



Regional Imbalances in Provisioning and Participation in Education in India and Pakistan

Political Economy Perspectives

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Abstract

Despite substantial progress over the past couple of decades, regional inequalities in participation and provision in education have persisted in South Asia. Persistent inequalities in provision and low quality of public services represent a failure of service delivery. There is a growing recognition that failures of service delivery are to be understood as failures of governance, and governance is a process that links various actors (including government functionaries, political representatives, teachers and school managers, students, parents, and communities) in relationships of accountability. This chapter documents regional inequalities in

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outcomes and resource allocations in India and Pakistan. Drawing on political economy frameworks, it describes accountability relationships that comprise systems of education service delivery and rediscovers empirical literature in the context of India and Pakistan that helps to inform understanding of the accountability relationships.

Keywords

Regional inequalities · Political economy of provision · Accountability · Education systems

Introduction

Despite substantial progress over the past couple of decades, inequalities in participation in education have persisted in South Asia. Access to educational opportunities for children continues to vary significantly according to their parents' income and educational attainment, their geography and location, whether they are born a girl or a boy, and which caste they belong to. These factors also affect children's trajectories through the education system, both in terms of length of stay in school and in terms of skills and knowledge acquired. Reduction in inequalities requires governments to reform service delivery and governance of systems of education.

There is increasing recognition that failures of service delivery are to be understood as failures of governance, and governance is a process that links various actors in relationships of accountability. These relationships represent processes of negotiations and bargains between different actors and are grounded in political and social contexts. Social policy and provision are then shaped by the nature of bargains between various stakeholders at the national and local levels; the priorities of the policy makers, comprising largely of the elite; and the nature of political competition (Hossain et al. 2017). Historical inequalities and ethnic diversity also mediate political processes and public goods provision (Baldwin and Huber 2010; Banerjee et al. 2005). Access to public services in developing countries is substantially a matter of who can extract them from the political system (Banerjee 2004). Articulation and strength of collective voice for demand of public services (from policy makers, politicians, and organizational providers) has been demonstrated to be to be a function of several characteristics such as group heterogeneity and landholding systems in South Asia (Patnam 2009) and has been an important factor in explaining regional variations in access and quality of schools. Aside from politics, the large complex bureaucratic machine of service delivery, its functioning and interaction with other stakeholders, has a bearing on education provision. The education service delivery mechanisms are set up as hierarchical bureaucracies, and the political economy discourse on bureaucracies involves notions of delegation, information, and capacity (resources and authority). Accountability frameworks such as that developed in the World Development Report 2004 bring some of these dimensions of politics and bureaucracy together in a framework that links stakeholders

(including politicians, bureaucrats, citizens, frontline service delivery providers (state and non-state)) through various relationships of accountability, including voice, compact, and management. The accountability framework is used to understand the regional imbalances in education provision and access in India and Pakistan.

This chapter begins by documenting inequalities in outcomes and resource allocations in provision in India and Pakistan. It argues that inequalities in provision are not only a resource question, rather one that requires engagement with questions of politics and governance. The chapter describes a political economy framework that model complex systems of service delivery, describes them as a series of accountability relationships, and provides sets of conditions needed for equal and good quality education provision. These political economy perspectives help understand inequality of service provision in India and Pakistan.

India and Pakistan, the two large South Asian countries, shared a common history till August 1947. They inherited similar social, economic, and educational structures and at the beginning of their journey as democracies made similar commitments to development. Since then both countries have taken major strides in improving their schooling systems and increasing school participation levels. The Right to Education Act ensuring free and compulsory education of all children has been adopted in both countries. Yet the gap between provision and commitments persists, and more than 21 million children in the 6–14 age group were estimated to be out of school in these two countries (UNESCO 2014). These children are largely concentrated in certain regions and among specific population groups. The accountability framework is used in this paper to understand the reasons for regional imbalances in education provision and access in India and Pakistan. The contribution this chapter makes is twofold: (i) it links the discussion on provision, access, and quality of education with the discourse on governance and accountability, and (ii) it rediscovers the traditional political science and political economy literature to inform an understanding of service delivery failures regional dimensions in education in the context of India and Pakistan.

Regional Inequalities in Educational Access and Outcomes

Health and education services are especially scarce and unequally distributed in South Asia. Pakistan and India have done better in provision of physical infrastructure (such as roads, electricity, and transport facilities) than public services. Furthermore, measures of public good quality are often correlated with access, and regional disparities in access and quality combined are likely to be ever larger than those suggested by distribution of facilities alone (Banerjee et al. 2005).

While India and Pakistan have made progress in reducing the number of children out of school and improving the reach of public education services, provision of education remains unequal across regions. Tables 1 and 2 show the regional variations in education provision based on government administrative data in the two

Table 1 Indicators of education provision – Pakistan (regional)

State/country	Punjab	Sindh	KP	Baluchistan
Pupil-teacher ratio	30	27	28	19
Student-classroom ratio	46	36	n/a	23
Teacher vacancy rates	30.1	n/a	34.7	7.1
Proportion (%) of schools with				
Single teacher	8.3	41.3	11	39.2
With drinking water facility	99.5	57.2	89.1	52.6
With electricity	93.3	45.2	86.9	20.2
With toilets	99.2	63.5	95.8	27.5

Source: Education Management Information Systems data (2015–2016)

Teacher vacancy rates calculated by using the following formula: (sanctioned posts – filled posts)/ sanctioned posts

Table 2 Indicators of education provision at elementary level – selected states in India

State/country	Karnataka	Maharashtra	Odisha	Bihar	India
Pupil-teacher ratio	27	24	20	50	24
Student-classroom ratio	23	31	25	51	27
Teacher vacancy rates (2016) ²	8.4	4.6	0	34.4	17.5
Proportion (%) of schools with					
Single teacher	8.7	3.1	3.6	4.2	7.5
With drinking water facility	100.0	99.7	99.5	94.2	96.8
With electricity	96.8	83.9	30.4	34.9	57.3
With girl's toilets	99.8	99.4	97.1	89.9	97.6

Source: Elementary State Report cards (2015–2016)

countries.¹ In Pakistan, provinces of Punjab and Khyber-Pakhtunkhwa (KP) have made progress in improving infrastructure, and Sindh and Baluchistan lag considerably. There are differences in provision of teacher and classrooms as well as reflected through the variations in pupil-teacher ratios and student-classroom ratios. Forty-one percent schools in Sindh are single teacher schools, and teacher vacancy rates are very high in Punjab (Fig. 1) and KP.

There are stark intra-provincial disparities as well in Pakistan. Administrative data show that in 2016 southern districts in Punjab province (DG Khan, Pakpattan, Muzaffargarh) required new teachers in the hundreds to maintain the stipulated

¹Education Management Information Systems refer to mechanisms of data collection that form information flows between schools, district, and provincial departments of education. Data collected through annual school census on enrollments, facilities, resource allocations and expenditures, and some other school-level indicators is collated into what becomes yearly EMIS data. In India there is a similar system in place under DISE (District Information System in Education) through which data from all recognized schools are collated annually and uploaded at schoolreportcards.in.

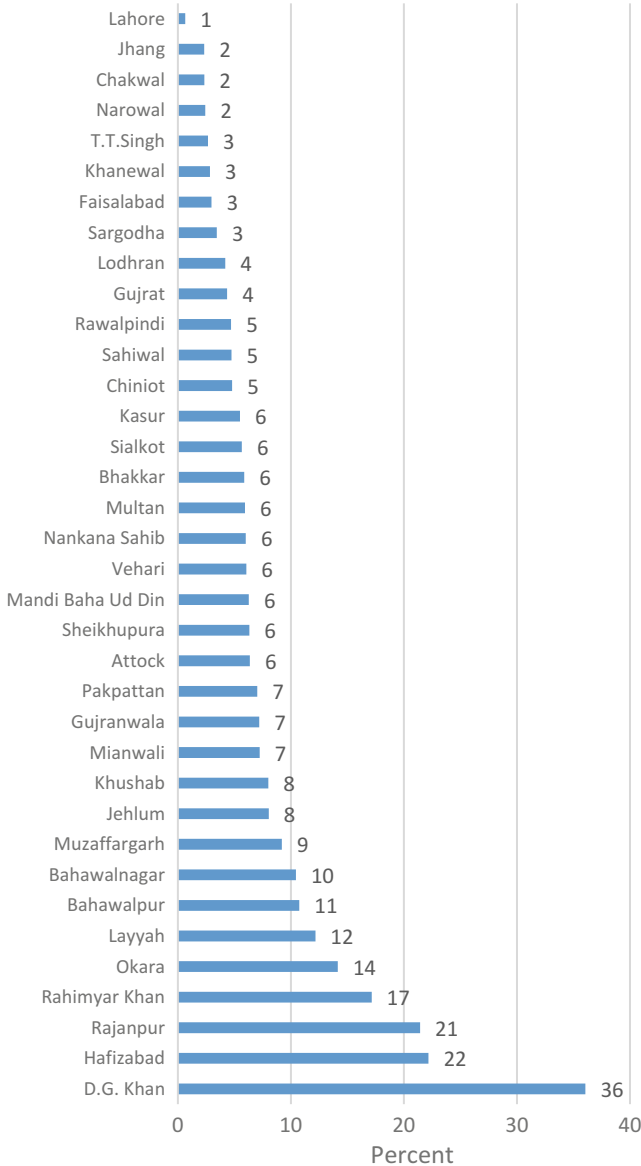


Fig. 1 Portion of single teacher schools by district, Pakistan (2016). (Source: EMIS 2016)

minimum requirements for student-teacher ratios, while districts in the north (Rawalpindi, Chakwal, Sialkot) had thousands more than the numbers required to do the same (Fig. 2).²

²The figures represent excess supply and shortage of teachers based on the student-teacher ratio of 40:1.

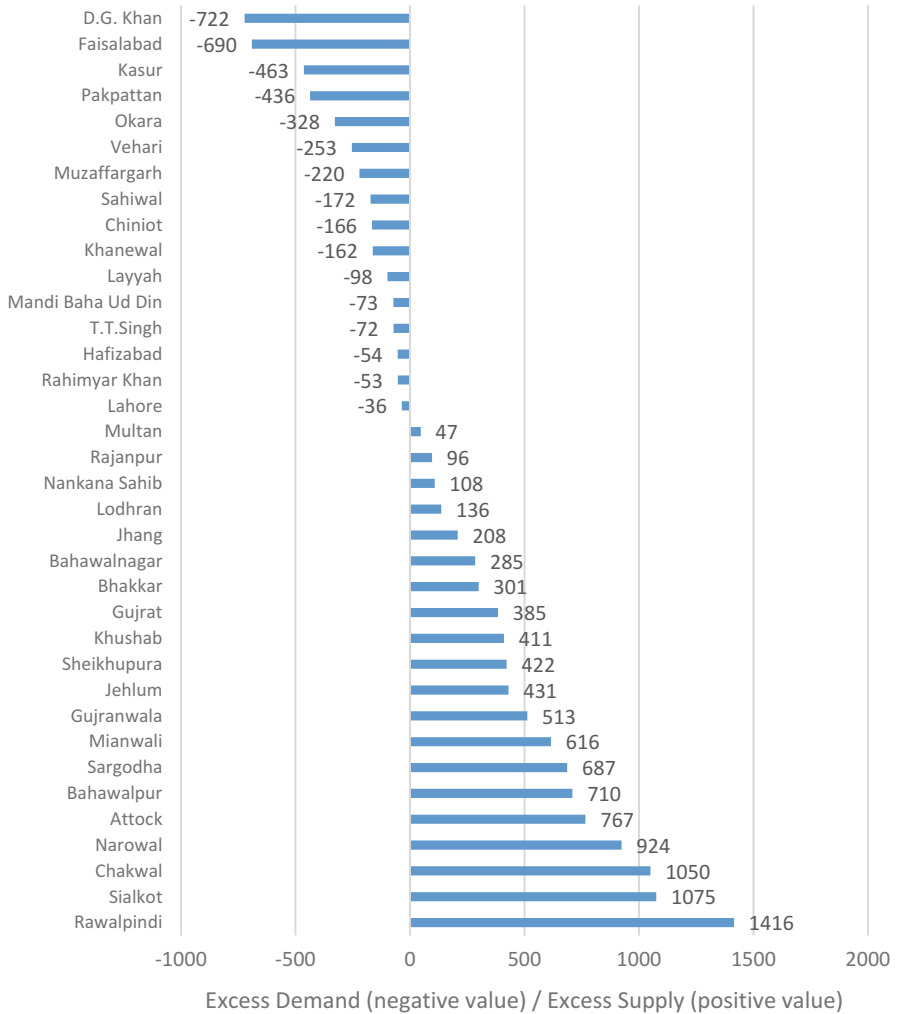


Fig. 2 Excess supply/demand of teachers in primary schools in Pakistan (based on STR 40:1) (Source: EMIS 2016)

The situation in India is equally varied. Table 2, which provides information on representative states from south, west, east, and north India, shows that Bihar from North India is the most disadvantaged in terms of teacher allocations and basic infrastructure. Karnataka and Maharashtra have better facilities though teacher shortages exist. Interestingly Odisha which has comparatively lower school participation rates has better infrastructure. Uttar Pradesh and Bihar have the highest vacancy, followed by Jharkhand, Odisha, and Chhattisgarh. A recent MHRD report shows that more than 100,000 government elementary and secondary schools have

just one teacher (CBGA 2016).³ These numbers mask the shortages within districts; it is likely that rural areas have fewer teachers than urban areas.⁴

Unequal provision is linked with unequal outcomes. In Pakistan, an average child growing up in Baluchistan is three times more likely to be out of school than a child in another province in the country, Punjab (GoP, 2016–2017). Similarly, a child growing up in southern Punjab is more likely to drop out of school than in Central or North Punjab. Eight out of ten girls from the poorest households in Sindh never make it to school. In India, while enrolment rates are much higher (less than 3% of all children nationally were out of school in 6 to 14 age group in 2014), a similar picture of regional variations is observed. More children are out of school in rural areas. In the southern states (such as Karnataka), the proportion of out-of-school children is less than 1%, while in the eastern states (such as Bihar and Odisha), this proportion is up to 4%. Differences are starker when we move beyond the average statistics and focus on the disadvantaged population groups. The proportion of girls out of school is highest in Rajasthan at 7.5% (UNESCO UIS data).

Public Financing and Provision of Education

Public investments in education in India and Pakistan remain persistently low despite the scale of the challenge facing the two countries. Pakistan spends less than 2% of its GDP on education. A decades-long target of increasing investment to 4% of GDP has not been met. India has raised public investment in education from 1% of GDP in the 1950s to around 4% in the 1990s. Annual per capita investments in education have also risen in India from around INR1000 in 2005 to more than INR 3000 in 2013 (Table 3).

Public spending in both countries also remains unequal in that often underdeveloped regions receive less investment as compared to more developed ones. The World Bank's social sector expenditure review for Pakistan revealed that the least developed districts in the province of Punjab receive the least funds.⁵ Another study found that the two most developed districts (Lahore and Faisalabad) receive 9% of the total education budget, while eight of the poorest performing districts get 8% of the total budget. In another province, Khyber-Pakhtunkhwa, three of the top performing districts in education outcomes (Peshawar, Mansehra, and Mardan)

³From "How have the Schools designed their school education budgets": CBGA 2016.

⁴It is unclear whether the rules for needs assessment and subsequent construction of new government schools have caught up with expanding population numbers in both countries. The current needs assessment formula informing school construction in Pakistan internalizes a certain dropout rate between primary and higher schools, which are fewer in number and farther apart (assuming that fewer numbers will reach high schools than are in primary schools). Constitutional obligations in India and Pakistan for universal primary education require all children to complete 12 years of schooling (including K-10). In light of, a revision of bureaucratic rules may be required.

⁵The World Bank social sector expenditure review was undertaken in 2012 and analyzed per capita allocation of development spending across the 36 districts.

Table 3 Changes in public expenditure on education in India (2005–2013)

State/country	Karnataka	Maharashtra	Odisha	Bihar	India
Education expenditure as % of NSDP/GDP					
2005	3.12	2.93	3.11	5.7	3.67
2013	3.67	2.56	3.58	7.48	4.04
Per capita expenditure (Rs)					
2005	971	1249	671	514	1049
2013 ^a	2756	3297	1846	1504	3041

Source: Selected education statistics (2005–2006). Analysis of budgeted expenditure on education (2012–2015)

^aCalculated using Census 2011 population data

receive 23% the total budget, while four of the poorest performing districts receive only 4% of the total budget (I-SAPS, 2014). Malik and Rose (2015) map district-level learning outcomes alongside district budgets for Punjab, Sindh, and Khyber-Pakhtunkhwa and find cases where districts with better outcomes are also receiving more resources. Improving equitable distribution of resources within provinces is, therefore, needed to help to address wide regional inequalities in educational opportunities. Provinces are now spending close to one-fourth of their budgets on education (Table 4). However, Baluchistan spends the least of the four provinces on education and has the most number of children out of school. KP and Sindh spend roughly similar amounts per school-age child, and yet indicators of provision are far lower in Sindh than in KP (Table 1). There are also larger numbers of children out of school in Sindh.

Table 5 demonstrates regional inequalities in resource allocations for India. Compared to proportion of GSDP spent on education, per capita or per student expenditures are better indicators of levels of expenditure. Karnataka and Maharashtra, states with higher educational outcomes, spend more on education as well. Levels of expenditures are lower for Odisha and Bihar, states which have low education outcomes. In Bihar, one of the states with lowest outcomes in India, a relatively higher proportion of the states' gross domestic product was spent on education in 2012–2013. All the other states have lower and similar proportions spent on education. It indicates some changes in priority in the less developed states, but other indicators show that in absolute terms lower amounts are spent there.

Low levels of investment are partly an outcome of resource constraints. Countries that have less, spend less. This is also a key argument for provision of aid to low-income countries. India and Pakistan have inherited little. Their shared colonial histories have also had a demonstrable deterministic influence on their development trajectories. Public investments in education in the Indian subcontinent were lower than other British colonies (Chaudhary 2009), and patterns of inequality were apparent during colonial rule, with states ruled by indigenous princes investing more in social services than states under British control. Following independence, substantial investments particularly in the less developed regions were required to overcome historic underdevelopment. However, the birth of the two nations was one of the most violent events, entrenching the two countries deeply in geopolitics which

Table 4 Public financing of education in Pakistan – regional snapshot

	Punjab	Sindh	KPK	Balochistan
Education budget (% of total budget)	24	22	26	19
Per capita expenditure	2539	3246	4137	3605
Expenditure per school-age child (5–14 years)	9758	10,766	13,753	10,427
Expenditure per enrolled child	16,756	27,202	22,897	46,397

Source: WDI (2018)

Table 5 Public financing of education in India (2012) – regional snapshot

	Karnataka	Maharashtra	Odisha	Bihar	India
Education budget (% of GSDP) ^a	3.12	2.93	3.11	5.7	3.67
Per capita expenditure on education (Rs)	2756	3297	1846	1504	3041
Expenditure on elementary education per enrolled child (classes 1 to 8) (Rs)	8908	8481	5911	4325	7636

Source: Analysis of budgeted expenditure on education (2012–2015). *Calculated using Census 2011 population data

^aGross State Domestic Product

set the course for security interests (and consequently defense budgets) defining the policy agenda and effectively crowing out investment in public services, including education.

Lack of resources has been a problem for Pakistan in particular, which has also been more aid dependent of the two countries. Uneven and low levels of economic growth and weak tax generation mechanisms have meant that Pakistan has been unable to create the fiscal space necessary for the allocation of sufficient funds to education (Malik and Rose 2015; Bari et al. 2017). Even though education service provision is the mandate of provinces, and each spends close to one-fourth of their budget on education, public financing rules mean provincial units remain dependent on the national pool of resources for determining the amount of resources available to them for undertaking service provision.

The question of why governments invest in education and ultimately how much they invest is a political one (Pritchett 2018). Political commitments are usually driven by growth imperatives. Human capital theorists placed investments in education at the center of governments' strategies for promoting growth (Shultz 1962; Becker 1992). Education spending is higher in competitive, open economies, where demand for skilled productive labor drives human resource developments. Expansion of publicly funded mass education systems in countries that were industrializing in the nineteenth century was an outcome of a concerted political and policy effort for increasing skilled labor supply (Easterlin 1981; Chaudhary et al. 2012; Hossain et al. 2017; Hickey 2013). Other reasons for public investment in education include citizenship and social cohesion and goals of poverty reduction and economic mobility (Labaree 2007). In the twentieth and twenty-first centuries, the language

of human rights drives the conversation for the need of public investments in education. Any or all of these reasons may drive *the human development project* of a state.

What is termed political will may be described as the human development project of the state (Hossain et al. 2017), which encompasses human development goals a state sets for itself, the reasons for pursuing those goals (the rationale for investing in education, be it for economic growth, human rights, social cohesion, and citizenship formation), and the financial resources that are allocated to the achieving the goals. India and Pakistan's human development projects remain underdetermined, and this contributes to failures of service delivery.

Dreze and Sen (1999) argue that successive governments in India have failed to adequately internalize the growth benefits from investments in education. Easterly (2001) highlighted that Pakistan had experienced jobless growth since independence and failed to invest sufficiently in human development, as evidenced by low allocations to education and health. Low development outcomes and imbalanced growth had retarded further growth prospects. He investigates the role of perverse incentives by the elites and of ethnic fragmentation in explaining low investments. Politics at the national level is an important factor determining overall policy, the overall resource envelope available for education, and the policy direction.

Resources are only part of the solution. Simply providing more inputs does not necessarily improve retention and raise learning in all contexts.⁶ The efficiency and effectiveness of the use of resources is tied very closely with questions of incentives, accountability, and autonomy. In other words, these are questions of governance.

Governance and Provision of Public Goods: a Framework of Analysis

Persistent inequalities in provision and very low quality of public services, both characteristic features of the South Asian context, represent a failure of service delivery. Political economists have argued that failures of service delivery are to be understood as a failure of governance (Cheema 2007; Patnam 2009). We look at relationships of accountability between various actors involved in service delivery to understand failures of governance. Equal and high quality of service provision may be imagined as an outcome of well-functioning systems of education.

Systems of education are comprised of multiple actors, including political actors (politicians at the national, political, and local levels, other political groups including teachers unions), policy makers (including experts and donors), bureaucrats (provincial and sub-provincial government departments), and the parents and communities (World Bank 2003, 2018; Pritchett 2015). A framework, delineated for the first time in

⁶There is a long-standing debate in the economics of education about whether resources matter for improvements in quality. See Glewwe et al. (2011) and Chudgar and Luschei (2009) for a review of evidence and debate.

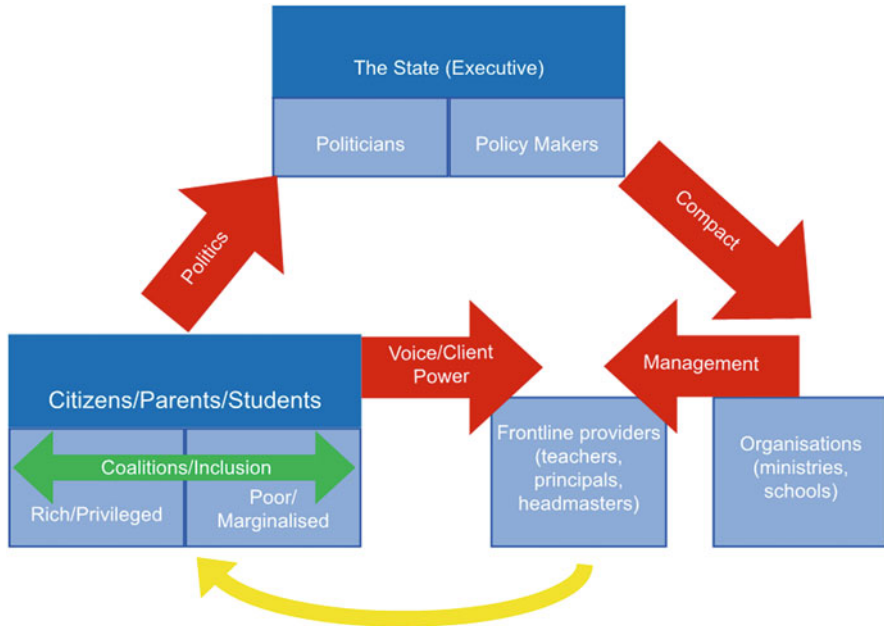


Fig. 3 A framework of accountability relationships between actors comprising an education system. (Source: Pritchett 2015)

the World Development Report 2004, represented a system as being comprised of actors which are bound in relationships of accountability and defined processes of governance and service delivery as a function of these relationships.⁷ Specifically, four types of relationships bind actors (illustrated in Fig. 3):

- Politics: binding elected representatives and political actors with their constituents, the citizens, parents, and communities.
- Client power: connecting parents and communities to frontline service providers/teachers (Hirschman (1970) called this voice).
- Compact: broad long-term relationship between the policy makers and/or elected representatives and the organizational providers or the education bureaucracy.
- Management (connecting organizational providers or the education bureaucracy with frontline service providers or teachers). Education systems are comprised of all functioning simultaneously – albeit one type of relationship may be more dominant.

⁷Since then this framework has become central to a “systems approach” to thinking about education reform which moves way from looking at various components of service delivery in isolation and imagines it as a series of processes. Well-functioning systems exhibit certain properties, of which coherence across different functions is one. This thinking is foundational for the World Development Report 2018.

There are two routes through which these relationships interact to impact service delivery and provision. One route links citizens and service providers via political representatives. While the government (national or subnational) is responsible for service delivery and budgetary control, under a democratic system, the citizens elect representatives of the government. The power of citizens over political actors is derived from the ability to influence reelection prospects. This is termed as the “long route of accountability” and includes, in addition to electoral voice, other mechanisms such as “constitutional and judicial activism, media oversight, and lobbying” (Cheema 2007). The national level political context and settlement shape the institutional arrangements and policies at that level. The subnational context is shaped by the national context to some degree and provincial politics. These together impact the de jure and de facto governance arrangements at the school level mediated via bureaucracies (compact) (Levy et al. 2018).

The alternative short route of accountability works through direct interactions between citizens and frontline providers. The citizens can directly voice their concerns to the frontline providers and in many contexts have formal or informal mechanisms through which they can monitor and reward the actions of frontline providers. School-based management (SBM) arrangements – such as school management committees (SMCs), village committees, and school boards – are institutional mechanisms which authorize citizens to monitor and reward service providers. Effective SBMs require exercise of collective voice and have the potential to improve quality of provision.

This framework offers a useful stylized model of governance and service delivery systems in developing countries that are hierarchical, operate at multiple tiers, and are composed of multiple actors.⁸ Evidence from political economy discourses helps to understand (i) how the long and short routes to accountability are functioning in practice in the two countries and identify (ii) how conditions under relationships that make up the long and short routes to accountability can be expected to work. This literature helps to ground the framework for thinking about governance failures in the contextual realities of both countries.

Each set of accountability relationship is effective under different conditions. Political processes will result in higher levels of public service provision if the incentives of political actors at the local and national levels are aligned for them to be responsive to citizens’/constituents’ demands and if the citizens are able to clearly and loudly articulate demands for public services. Resource allocation and provision will be inclusive and universal if representatives are responsive to marginalized groups as well. Higher levels of political competition alongside regular electoral cycles are likely to create conditions necessary for high levels of provision (Cheema 2017). Similarly, direct accountability mechanisms between citizens and schools (direct voice or client power) require the citizens to have the authority to make demands and the capacity to enforce this authority (World Bank 2003). Effective

⁸The framework develops the notion of principal-agent relationships in the context of education service delivery and governance. Each of the relationships has principals and agents.

articulation of demands for public services requires capacity for cohesive and inclusive collective action by citizen groups. Ethnic divisions, high levels of inequality and poverty, and other social cleavages weaken capacities for collective voice and action as well as direct voice or client power. Effective compact and management relationships require coherence across functions, clear articulation of roles and expectations (delegation) for all levels of the government, the finances for execution (resources), and the authority to execute functions (Pritchett 2015).

Systems of Education in Pakistan and India

Before discussing literature on politics, collective voice, and compact, we describe systems of education in India and Pakistan. Gropello (2004) has adapted the basic representation of the framework of accountability relationships to represent decentralized systems of governance in Latin American countries. Figure 4 is an adaptation of the subnational governance model (one of three presented by the author) and represents a stylized model of the Indian and Pakistani service delivery and governance model. Systems of education in India and Pakistan are complex and

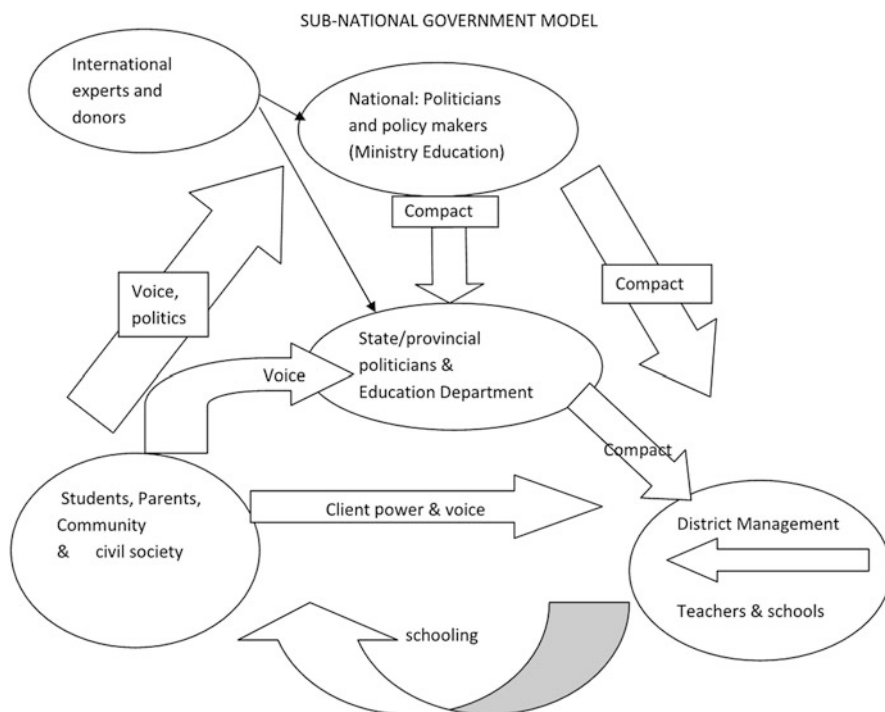


Fig. 4 Subnational governance model – a stylized representation of education service delivery systems in India and Pakistan. (Source: Authors' adaptation of the subnational governance model in Gropello (2004))

hierarchical and exist at multiple levels. National-, provincial-, and district-level governments each have a role in governance and service delivery.

The subnational governance model represents a decentralized system where all or a majority of service delivery functions have been transferred to tiers below the center. This model most closely fits the case of the two countries. While education remains a concurrent subject in both, a majority of policy planning and service delivery functions are a responsibility of the subnational levels. While Pakistan started from a centralized model and devolved responsibilities to the provinces, education was historically a part of the states' mandate, and the federal government assumed some responsibilities.

In India, the education system is headed by the Ministry of Human Resource Development (MHRD) at the national level. School education is however primarily under the Department of Education at the state level. While policies and financial allocations to school education are largely decided at the state level, since the late 1990s, MHRD has been supporting school education through additional resources and other forms of support. The elected political leaders and bureaucrats at both national and state levels play a major role in these decisions. The implementation and management systems are decentralized to district level. The district education officers report to the state department of education and monitor and support schools in the district. The head teacher and the teachers are responsible for day-to-day functioning of schools. Apart from the education officers, they are assisted by school management committee, whose members are selected from teachers, parents, and community. Members from the local government are also members of this committee. This is an additional formal space created for direct interaction between the community and frontline providers.

Pakistan too has decentralized education service delivery and governance to the subnational levels since the year 2000. The federal government retains responsibility for setting big picture goals and providing overall strategic direction. The provincial tier is the key policy planning and coordination tier, responsible not only for overseeing the regular operations of provincial education departments but also envisioning, planning, and implementing reforms. The district tier is currently the main implementation tier.

The center is usually the driving force behind decentralization. Political actors at the national and subnational (province/state) levels become important and empowered players with regard to service delivery, as do political processes at the national and local levels. Education bureaucracies in such systems also tend to be large, multitiered, and hierarchical and mediate the implementation and outcomes of policies at the school level.

Political Economy Perspectives on Unequal Provision

Political processes that deliver higher investments in public education require that incentives of political actors (politicians at the national and local levels) are aligned to do so. This section collates insights from the political economy literature to

understand factors that impact the functioning of relationships comprising the long and short routes to accountability.

Politics

Provision of public goods varies by the nature of the political negotiation and settlements across regions and constituencies, within and across countries, and at various levels. Public goods are provided locally, yet rules regarding financing and provision mechanisms are decided often at the national or provincial levels. Offices of elected representatives at the national and local level have the power to make decisions regarding allocations of services and resources. Insofar as electoral politics links the local and the national, performance on provision of public services is likely to impact electoral outcomes at all levels. Political actors at the national level have an incentive to be seen as responsive to the needs of the people in order to ensure votes. Political actors at the local level have an incentive to be seen to be negotiating resources for their constituencies.

Incentives for politicians to deliver public services are aligned via the electoral process. Elections provide citizens with the right to access a politician's record on service delivery and vote him/her out if they have failed to deliver on electoral promises. De Janvry et al. (2012) find that when elected representatives have variations in term times, the districts where mayors face immediate reelection are more likely to ensure implementation of policies that are likely to improve their electoral prospects. A conditional cash transfer program reduced dropout rates by 8% overall and by 36% in districts where mayors were facing reelection (ibid). In practice, democracies vary tremendously on effectiveness in aligning incentives and ensuring inclusive public provision. Higher level of political competition at the national or local levels raises the stakes of the political process, making political actors more responsive to popular demands. (Cheema (2017) offers a review of global literature.) The operating assumption is that political actors will be concerned with the welfare of all citizens and that democratic processes are well functioning and inclusive.

Studies of the impact of political processes on public goods service delivery are rare in south Asia, and the few that exist point to weak connections between electoral incentives and provision of public goods. In the PROBE Report (PROBE team, 1999), while examining the possible reasons behind the very poor primary schooling in North Indian states, education has been referred to as a "political blind spot" as almost no political party or political movement in these states had focused on it. While the exact reason behind this was not identified, it was considered likely that the political leaders were either opposed to universal education or they found little electoral gain from implementing such a major change. The lack of any political competition definitely played an important role in poor service delivery.

Dreze and Gazdar (1997) talk about similar processes in Uttar Pradesh where the decentralized governance system in the form of Panchayati Raj had failed; elections were not held regularly and when held factional rivalries become more important

than social concerns. No popular caste-based social movements⁹ had taken place, and disadvantaged groups had a very small role in the political process. The elite groups held control over government institutions and used it for private advantage than public needs. In the absence of political competition, the concerns of the poor and disadvantaged were marginalized from political agenda.

Functioning democracies and regular electoral cycles are necessary, but insufficient conditions for ensuring services reach poor people. Public provision is likely to be unequal when politics is clientelist. "Clientelist political environments are those in which even though the average citizen is poor, politicians have strong incentives to shift public spending to cater to special interests, core supporters or to "swing voters" (WDR 2003, p. 80). The notion of clientelist politics has been highlighted in the literature on political economy of service provision in South Asia through an examination of the roles of teacher unions as well as other elements of politics such as patronage politics and rent-seeking.¹⁰

Priyam (2015) examines the education reform process in Andhra Pradesh and Bihar involving demand side initiatives of decentralization and community participation and concludes that theoretical expectations are not met in reality. Local politics do play an important part here. Political leaders at the central level have been able to provide political patronage and curb the new political competition arising at the local level. However, new political opportunities emerge from the implementation of the reform program. The role of political leadership and local context for reform implementation are foregrounded in the political dynamics witnessed in this area. In Andhra Pradesh the chief minister's political skill was demonstrated in sustaining political changes, in authorizing bureaucrats to act, and in maneuvering the teacher unions. Decentralization led to a network of influence around the party leader by distributing patronage to the new actors, and a new set of political patronage was built around the new local leader. In Bihar decentralization process was imperfect. The reforms did not have the desired outcomes due to local elite capture and collusion of authorities of the local state. Chaudhary and Vyborny (2013) for Punjab, Pakistan, show that patronage activity can increase inequality of outcomes.

The long route to accountability that functions through politics is weak in India and Pakistan. Education as a subject remains a political blind spot, despite some efforts to make it an area of contestation for mainstream politics. In Pakistan in particular, local politics remains in its nascent stages. Political processes may be clientelist, and the polity is divided.

⁹The Hindu community is divided into a multitude of social groups, hierarchically graded and based on birth, and there have been several social reform movements in different regions in India to remove this hierarchy.

¹⁰See Kingdon et al. (2014) for a global literature review on the political economy of education systems in developing country contexts.

Heterogeneity and Collective Action

Access to public goods is not only a matter of financial allocation but substantially a matter of who can extract them from the political system (Banerjee 2004). The mechanism of extraction is either collective action or voting, through which pressure is exerted on political representatives to enforce delivery through the agents, i.e., bureaucrats at the district and school levels. Banerjee et al. (2005) formulate a model to show that the distribution of public goods is an outcome of interactions between the forces of collective action and various top-down processes. Locally provided goods are not locally financed, and decisions about location and infrastructure of school are taken at the state level or even at the central level. The processes by which these decisions are taken are not transparent, but the ability of communities to collectively articulate their demands to politicians and administrators may have some influence in these decisions. “All of this is presumably easier for those groups that are good at working together; social fragmentation is therefore likely to matter” (Banerjee et al. 2005, p. 8). The average vote represents the majority voter in more homogenous populations, and collective action is less costly to organize.

Provision of public goods varies also by the heterogeneity in the composition of the population. Regions with a population comprised of diverse groups are shown to have lower provision of public goods. Alesina et al. (1999), using data from US metropolitan cities, show that spending on public goods such as education, health, etc. is inversely related to the city’s ethnic fragmentation. Miguel and Gugerty (2005) find that ethnic diversity is associated with lower school funding, health facilities, and water maintenance in Kenya. This is because of the inability of socially diverse communities to impose social sanctions that result in collective action and which subsequently lead to public service delivery failure. Alesina and La Ferrara (2000) show that participation in social activities is lower in populations that are heterogeneous and ethnically fragmented. Chaudhary (2009) in her study of schooling development in the colonial era found ethnically heterogeneous districts were less likely to have government schools. Differential preferences for education across caste and religious groups undermined collective ability of a diverse district to demand investments for public schools and increased costs of coordination.

Dreze and Gazdar (1997), in their study of primary schooling in Uttar Pradesh, India, highlighted the poor functioning of schools and lack of accountability of the teachers. They observed very high levels of teacher absenteeism and that it was more likely in small village schools, while schools in urban areas or large villages and larger schools had fewer chances of “collusive shirking,” as they were more visible to the public. There was also a significant nexus between local elites and the public school teachers. The recruitment process was not transparent, and the nexus very likely had helped the teachers get the job. Many villages in north and east Indian states are likely to face a similar political situation. In villages where the population is heterogeneous, the marginalized groups are unlikely to have any say with the local elite. They are less likely to come together to take on the political

power and demand better services. However, it may be possible to overcome inequalities through explicit and specific state commitments to reducing inequalities in access. Banerjee et al.'s (2005) investigation of the political economy of public goods provision in India between 1971 and 1991 shows progress made toward equalizing access (evidenced by broad convergence and high growth in Scheduled Caste areas) and can be interpreted as the impact of affirmative policies adopted by the government.

Social divisions are thus seen to be an important predictor for access to public goods and services (including education). In the language of the framework evoked in this chapter, social divisions weaken the capacity for exercising "voice": either collective voice in the form of collective lobbying of political actors (the long route) or direct voice where citizens, communities, and parents hold local service providers accountable (the short route). Capacity of the poor to exercise voice will always be weaker than that of the economically rich and powerful. Decentralization reforms which create spaces for direct involvement of community representatives in management of service providers are designed to reduce these inequalities. However, in reality, these mechanisms may not work as anticipated. Bardhan and Mookherjee (2006) have argued that in conditions where the divides between the economically and politically rich and powerful and the poor are wide, local institutions created to redress imbalances in demand articulation and accountability mechanisms are susceptible to elite capture.

Inequalities of Land Ownership and Role of the Elite

Provision of public goods is low in areas where formal institutions vested property rights in the hands of a few landed elites. Areas with more equitable property and governance rights have better access to public goods and services. Historical data show that institutional rules established during colonial times (i) persist overtime and (ii) impact patterns of social investment and outcomes.

Patnam (2009) exploits differential approaches to property rights allocation in Punjab, Pakistan, which resulted in two types of villages: landlord villages, where the elites were fewer in size and had ownership of vast amounts of land, and lessee villages, which were comprised of many landowners with moderate amounts of state-leased land (Patnam 2009). Studies have shown that present-day aggregate service provision in non-landlord villages is significantly higher as compared to the landlord villages (Cheema and Siddiqi 2008). Patnam looks for mechanisms which help explain these differences and focuses on the dynamics of collective action and group behavior within two types of villages. Banerjee et al. (2005) study the relationship between the structure of political and economic institutions and social investments in regions of India where two different land revenue systems were set up by the British colonial administration: one predominantly under landlord control and the other where individual cultivator-based system was set up (non-landlord areas). The landlord areas saw much lower investment in schools, electricity, and roads as compared to the non-landlord areas. The argument is that

differences in political environments and in the nature of collection action explain these differences.

Wealth distribution is unequal in areas where land distribution is unequal (villages with landlords). Additionally, the British also transferred the landlords with significant judicial and political powers, compounding the inequities and distance between the governors and the governed and distorting the corrective influence of democratic political mechanisms.

In both India and Pakistan, the landed and political elite overlap. Competition between elites through political party agendas and policies, patronage through informal means, can impact level and nature of investments in public services, including in education (Hossain et al. 2017).

Compact and Management of Service Delivery Mechanisms

While politics defines one set of accountability relationships that determine provision and quality, the compact between the politicians, policy makers, and bureaucracies defines the other set of relationships. India and Pakistan employ some of the largest education bureaucracies in terms of numbers and scale. In Pakistan, the education sector is the second largest employer in the state sector after the army. There are close to 350,000 teachers in Punjab province alone. In India, these numbers are even higher (more than 8.3 million for classes 1–8 in 2016–2017). Such scale requires bureaucracies that are large and multitiered to manage, monitor, and deliver education. One branch of political economy literature has begun to articulate and investigate the sets of conditions necessary for bureaucracies to function well. These conditions include (i) clear rules defining responsibilities at various tiers, (ii) information flowing through the system used for target setting and monitoring purposes, and (iii) a balance between autonomy and accountability. This area is under-researched in Pakistan and India.

The Latin American experience of decentralization has produced the most evidence about the conditions under which the relationships between various tiers of governance work. This evidence suggests that the lack of a clear compact relationship between the center and subnational units results in regional variations in quality and quantity of service provision (Gropello 2004). A disconnect between responsibilities and authority to act weakens the relationship of compact.

Another set of “operational conditions,” which Pritchett (2015) describes as properties of a well-functioning system, if present ensure education service delivery is coherent to achieving goals of equity and learning in multitiered and hierarchical systems of education service delivery. These set of operational conditions include (i) clear specification of principal’s objectives and goals (*delegation*), (ii) allocation of adequate resources for achieving goals (*finance*), and (iii) data that allows goals and processes to be tracked (*information*). There is very little empirical work that speaks to how this relationship is functioning in Pakistan and India and offers a direction for future research.

Conclusion

Regional inequalities in provision and quality of education have persisted in India and Pakistan. Political economy analysis using the framework originally published in the World Development Report 2004 helps to locate reasons for this persistence in governance of systems and the political context. There is increasing recognition that political and social conditions determine the impetus for technical reforms, their enactment and the success with which they are implemented. There is a rich set of questions that can be asked about reasons for persistence of inequalities in provision of public goods in Pakistan and India that go beyond insufficient resource allocation. Such questions will need to interrogate the role of politics, governance, and accountability in determining provision and quality of education service delivery.

Currently, there is insufficient analysis of reforms through a political economy lens – in both India and Pakistan. More evidence must be generated to understand whether conditions are in place mechanisms of accountability (the relationships defined by the long and short route of accountability) to function well.

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