to and quality of education. Emergence of BPS, growing enrollments in private schools and emptying of government schools are some of the other common traits that connect the education systems of India and Pakistan. While Pakistan has emerged as a frontrunner in effective Public Private Partnerships to tackle some of these challenges, India is yet to define strategies for constructive and goals-driven engagement of the booming private sector in education.