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Education has been at the centre of international and national initiatives taken by governments to reduce poverty. Language can be an important source of discrimination within education. An empirical study of two groups of students shows how language filters control and access to resource, and determines the horizons of what is knowable and achievable. The study confirms Melkote's observations that if local languages, a symbol of people's identity and culture, are devalued by the dominant structures, people are unable to draw on traditional philosophies and skills to confront and ameliorate problems. Language is not only the main medium of accessing and processing knowledge structures offered in education but also a crucial tool for mediating the social world.

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Third World governments don't look inwards. They look outwards to the World Bank and the ADB to teach them good governance, then contract loans of hundreds of millions of dollars to fund these exercises. The usual downsizing, tax expansion, public – private partnership, etc. follow. Yet the common man has not been empowered, nor poverty alleviated.

REVIEW

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The Cultural Revolution 1966-76, a most hotly contested and debated period of Chinese history, has gradually moved out of discourse into oblivion. It is generally believed as a period of extreme chaos and violent excesses against intellectuals, artists, professionals and heritage. The book is the result of a painstaking doctoral research by Dongping Han at the University of Vermont and Brandeis University, USA. Han is Chinese by birth and schooling. He made many trips to China during the course of this research.

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TAYYABA TAMIM

LANGUAGE POLICY, LANGUAGES IN EDUCATION, AND IMPLICATIONS FOR POVERTY REDUCTION IN PAKISTAN

Abstract

The paper is based on some key findings of a wider 3-year research study funded by Research Consortium on Educational Outcomes and Poverty (RECOUP). This in-depth qualitative study used multiple case study method to capture the processes by which languages used in government and private schools, under the current language policy of Pakistan, differentially affect poverty reduction in terms of equality in the expansion of opportunities and choices, as suggested by Amartya Sen's capability approach. The interview data of 32 participants (final year secondary school graduates and 5-6 year older same- sex siblings) from 8 private and government schools in Punjab and Sindh, along with documentary analysis and participant observation revealed issues of language-based exclusion and marginalization that led to the persistence of the disadvantage of the social and academic government school participants, despite education.

Introduction

Poverty has been traditionally measured in terms of economic deprivation. However, there is a realization now that the rise in National Economic Growth Indicators, often does not offer an accurate picture of poverty, since it is multidimensional by nature (Tabatabai 1995). It is suggested that a 'poverty profile' (Crow 1992) may be constructed with 'high-quality social indicators for education, health, access to services and infrastructure [...] social exclusion, [and] access to social capital' to measure it along with economic indicators (Human Development Report, 2000: 1). Development discourse now also deliberates on how deprivation of opportunities or choices can lie at the core of poverty (Sen 1985) and 'how social exclusion sets limits to people's participation in development, and how barriers to such participation can be removed' (Human Development Report: 2000: 1).

Education has been at the centre of international and national initiatives taken by governments to reduce poverty. For this educational goals are set and measured internationally, in terms of Gross Enrolment Ratio (GER) and Net Enrolment Ratio (NER). These are based on an assumption of unproblematic relationship between education and poverty reduction. Such aggregated estimations miss out on the local and contextual features of education, which may lead to differential educational outcomes, limiting the transformative outcomes of education for those who are the most in need. Research has indicated that there is no 'automatic trajectory of

progress' in educational settings (Walker 2006:16) that ensures equal opportunities for all. Education if not equitable can lead to further deepening of social stratification and divisiveness in access and entitlement.

Language can be an important source of discrimination within education (Bourdieu 1991). Language is not only the main medium of accessing and processing knowledge structures offered in education but also a crucial tool for mediating with the social world. Hence, the significance of languages chosen to be used and taught in education cannot be denied because situated within social, cultural and historical contexts, language is 'intimately related to the distribution of social power and hierarchical structures in society' (Gee 1989: 20). Research in Africa has shown that language can be a subtle but potent means of exclusion of gender and ethnic groups from socioeconomic development processes (Robinson 1996). This may also explain why the poorest populations are also linguistically most marginalized (ibid.).

The language policy can reinforce the dominance of privileged groups which is often mediated through educational institutions (Bourdieu 1991). Language policy within education configures power structures within institutions in relation to wider power structures. The language-based decisions and practices in education can forge the privilege of the dominant by devaluing the linguistic capital of the dominated and reinforcing their disadvantage. Hence, educational institutions may reproduce and forge the existing inequality between social classes (Bourdieu and Passeron 1977), rather than offer equal opportunities for achieving valued goals. This marginalization may also result from restricted dissemination of the valued languages to privileged groups only (Bourdieu 1991). Hence, the choice of languages in education, teaching/ learning of languages as situated within a wider language policy, though driven by political, social, economic and pragmatic concerns (Mansoor 2005) can have strong implications for issues of poverty and inequality.

Studies in sociolinguistics suggest a link between languages and marginalization. Tollefson (1991) found evidence of language policy as a 'mechanism' for establishing the privilege of the dominant, with his 'historical structural' approach in a study across seven countries. Studies in critical pedagogy in immigrant contexts have also drawn attention to the sociopolitics of teaching dominant languages like English and issues of power and identity (Norton, 2000; Cummins, 2000). Vavrus (2002) in his longitudinal study found a link between secondary school students' sense of empowerment and their knowledge of English. Other studies like Walker's (2006) on widening participation in higher education in the UK revealed that the rejection of working-class participants' 'linguistic and cultural capital' led to alienation stress and despair among them (p:7). In Pakistan, Rahman's (2006) historical linguistic work highlights the relationship between language and political power; while Mansoor's (2005) study has revealed the importance of English in higher education and the paradoxically inadequate language support. A missing dimension in these studies, however, is the lack of concern in engaging with issues of narrowly defined poverty, as affected by languages in education and language policy, mapped out on the subjective realities of individuals.

The question that this paper addresses is how the configuration of languages in the language policy and within education in private and government schools in Pakistan affects the educational outcomes for participants from disadvantaged backgrounds in terms of poverty reduction? Poverty is conceptualized here as relative and seen as 'capability deprivation' i.e. freedom of opportunities and choices to participate and achieve valued goals in relative terms (Sen 1985). The current paper, following Bourdieu (1991) rejects the linguistic and cultural deficit theories and is based on the assumption that education if equitable can transform the lives of all despite disadvantaged backgrounds. The paper begins with a brief overview of the context, language policy, languages in education and poverty in Pakistan. It then explains the methodology of the study before presenting the findings and their discussion. This is followed by a conclusion.

Language Policy, Education and Poverty in Pakistan

Pakistan has no less than 25 languages (Mansoor 2005), in addition to a national language, Urdu and an official language English. Of these, Punjabi is spoken as a mother tongue by 44.15%, Pashto by 15.42%, Sindhi by 4.10%, Siraiki by 10.53%, Urdu by 7.57%, Baluchi by 3.57%, and other languages by 4.66% of the population (Census 2001). In Pakistan, the official language policy demonstrates a strong commitment to Urdu in favour of regional languages but stays ambiguous regarding the relative status of Urdu and English. Despite Urdu being declared a national language, and the lingua franca in the country, historically, it is the use of English that is pervasive in government, bureaucracy, the higher judiciary, higher education and almost all official business (Mansoor, 2005; Rahman, 1996). In this context, the significance of learning the two dominant languages: Urdu and English becomes highly important, with the knowledge of the latter especially related to prestige and power (ibid).

The question of languages in education has been much debated among educationists and politicians and continues to-date in Pakistan. Rahman (1997) states that under the British colonial rule English was reserved for the 'elitist education,' while 'the masses were taught at lower levels in the vernacular - which was taken to be Urdu in all provinces except in Sindh, where Sindhi was used' (p:147). After independence a similar policy continued with also Pashtu being used at a much lower level and to a lesser degree, in some parts as a medium of instruction (ibid.). With regional languages given little importance beyond primary, and apart from the matter of Bengali to be given a status at par with Urdu for a short period, it has been Urdu vs English as the medium of instruction which has comprised the locus of controversy over the medium of instruction in Pakistan (ibid.)

This ongoing debate, though had little impact on the private English-medium schools which continued to function. However, in the late 1970s, the government nationalized private schools to impose Urdu as the medium of instruction in the name of national solidarity Nevertheless, the attempt failed, as even the government's own institutions, such as those run by the Ministry of Defence,

resisted the change. The policy was reversed and denationalization in 1979 led to a surge of English-medium private institutions, especially in urban areas, which charged varying levels of fees. The choice of the medium of education was now left to the provincial governments. In 2002, the Punjab government initiated English-medium instruction for a section within selected government schools from grade VI onwards on experimental basis and further both the governments of Punjab and Sindh planned the conversion of all government schools from Urdu to English-medium instruction from class I onwards until 2012. This however, has not been achieved because of the paucity of human, material and financial resources. This decision made with the enthusiastic verve of equalizing opportunities to learn English, had failed to take into account the problems for learners in government schools, who had little prior exposure to English, and for many of whom even Urdu was a second language. Hence, fraught with pragmatic concerns, political tensions, and little research, the status quo continues.

In higher education the policies and reports of education commissions/committees (1957–1998) declared English as the medium of instruction (Mansoor 1993). However, this has always been meant to be a short-term arrangement until materials in Urdu could be developed (ibid.). The period allocated for switching the medium of instruction from English to Urdu, in these reports ranges from 15 years in 1959 to seven years in 1982 (ibid.). Although the problems of students in higher education stemming from the use of English as the medium of instruction are realized (Mansoor 2005), little attention has been paid to address the issue, and more recent reports hardly mention it. At present, English is the main medium of instruction at higher education level, though there is choice to take up a limited range of subjects in Urdu, this choice narrows down with progression into higher level. All science-based subjects, especially those leading to medical or engineering degrees, are offered only in English at all government and private universities.

Currently, nearly all private schools in urban areas that charge fees use English as a medium of subject study and offer Urdu as a subject, though in low paid English medium schools, although text books are in English, a major chunk of instruction may be in Urdu. The quality of English language teaching/ learning in these schools often coincides with their fee structure. In contrast, at the time, when this research was conducted the free government schools mainly offered instruction in Urdu[1] or, in some cases, regional languages,[2] while English was being taught as a subject. Since then following government instructions, all the government schools have started to officially offer all subjects, except Islamiyat in English. This brings them, to a certain extent, at par with low-paid English medium schools. This enthusiastic move is a classic example of treating English as a commodity and attempting to redistribute it. The policy fails to conceptualize that given the diversity of learners' backgrounds and languages, distribution of the same 'linguistic commodity' would not equalize opportunities. Rather it would further disadvantage those for whom even Urdu is a second language. However, none of the participants had experienced this transition.

Poverty in the Pakistan is pervasive with 49% of its population suffering from multidimensional poverty (Human Development Report, 2011). Participation in higher education is only 5%, and is fraught with gender and regional disparities (Economic Survey 2011). Although the Economic Survey (2011) has estimated the literacy rate at 57.7% and informs of rise in school enrolments, studies such as Andrabi, Das, Khwaja, Vishwanath, & Zajonc (2007) and ASER (2012) report poor learning outcomes, specifically in government schools, revealing that there is a large majority of those 'in' schools but 'silently excluded' from any meaningful learning (Lewis, 2007a in Lewis and Little, 2011).

The Study

This paper is based on some key findings of a 3-year qualitative study which used a multiple-case study design . The methodology of the study served its purpose to explore the outcomes of languages in education, with all its complexity, interwoven into the fabric of the sociocultural context within which the participants were located. The study aimed at in-depth understanding of typical cases rather than extensive generalization. Each case comprised a final-year secondary school student and his/her same sex sibling (at least 5 years older) who had completed secondary education. Sixteen cases (8 male pairs and 8 female pairs) were selected from 7 schools (4 private and 3 government) in urban areas from Karachi (Sindh) and Lahore (Punjab). In Sindh, Sindhi is a mandatory paper in Sindh Secondary board examination, taken at the end of secondary school, while Punjabi has no place in the secondary education in Punjab.

The sampling of schools was purposive, as the aim was to study typical schools in city centres. The main criteria that guided the selection of a school were: a) a population of 300-400 students and b) preparation (of a significant section of its population) for the matriculation provincial board examination. c) location in city centres. This left out schools that were very small or impoverished on the one hand, and schools that were accessible only to the elite on the other. This also meant that all the participants had studied a very similar syllabus for at least two years and taken a similar examination. The government schools in the study did not charge any fee; while the private schools in the study had a fee structure that ranged from Rs 1500-Rs 5000.

The method of 'snowball sampling' (Biernacki & Waldorf 1981) was also used to facilitate access, which was a major issue because of the political upheaval in Pakistan during the period of data collection, especially in government schools. My role as participant observer played out differently in different contexts because of my ethnicity, gender and class. The sampling process was initiated in schools.[3] In a secondary school, the Head teacher was asked to identify a participant in the final year, with an elder sibling, who had completed secondary school education. Interviews with younger sibling were conducted in schools, while those with elder siblings at their homes.

The choice of siblings within a case served to capture time- related processes i.e. comparisons within the time span corresponding to the age difference between the siblings, in relation to four main areas: a) parental schooling choices b) sociocultural and socioeconomic contexts c) language learning experiences in schooling and d) language-based experiences beyond schooling. In addition the older sibling offered a pragmatic window to the wider social life; while the younger sibling provided more recent and vivid representations of schooling processes. The gendering of the cases helped to avoid gender-related distortion of comparisons. However, a comparison of siblings lies beyond the scope of this paper.

The methods for data collection included: a) in-depth interviews; b) participant observation; c) documentary evidence. Single session, ethnographic style interviews lasting 1-2 hours were conducted with each individual participant separately. The dimensions of human development (Alkire 2002) (see appendix A) were used to provide a flexible structure to the interview. The participants were requested to give concrete examples for any abstract idea they expressed (Woods 1996) and it was these events that formed the point of discussion. A new dimension for discussion was only used to check if the participants would like to contribute anything with reference to it. They were given the option to skip any dimension, though none of the participants took that option (see appendix B for the emergent interview frame).

Participant observation was carried out over the course of a year in schools, public places, hospitals, banks, offices, airports and in different social gatherings in both cities to discover the cultural knowledge, which the participants used to 'organize their behaviour and interpret their experience' (Spradley 1980: 31). The observations centred on: a) the type of information made available in different languages and the intended audience; b) its impact on people's participation in social life, who shared proximity of social positions with my participants; c) the context within which the languages were embedded. Brief notes were jotted down during this process to be expanded later in relation to: time, place, events, people involved, language choice, my own interpretations, reflections, feelings and suggestions for further research or observation. Belonging to the same sociocultural context and given the ubiquitousness of language, I was a participant observant and in the field all the time.

Documentary evidence that was collected included: pamphlets, airline tickets, bank account opening forms; advertisements on billboards; instruction manuals, instructions and sign posting at different offices, hospitals. In addition, secondary school course books of English Math and Science, curricular reports, were also studied. Furthermore, TV programmes on different channels, magazines and daily newspapers were also studied at different periods of time in relation to the language represented, the message conveyed, and the inclusivity or exclusivity of audiences. The collection of all documentary evidence was directed by unfolding of issues from the interviews and participant observation.

The data analysis was a cyclical rather than a linear process. Nevertheless, it moved between two broad phases. In the first phase interviews were fully transcribed and

analysed individually and in the second phase data within and across the cases were studied for patterns and themes. The process began with line-by-line coding of the transcribed interviews. This was done first to get impressions and coding comprised mostly of key words used by the participants, while notes or memos[4] were posted side by side as some concepts seemed to develop. These codes were then revisited, leading to the merging of the initial codes into more abstract categories. This rigorous coding of each interview was both an attempt to retain the link between the question asked and the response and to gain an awareness of the positioning of the discourse within its surrounding argument so that the implicit meanings in the articulation of the perceptions and conflicting or confirming statements could be captured. The emerging themes seemed to divide themselves into some broad descriptive domains within which participants' perceptions were embedded for example family, education, work and wider social life, under the overarching multidimensional framework of human development (Alkire 2002).

In the second phase, the data across the cases was analysed within specific domains. This was followed by axial coding,[5] as larger relationships and patterns seemed to emerge. Old categories merged into 'higher order concepts' (Sarantakos 2005: 350). The question asked here was 'what seems to go with what?' (Robson 2002: 477), as detailed data matrices were made. Strategies of a) clustering and counting to check recurrence of the data; b) 'contrasting and comparing; c) 'partitioning [of] variables' ; and d) checking 'plausibility' of interpretations were used (Robson, 2002: 480) along with triangulation of data from memos, field notes and documentary analysis. Finally, I arrived at more selective coding[6] and 'core categories' at a higher degree of abstraction (Strauss and Corbin, 1998) that led to the final coding.

Findings

The analysis of the data seemed to cluster the participants into three social 'classes.' My concept of class here aligns with Bourdieu's use of the term i.e. classes in theoretical terms only. This is to emphasize that the participants seem to group not only in terms of their approximate volume and composition of capitals: economic, cultural, symbolic and social but also seemed to share with those approximate to them in the social space certain attitudes, perceptions and a thread of common experience (Crossley 2008).

Apparently, stemming from difference in economic capital the differences between them were reflected in a) family education, occupation and living conditions b) parents' attitude towards education vs. skill learning c) attitude towards female jobs d) schooling choices e) schooling experiences f) and conformity to or challenging of established local culture.[7] A discussion of all these aspects which clearly advantaged the private school graduates is beyond the scope of this paper. Table 4.1 provides an overview of the basic comparison in relation to income, family size and education of the two groups.

Family income, size and educational profile of the two groups

Table 4.1: Family income, size and educational profile of the two groups

	Total Family Income	Number of siblings	Current educational status	Personal income
Private school graduates	Rs 60,000-200,000	3-4	Younger in schools, all elder siblings in universities	-
Government school graduates Lower-middle class	Rs. 40,000-50,000	5-8	Younger in school, all elder siblings in universities	-
Working-class	Rs. 9,000-25,000	6-9	Younger in school, all elder siblings in work	Rs 1000 - 12,000

Four of the eight government school graduates (GSG) cases formed the lowest income group,[8] with both parents uneducated and fathers in skilled/unskilled manual labour and lived in impoverished over crowded slums; I term them as the working class. The other group of GSGs had a higher range of income, with fathers either in small businesses or low paid office jobs. They lived in much better conditions. I term them as lower-middle class. A common strand in the lives of all GSGs was low parental education if any and large families. Apart from this the lower-middle class GSGs shared several values with the middle-class private school graduates (PSGs). The working-class GSGs also informed of disruptive schooling journeys and poor value attached to education by the parents and little attention the selection of schools by them, and discouragement of females to work outside homes, except in teaching profession, adhering to norms common in the given culture.

The parents of the lower-middle class GSGs shared with private school graduates an appreciation and commitment to education and were open towards females pursuing a career, often confronting cultural norms, though schooling choices were made with relevance to distance to school like the working-class GSGs, initially. PSGs suggested much higher incomes. They all reported highly educated parents with both parents holding a Masters or Bachelors degree, except in one case. [9] Fathers either owned a business or held well-paid jobs and in one case the mother was also working. In addition, they belonged to comparatively smaller families see table 4.1. Research has highlighted how these differences advantage the middle class children in terms of cognitive and verbal development. Even if not seen in deterministic terms, it can hardly be denied that this social positioning placed the working class GSGs most disadvantageously. However, following Bourdieu (1991) Hart et al (2004) I argue that education can offer possibility of positive change to all despite the limitations of social background. The paper focuses only on the comparison between private school graduates (PSGs) and government school

graduates (GSGs). However, where intra-group differences are significant I highlight the social class category.

There were no significant differences between the schools in Punjab and Karachi, except that the physical infrastructure of the visited schools in the latter was generally worse and there was a sense of scarcity of financial resources. There were also no discernible differences in the responses of the participants from the two provinces. The findings here are presented as themes arising across cases, but intra-group differences are not glossed over if they are relevant to the paper

Poor Learning of Languages and Devaluation of Local/Regional Languages in Private School Settings

The findings revealed that the participants from the most disadvantaged backgrounds remained the most disadvantaged also in terms of learning of languages in schools. According to self reports, six out of sixteen participants from government schools reported not having learnt any language. Significantly, all of these were from the lowest income backgrounds. Of these some like Khalid could not even 'read or write a line of Urdu,' or Sindhi let alone English (Khalid GSG). These participants invariably reported being grouped in large classrooms, and/ or labelled as low-ability students. Hence the lost opportunity of literacy despite 10 years of attending school, and the demanding regimes of balancing work with study. Other government school graduates (GSGs) felt they knew Urdu, but hardly any English. Hence, these were deprived of access to the language that held high prestige in the country.

The private school graduates (PSGs), on the contrary, invariably reported knowing English to varying extents. Although only seven of the sixteen private school graduates (PSGs) felt highly confident of their English, they all strongly felt that these were still much better than the minimal English of the GSGs. However, all of them declared having learnt only 'poor' Urdu from school. It is significant that 17 out of 32 participants from both groups i.e. 53 % of them termed themselves as in the case of Huma put it 'in the middle of nowhere' and who Cummins (2000) terms as 'semilinguals' deficient in command of any language. Importantly, the participants from both groups considered Urdu much less important than English in terms of negotiating desirable educated identities and accessing valued goals. Hence, the lowest income group of GSGs felt they had benefited the least, while the PSGs, who formed the highest income group of participants in the study, realized that they benefited the most from their schooling in terms of language learning.

However, none of the participants, except one, reported learning Sindhi at school.[10] 'We learnt it as a subject only...you know [not a language] so we never learnt anything,' explained Mehwish (PSG). The one female graduate, who reported learning Sindhi, belonged to a Sindhi speaking family and even her elder sister did not share her perception of knowing Sindhi.

In government schools in the study, though the regional languages did have the same status as Urdu, their use was not discouraged. In strong contrast, in private schools, despite the fact that local languages like Sindhi and Urdu were taught as a part of the curriculum, the policy was to minimize their use among the learners. All the private school participants (PSGs) reported intolerance of school administration towards the use of regional languages or Urdu. PSGs recalled fines and punishments being meted out for using Urdu in classrooms and being constantly reminded to speak only in English. Faisal (PSG) narrated the incidence of his friend who was sent back from the principal's office, without being allowed to speak because he could not express himself in English:

Now Sir was asking him to clarify his point only in English. He is telling sir that I sir I can't (don't know how to) speak in English, I only know how to speak Urdu […] Then he felt very bad. Then he got his speech translated and then after understanding it fully went to sir that sir this is my point…even if I was (in his place) I would have felt very bad. My point is perfectly alright but I am not being able to explain to sir. Sir is insisting that you have... to do it in English... then you don't feel bad […] the whole class then says that sir did not even hear him out.(Interview PSG Site: Lahore, April, 3, 2008).

Here the school had made 'the right to speak' and 'be heard,' (Bourdieu 1991) conditional to knowing English. This institutional devaluation of local languages in private schools seemed to socialize students into dismissing not only local languages and cultures but also the people who used them. What is striking also is the poor learning of dominant languages by the GSGs and the poor learning of Urdu by the PSGs in addition to hardly any learning of Sindhi.

Impact on Participation in Higher Education

In higher education, where the main medium of instruction was English, except in a few selected subjects, the private school graduates reported feeling at ease, already used to the English medium education. On the contrary, all the government school graduates (GSGs) reported problems in accessing, understanding and engaging with information in English text books and lectures. Even the younger participants not yet in colleges, anticipated these issues 'what will we do?' wondered Faiza (GSG). Abid (GSG) explained the plight of those who enter higher education from government schools:

It [English] becomes his limitation... he will not ask any question. It happens in our class. Those who are very weak in English... if sir is explaining and someone asks, he would explain in Urdu but that boy or girl feels guilty in oneself that they all know English and I don't. (Source Interview: GSG Lahore, April, 4, 2008).

Nabila (GSG) reported, 'to tell you the truth I did not know the difference between 'English medium and Urdu medium until I attended my first year English class [in college].' She described her experience of attending lectures exclusively in English:

'we would sit in our class as if bound and gagged [...] we could not understand anything so how could we ask any questions.' Sameen (GSG) reported 'We pleaded the teacher to explain a little in Urdu but she said you have to live with it'. Sameen explained that this excluded 60 % of the first year English class in her college, which comprised of students from government school from any meaningful learning.

This also meant a shift in the positioning of GSGs as the academic language they had acquired i.e. was systematically devalued in higher education and replaced with English, with which they were only minimally acquainted. Nabila (GSG) described how she had to change her focus from understanding the text to mere rote learning in college, because she 'could understand nothing.' Ali and Zeeshan (GSGs) both excellent students in their secondary schools were forced to take up back benches:

A: I had good marks in Matric but less in FSc

Q why?

A One thing was English was suddenly there…in the beginning…I could not understand at all. Not at all, look up each word's meaning then learn it (Interview GSG, Lahore, April 2008).

GSGs instead of feeling empowered by their higher education experience, described feeling threatened and obliged to resign to their lower status in relation to private school graduates. 'We would just look at them as they did the summary in minutes,' commented Saleh (GSG), as she related her endless struggle to cope with English text. In addition GSGs also described problems in relating to concepts that they had learnt at school because of the change in terminology from Urdu to English. [11] Consequently, all GSGs either limited themselves to subjects only offered in Urdu or reported a drop in their grades in FSc examination like Ali. This inevitably restricted their freedom to choose the career they valued.

For the working-class GSGs, this seemed to culminate in dropping out of college, since they could neither access subjects of choice nor afford tuitions to support their academic efforts at college. Yasmeen, Anwar and Nabila GSGs, from the lowest-income group, related this as the main reason for leaving college without a degree. It does not then, seem incidental, that of all the 16 GSG participants who were or had been in higher education, only one belonging to the lower middle income group was able to pursue professional education that she valued.

In strong contrast, not only did a majority of PSGs mention active participation in classroom discourse and discussions presenting and asserting their point of view, they also reported involvement in multiple activities.[12] Hira (PSG) reported the freedom to be in dramatics, debates and several other social events, and commented 'now the one who does not have English language skills cannot even think of participating in a play or standing in an election'. Faizan (PSG) basked in his success in winning a national intercollegiate debating competition at college, and mentioned attending several conferences and seminars, opportunities he attributed to his good English language

skills. The significance of English language was also evident by the fact that none of those who were not confident in their English reported any such participation.

Impact on Career Choices

Data from participant observation and documentary analysis revealed an unmitigated importance of English in the job market. Hence, the advantage of the PSGs. This advantage of PSGs was well perceived by both groups. PSGs strongly felt that they held high value because of their English and their poor Urdu was hardly an impediment in their prospective careers. Mehnaz (PSG), in final year BA Architecture at NCA reported 'I have not written a word of Urdu in the last five years.' Umer (PSG) working after his BBA degree, explained that he worked well at his job with an NGO, by writing Urdu in English alphabet, but it was his English that was important in securing his place in the market. Mehnaz (PSG) explained that even in the placements for internships, English skills were considered: 'Only those with good English are allowed to deal with the clients,' while others are placed at the 'back office.' Significantly, the trust PSGs placed in acquisition of good jobs, corresponded to their belief in their own competency in English. Although a majority of PSGs perceived issues with their English skills, they were keenly aware that they were still in a stronger position in the job market as compared to GSGs, who barely knew English.

In the given situation, where English had assumed an unmatched symbolic power, even the lower-middle class GSGs, who were able to survive in higher education felt threatened. Ali explained how he did not pursue a marketing career because it would require presenting in English. Zeeshan (GSG) like others also presupposed issues in upward mobility in job, even if he got one. 'It is all in your mind...but the presentation has to be in English.' He reiterated 'the boss would never take with him someone who does not know how to speak.' Farooq (GSG) who had recently completed his BA degree, felt so pressurized in the job interview with the use of English, even though it was occasional, that he accepted the job offer without even attempting to know his salary. Now a month into his job, he did not know what he would be paid. For others who could only complete two years of college education, the sense of vulnerability persisted. Nabeel (GSG) from the working-class explained, 'One cannot even get a waiter's job at Pizza Hut if you don't know English.'

The findings indicated that the juxtaposition of the devaluation of local languages in the given social context, the value of English and the magnitude of its use, in contrast to the poor English skills of the GSGs, relegated the working-class participants to manual labour or low paid jobs, which they had expected to escape and forced them to accept their low positioning in the social structure. Waled (GSG), in final year of secondary school spoke passionately of working in a bank. However, he emphasized that he would never 'enter a bank' unless he learnt English. 'Why should we go there if we do not have the language/ we have to keep our respect?' Salem (GSG), another student, working as a car mechanic after school, would have liked to work at a computerized workshop, where work was

easier and everyone was so 'clean' but did not consider it a viable option for himself because of his lack of English.

The worst impact of not knowing English was faced by the working –class female GSGs. Restricted by their families in most cases, to teaching jobs, where English language skills were important, they were forced to accept extremely low salaries (Rs 1000-1500) in local private English medium schools. Despite having completed first two years at college, they could only claim a pay lower than that of an average uneducated domestic servant in the city. Hence the education of working class females failed to provide them with the financial stability and independence they strongly valued and needed.

Impact on Control over Life: Wider Access and Participation

The data from participant observation and documentary analysis revealed that English language permeated almost all service departments and official business. For example all the airline tickets, and four of the five banks approached had their account opening forms in English. While all the other detailed information for the clients, like the use of credit cards etc was in English. Even where Urdu appeared in some sections where loans were being offered, the information in Urdu was only selective and minimal. A bilingual telephone line was offered i.e. Urdu and English, by the banks and other institutions but no regional language was used. The same was the case with firms offering life insurance. In addition, in several cases, Urdu translation did not always form a part of medical literature, accompanying medicines or over the counter products, or other pamphlets and sign boards. Even when it did, the information provided in English and Urdu was different. Hence those who could not read English could still only access partial information. The interview data projected the sense of vulnerability and lack of control by the GSGs in this context, as they felt that the information base of the choices they made was limited. 'Even a syringe has English information on it' (Khalid, GSG) commented. This also meant a strong sense of vulnerability especially for working-class GSGs, depending on others for information, if they missed a flight, open an account or choose a product, while the information was there the time, but in English, which they could not read. This also kept them from fully comprehending the repercussions of their choices: even if these were as insignificant as the choice of the right skin care product or an over the counter drug. In the face of this wide use of English in all domains of power and privilege, the GSGs described a sense of vulnerability and marginalization, not even mentioned by the PSGs.

In addition, certain languages always seemed to appear in certain contexts and these contexts in themselves seemed to constitute text by adding symbolic meaning to the language used. For example, it was noticeable that different locations in both cities were also demarcated by language on hoardings, shop names, instructions etc. Exclusive use of Urdu almost always seemed to appear in impoverished surroundings, while exclusive use of English was in elite areas, an intermix of both in middle-class localities. Only by looking at the language on hoardings, sign boards

on shops, instructions in buildings or in hospitals. One could tell if the area was more frequented by poor communities, middle class, or the elite. Hence, different contexts seemed to subtly exclude or include different classes. However, while the PSGs had an unlimited access because of their familiarity with Urdu, the access of GSGs, the working-class especially, was limited as they might find it difficult navigate their way where English was being used exclusively.

The Deepening of Social Stratification

The hegemony of English perpetuated by the current policy was evident in this context, where English was mutually regarded as superior and its speakers as knowledgeable and educated by both groups. This in contrast to the restricted opportunities for learning English, only added a language-based stratification, a state of culturalism' (Holliday 2003) to the class divided society, evident as both groups only referred to each other as 'Urdu medium' and 'English medium,' a dichotomy that they emphasized in 'us'/ 'they' referrals. Hira (PSG) explained:

These Urdu medium children remain uneducated even after being educated,,, they don't know anything… they are villagers… and their parents also… they must have that kind environment at home that they did not study in English medium. If they have studied in Urdu medium then their choice of clothing will also be bad. They would also wear clothes like that…/ A whole picture emerges in the mind.(Interview PSG, Lahore , April 12, 2008)

Unais (PSG) described:

> *For example he is Urdu medium he has bad language,,, meaning he verbally abuses ... this is the way his language is ... but the class environment is different ...these things are strictly disallowed and so are bad languages. (Interview PSG, Karachi, June. 22, 2008)*

In this 'othering' the PSGs clearly manifested a colonial dichotomy, where they perceived themselves as inherently privileged and superior, while the 'others' i.e the 'Urdu mediums' as 'uncivilized', uneducated and 'inferior' (Pennycook 1998). This language-based social stratification and unequal power relations between the two groups were manifest as Rehana (PSG) emphasized '*English becomes a barrier between those who speak English and those who don't.*' She explained that some of her class fellows did not speak English, because '*they don't come from a good family*.' This denouncing of those who could not speak English was evident in social networking outside families discussed by participants. Nazia (GSG) commented *'we want to sit with them [English medium],' that way she explained they could also learn English and 'speak to them on equal terms' but lamented that no one liked to be associated with 'us.'* This meant that those from disadvantaged backgrounds had minimal chance of building upon more powerful social networks that could lead to their empowerment.

The devaluation of local language under the current language policy and within education reflected in the dismissive attitude of almost all the participants towards local regional languages highlighted a deepening of social cleavage and a

disintegration of collective agency. Huma (PSG) a final year medical student highlighted the major issue of dealing with poor patients from rural areas who did not speak Urdu. *'Everyone is hunting for someone who knows the language [regional] to communicate with the patient.' Hina (PSG) pointing to the common practice of frequent borrowings from English in Urdu during speech argued: 'we don't even know Urdu. We think we know Urdu but we don't and it becomes such a problem. Every English word you speak is lost on them [patients].'* Without access to the language of people, diagnosis of the illness and health management of the most vulnerable is reduced to speculation and conjecture As participants indicated a shift away from regional languages, it meant an inevitable breakdown of communication between the educated and those most in need trapped in the poverty cycle.

Window of Opportunity in Regional Languages

In strong contrast to the devaluation *o*f local languages, a small but significant section of data revealed the importance of learning regional languages, along with dominant ones. Faiza, a working-class GSG explained that she had recently, left her low-paid teaching job to run a home business, which involved getting order for embroidered laces and preparing them accordingly by the community women. Faiza, now earning much more, strongly attributed the empowerment from her now flourishing business, to the regional languages she had learnt in her neighbourhood, and the Urdu she had learnt at school. Her diverse local linguistic capital allowed her to interact with the home-bound uneducated but skilled women on the one hand and mediate with local shopkeepers on the other and bring financial relief to all, an evidence of agency achievement. She was now able to support the education of her brother, while also hoarding some savings for her marriage. In a different instance of capitalizing on local linguistic capital, Faraz (GSG) running a large family textile business explained that the deliberate use of Urdu in textile industry was intentional and unique to it. He disclosed that the acceptance of local languages allowed them to access and capitalize on the culturally embedded knowledge of skilled local people and accrue vast economic and social benefits for all. 'Had English been made the criteria of selection, so many highly skilled people could never have been able to enter the business,' he explained, while they themselves would have failed to benefit from their valued skills. It might be significant then that the textile industry is one of the most flourishing industries in Pakistan.

Discussion

The results of the study corroborate the poor learning in government schools revealed by other studies (Andarbi et al. 2007; ASER 2012). It also supports the findings of Mansoor (2005) regarding the need for English in higher education, in contrast to the poor skills of students, and the marginalization of the disadvantaged at this level (Walker 2006). The study with micro level data also supports the argument of the marginalization perpetuated by the language policy as suggested by Tollefson (2009). However, the current study goes beyond earlier research and

engages in-depth with issues of poverty and deprivation, in terms of restriction of freedom of choices and opportunities to achieve valued goals (Sen 1985).

The data strongly suggests that the local cultures and languages, when dismissed in educational settings and treated pathologically, as if to be corrected and configured in accordance with the dominant Western culture, led to disempowerment, and limited participation. This inevitably affects the transformative outcomes of education for the dominated. The results of the study match the immigration studies in Canada and USA (Cummins 2000) that suggest language-based marginalization but here apply to vast majority of local population.

Cummins (2000) also argues that provision of the same text books does not ensure equality of opportunity if all the participants have not been equipped equally to make use of them. This was obvious in the case of higher education, in Pakistan, where the facade of equal opportunity falls apart when it is realized that a majority of GSGs remain marginalized both within and after their higher education. Bourdieu's (1991) argument that educational institutions are not neutral but play a mediating role in affecting and reinforcing existing power structures, appears to be relevant to the study. The twin processes of devaluation of local languages and poor teaching of dominant language, against the importance given to English in the language policy, can be seen to increase the social cleavage, disrupt social networking and increasing the vulnerability of the poorest despite their education. The educated can be seen 'dislocated' (ibid.)by their education, as they attempt to disassociate and fail to connect with their cultural knowledge, local languages and a large poverty stricken rural population, intensifying the isolation of the poor rather than contributing to their wellbeing and initializing collective agency for wider prosperity.

If poverty reduction is to be a step towards 'self actualization', what is needed then is to ensure a 'two-way communication' and participation rather than a 'top-down intervention' (Dubbeldam 1984 in Robinson 1996: 45). This necessitates acceptance of local cultures and languages. However, despite the significance of the issue, the question of languages in education and language education within the context of language policy of multilingual countries remains largely unexplored from development perspective. The current study aims to highlight the important and multidimensional implications that language based decisions and practices have for participants from disadvantaged backgrounds.

The results of the study have limited generalizability because of its design but it contributes to the understanding of how language filters control and access to resources and demarcates the horizons of what is knowable and achievable. Hence, it inevitably affects freedom of choice and participation, which are pivotal to the processes of poverty reduction, from a capability-based perspective. Unless languages distributed by schools are valued and accepted in the dominant structures, educational outcomes in terms of participation and empowerment are bound to be limited. This makes equitable distribution of dominant languages crucially important. Conversely, if local languages, a symbol of people's identity and culture,

are devalued by the dominant structures, people are unable to draw 'on traditional philosophies, local resources and skills to confront and ameliorate problems' (Melkote 1991: 204). This adversely affects the agency of the people and their capacity to draw on culturally embedded literacies, which are pivotal in any interpretation of and construction of new knowledge (Ferdman 1991). These issues gain urgency in multilingual contexts like Pakistan.

Conclusion

This paper argues for the interlink between language policy, languages in education and poverty in terms of deprivation of opportunities to achieve valued goals, as suggested by Amartya Sen's capability approach to human development. The results of the qualitative study reported in this paper suggest that the concurrent processes of: a) increasing importance of English in Pakistan; b) devaluation of local languages both within education and outside; c) and discriminatory distribution of valued linguistic capital in educational institutions diminish the transformative impact of education for the disadvantaged. This study reveals the importance of the teaching both dominant and local languages in education and developing a more inclusive national language policy that lifts the status of local languages to empower the poor. The generalizability of the study is limited by its design but it underscores an important area for further research.

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Appendix A

Dimensions of Human Development

Knowledge: Capability to use languages, access knowledge in formal and informal settings, and life- long learning. This includes accessing, participating and pursuing in valued educational activities including use of technology.

Life (*Health, Economic and Psychological Security*): Capability to survive and being healthy, employability and capability to financially support self and family and being able to live with dignity and respect, feeling secure and free of threat or humiliation.

Relationships: Capability to build relationships based on mutual respect, affiliation and collaboration, social networking.

Excellence in work: Being able to participate, enjoy and experience creativity; compete for promotions and recognition in work.

Control over Environment: Capability to control day to day issues, gain understanding and independence in matters confronted.

Participation: Capability of being aware of political circumstances and making informed decisions; having a voice and being heard.

Religion/Spirituality: Capability to access multiple sources of religious information and practicing religion.

Inner peace: Being satisfied and contented (Many participants affiliated it with religion and psychological security).

Adapted from Alkire (2002)

Appendix B

Interview Protocol Final

Part I

a) Personal and Community Profile
   Family, siblings, children, age, education, occupation, economic position, journey
b) Linguistic and Ethnic Profile
   Languages use, languages preferred why?
   Stories, examples, gender related expectations, other cultural expectations

Part II: Language in Education Experiences

Languages introduced in school, medium of education, process of language teaching and use as a medium what, when, how? Why?
Stories, examples, feelings

Part III: Evaluation

a) Process of language education and the role of medium of instruction,
b) Current status in terms of languages learnt and subject knowledge with reference to the role played by language
c) The impact of languages in education in relevance to dimensions of human value: achievements/failures (functioning) and expansion or contraction of capabilities to achieve valued goals
d) range of career choices available
   Stories of struggles and successes and failures: feelings

Part IV: Reflection

The choices made, reasons and their effect
Expected role of languages in education
Comparison of life with parents
Choice for own children
Negative impacts
Impact on gender expectations
Suggestions
Feelings

Notes

[1] In some well funded government schools had started to offer English medium education to one section (class 6 onwards). No participant from this section was included in the study firstly because it was a new phenomenon and secondly it was almost out of reach for the majority of working class because they could hardly pass the English admission test unless they had been to a private English medium school. Hence the section mainly catered to middle or lower middle class students.

[2] None of these were part of the sample for the current study.

[3] However at times a teacher or someone else identified the participants first and then the school was visited if it fitted the above mentioned criteria.

[4] Memos are defined as ' the researcher's record of analysis, thoughts, interpretations, questions, and directions for further data collection' (Strauss and Corbin, 1998: 110)

[5] 'The process of relating categories to their subcategories' (Strauss and Corbin, 1998: 123)

[6] The process of integrating and refining the theory

[7] All these aspects are not given equal space in discussion in this chapter and I focus mainly on what directly relates to the participants educational experiences.

[8] No such differences were perceptible in the PSGs

[9] In this case father had only completed secondary school but was in a highly paid textile industry job. This is the only industry that uses mainly Urdu rather than English in its organizational documentation.

[10] This was despite the fact that all the graduated participants had taken and passed the Sindhi paper and all the current graduates were to take a Sindhi exam a few months from then.

[11] A general analysis of the science and math text books in Urdu used in government schools revealed that although English terminology was used along with Urdu terms in some cases. The use was not consistent through the books and was not there in the 'exercises' at the end of chapters. In addition only one GSG reported that teachers in their school asked the students to pay attention to these words as preparation for change in medium in higher education.

[12] Once PSGs realized the edge they had over the GSGs who hardly had any English skills and least of all spoken skills they gained shared gaining confidence from it as suggested by Hina. Even those with lower English skills reported much more participation in class than GSGs.

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MUHAMMAD AHSAN RANA

EDUCATION REFORM IN PUNJAB A DECENTRALISED GOVERNANCE FRAMEWORK FOR GOVERNMENT SCHOOLS

Abstract

Improving the quality of public sector education and increasing its coverage is a complex challenge in Pakistan mainly because of the very large number of schools, inherently diverse requirements of various levels and types of education, low levels of investment and weak accountability mechanisms. The governance challenge comprises two important questions: 1) how to increase investment; and 2) how to make teachers and education managers more accountable. This paper examines the existing framework for governance of public sector education in Punjab to understand its consistent failure in providing quality education. It is argued that education is hardly a priority area for district managers and that a unionised cadre makes it virtually impossible to hold service providers accountable for a demonstrated poor quality of education. The paper makes a case for the establishment of District Education Authorities with the specific mandate of improving outreach and quality of education within their area of responsibility. Within a district, the paper proposes the gradual introduction of a decentralised governance framework in which most decisions – including fund utilisation and teacher assignment – are taken by elected School Councils and information on a range of fiscal and performance indicators is widely available. It is argued that accountability of education providers by direct beneficiaries is the only effective form of accountability that can lead to service improvement.

Introduction

Despite significant enlargement of the school network in recent decades,[1] Punjab continues to lag behind national and global targets in providing quality education to its children. 32% children of school-going age are currently out of school and 41% of the total population cannot read or write (Punjab Bureau of Statistics 2011). There is little chance of achieving universal primary education by 2015 – the target set under Millennium Development Goals. At the current rate of progress, Punjab is estimated to take until 2041 to provide its children their constitutionally guaranteed right of primary education[2] (Pakistan Education Task Force 2010). Poor quality of education is also a serious concern. A number of recent studies (e.g. Academy of Educational Planning and Management 2008; Andrabi et al. 2008; SAFED 2012) have noted that an average student in Grade 3 struggles to perform simple tasks that students in Grade 1 are supposed to have mastered. Clearly, the province faces significant deficits in student enrolment as well as learning outcomes. Therefore, the Herculean challenge for the province is two-fold: 1) bringing the remaining 32% of its children to (public or private) schools; and 2) addressing the learning deficiency of enrolled children.

Meeting this challenge will require a coherent and comprehensive strategy addressing two sets of issues. The first includes issues like medium of instruction, curriculum, text books, assessment, capacity building and regulation of private schools. The second includes performance management, incentives, dispute resolution, monitoring and evaluation, resource allocation and utilisation – i.e. issues that can be placed under the rubric of governance. Both sets of issues are of fundamental importance, but this paper focuses exclusively on improving governance of government schools in the province, which, it is argued, can only be achieved through making education managers and providers accountable to the ultimate beneficiaries, viz. communities whose children are enrolled in government schools.

This paper proposes a new 3-tier governance framework to improve school education in the public sector. The 3-tier governance framework comprises the provincial government, an Education Authority at the district level and a School Council (SC) at the local level. The provincial government performs the policy function and provides oversight, whereas District Education Authorities (DEAs) broadly representing district stakeholders manage school education systems in their respective areas. Actual running of schools is left to SCs, which exercise full control over school resources including its human resource. This is a highly decentralised structure, which uses proactive disclosure on school-level learning outcomes as a key component of the accountability framework. Further, the proposed framework provides for effective accountability of service providers by their clients. It seeks to turn on its head the power relation between education providers and parents of children enrolled in government schools.

The following sections fully develop this argument. Section 2 defines the crisis faced by public sector primary and secondary education. Improving learning outcomes is identified as a key strategic objective. It is argued that learning outcomes are difficult to improve without increasing investment and without improving teacher effort, which in turn is linked to the accountability framework in which the teacher functions. Section 3 critically examines the governance frameworks so far tried in the province. It is argued that neither the 1979 nor the 2001 local government framework was specifically designed to meet the complex challenge of education provision. Further, the relative power difference between education providers and households that still sent their children to government schools translated into a nominal role for clients in the governance framework. Consequently, both frameworks failed by and large in making education provision a priority at the local level and in making education providers deliver what they were paid for. The current role of School Management Committees is critically examined to understand why these have been non-functional in several cases and ineffective in almost all cases as far as holding teachers accountable is concerned. It is argued that design flaws in the current dispensation, rather than any inherent lack of interest or capacity in SCs (as often claimed in literature e.g. Banerji et al. 2007) are primarily responsible for their non-functionality and/or ineffectiveness. It is proposed to deepen their engagement in management of schools with the clear expectation that the increased oversight will improve learning outcomes. Section 4 lays down the

justification for setting up Education Authorities for each district. It is argued that education is too important to be packaged with other services at the district level and that an institutional hub is warranted to steer education provision in the district. The functions proposed to be performed by each tier in the 3-tier structure are explained in detail. Section 5 concludes the paper.

Defining the Challenge

The past two decades saw substantial emphasis on increasing enrolment in government schools in the province. The Universal Primary Education Program and the *Parha Likha* Punjab are two recent examples, whereby the Punjab Government allocated resources for this purpose and set yearly targets for district education managers. Teachers were also required to proactively approach local communities to ensure that most of the out-of-school children enrolled in a nearby school. Consequently, the net enrolment rate increased to about 68% of children in the 6-12 years age group (Ministry of Finance 2011).

Gradually, however, quality of education also became a key concern and advanced indicators, such as the completion rate, learning outcomes and citizen satisfaction started to figure prominently in the discourse on primary education in the province. National surveys like the Annual Status of Education Report (ASER) and the Learning and Educational Achievement in Pakistan Schools (LEAPS) directly emanated from this interest and, in turn, contributed to put spotlight on quality of education. They helped establish the inappropriateness of assuming that increased enrolment was the same as increased education.

The ASER report (SAFED 2012), for example, noted how poorly children were learning in government schools. During the survey, students were asked to construct simple sentences in Urdu and English and to solve simple mathematical problems, such as subtraction and multiplication. The report noted that the majority of children could not answer simple questions in Urdu and/or English. Only 68% children in grade I were able to read or write simple words, 49% children in grade II could read simple sentences and 58% children in grade III could read simple stories in Urdu (ibid: 209). Expectedly, the situation was worse with English words and sentences, which only 53% and 46% children could read in grades II and III respectively (ibid: 209). Only 41% children in grade II could do simple subtraction and only 43% in grade III could do simple division (ibid: 210).

Similar findings echoed in the LEAPS report (Andrabi et al. 2008), which noted that only one out of every three children in grade III could construct a sentence using the word 'school' in Urdu (ibid: 24). Less than 30% could answer the most basic questions after reading a short paragraph and only 12% could correctly convert simple words from singular to plural (ibid: 24). The survey concluded that in Urdu most students in grade III were performing just at the standard meant for grade I. Students' performance in English was observed to be worse. About 14% students in grade III could not write the letter 'D' when they heard it spoken and 80% students

could not correctly spell the word 'girl'. Only 11% could construct a grammatically correct sentence using the word 'school' (ibid: 22). The same was the case for mathematics. 11% and 35% students in grade III could not do single digit addition and subtraction respectively. Slightly more difficult questions involving double digit subtraction were answered correctly by only 32% of children tested (ibid: 21). This was far below the curriculum standard, which expected students in grades I and II to be able to add and subtract up to 3-digit numbers.

Insufficient Teaching Effort and Infrastructure Deficit

Such poor learning outcomes are partly due to insufficient teaching effort. Several reports (e.g. Aly 2007; Andrabi et al. 2008; SAFED 2012) have documented that absenteeism in government school teachers is higher than in private school teachers. SAFED (2012: 211) found 85% teachers present in government schools on the day of the survey, as against 90% in private schools. The LEAPS report notes that government teachers are better paid, are more qualified and are more experienced than private school teachers, yet the latter outperform the former when it comes to learning outcomes, which are demonstrably better in private schools. Andrabi et al. (2008) (and several others in a global context (e.g. Pritchett and Pande 2006)) have argued that this is primarily due to different teaching effort, which in turn can be attributed to different accountability frameworks in which teachers in public and private sectors operate. They argue that teachers in the public sector operate in a loose accountability framework, where they are subject to oversight only by their bureaucratic and/or political bosses (ibid: also see Chaudhry et al. 2006). Given the unionisation of teaching cadres and the active socio-political role played by the teacher at the local level, it is virtually impossible to hold government teachers accountable for their consistent failure in achieving learning outcomes produced by their peers in the private sector in similar settings at a much lower cost.

The student-teacher ratio is also high especially in rural areas. The national average is 27:1 (ibid), but the ratio is suspected to be higher in rural districts, as teachers tend to cluster in urban centres. For example, Warraich (2008) found the number of students per teacher in girls and boys primary schools of district Lodhran as 35 and 68 respectively, for middle schools 38 and 63 respectively, and for high schools 70 and 40 respectively. Further, the average ratio does not account for teachers who are absent or are on a non-teaching government duty. The actual number of teachers available to teach on a typical day may be substantially less than the average.

Teacher absenteeism and poor teaching effort, however, are only part of the problem; an acute infrastructure deficit must also take some of the blame for poor quality teaching in government schools in the province. More than 25% schools do not have a toilet at all, and for the rest the average comes to about 74 children per toilet (Andrabi et al. 2008: 42).[3] Since janitorial staff is not posted in most schools, toilets – when they exist – are not cleaned regularly (or worse still are cleaned by children). 40% schools do not have desks, so students sit on floor or mats. One third schools do not have electricity and 56% do not have fans (ibid: 45).

Consequently, students (and teachers) have to do without fans in temperatures that exceed 45 degree Celsius in summers in most places in Punjab. 33% schools do not have a boundary wall and only 16% have a library. Computer labs have been recently set up in high schools, but most labs are non-functional due to absence of computer teachers or for operational reasons.

The Enabling Role of Good Infrastructure

The usual response to a discussion that highlights the facility deficit in government schools is cynical. A critic will argue that: 1) a focus on school facilities is unwarranted, as several innovative pilots in developing countries have improved learning outcomes without any substantial investment in infrastructure; 2) the real issue is to improve expenditure efficiency, as a significant portion of public funds currently allocated for public sector education is pilfered or wasted; and 3) the government does not have enough funds, so local communities and non-governmental organisations should contribute resources in cash or kind to improve and maintain infrastructure and to provide additional teachers. These are different shades of the same argument, which emanates from a deep-rooted policy bias against allocating resources for the education of the poor and the voiceless. While the need to improve expenditure efficiency, to try innovative approaches that make the best use of available resources and to enhance local financing of school improvement programs is fully appreciated, let it be stated loudly and unequivocally that the Punjab Government must allocate substantial additional resources to improve facilities in public sector schools in the province. The reasons for this emphasis follow.

First, good school infrastructure and adequate number of high-quality teachers have a definite enabling role in providing quality education. Most teaching activities require necessary facilities to be available. For example, lesson planning is considered an important component of teaching, but a teacher can plan her lessons only if she has sufficient time during school hours to do so. In the present dispensation, which does not provide a dedicated teacher per class, and where teachers have to frequently perform non-teaching assignments,[4] most teachers end up trying to teach multiple grades under the same roof. With improved technique and coaching, teaching can be improved to attain better learning outcomes, but the improvement will remain marginal. If the objective is to rise to the level of low-cost private schools operating in the vicinity, it can be achieved by technique changes and better monitoring. But if the objective is to rise above this level, at least one qualified teacher per class will be required. Similarly, a teacher needs a dedicated room with a blackboard and some storage space, which she can use to discharge her teaching responsibilities. A crowded room excludes the possibility of activity-based teaching. A teacher also needs a play area to use sports as a key component of curriculum delivery. Further, if students are going to be ultimately evaluated, *inter alia*, on their ability to read various types of texts, either parents or the (provincial/district) government must make a variety of books available to students in sufficient numbers so that they can practice their reading skills. Reading from just one book encourages rote learning. If Information Communication Technology

(ICT) is to be integrated into our curriculum, at least a few functional computers will have to be provided to every schools (and a space to house them) so that students are familiar with basic operations from an early age. The availability of these (and similar other facilities) is absolutely essential for *normal* functioning of a government school. Trying to do without these basic facilities is like trying to teach driving without having access to a car.[5]

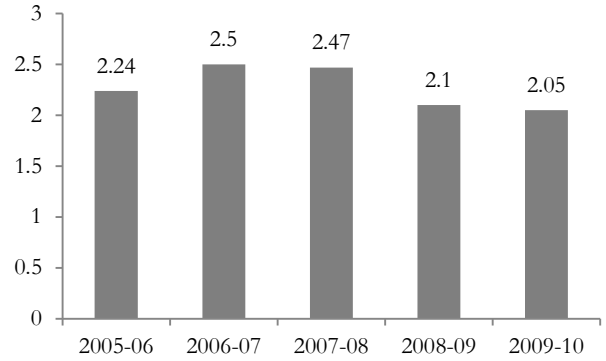
Second, good school infrastructure and facilities contribute to making schools a fun place, so that students come to the school willingly. In the current paradigm, children go to school because their parents want them to. Parents' perceived notions of what is good for their children dictates what, how and where they should be learning, if at all. In a different paradigm, schools will be attractive enough for children so that they, rather than their parents, want to attend school regularly. Of course, making schools a fun place is not a simple function of providing missing infrastructure and additional facilities; it, more than anything else, requires an attitudinal change in teachers and an equally radical paradigm shift in curriculum and how learning outcomes are assessed. But surely children are more likely to enjoy being in a school that has classrooms, clean toilets, drinking water, electricity, fans, lights, black/white boards, furniture, play areas and story books than in a school without these. Teachers are also more likely to look forward to their day in a school with facilities than in a school without them.

For these reasons it is considered absolutely essential that school infrastructure is improved and that government schools are provided with basic facilities. At the same time, the inter-connectedness of improving infrastructure and enhancing teaching effort needs to be emphasised. Mere construction of new schools and providing them the necessary wherewithal is not going to improve learning outcomes on its own. The Government will need dedicated teachers in sufficient numbers to use these facilities to the benefit of children enrolled therein. Conversely, improving teachers' accountability will at best reduce their absenteeism and improve teaching effort. But a teacher will work only with what she has and deliver only what she knows. In the first place, she needs to have adequate understanding of what is required of her and, in the second, the necessary capacity to deliver. Hence, increasing public sector investment and improving accountability framework are complementary activities.

Making a Case for Increased Investment

Data presented below show that Pakistan's expenditure on education as a proportion of its Gross Domestic Product (GDP) has been declining during the past few years and is substantially less than other countries in the region. In 2009-10, Pakistan's allocation for education was 2.1% of GDP (was 2.8% in 1987-88) (Ministry of Finance 2010) and 9.9% of total government expenditure (UIS 2010). Only 11 other countries spend 2% of their GDP or less on education (ICG 2005). The Pakistan Education Task Force (2010) estimated that Pakistan must spend at least 4% of its GDP on education to achieve educational Millennium Development Goals.

Figures 1: Public Expenditure as %age of GDP



Figures 2: Public Sector Spending on Education

Country	% of GDP
Bangladesh	2.6
India	3.3
Indonesia	3.5
Iran	5.2
Malaysia	4.7
Nepal	3.2
Thailand	4.5
Vietnam	5.3
Pakistan	2.1

Source: Ministry of Finance 2010

The total public sector budgetary allocation for education in Punjab – including for federal educational institutions located in the province as well as for tertiary and vocational institutes – was Rs. 160,209 million in 2009-10 (Table 1 below). As per UNESCO (2010) estimates, approximately 78% of this allocation goes to school education, which brings total school allocation in Punjab down to Rs. 124,963 (US$ 1,382) million. According to census estimates, the number of children in the 5-14 years cohort is approximately 25.8 million. The total public sector spending per child, therefore, comes to a meagre Rs. 4,843 (US$ 54) per annum, which by any standard is dismally low if the objective is to provide quality education to poor and lower middle class families whose children still enrol in a nearby government school.

Table 1: Public Sector Budgetary Allocation for Education 2009-10 (million)

	Rs.	US$[6]
Federal Government	76,237	843
Approximate share of Punjab (@ 50%)	38119	422
Punjab Government	49,573	548
District Governments	72,517	802
Total	160,209	1,772

Source: Ministry of Finance 2010

The budgetary allocations must be increased. The size of the increase will be a function of the benchmarks that the Punjab Government defines for its primary, middle and high schools separately. A Citizens' Charter in education will define clearly and in plain language the minimum service delivery standards that a government school must meet irrespective of its location or enrolment. These standards will pertain to the number and condition of rooms, toilets, drinking water, electricity, fans and other such basic facilities; number of teachers and number of school days; availability of textbooks; and availability of teaching and learning aides. Given the low baseline, these standards should not be ambitious to begin with. It is

recommended that the Government adopts a phased set of targets, which will allow it to gradually increase its budgetary allocation for education.

Operationalisation of such standards and a serious effort to meet the benchmarks for about 60,000 government schools in the province will require serious financial commitment from the Punjab Government. But this will not be beyond its means, as the Government has repeatedly demonstrated its ability to organise resources for priority items. It spent substantial resources on quite a few not-so-well-thought-through education-related initiatives during the last 2-3 years. One example is the establishment of Danish Schools as state of the art institutions for providing quality education to households in less-developed districts. The Government initiated the establishment of 16 such schools in 2010 with an approximate expenditure of Rs. 1,000 million (US$ 11 million) per school as the cost of establishment and Rs. 21 million (US$ 0.23 million) as the annual operating expense per school. Six such schools have already been established and the rest are in various stages of development. Another example is the distribution of laptops in 2012-13 at an approximate cost of Rs. 5,000 million (US$ 55 million). These laptops were distributed as a gift from the Chief Minister to students of selected colleges and universities in Punjab. Both these schemes were financed from the education budget of the province.

It is not the purpose here to critique these schemes; rather, they are used as evidence of availability of resources should the provincial government decide to make improving schools a priority. If the money allocated to the Danish Schools Project and to the Free Laptop Project is distributed equally over the 60,000 or so government schools in the province, it comes out to be Rs. 350,000 per school. Not a large amount *per se*, but it can provide decent toilets and drinking water facilities in *all* government schools in the province. It must, however, be emphasised that the case being made out here is not for a reprioritisation *within* the current allocation; instead, it is a case for substantially *increased* investment in addition to such reprioritisation.

Increasing investment in public sector education is, however, only one part of the puzzle. By itself, it will not improve education quality. Mourshed et al (2011: 15) have shown that countries with similar per student spending produce vastly different learning outcomes in their schools and *vice versa*. For example, Kuwait, Israel, Portugal, Australia, England and Singapore were all spending PPP US$ 5,000 – 6,000 per student but Kuwait scored 402 on PISA[7], Singapore stood at 533 and the rest were in between. The policy implication of this important observation is that equal – or even greater – emphasis must be laid on improving governance. This is the second part of the puzzle.

Governance Structure and its Failures

Prior to the promulgation of the Punjab Local Government Ordinance of 1979, the Government directly managed education provision in the province through the Education Department. The Department was led by its Secretary, who was assisted

by a team of Additional Secretaries, Deputy Secretaries, Under Secretaries, Section Officers and secretarial staff. The Education Department had an elaborate hierarchy at district and sub-district levels to carryout policy directions from the provincial government and to provide oversight to working of schools in the district. Each district also had District Boards comprising key government officials and local notables nominated by the Government, which performed limited supervisory roles in the district. There existed an elaborate system of school inspections, which were carried out regularly by various officials within their respective areas of jurisdiction. Since the number of schools was small, it was possible for the district managers, i.e. the District Education Officers to keep them reasonably abreast of happenings within the district. There was hardly any local participation in managing schools or providing oversight at district and sub-district levels.

The Local Government Ordinance of 1979 created separate elected local government institutions for urban and rural areas. An urban unit elected a Town Committee, a Municipal Committee or a Municipal Corporation depending upon its size. The rural areas of each district elected a District Council. Both urban and rural institutions of local governance were led by elected chairpersons. One of their key functions was to actively manage primary schools placed under their jurisdiction. Not all primary schools in the district were placed under elected Municipal Committees/Corporations and District Councils. The Education Department managed schools under its jurisdiction through its district and sub-district officials. This group of officials – District Education Officers, Assistant Education Officers, Inspectors of Schools, etc. – were civil servants and regular employees of the Punjab Government. They were accountable to their supervisors in the Department, which operated under overall oversight of the provincial government.

This provided a weak accountability framework. During 1979 – 2001, Punjab was governed by various military dictators for about eight years and had an elected provincial government for about 14 years. During the military rule, education managers felt responsible only to their military bosses, but even when the province was governed by an elected Chief Minister responsible to the Punjab Assembly, the Education Department and its district officials operated autonomously. People's representatives – Members of the Provincial Assembly (MPAs) – could seldom hold education managers accountable for declining quality of education for three reasons. First, the number of schools in a typical Punjab Assembly electoral constituency was too large for an MPA to keep track of. She had to rely exclusively on the information and feedback provided by local notables, who could filter the information to suit their biases and interests. Second, although the MPA enjoyed substantial informal influence over local education managers, her formal channel of communication with the Education officials was a long one. She had to request the Chief Minister or the Minister, who would then instruct the Secretary of the Department, who would then speak to the officials concerned to get the job done. The message was usually watered down in the process. Third, there was more pressure on an MPA from her constituents to build roads and to lay sewerage lines than to improve school education. Therefore, the only education activity that a typical MPA ever got engaged

in was building new schools, recruiting teaching and non-teaching staff, and their subsequent transfer and posting. All these were vote winning activities, but putting these new recruits to work in the new schools was another matter.

Education Governance under the Punjab Local Government Ordinance (PLGO) 2001

The PLGO 2001 was a major step forward, as it devolved the entire ensemble of public schools to the district level. The Education Department took on a policy and supervisory role. Under the new system, the district education managers were still responsible to the Secretary of the Department, but through the District Coordination Officer (DCO) and the District Nazim – the elected head of the district. This considerably diluted provincial government's capacity to influence day to day management of schools in the province.

Each district receives annual grant from the provincial government as per the formula agreed under the Provincial Finance Commission (PFC) award. This is the main source of funding for the district governments, as they have rather small local resource generation (CASA 2005). District governments generally have wide discretion over how PFC funds are spent subject to overall policy conditions prescribed by the Punjab Government. For example, no new position of any rank can be created by the district government without the approval of the provincial government. In addition, a district government may also receive tied grants from the federal and/or the provincial government. The PLGO authorizes District Councils to levy education taxes and fees to support the education facilities established or maintained by the district government. To date, none of the District Councils has levied any such tax.

In addition to allocating funds to districts, the provincial government continues to play an important role in posting of senior managers and in setting the broad framework in which performance is appraised, assessment is carried out and sanctions are placed on poorly performing teachers. It also provides policy advice and support through its various organisations. Beyond this, the PLGO 2001 envisages a limited provincial role in everyday management of schools and in policy implementation. Budget and personnel, other than the several senior most tiers, are at the disposal of the district government. Most postings, transfers, recruitments, promotions and planning decisions are taken by the district government.

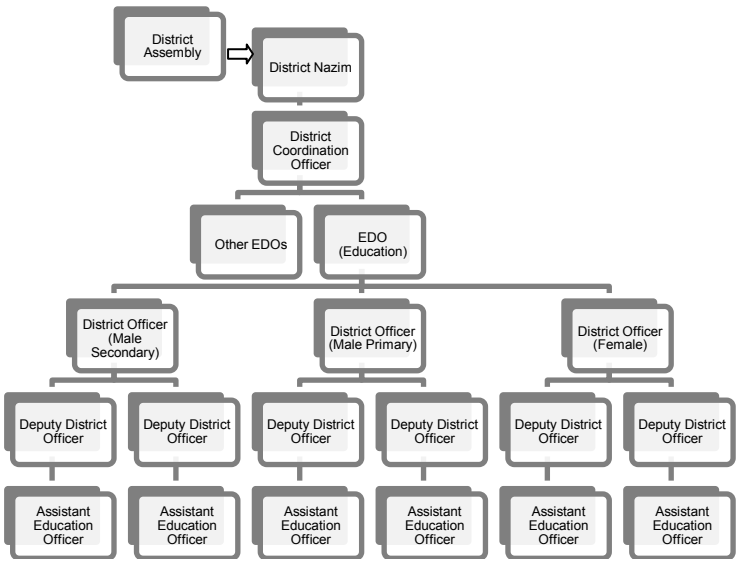
The District Education Hierarchy

At the district level, the education manages are responsible to the elected District Nazim, who is the executive head of the district under the PLGO 2001.[8] The Nazim is responsible to the District Assembly, which comprises elected heads of union councils[9] in the district. The Assembly passes the budget and is, *ipso facto*, responsible for financial allocation to education from the district budget. The Assembly also approves district education policy and oversees its implementation

through its Standing Committee on Education. The chief bureaucrat in the district is the DCO, who provides oversight and guidance to officials of all provincial departments in the district. This position is somewhat similar to the office of the Chief Secretary at the provincial level. DCOs are chosen from the federal or provincial executive generalist cadre and are appointed by the provincial government. In each district, there are eleven Executive District Officers (EDOs) – each overseeing a group of departments.

EDO Education is responsible for school education in the district. She assists the DCO – and through her the District Assembly and the District Nazim – in discharge of their education-related functions. She can issue standing orders to give specific policy directions to officials for carrying out their functions. She is responsible for preparing and implementing the Education Policy and to maintain education standards in government schools. She is also responsible for coordination among various education offices in the district, for compiling data on various aspects of education, for regularly inspecting schools to ensure that teachers are present and that schools are maintained properly, for carrying out special campaigns, for organising sports activities in schools and for inspecting private schools in the district.

Figure 3: District Education Hierarchy



The EDO is supported by District Officers Education (DOEs), Deputy District Officers Education (DDOEs) and Assistant Education Officers (AEOs) in the district. Each district has three DOEs, as there are separate DOEs for secondary schools and for male/female elementary schools. DOEs perform wide-ranging duties and appear to be the most exhaustively deployed officials in the district. They are required to personally visit each school within the district at least once every year. They are also required to regularly meet all Head Teachers in the district not only to keep themselves abreast of developments in schools, but also to motivate

and guide Head Teachers in discharge of their responsibilities. The DOEs are responsible for registering and monitoring private schools, cross checking bills for financial payments, preparing budget estimates, preparing district development programs, maintaining school buildings in appropriate condition, ensuring that school syllabus is covered fully and in time, and responding to Assembly questions. As can be seen, this is a long list of varied functions and given the large number of schools in each district,[10] the DOEs find it increasing difficult to discharge their responsibilities in any meaningful manner.

The next official in the hierarchy is the DDOE, who represents the Education Department at the Tehsil[11] level. They assist the DOEs in discharge of their functions and implement a more intensive inspection regime. Each DDOE is required to inspect all middle schools at least thrice every year and at least 25% primary schools once every year. They evaluate performance of Head Teachers in their area of jurisdiction, sanction their bills and exercise overall superintendence over their work. As such they comprise the functional tier at the district level. They also carry out literacy campaigns.

DDOEs are assisted by AEOs, who are the field officials in the district education hierarchy. AEOs work one each for a Markaz and are responsible for monitoring of schools to check teachers' attendance, student enrolment and condition of school buildings. Each AEO is required to carry out at least two summary inspections and at least one detailed inspection of all elementary schools in the Markaz. They do not have any executive powers *per se*, but can report delinquency to their respective DOEs, who have vast administrative powers – at least on paper – over teaching and non-teaching staff in the district.

Monitoring and Incentives Framework

EDOs, DOEs, DDOEs and AEOs are drawn from the education cadre and are mostly senior teachers and head teachers from government schools. Although, their salary is determined by their Basic Pay Scale (BPS),[12] postings as education managers are coveted mainly because of the administrative powers, the perks attached to such postings and the capacity to offer favours, which are reciprocated with favours in their own turn. There is also the possibility to seek rents. Consequently, it is not uncommon for teachers to use their personal and professional networks to seek posting as an education manager. This strengthens their position on the one hand and places them under specific obligation on the other hand to protect duly and unduly other members of the network. It compromises their capacity to objectively evaluate the performance of their erstwhile colleagues. It also adversely affects their ability to exercise administrative authority. For fear of losing these coveted postings, often the education managers shy away from exercising their authority to censure and sanction education officials in their area of responsibility.

Posting and transfer decisions rest with the district government for all but a few education officials in the district. EDO Education and DCO are authorised to make

these decisions for officials in BPS 1-10 and 11-18 respectively. Transfer/posting of officials above BPS 18 rests with the Education Department. Since the salary of public servants is determined by their BPS and since it is next to impossible to terminate the services of a delinquent official (discussed shortly), transfer to a less attractive location is often the only sanction that an unhappy education manager can impose upon a staff member. Transfer to an out of the way or far flung location can cause serious inconvenience, especially to female staff members. Hence, it is not uncommon for them to deploy their social networks to avoid such an eventuality.

To safeguard district education managers against pressure from powerful quarters within the district (mainly politicians, but also from fellow bureaucrats, judges, military officers, etc.), the Punjab Government regularly imposes a ban on transfer of education officials from one place to another. While such ban is in force, only the Chief Minister can relax the ban and allow a transfer. This effectively centralises power further in the hands of the Chief Minister and is *ipso facto* a regressive step.

Promotions come almost automatically and regularly. Formally, the performance of each official is annually appraised by her supervisor and recorded in a confidential Performance Evaluation Report (PER). Promotion Boards at the district or provincial level consider these PERs and based on available vacancies make decisions regarding promotion of officials. In practice, however, PERs do not carry much significance mainly because the supervisors rarely record their true assessment of officials in these reports. In any case, in the absence of regularly and reliably collected data on mutually agreed upon indicators, it is difficult to objectively perform a task as difficult as performance assessment. Therefore, promotion has become largely a function of seniority. After regular intervals, officials are promoted from one BPS to another. After a couple of such unearned promotions, there is hardly an incentive for an official to work hard and improve performance in any meaningful manner. Given that postings are also ensured through effective deployment of personal and professional networks, it is hardly surprising that most officials spend considerably more time building and strengthening networks than on their professional duties or even on professional growth.

Disciplinary action against misconduct is taken under the Punjab Employees Efficiency, Discipline and Accountability (PEEDA) Act of 2006. PEEDA is Punjab Government's general instrument to ensure discipline and efficiency; as such it does not contain any education specific provision. The Act defines misconduct and specifies the procedure to be adopted in initiating, conducting and deciding disciplinary proceedings against officials. The Act also stipulates the punishment that can be awarded against various types of delinquent action. Through various notifications, the Government has specified authorities to exercise powers under the Act. In most cases, the authority to initiate and conclude proceedings lies within the district. The DDOE and DOE have been designated as the authority to take action against primary and middle school teachers. The DCO/EDO can recall most cases and revise decisions taken by managers at lower tiers The Secretary Education Department is the designated authority for action against head teachers, subject

specialists and education managers in BPS 17 and above. *Prima facie*, this appears a robust system to ensure accountability in the education delivery system.

In reality, however, the powers vested on various officials under the PEEDA Act of 2006 are seldom exercised. Data on disciplinary proceedings initiated against various officials and action taken under PEEDA (or its predecessor legislation) are not readily available. Anecdotal evidence suggests that such cases are rare. Since there is hardly any flaw/lacuna in the legal framework *per se*, the inaction must be attributed to the unwillingness or the incapacity of education managers to act effectively within their areas of responsibility.

Part of the problem is the weak monitoring and evaluation framework in the district. Although, the hierarchical structure of education managers seems to provide a rigorous inspection and monitoring regime in the district, in practice the monitoring and evaluation capacity of district education managers has eroded over the years due to poor logistics and a weak incentives regime. Either the required number of inspections is not carried out or is carried out casually. Similarly, reports from these inspections are seldom a true picture of the state of affairs in the inspected school. Ostensibly for this reason, the Punjab Government established in 2002-03 an elaborate external monitoring system consisting of Monitoring and Evaluation Assistants (MEAs), mostly ex-army personnel. MEAs are supervised by a District Monitoring Officer, who is usually an officer from the provincial executive cadre. She reports directly to the DCO and indirectly to the provincial Education Department. MEAS are required to visit each school once a month and to record information on teacher and staff attendance, textbook availability, school enrolment, student attendance and the general upkeep of the school in standardised format for convenient collation at district and provincial levels. MEAs are assigned a different set of schools every three months so that they do not cook figures in collusion with the school staff. The Education Department uses these inspection data to rank districts on a set of indicators.

Conceptually, this system of external monitoring was meant to generate objective data to inform policy and to increase district managers' capacity to effectively act to incentivise and sanction high-performers and delinquents in their team respectively. In practice, however, it became an opportunity to provide jobs to retired military personnel. It was this *latent* function – as against the *manifest* function of generating information – that led to speedy deployment of MEAs across the province without much opposition from the teaching community, which had historically resisted efforts of external monitoring. Once appointed, MEAs quickly discovered that their nuisance value could be readily translated into small favours and rents from the school staff. It was only a matter of time that one also started hearing anecdotal accounts of sexual harassment of female teachers. Further, MEAs had little understanding of the functioning of modern education systems, so their data collection betrayed superficiality. Their activity revolved around the tangible indicators, such as attendance, rather than the assessment of learning outcomes – supposedly the ultimate objective of all teaching activity. There is also a more fundamental problem with this scheme of things. The MEAs report to the DCO et al. and the expectation is that the

latter will take action informed by the data generated from field visits. But there is nothing in this scheme of things to reduce in any manner whatsoever *disconnect* between the level where delinquency has taken place and the level where action is taken. How realistic, then, is this expectation remains a moot point.

Another strategy that the Punjab Government has tried is to appoint teachers on fixed-term location-specific contracts. A typical contract is entered into for five years and is for posting at a specific location. It can be renewed for as many terms as the parties prefer until the teacher reaches the retirement age. The contract can be terminated at any time and its renewal is (in principle) based on satisfactory performance of the teacher concerned on a set of indicators, such as enrolment, attendance and students' examination results. Annual salary increments are also granted on satisfactory performance. In theory, the policy of contract appointment was expected to: 1) strengthen the hands of the education managers in effectively acting against delinquents; 2) ease out pressure for transfer/posting to preferred locations, such as schools located in peri-urban and urban areas; and 3) increase teaching effort leading to improved enrolment, reduced absence and improved performance. In practice, however, none of this happened and the contract policy proved as ineffective in achieving its objectives as previous measures. Contract employees created enough pressure forcing the provincial government to regularise their appointment and convert them into civil servants with all the perks and protections that come along.

Deconstructing the Power Relations in School Councils

Establishment of school-level committees has been yet another concept that the Punjab Government experimented with during the last two decades to improve education provision in government schools. The idea was to involve local communities – more specifically – parents in managing schools and the expectation was that it would reduce teacher absenteeism. Under the Social Action Program in 1990s, School Management Committees and School Repair Committees were constituted for primary and middle schools across the province to ensure community participation in utilization of funds under the Program. In the year 2000, these Committees were renamed as School Councils (SCs) and their mandate was also enhanced to include checking teacher attendance, etc. The (World Bank supported) Punjab Education Sector Reform Program placed special emphasis on reactivating School Councils during the last decade. According to the data provided by the Project Monitoring and Implementation Unit of the Program, there are currently 44,137 School Councils in Punjab.

SCs are constituted by education managers for individual schools and comprise the head teacher (who acts as the Chairperson), one or two teachers from the school and a few local notables, some of which must be parents. A Council once notified continues to perform as such unless dissolved through a notification. Its mandate is to '... ensure teachers presence, increase enrolment, motivate parents to send their children to school, conduct co-curricular activities, take measures to safeguard teachers/students rights, provide support in the distribution of textbooks and

stipend in the school, take measures to protect school building, hold SC meetings at least once a month, prepare School Development Plan, use SC funds and maintain certain records (Anonymous 2007).' This is a comprehensive mandate and places substantial responsibility on the Councils. Does it also provide reasonable authority and resource to discharge this responsibility is a different question altogether.

The performance of SCs in delivering on their mandate in Punjab is an under-researched area and enough data do not exist to objectively evaluate their performance. However, there exist several studies (e.g. GTZ 2010; HRCP 2005; Khan 2007; Safdar 2007; World Bank 2007) that have commented upon the performance of SCs as part of a larger debate on education provision in Pakistan. By and large, establishing SCs has been considered a step in the right direction, but one that does not go far enough. It is generally believed that SCs have been unsuccessful in delivering on their mandate. This has been ascribed to: 1) lack of interest from parents and local communities in effectively managing their schools; and 2) their lack of capacity. It is argued that playing a key role in school management requires a long-term time commitment, which few in the local community are able to make. Further, school activity is carried out during the day when most parents are busy in their respective offices, shops or fields. It is also argued that often local communities do not possess the necessary accounting and managerial skills to efficiently utilise school budgets and to effectively evaluate teachers' performance.

While it appears a valid observation that SCs have by and large been unsuccessful in playing a significant role in reducing teachers' absenteeism, in increasing their teaching effort and in increasing enrolment, it is hard to agree that this has anything to do at all with the lack of knowledge, commitment and/or capacity of local communities. Several commentators (e.g. Andrabi et al. 2008) have noted that households, especially mothers, have a reasonably good idea of how their children are faring in the school and how the school is doing. Households' interest and commitment are also amply demonstrated by their readiness to invest substantial proportions of their monthly household budgets to the education of their children.[13] The phenomenal growth of low-cost primary schools in rural and urban Punjab during the last decade is a testimony to that. Similarly, it is hard to believe that a more complex skill set is required to manage a small school than is required to run a small business or farm – activities that households undertake on a daily basis. It is also noteworthy that these very local communities provided the entrepreneurs that have successfully set up private schools across the length and breadth of the province.

Therefore, it is fair to conclude that local communities in rural and urban areas: 1) have a reasonably good understanding of the performance of various schools in the neighbourhood; 2) have an active interest in improvement in school education; and 3) have adequate capacity to play an important role in school management. How, then, to explain the consistent failure of SCs across the province in delivering on their mandate?

A deconstruction of the power relations between the teacher and the local community can help unravel this mystery. The teacher is the service provider in this case and the local community the client, as their children study in government schools. In the

current dispensation, the service provider is visibly more powerful than the client – a fact both parties fully appreciate. This relative power imbalance is recreated and reinforced in everyday interaction where the latter defers to the former in subtle and not-so-subtle ways. The teacher is more educated and has an income more stable than that of an average parent. She is part of the government hierarchy and *ipso facto* has privileged access to state protection and resources. She is also frequently called upon to carry out various surveys and draw up lists (such as prospective beneficiaries of financial assistance) by the government, which places her at the giving end of the relationship. She is more mobile, as she often frequents district and sub-district headquarters for official duties. Most importantly, a teacher is part of several professional networks, which she can draw upon on need basis. Since education has been declared an essential service by the Punjab Government, officials are legally forbidden to form unions; still teachers' associations of all hues are ubiquitous. These associations are membership-based organisations and are vertically integrated at district and provincial levels. They support their members in any manner whatsoever. Almost all associations have linkages with political parties – yet another avenue to wield influence on policy. As Latour (1987; 2005) has shown, the capacity of individual actors to form multiple networks and deploy these networks effectively to pursue their individual gains allows them to influence policy and implementation outcomes in their favour.[14] Teaching and non-teaching staff in the Punjab Education Department has consistently demonstrated this capacity over the years.

In comparison, households are scattered, disorganised and internally divided on the basis of caste, creed and social placement. They have precarious means of subsistence, often susceptible to the vagaries of weather or to market vicissitudes. Their access to government departments is inhibited by their low literacy level and their relatively limited understanding of bureaucratic procedures. Often their access to government services is mediated through local notables, with whom teachers may already have a preferred relationship.

Effectively, this translates into a lopsided power relation within the SC. Rather than the client superintending the service provider, it is the latter who 'identifies' the former to sit on the Council. Since district education managers have little direct interaction with local communities, they often end up requesting teachers to recommend a few 'suitable' local persons for the Council. It is only natural for teachers to *nominate* community members who are least likely to *interfere* in school affairs in any meaningful manner. All Council members are not parents;[15] so some members may not have a direct stake in school improvement. The Council is led by the Head Teachers, who convenes Council meetings, maintains minutes and accounts and interacts with higher authorities on behalf of the Council. Practically, it is the Head Teacher and other official members of the SC who call the shots and the presence of community members on the Council is merely ceremonial. A community member of the Council has no real control on human, physical or fiscal resources in a school. No wonder, then, that these Councils have by and large failed in providing accountability in government schools. For them to become effective levers of control on school affairs, first of all the power relations between the service provider and the client must be turned on its head.

Towards a Decentralised Governance Framework

From the above, it is clear that education managers do not operate in a competitive environment in which their promotion, salary increment and posting are linked to achieving targets set by their clients, viz. households (through their elected representatives). Education providers, particularly at the grassroots level, wield considerably more power than their clients and have a demonstrated capacity to deploy their personal and professional networks to shield them against efforts to hold them accountable. Sufficient legal authority exists at the district level to hold education providers accountable, yet education managers are either unwilling or unable to effectively exercise such authority for improvement in the quality of education. Education managers also have sufficient means to collect information to inform their action. They have an army of MEAs – in addition to the numerous AEOs, DDOEs and DOEs – to inspect schools on their behalf and regularly collect data on selected indicators. Yet, managers have consistently failed in holding education providers accountable for not delivering on their mandate. This failure emanates from the disconnect that exists between the level where authority is exercised and the level where adverse consequences are experienced.

This disconnect is at the heart of the governance problem. The delinquency takes place mostly at the school level – be it a teacher who teaches badly or a school that does not have a functional toilet – and it is the local communities, especially parents, who are the direct sufferers. But these parents have no control on the resources that the state provides ostensibly to be used in their service. This control is exercised in their name by education managers – EDOs, DOEs, DDOEs and AEOs – who are not only far removed from the scene of delinquency but also are members of the same networks as education providers. The choice before the education manager in each such situation is between discharging her responsibility and obliging a family member, a friend, a local influential or a professional network. Not feeling the pinch directly, she is more likely to take a lenient view and let procedural formalities come to the rescue of a delinquent than to do her job and risk losing support in personal and professional networks. Further, the access of education providers to education managers is direct, whereas the access of parents is mediated by local notables. This access is compromised by the relatively weak power position of households *vis a vis* education providers. The relative power imbalance between service providers and clients must be corrected to enhance latter's capacity to hold the former accountable. The long arm of accountability – to borrow a phrase from Pritchett and Pande (2006) – must be shortened.

The following pages contain a proposal for a decentralised governance framework that seeks to make education providers directly accountable to parents at the school level as well as at district and sub-district levels. Following are key features of the proposal:

- strengthen the Punjab Education Assessment System to regularly commission collection of school-level data on learning outcomes
- establish DEAs as statutory bodies to act as dedicated institutional hubs at the district level

- transfer most school management functions (including budget utilisation and teacher assignment) to elected School Councils
- give large middle and high schools the option to become autonomous under a parent-dominated Board of Governors
- give local communities greater role in education management at various levels

Three fundamental principles underpin the proposed framework. First, given the rather limited potential for local resource generation, bulk of the additional investment to increase the number of seats in government schools, to improve infrastructure, to hire additional teachers and to improve teachers' capacity will have to be made available by the provincial government. Second, accountability by end-users being the most effective form of accountability, it is absolutely essential to turn the power relations between education providers and households upside down and make the former directly answerable to the latter. Third, publicly available and widely disseminated information on school-level budgets and learning outcomes will empower local communities to make informed management decisions.

In a decentralised governance framework, the Punjab Government will retain only the policy and high level regulatory functions in respect of government schools and devolve all other functions to district and school levels (see Table 2 below for distribution of functions). The Punjab Education Assessment System will be strengthened so that it has the capacity to collect, compile and disseminate school-wise data on facilities, budgets and learning outcomes.

Table 2: Suggested Distribution of Functions

Provincial Government	**District Education Authority**	**School Council**
• formulation of policy and setting of benchmarks • determination of curriculum and syllabus for various grades • conduct of examinations • conduct of periodic assessment of schools on learning outcomes • development and publication of textbooks	• receive funds from the provincial government and maintain accounts • manage human resource of the Education Department in the district • provide baseline budget to schools • allocate criteria-based budget to schools	• receive and utilise baseline and criteria-based budget • raise additional funds • select teachers from the DEA pool and assign them to the school • pay salaries of school staff • maintain accounts

Provincial Government	District Education Authority	School Council
• teachers training • audit • proactive disclosure of school-wise financial, administrative and academic information	• enlist qualified teachers in a pool from which individual SCs can select teachers to assign to their respective schools • organise and coordinate professional training of teachers and managers • hold elections to SCs • disseminate data on school performance • conduct school audits	• provide oversight in school functioning • make all school-level decisions

It is inadvisable that the Government tries to perform these duties through its regular staff; these can be more efficiently and reliably performed by the private sector. A key activity will be to develop and administer standardised tests to assess students' performance in various subjects. These data will be widely disseminated. The purpose is to help parents in making informed schooling choices, as well as to promote a culture of transparency and accountability. Proactive disclosure of school-wise data on infrastructure and facilities (e.g. furniture), budgetary allocations, enrolment, teacher profiles, examination results, performance on learning outcomes, etc. will win accolades for the high performing schools and put the laggards under spotlight. The next step will be the development of an index on which schools in each district can be ranked. The same index can also be used to rank districts.

District Education Authorities – Justification and Structure

Establishment of DEAs as dedicated institutional hubs for education governance at the district level has been on the agenda for quite some time now. For the first time, the need for establishing DEAs was officially acknowledged in the 1969-70 New Education Policy of the Government of Pakistan (Aly 2007), which proposed the DEAs to be autonomous organisations with specific responsibility to manage primary and secondary schools in their area of jurisdiction. Establishment of DEAs was also mentioned as a specific policy action in the National Education Policy of 1998 (ibid). The 2001 local government system ignored this policy advice and rather relied on District Governments for governing educational institutions. PLGO placed school and college education firmly under the new District Governments in the expectation that electorate's demand for quality education will translate into enhanced resource allocation for the education sector and for improved management of schools and colleges. Unfortunately, this did not happen.

One of the notable failures of the new LG system was not to assign priority to education in resource allocation, in policy formulation and in providing oversight. Several commentaries on the 2001 local government system (e.g. Ajmal and Bari 2005; ICG 2004; Mohmand and Cheema 2007; Shahrukh Rafi Khan 2007) have

noted that much of the development effort during 2002-09 was concentrated in infrastructure projects, rather than social sectors. Hence, while one can see construction/improvement of roads and bridges almost everywhere in the province during the decade, investment in education (and other social sectors, such as health) remained comparatively small (Institute of Public Policy 2009). It is suspected that the growing tendency of the relatively better off people in rural and urban areas of Punjab to look to the private sector as the preferred education provider for their children created the objective conditions that produced such lopsided resource allocation. The political and social elite among the local communities having opted out of the system, there was not enough pressure on elected officials at grassroots or district levels from their electoral constituencies to allocate additional resources for government schools and/or to improve governance therein.

Further, the 2001 local governance framework's vision of effective accountability of teachers and education managers by elected officials at the district level was inherently flawed, as education providers were by and large more powerful and better networked than the communities they were providing services to. Consequently, they were able to put greater pressure on elected district officials (the Nazim and the Council) than was possible for school communities.

The establishment of DEAs comprising institutional representation from key stakeholders and transfer of school management functions to elected SCs promises a solution to both these problems. The fundamental assumption here is that education being too important a service to be clubbed together with other social services at the district level requires a dedicated institutional hub in the district. It is important to allocate specific resources to DEAs for effectively carrying out their functions to save education from competing with other district level services in resource allocation.

The DEA will function within the overall framework of the PLGO 2001. It is important that DEAs comprise people who have a direct stake in improvement of public sector education at the grassroots level. One way to ensure this is to develop a mechanism which allows parents of current children to play a leading role in policy formulation and implementation in the DEA. Automatic inclusion in the DEA of SC chairpersons of top performing schools can be a mechanism for the same. Inclusion of district-level elected and non-elected officials (e.g. Nazim, DCO and EDO) will ensure the support of the District Government. The DEA will have its own secretariat and staff to carry out meetings and other basic activities. Other than this, the DEA will use the existing education staff in the district to carry out its supervisory functions. Services of education managers and providers (i.e. the EDO et al. and their staff; teaching and non-teaching staff in various schools) will be transferred to the DEA under terms and conditions that presently govern their services. It should be emphasised that the whole point of establishing DEAs across the province is to provide for client-led oversight of education providers *without* incurring additional costs and enlarging district bureaucracy.

In the new dispensation, the provincial government will transfer funds directly to the respective DEA under the inter-district fund distribution formula agreed in the Punjab Finance Commission. DEAs will use these funds to pay staff salaries, procure materials, improve infrastructure, build staff capacity, run awareness campaigns, conduct surveys, etc. District Governments will also allocate additional resources from their regular budget for construction of new schools and other purposes that they seek to support. Each DEA will provide a baseline budget to each government school in the district. This baseline will be set separately for primary, middle and high schools each year, but the same budget will be provided to all schools in the category. Beyond this baseline, each school will compete for resources on criteria set by the DEA. Although it is really for the individual DEAs to decide the criteria for allocation of additional funds, some suggested indicators are enrolment, location, performance, etc. Both baseline and additional budget will be transferred to the SC account, which shall be responsible for their efficient utilisation. These funds will be utilised in accordance with applicable financial rules. Accounts will be maintained and audited every year as per the usual government practice.

The existing teaching and non-teaching staff in the district will be at the disposal of the respective DEA. In addition, each DEA will enlist applicants who meet the recruitment criteria for teaching and non-teaching staff as set by the Punjab Government. It will be possible for one candidate to enlist in more districts than one. The DEA will maintain a register containing necessary information on each eligible applicant. This and the existing teaching and non-teaching staff will comprise the pool from which individual SCs will select teachers for assignment to their schools.[16] There will be no minimum or maximum limits prescribed for the total strength of the pool, but the DEAs will make efforts to have at least 20% more people (new plus existing) in the pool than there are total available vacancies in the district.[17] Enlistment with the DEA does not confer any right to appointment or emolument whatsoever; a staff member will be paid directly by the SC for the period that she has been assigned a teaching or non-teaching responsibility in the school. There will be no payment to the new staff for the period spent in the DEA pool. The existing staff, however, will be paid by the DEA for the period they are not on an assignment with an SC.

It should be clarified that this system of assignment-based payments applies *only* to new recruits. No matter how much one would wish to extend the system to the entire work force to make them more responsive to local SCs, this may not be practical, as teachers are civil servants and their emoluments are protected in the existing legal framework. They also have the demonstrated capacity to resist (through violence, if need be) any effort to rationalise their privileges. Therefore, the assignment-based payment system should be restricted for the time being to new recruits, rather than extend it across the board immediately.

School Councils – the Lynchpin of the Decentralised Structure

The governance function at the school level will be performed by elected Councils. The Electoral College for a Council will comprise of all parents (and grandparents) whose children are studying in the school. After every three years, the DEA will organise elections in which parents will elect six from amongst them to sit on the SC for a fixed term of three years. Being parent of a child currently studying in the school is a pre-condition and any SC member whose child is no longer studying in the respective school for any reason whatsoever will lose her membership automatically. The Council will be responsible for the management of the school and will be assisted by the Head Teacher and other teaching and non-teaching staff in discharge of its responsibilities. In discharge of these functions, the SC will be guided by the policy directions issued by the respective DEA and the Punjab Government from time to time.

Within the allocated budget (baseline plus criteria based), SCs will have considerable autonomy to spend according to their priorities. So while an SC may decide to spend its money on improving infrastructure, another may decide to recruit more teachers. If it so decides, a duly constituted SC may requisition from the district pool as many teachers and non-teaching staff as its budget allows and assign them to work in the school through a contract detailing terms of their assignment with the school.[18] These will be additional to the regular teaching and non-teaching staff posted in a school. These contract employees will be paid from the school budget and will continue to perform their functions in the school for as long as they and the SC are willing to do so. The salary of a contract employee will be negotiated between her and the SC, but will not be less than the minimum wage[19] prescribed by the provincial government from time to time.[20] It is important that the contract employees are selected by an SC *only* from the district pool, for otherwise the SC may succumb to the tendency of recruiting their own kith and kin from the neighbourhood regardless of their eligibility and/or school needs. If the SC does not have the resources to pay a contract employee or does not want her services for any reason whatsoever, it will relieve her of the assignment and the latter will return to the district pool. The cycle will start again when the candidate is assigned by another SC to perform duties in their school. As for the existing staff members, an SC may requisition their services if it so desires and may relieve them of their responsibilities in a school if it is dissatisfied with their performance. In the latter case, the DEA will place them in the district pool, where they will remain until requisitioned again by an SC.

Currently there are about 40,000 teachers' vacancies in Punjab. This number will increase substantially if the additional requirements to emerge from the benchmarking exercise of the Punjab Government are factored in. This means, each district will have a substantial number of new teachers paid only for the duration they have an assignment with an SC. As the existing cadre of regular civil servants dwindles through natural attrition, the number of Council-assigned teachers will increase gradually.

The new SCs will be fundamentally different from their predecessors in several ways. First, these will comprise of *only* parents. Second, SC members have a representative capacity and are responsible to their electoral college, viz. all parents whose children study in the school. Third, the SCs will select teachers, rather than the other way round. Fourth, these Councils will have substantial resources at their disposal and sufficient autonomy to use them according to local needs. In other words, the new Council will be a confident group of people, who have a direct stake in school improvement and who have intimate knowledge of whatever happens in the school. *Ipso facto* in dealing with delinquency on part of an official, their approach will be fundamentally different from that of an education manager, who is usually far removed from the scene geographically and socially. She may look the other way to retain her position in a professional or personal network. The SC members, on the other hand, are confronted with a more complex challenge. Their choices are: suffering the consequences of the delinquency and losing favour within important networks. Each such occasion will test their ability to balance their personal interests with the educational interests of their children. It will be expecting too much from members of the Council to always prefer the latter over the former, but the likelihood of this being the case is substantially larger than if the decision were to be made by a can't-care-less education manager.

This decentralised framework should be extended to *all* primary schools in the first place, and should be extended to middle and high schools only gradually. This will not only help in learning lessons from practical implementation but will also allow time to negotiate any possible opposition from teachers' associations. As for middle and high schools, they should be given the option to become autonomous under Boards of Governors, which will comprise of representative of parents and the District Government. Getting autonomy can be incentivised through increased budgetary allocation from the district government.

A key question here is how teachers' associations will respond to these proposals. In all likelihood they will oppose these proposals because some of their privileges are adversely affected. Education providers (and most managers) are already part of the district cadre, so being placed under the citizen-led DEA should not be a problem. But the proposed arrangement puts elected SCs in the driving seat at the school level and gives them absolute authority over resource allocation and human resource management. Further, an SC may surrender the services of an unwanted staff member to the DEA. Losing power and control at the school level will be swallowed with difficulty. Therefore, a gradual implementation of the proposal has been suggested, starting from primary schools (where only a proportion of the total staff in the district is posted).[21]

Conclusion

This paper has discussed that Punjab faces a Herculean challenge in the education sector. The challenge involves increasing the proportion of children in schools from 68% to close to 100% and addressing the learning deficiencies of children enrolled

in government schools. The situation warrants a coherent and comprehensive strategy addressing the issue in all its complexity. At the heart of the issue lie the challenges of increasing investment in government schools and making education providers accountable to their clients, i.e. households whose children are still enrolled in a nearby government school. These challenges are inter-related. It is absolutely important for the public sector to substantially increase its investment in provision of education to improve school facilities and provide extra teachers. Good infrastructure and facilities have an enabling role in providing quality education and a certain level of basic facilities is required to achieve the learning outcomes that are the ultimate objective of schooling. Similarly, it is important to have dedicated teachers who attend the school regularly and teach responsibly with a good understanding of their responsibilities and functions. Government teachers have consistently produced unsatisfactory learning outcomes primarily reflecting poor teaching effort, which in turn can be attributed to the weak accountability framework in which they operate. Teachers are subject to oversight only by their bureaucratic and/or political bosses. Given the unionisation of teaching cadres and the active socio-political role played by the teacher at the local level, it is virtually impossible to hold government teachers accountable for their consistent failure in achieving learning outcomes produced by their peers in the private sector in similar settings at a much lower cost. The challenge, therefore, is to improve the accountability framework for teachers and education managers in the public sector.

The paper proposes a new decentralised governance framework to improve public sector provision of school education in the province. In the new governance framework, DEAs will be dedicated institutional hubs to promote education in districts. School management will in most measure be allocated to School Councils, who exercise control over budgets, facilities and human resource. It is proposed that the new framework be applied initially to primary schools only and that middle/high schools be incentivised to become autonomous under their own citizen-led Boards of Governors. This highly decentralised structure promises to turn the existing power relation between education providers and households upside down and to make the former directly answerable to the latter. This may be a key step for Punjab to provide quality education to its children.

Notes

[1] Punjab (estimated population 94.4 million) had 59,685 government and approximately 47,000 private schools in 2011 (Punjab Bureau of Statistics 2011).

[2] Section 25 A of the Constitution of Pakistan requires the state to provide free and compulsory education to all children of 5-16 years.

[3] One toilet in the school is reserved for teachers. If this happens to be the only one available, students have to do without a toilet.

[4] These include: running errands; collecting data and submitting these in the district office; court appearances; conducting examination; and assisting other government departments in national events, such as census, polio vaccination and elections. Teachers are paid a small compensation for conducting examinations and for their participation in national campaigns, but most other duties are uncompensated and a completely unnecessary claim on their time.

[5] Sometimes it is argued that the older among us and our elders studied in worse conditions in schools that did not have electricity or furniture or toilets; so if they could do without these facilities, why place an excessive emphasis on them now? This view is flawed on several counts. First, data are not available to establish that learning outcomes were better in those years and it will be unfair to presume that these actually were so. Second, relying on worse examples is hardly of any analytical or practical value. Third, the world has move on and, like in other fields of life, one must expect and demand better services and standards in education. Looking backwards to justify inaction is a recipe for disaster.

[6] 1 US$ = Rs. 90.4 in December 2009.

[7] OECD's Program for International Student Assessment (PISA) is a program that tests students' learning outcomes across several countries on standardized measures.

[8] The tenure of the last elected District Governments expired in 2010. Since then, elections have not been held and District Governments are led by officials appointed by the provincial government.

[9] A union council comprises a group of 3-4 villages. Several government departments (education including) have their officials at the union council level. 3-4 union councils are grouped together to form a Markaz.

[10] In 2008, the median district had 1,694 primary schools, 193 middle schools and 108 high schools.

[11] Tehsil is a sub-district administrative unit. A typical Punjab district will have 3-4 tehsils.

[12] Primary school teachers are usually in BPS 9 and subject specialists are recruited directly in BPS 17. DOEs are in BPS 17 and 18 and the EDOs are in BPS 19. The DCO is mostly a BPS 19 officer in Punjab.

[13] According to the Pakistan Education Task Force (2010), an average rural family spends between 13-20% of the household income on education of its children.

[14] Also see Clarke and Jyotsna (2006) for a discussion on bonding, bridging and linking social capital in the context of education provision in Rajasthan.

[15] In a study of 21 districts in Punjab, GTZ (2010) found that between 31-49% members of SCs were parents of children currently enrolled in the school.

[16] This proposal is similar to the one presented by Pritchett and Pande (2006) in concept but markedly different in detail. It advocates establishment of a pool of teachers (comprising existing and new teachers), which individual SCs can draw upon on need basis. It also proposes teachers to be paid directly by the SC from the budget allocated by the DEA. The new teachers will be paid *only* for the period of their assignment with an SC.

[17] These additional persons will serve two purposes. First, this will give SCs options to choose from. Second, the DEA will have additional staff that can be readily deployed to perform non-educational government duties, such as census, elections, special campaigns, etc. without disturbing normal teaching activities in schools.

[18] This effectively does away with the notion of posts allocated to school by education managers in their discretion. In the SC controlled dispensation, the Council will determine how many teachers it can afford, which in turn will be a function of school enrolment and performance.

[19] The current minimum wage is Rs. 8,000 per month.

[20] Several studies (e.g. World Bank 2006) examine successful experiments where communities recruited local teachers at a fraction of what regular teachers were paid. This enabled them to provide additional teachers in their schools with relatively small cost increases. These practices are unethical, as these are based on exploitation of poor households (especially females) who have limited employment options and, therefore, have a weak bargaining position.

[21] Figures will vary from district to district, but on average, primary school teachers are about 52% of the total number of teachers in Pakistan.

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WHY DOES PAKISTAN REQUIRE A MORE CRITICAL APPROACH TO THE CLEAN DEVELOPMENT MECHANISM?

Abstract

Clean Development is intended to tackle the dumping of greenhouse gases in the atmosphere that has accompanied fossil fuel driven development in both countries of the North and the South. Per capita GHG emissions are much higher in the North than the South and mitigation efforts based on carbon trading are expected to provide the main approach to addressing the climate crisis globally. CDM is presented as the South's contribution to global climate change efforts but is tied into and serves the Cap and Trade approach of the North. In this paper Pakistan's contribution to CDM is critically examined at the time of the completion of the first commitment period under the Kyoto protocol.

Introduction

The Clean Development Mechanism is a product of the Kyoto Protocol (1997) which is the only global agreement concerned with efforts to mitigate GHG emissions and stabilize the Earth's climate. This effort to address the drivers of climate change is the consequence of the efforts of the Intergovernmental Panel on Climate Change (IPCC) resulting in a series of Assessment Reports of which the Fifth Assessment Report is due next year in 2014. These IPCC reports have helped establish a consensus among scientists that anthropogenic global warming is the driver of present day climate instability that is commonly called global warming.

Ever since the Brundtland Report (1987) there has been a global awareness that the development model followed in the North has not been a sustainable paradigm of development because of its damaging environmental impacts. Hence the need for Sustainable Development both for the North and the South, perhaps even more so now that the South aspires to a catch-up development which will threaten the stability of the global ecosystem. This has been highlighted by the crossing of a number of planetary boundaries in a study by Rockstrom et al (2009). In their study of planetary boundaries the baseline year in all boundaries is taken from the time of the industrial revolution. How can sustainable development break with the (capitalist) industrial development model and ensure a safe operating space for the global environment? This is the basic question both behind the need for Sustainable Development and Clean Development.

In the context of the present day climate instability the concept of Sustainable Development has been replaced by a focus on climate change with Sustainable

Development metamorphing into Clean Development. The term Clean Development can be contrasted with the fossil fuel dependent development that has provided the basis for industrial development since the birth of industrial capitalism (Huber, 2009). Fossil fuels have traditionally been characterized with dirty development and the environmental degradation related to the extraction, production and consumption of fossil fuel energy. Now even the relatively cleaner sources of fossil fuel energy are seen as sources of environmental pollution in the form of green house gas emissions. Clean Development is now given a new meaning in the form of a development which breaks with the conventional energy intensive development paradigm. This clean development paradigm is now redefined as a low carbon development and the replacement of fossil fuel energy with renewable energy is the obvious preferred direction.

The origins of present –day climate instability

The origin of present day climate instability is now traced back to the period of intensive fossil fuel consumption starting at the time of the industrial revolution. The products of industrial production, mainly the greenhouse gas carbon dioxide and other industrial green house gases have been dumped in the atmosphere for over 200 years without understanding the unintended consequences of the overuse of this dump. The unintended consequences of the use of industrial products and the dumping of industrial wastes is the distinguishing feature of much environmental science where these unanticipated processes have consequences in the larger environment and where the processes are studied and understood only subsequent to their environmental impact. Chemical pesticides, the depletion of the ozone layer, climate change, loss of biodiversity are all examples where the need for the precautionary principle comes from the fact that lessons are learnt late in spite of the early warnings (Harremoes, 2001). Climate instability is a consequence of the overuse of the atmosphere as a dump for the products of fossil fuel consumption. The atmosphere has the ability to recycle this fossil carbon through the availability of a terrestrial (biotic) sink and an oceanic sink which can keep carbon dioxide within limits if a threshold concentration of CO_2 is not exceeded. Climate instability takes place when this threshold has been crossed and non linear feedback processes accelerate global warming.

Not only has this recycling capacity of the atmosphere been overused by the countries of the North which have been using the atmosphere as a dump for over 200 years but this dump has been used in a very skewed manner such that countries of the North have overused the dump whereas countries in the South have not used the dump significantly in the past 200 years and continue to use the dump less in terms of current carbon emissions per capita compared to the North. As a result many authors have stressed the fact that the North owes the South a significant climate debt (Khor (2009), Agarwal & Narain (1991) which should be reflected in carbon reparations from the countries of the North to countries of the South. How does Kyoto reflect this overuse and skewed use of the atmosphere as a dump?

Kyoto: Common but Differentiated responsibility

The Kyoto Protocol apparently reflects the reality of the overuse and skewed use of the atmosphere as a dump through the principle of Common but Differentiated responsibility. Differentiated responsibility recognizes the historical overuse of the dump by the North and its historical underuse by the South. As a result the Kyoto Protocol imposes mandatory emission reductions on countries of the North while allowing countries of the South follow their development goals without any requirement of carbon emission reductions. In fact it recognizes that development will necessary lead to increased carbon emissions. The need for a development space for the countries of the South means a need for a climate space as well. The common responsibility of the North and the South is to move towards a break with the fossil fuel intensive model of development which means adopting a low carbon development model which is now called Clean Development.

In order to comply with the Kyoto Protocol countries of the North are required to reduce their 1990 carbon emission levels by an average of 5% in the first commitment period 2008-12. The Kyoto Protocol is presented as a first step in carbon emission reductions. The IPCC has characterised the necessary reductions to stabilize the climate as a 75-80% reduction by the year 2050. Kyoto is a small first step (5%) of a much longer road (75%). How are these subsequent steps envisaged in the Kyoto Protocol? How can a 75% cap on carbon emissions be achieved?

The Kyoto Protocol has two prongs in its approach to climate mitigation (Lohmann, 2005). One prong is based on emissions trading and is called the Cap and Trade approach and involves mandatory emission reductions for those countries in the North acceding to the Kyoto Protocol. The second prong is the Climate Development Mechanism (CDM) enabling a contribution to climate mitigation for countries in the South outside the cap region. The first prong Cap & Trade requires a ratcheting down of the emission cap from 5% in the first commitment period through a series of emission caps eventually to meet a target of a 75% emission cap by around the year 2050. The Cap & Trade mechanism is based on carbon trading which involves the creation of a new carbon commodity and some kind of property rights that are associated with all commodities. The second prong of the Kyoto Protocol is the CDM. The CDM was originally envisaged as a Carbon Development Fund created out of the penalties that a cap on carbon emissions would require and would contribute to the climate reparations due from the North to the South. The CDM actually emerged as a mechanism for enterprises in the South to earn carbon credits through engaging in carbon offset projects. In this way a climate development fund was transformed into a mechanism for helping the North achieve its compliance requirements under the Kyoto Protocol and tied into carbon trading and the future of cap and trade in the North.

Cap & Trade; Privatisation of the Atmosphere

How can the atmosphere be privatized? How can a carbon commodity be created? How does emission trading work?

Consider two factories, A and B, which are emitting carbon dioxide during their production processes. The two factories are provided carbon emission allowances based on their 1990 emission levels. The emission allowances are a percentage reduction of their 1990 emission levels. Factory A is unable to meet its emission requirements (cap) and has excess emissions over its allowances. Factory B is able to achieve its required emission reductions and is able to exceed its emission reduction requirements and emits below the required cap. In our example the magnitude of surplus emissions of factory A and the excess emission reductions of factory B are the same. Factory B can then sell its emission credits to Factory A which through purchase of surplus emission allowances can meet its emission target (the cap). If emission credits are easily available the price of emission credits will be small and factory B will have a small incentive to reduce emissions below the cap and factory A will buy emission credits to attain the emission cap and avoid more severe penalties. If the emission caps are tight there will be a scarcity of emission credits and emission permits will have a high price. Slowly ratcheting down the cap will ensure that the pressure to reduce emissions is kept up but will not threaten the survival of the industry. Fast ratcheting down of the emission cap can threaten the viability of some industries. Thus relations of power will influence the speed of cap reductions. Emission allowances can be grandfathered or auctioned. Under grandfathering the factory A is provided an emission allowance for 95% of its 1990 level emission and will have to purchase any surplus emissions. Factory B is able to reduce its current emissions below its cap requirement and can sell its surplus carbon emission credits. It also obtains 95% of its 1990 level emissions free of cost. In this way Cap and Trade is biased in favour of the large polluters (SandBag, 2011). They only pay for excess emissions over the cap level. Cap & Trade can allow some factories to make windfall profits in carbon trading in this manner. Cap and trade can contribute to Capital Accumulation by Decarbonisation (Bumpus, 2008) and the carbon market has become a new financial market.

Carbon Offsets and Certified Emission Reductions

How can carbon emissions in the North be offset by emission reductions in the South? In the above example of Cap and Trade both factory A and factory B are located in the North where a mandatory emission cap exists in order to comply with the Kyoto Protocol. Carbon offsets are projects located in the South where no mandatory emission cap exists and as described above countries in the South have been granted Development space and Climate space. Factory A in the North is unable to meet its emission cap requirement and has surplus emissions for which it must buy emission allowances to meet its emission targets. In this example Company C is engaged in installing and running wind energy turbines in the South. These wind energy projects are not financially viable as the electricity they produce cannot compete cost wise with the alternative fossil fuel based electricity. However increased installation of wind energy turbines displaces conventional fossil fuel energy production and offsets the carbon emissions that would otherwise be produced. This offset of carbon emissions enables Certified Emission Reductions (CERs) to be issued to Company C by the Executive Board of the UN Clean Development Mechanism. If the price of CERs in the Carbon Market is sufficiently

high Company C will be able to sell the electricity it produces through renewable wind energy at a price below cost due to the additional revenue generated by CDM finance generated by sale of CERs and compete with fossil fuel based electricity generation. Carbon offset projects are thus intended to enable transfer of technology of cleaner energy production to the South and enable factories in the North achieve mandatory emission reduction at cheaper cost. This flexible mechanism enables some factories in the North like factory A achieve its emission reduction targets at cheaper cost by investing in carbon offset projects in the South. It appears to be a win-win solution encouraging Clean Development in the South and meeting the compliance requirements of Kyoto in the North.

Internalising Externalities: Pricing environmental services to save the environment?

As described above the climate instability has been created by the overuse of the atmosphere as a carbon dump by countries of the Global North. The atmosphere has the ability to recycle the carbon dumped there through carbon sinks like the ocean and terrestrial forests as long as the amount dumped remains within certain thresholds. When the dump is overused the stable climate system becomes unstable and regulation of the dump becomes necessary for stabilizing the global climate. How the dump is to be used in an unequal world divided into a wealthy Global North and a poor and populous Global South is a question of political power and the inequalities reproduced by this division. The global processes of production enable some people to sustain their livelihoods and also enable the processes of capital accumulation. The global ecosystem provides many shared resources like air, water, sunlight and soil which sustain the conditions of production. How can the global ecosystem be regulated to ensure this sustainability. In the present era of neoliberalism this sustainability is driven by processes such as the enclosure of the atmosphere, the enclosure of water, the enclosure of land and labour. The threats to ecosystem sustainability are thus met by making payments for ecosystem services (PES) which will help ensure the "polluter pays principle" whereby previously externalized costs are now internalized. The benefits of this commodification of nature will trickle down to those people who sustain the ecosystem in the process of earning their livelihood.

The process of putting a price on carbon involves privatizing the atmosphere where the recycling ability of the atmosphere is the commodity. How can this recycling capacity of the atmosphere be framed as a commodity and how can the agents be framed? As Michel Callon (1998) has explained all commodities are created through this framing process involving a process of disentanglement and re-entanglement. In the case of the atmosphere the framed property of the atmosphere is the green house gas effect. Green house gases are framed as naturally occurring GHGs and anthropogenic GHGs and agents responsible for anthropogenic GHGs emissions and sequestration have to be framed. Each process of framing involves overflows which relate to processes that do not fit into the present frame and require new framings. This process of framing is never complete (Callon, 2009).

In creating the carbon commodity greenhouse gas accounting is required to establish a baseline from which emissions can be added or subtracted. The subtraction of carbon emissions from the baseline is the process of climate mitigation whereas addition of carbon emissions over and above the baseline is the process of carbon accumulation. The price of carbon is an incentive to mitigate the climate and a penalty for contributing to the accumulation of emissions. As a result the determination of the baseline involves the allocation of emission rights with the historical large polluters gaining the most pollution rights. Rather than the "polluters pay principle" we have the principle of the largest polluters have the most benefits.

Just like the process of framing is never complete and economic calculations are always incomplete, similarly the transformation of externalised costs into internalized costs can never be complete and involve the creation of new metrics and processes of commensuration (Lohmann, 2012).

The Contradictions of Carbon Trading

Access to the atmosphere as a carbon dump is now being regulated through the process of carbon commodification. What are the contradictions of this process of commodification?

1) Not all countries have carbon emission caps

As a result of the overuse of the carbon dump in the atmosphere by countries of the Global North it was not possible to impose mandatory emission reductions uniformly across the globe. The historical overuse by the North and underuse by the South resulted in compulsory emission reductions for countries of the North (i.e. those acceding to Kyoto). As a result emission caps in the North can also be met by shifting production from capped areas to uncapped areas. In particular industrial gas destruction projects which involve greenhouse gases with large global warming potentials (GWP) have been used to game the CDM market. In other words shifts in production have enable companies to gain windfall profits without any global reduction in GHGs emissions. Production has shifted from the North to the South in order to benefit from CERs created by the destruction of industrial gas byproducts of refrigerants such as CFC-23 and the destruction of Nitrous Oxide in CDM adipic acid projects.

As a result there is increasing pressure on large carbon polluters like China to commit to mandatory emission reductions inspite of the significant difference in accumulated historical emissions of countries like China, Brazil and India compared with countries in the Global North. The issue of climate reparations for the historical overuse of the atmosphere is thereby sidelined by focusing on levels of current emissions. CDM legitimizes the past inequities and replaces the issue of climate reparations by the opportunity for the South to earn carbon offset credits as a contribution to climate mitigation.

2) Emission caps are based on identifying countries as the appropriate unit of analysis.

Under the mandatory emission caps of the Kyoto Protocol countries are required to meet different cap levels compared to the baseline emissions of year 1990. The underlying assumption is that the agent responsible for carbon emissions can be identified according to the location of the production process leading to carbon emissions. The consumers of the products of various production processes are not framed as responsible for the carbon emissions embodied in the product during its production phase or disposal phase but only those emissions occurring during the consumption phase of the product. As a result although China is emerging as the factory of the world the carbon emissions of China's export industries are framed as the emissions of China rather than the emissions of those countries which are the destination of the products. This is an area of contestation by the Chinese government i.e. the products of Chinese export industries are destined for consumption in the Global North but the responsibility of carbon emissions is categorised according to the country of production rather than the country of consumption. Much of production in the South is driven by the consumption needs of the North and attributing carbon emissions according to the location of production reinforces the existing Global North-South divide.

3) Carbon trading involves the creation of property rights

Carbon Trading involves the creation of a carbon commodity. How does the carbon commodity differ from more conventional commodities? Property rights exist in a variety of forms involving both physical property and intellectual property. Three aspects are worth mentioning here.

a) Framing the agents responsible for carbon emissions is an area of contestation. In paying for surplus emissions above the emission cap an enterprise has been given rights to emissions below the mandatory cap. These property rights have been allocated to the large polluters whereas the small polluters or non-polluters are not granted any rights to carbon emissions. The creation of property rights in carbon trading is a property of carbon trading that is carefully kept from view to hide the inequities involved.

b) The nature of the carbon commodity is a tradeable emission allowance. How is the quality of a commodity ensured? Conventionally commodity trading involves a process of standards and certifications that are established within a particular industry either through self regulation or state regulations. In the case of carbon emissions the buyer of emission allowances is not concerned with the quality of the certified emission reductions (CERs) but only with certification from a recognized authority. The seller of emission allowances is similarly concerned with the certification process and not any independent evaluation of carbon offsetting. When both buyer and seller are not concerned with the quality of the carbon commodity but only with its recognition by an appropriate

authority the integrity of the carbon market can be vulnerable to collapse like the financial markets in 2008. This is the reason why CFC-23 destruction projects in a decision made by the Executive Board of the CDM in 2012 now have more limited ability to generate CERs.

c) How are emission rights allocated in the mandatory cap regions in the North?

Emission rights can either be auctioned or grandfathered. Auctioning emission rights means that there is a competition between different buyers for the emission rights and the highest bidder is allocated the emission rights. The government then provides a license to the highest bidder and in return generates government revenues from the auction. In grandfathering emission rights the rights are allocated according to historical emission levels by different enterprises. As the large polluters are also the economically and politically powerful elements within society this ensures their willingness to accept the pricing of carbon as a necessary step and makes climate mitigation less threatening to their economic interests. In fact a process of decarbonisation can proceed without threat to the process of capital accumulation, Bumpus (2008). Climate mitigation can be a profitable business.

4) How fast can the emission cap be ratcheted down?

The Kyoto Protocol involves a ratcheting down of emission levels by 5% from the 1990 baseline by the year 2012 within the Annex-1 countries of the Kyoto Protocol. In order to stabilize the climate with a 2 degree C limit on global warming the IPCC has argued for a 75% reduction in global emissions by the year 2050. The difference between a 5% reduction in the North by 2012 and a global reduction of 75% by 2050 is enormous. Particularly if the reduction in climate space used by the North is accompanied by an enlarged climate space for countries in the South, the speed of emission cap reduction for the North needed to stabilize the climate is going to have to be a fast cap reduction with significant structural changes towards a low carbon economy. In comparison the present slow ratcheting down of the emission cap is a marginal change accompanied by the entrenchment of property rights which has made this step politically feasible.

As a result of these contradictions within the dominant carbon trading approach to climate mitigation the future of cap and trade appears uncertain. Carbon offsetting projects in the South are intended to help the North achieve their mandatory emission reduction targets at least cost and so are likely to prolong the fossil fuel based growth in the North rather than breaking with this high carbon development model. For Pakistan to hitch its clean development future to the Clean Development Mechanism (CDM) in view of the structural link between CDM and carbon emission trading is like entering a road of uncertain destination.

Carbon Offset projects in Pakistan

In 2012 Pakistan has 52 CDM projects in the pipeline with an estimated annual CERs of 6778 kCERs. (Each kCER produces the equivalent of 1000 tonnes of carbon dioxide equivalent emissions). Carbon Offset Projects in Pakistan can be categorized into five categories.

1) Industrial gas destruction projects

These projects involve industrial gases which are green house gases with large global warming potentials and the destruction of these gases which are frequently byproducts of industrial products can contribute to significant carbon emission offsetting and CERs because of their very large GWP. In the case of HFC-23(GWP= 11,700) the destruction of this gas can generate more revenue than the sale of the industrial product itself and has created perverse incentives and resulted in the gaming of the CDM. The most well known examples of these gases are nitrous oxide (GWP=300) a byproduct of nylon production and nitrogen fertilizers and HFC-23 a byproduct of the refrigerant HFC-22.

Pakistan has two CDM projects involving the destruction of nitrous oxide resulting from plants producing nitric acid needed for fertilizer production. The two projects are expected to generate around 1508 k CERs annually.

2) Renewable Energy projects

Renewable energy projects in Pakistan consist of four hydroelectric power projects and three wind energy projects. Renewable energy projects do not emit any greenhouse gases during their operation and thus do not entail any direct carbon emissions and only entail indirect carbon emissions. For example wind energy projects are responsible for the carbon emissions due to carbon embodied in the wind turbine production and any deforestation involved in creating the wind corridors. Hydroelectric projects similarly entail embodied carbon in the machinery and cement used and indirect emissions due to methane emissions from flooded vegetation resulting from the dam construction. Some of these indirect emissions are included in the project boundary and leakages and others are not.

These seven renewable energy projects are expected to generate 2292 kCERs annually. Large hydroelectric projects are capital intensive projects and have a long gestation period and as a result their additionality is questionable. Such projects are likely to proceed without CDM finance generated by the sale of CERs and are thus likely to be Business as Usual (BAU) projects which do not fulfil the additionality criteria for CDM projects.

3) Fuel switch projects (Biomass projects)

Fuel switch projects are projects which switch from fossil fuels with high emission factors (like coal or oil) to fossil fuels with low emission factors (like natural gas).

However as domestic natural gas (when available) is cheaper than imported oil these projects are BAU projects and are not entitled to CDM status. In Pakistan the only fuel switch projects which have CDM status are fuel switches to biomass based fuels which are assumed to have low emission factors. In fact under the carbon neutrality assumption biomass derived fuels are assumed to have an emission factor of zero. This means that any carbon dioxide emissions from biomass burning are assumed to be part of the biotic carbon cycle which is in an assumed equilibrium where emissions from burning biomass are exactly balanced by subsequent sequestration of carbon dioxide by photosynthesis and the regeneration of biomass.

The biomass projects in Pakistan are based on crop residues mainly from rice husk in the textile industry and from Refuse Derived Fuel (RDF) and Tire Derived Fuel (TDF) in the cement industry.

A total of about 712 kCERs are expected to be generated annually from these nine projects with most kCERs coming from the four cement industry projects (584 kCERs) and a smaller amount from the textile and rice processing industry(128 kCERs).

4) Energy Efficiency projects

The largest number of CDM projects in Pakistan are in the category of energy efficiency projects. In this category 29 projects annually are expected to generate 1820 kCERs. These projects include waste heat recovery projects which would not be profitable without the incentive of additional CDM finance generated through the sale of CERs. Bagasse energy projects which involve the burning of bagasse at higher temperatures and pressure which produce as a result more energy per unit of bagasse burnt. Conventionally bagasse is burnt in a sugar mill to produce energy needed for processing sugar without the need of imported energy. These CDM bagasse projects are thus energy efficiency projects which can produce both thermal energy and additional electricity and are called cogeneration projects. One of the contradictions of these bagasse projects is the combustion of bagasse is assumed to be carbon neutral and hence does not lead to an increase in carbon dioxide emissions in the atmosphere . However the more efficient burning of this biomass is claimed to reduce carbon emissions. The more efficient burning of a fuel with non-zero emission factor will lead to less emission however the more efficient burning of biomass with zero emission factor appears paradoxical. The argument given is that the extra biomass generated electricity will displace the import of energy from the electricity grid.

Other projects within this category of energy efficiency projects within Pakistan are the production and distribution of energy efficient stoves to replace the traditional stoves used in rural areas without access to natural gas. These projects involve the distribution of a large number of improved stoves each with less carbon emissions compared to traditionally used stoves. The nature of these CDM projects are different from the majority of CDM projects which are projects of an industrial character with point source emissions. Point source emissions in principle can be

monitored more accurately while the emission reduction calculations of distributed emission sources need to rely on statistical models with larger uncertainties. The significance of these projects is the combination of improved people's livelihoods (sustainable development aspects) with climate mitigation. The climate mitigation contribution is marginal.

5) Waste management projects

The waste management projects in Pakistan are five in number with estimated annual emission reductions of 446 kCERs. These projects can also be called methane avoidance projects as they are all based on avoiding methane emissions (GWP=21) and replacing methane emissions by carbon dioxide emissions(GWP=1). This replacement of a greenhouse gas with higher GWP by a greenhouse gas with lower GWP results in a reduction in carbon emissions which is measured in terms of carbon dioxide equivalent (CO_2e). Most of these projects are Solid Waste Management (SWM) projects which replace anaerobic decay processes by alternative processes. We have including the one gas flaring project in Pakistan in this category of methane avoidance.

Pakistan's share of the global CDM distribution

The global distribution of CDM projects in the developing world is very skewed. In 2012 three countries China (51%), India (18%) and Brazil (5%) between them share 74% of the global distribution of CDM projects measured in terms of annual CERs expected to be generated each year. The rest of the developing world comprising of more than 100 countries has a share of 26% of the global distribution. The total annual estimated certified emission reductions are 1,190 MtCERs (Million tonnes of certified emission reductions in units of carbon dioxide equivalents). China's share alone is more than half at 605 MtCERs while India follows at 220 MtCERs and Brazil comes third at 55 MtCERs. The rest of the developing world (RoDW) has an annual estimated certified emission reductions of 309 MtCERs. Pakistan with 6.8 MtCERs has a share of about 2% of the rest of the developed world in terms of annual estimated CERs.

Figure 1: Skewed character of CDM globally

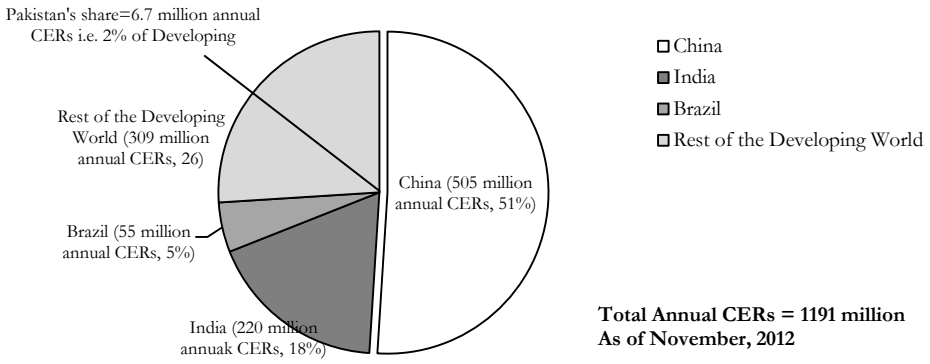
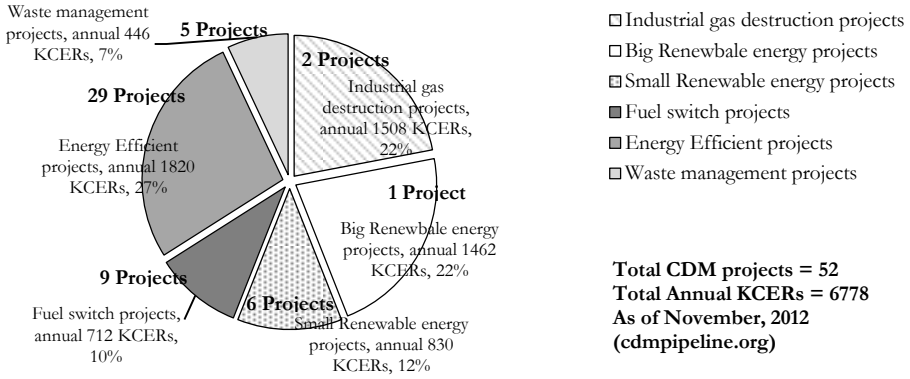


Figure 2: Skewed character of CDM in Pakistan



Pakistan's share of the global distribution of CDM projects is a very small share of less than 0.6% in terms of annual CERs expected. If the world is divided up into big, intermediate and small players according to the number of CDM projects in the pipeline. The big players with more than 400 projects in the pipeline are China, India and Brazil. The intermediate players with less than 400 projects in the pipeline include Mexico and Chile from South America and Vietnam, Thailand, Malaysia, Indonesia, and South Korea from Asia. The small players with less than 100 projects include South Africa (71), Phillipines (90) and Pakistan (52).

Two aspects of this global distribution of CDM projects deserve attention. One is the very skewed nature of this distribution with three quarters of the estimated annual emission reductions located in the three countries China, India and Brazil. These countries which are attracting the largest share of CDM investments are likely to persist in being the most attractive destinations for CDM finance and the cheapest way in which the mandatory emission reduction targets of the countries of the North can be met outside their own boundaries by efforts in countries of the Global South. The second aspect is that many countries of the Global South are being marginalised further in that they are not receiving any reparations from countries of the Global North (in view of their historical exploitation of the atmosphere as a carbon dump) and they are not able to earn CERs from the CDM in any significant manner compared to the leading players. Pakistan is part of this large camp of small players in the CDM global distribution.

Skewed distribution of CDM projects within Pakistan

The distribution of CDM projects within Pakistan can be evaluated according to the size of the projects. A total of 52 projects are in the pipeline which are expected to generate annually about 6778 kCERs annually. This gives an average size of each project as 130 kCERs in annual carbon offsetting. However there are three projects which are expected to offset 2970 kCERs while the remaining 49 projects generate a total of 3808 kCERs. The three large projects have an average size of 990 kCERs

while the remaining 49 projects generate on average only 78 kCERs for each project. Thus Pakistan also exhibits a very skewed distribution of CDM projects within the country.

The three big projects are two nitrous oxide destruction projects in the fertilizer industry and the largest hydropower project in CDM in Pakistan. The remaining 49 projects of much smaller size are distributed amongst the categories of waste management projects, energy efficiency projects, fuel switch projects using biomass and a number of small renewable energy projects. The largest number of projects are in the energy efficiency (29) category followed by the biomass fuel switch projects (9).

The skewed distribution of projects within Pakistan is also replicated at the global level where the destruction of industrial greenhouse gases with large global warming potential also provide the most significant contribution to climate mitigation under the Clean Development Mechanism at the global level.

The skewed nature of the distribution of CDM projects within Pakistan reflects the character of CDM as providing a cheaper way for enterprises in the Global North to achieve their mandatory emission reduction targets under the Kyoto Protocol.

The Designated National Authorities (DNA) within countries of the Global South are given the responsibility under CDM to ensure the sustainable development aspects of CDM as against the climate mitigation aspects which are ensured by the auditing of CDM mitigation efforts by the Designated Operational Entities(DOEs) under the supervision of the Executive Board of the CDM. The DNA within Pakistan and many other developing countries do not impose any significant Sustainable Development conditions and Pakistan is quite happy to acts as a promoter of the additional CDM financial inflows that CDM projects will generate.

CDM is a project based mechanism rather a sector wise approach to climate mitigation. A sector wise approach requires an integrated approach to climate mitigation efforts which combine subsidies and incentives to particular sectors. For example transport contributes significantly greenhouse gas emissions within Pakistan but does not appear in the CDM profile in Pakistan or for that matter in the CDM profiles of many countries in the developing world. Cooking stoves are also distributed emission sources like cars and appear in CDM profiles of many countries but private cars which make much bigger contributions to carbon emissions are conspicuous by their absence within CDM projects.

Additionality criteria of CDM projects in Pakistan?

When does a project satisfy the additionality criteria? One aspect of additionality relates to the offsetting of carbon emissions. For example the emission factors of gas, oil and coal increase as we move from using one fossil fuel to the next in this list. The generation of energy by a fossil fuel switch will be additional for a switch from coal to natural gas as the emission factor of natural gas is less than that of coal.

However if coal is more expensive than natural gas the use of natural gas will be financially attractive already and this will be a business as usual (BAU)project and not additional. This aspect can be described as the financial additionality criteria which means that a fuel switch project will be additional if the switch is financially more expensive and requires the addition of CDM finance to ensure profitability of a project. A project will be additional when it satisfies additionallity in climate terms and financial terms. Another example useful to understand additionality is a fuel efficiency project. A fuel efficiency project will satisfy the climate additonality criteria as it will produce the same amount of energy with lesser amounts of carbon emissions. However a fuel efficiency project could also be so financially attractive so that it will result in cost savings and will then be a business as usual project. If the fuel efficiency project is less financially attractive it will not be a business as usual project and the CDM finance will raise the rate of return on investment and make a previously unviable project viable. Financial additionality then requires that these fuel efficiency projects are not too attractive to make them BAU projects viable without CDM finance and not so unattractive that CDM cannot turn an unviable project into a viable project. The purpose of this discussion is to highlight the uncertainties in financial additionality which is reflected in the fact that financial analysis of a project are often made available in different forms for different audiences. The financial analysis for potential investors may be quite different from the financial analysis presented in the CDM project documents.

Which projects have questionable additionality in Pakistan?

A number of projects in Pakistan can be characterized as having questionable additionality because of the criteria of additionality involving both climate additionality and financial additionality.

a) Large hydropower projects

Large hydropower projects will satisfy climate additionality as carbon emissions are more significantly upstream or downstream of the project (i.e. indirect) and direct emissions are frequently just described as methane emissions due to flooded vegetation in the dam catchment area. However financially additionality requires the project should not be BAU without CDM finance. Low carbon prices are unlikely to turn a non viable project into a viable project particularly in large and long gestation period projects like large hydropower projects.

Most large hydropower projects will view CDM finance as improving financial returns rather than making an unviable project into a viable one. The projects are likely to proceed with or without CDM finance.

b) Similarly fuel efficiency projects will satisfy the climate additionality requirement but engage with much more uncertainty in the financial additionality requirement. Is the cost saving in the fuel efficiency project sufficient to make the project a BAU project or is it so small that even with CDM finance the

project remains unfeasible? Only a narrow range of cost saving projects will make the CDM project viable. An interesting example is the fuel efficiency projects in the sugar industry which burn bagasse to produce energy at higher temperatures and pressures to increase efficiency and generated carbon credits. Normally fuel efficiency projects are expected to reduce the emission factors of fossil fuels below BAU levels and then claim to reduce carbon emissions and earn carbon credits. Bagasse CDM projects claim that a fuel with an assigned zero emission factor can reduce emissions by being burnt more efficiently. The assumption of carbon neutrality for biomass creates this paradox.

c) Biomass fuel switch projects

Climate science tell us that fossil fuel consumption is an irreversible process whereby the carbon produced cannot return to its source as fossil carbon. However terrestrial carbon contributes to both accumulation of carbon in the atmosphere and sequestration of carbon from the atmosphere at approximately the same magnitudes of flow of carbon per year. Terrestrial carbon flows are thus reversible as the terrestrial carbon pool and the atmospheric carbon pool are in an almost dynamic equilibrium. Deforestation contributes to disturb this dynamic equilibrium and results in the accumulation carbon emissions in the atmosphere by reducing the role of trees in carbon sequestration. Similarly large scale combustion of biomass for energy production will result in carbon accumulation in the atmosphere although different time scales of the regeneration of different types of biomass will affect the dynamics of this process. However in a period of climate instability the dynamical effects are more significant than the equilibrium effects. Governmental policies towards the switch from fossil fuels to biomass attempt to use the variety of biomass regeneration times to distinguish between renewable biomass (like crop residues) and non-renewable biomass (like wood from trees). However the emission of carbon from biomass burning remains a fast process (instantaneous) while the subsequent sequestration is always a much slower process (sometimes approaching hundreds of years). Biomass consumption for subsistence needs is quite different from the consumption of biomass for the needs of capital accumulation. The patterns of consumption of commons regimes (subsistence) and resource regimes (accumulation) are quite different. Thus the distinction between fossil carbon and biospheric carbon overlay another conflict between resource regimes and common regimes. Some authors have described the commodification process involved as the creation of socio-ecological commodities. Here the climate additionality criteria also becomes questionable as the inherent measurement uncertainties undermine the need of precise measurement for commodification to be successful.

Sustainable Development and Climate Mitigation

The Clean Development Mechanism is intended to have a dual objective of mitigating climate change which is measured by the Certified Emission Reductions

(CERs) generated by a project in the Global South and Sustainable Development. Sustainable Development does not have a well defined quantitative description but qualitatively includes the avoidance of intensification of other environmental rifts when addressing the climate rift and countering the tendency for economic growth to intensify economic inequalities. Using these criteria we can qualitatively describe the relation between contributions to climate mitigation and sustainable development in CDM projects in Pakistan.

The two largest CDM projects in Pakistan are the destruction of nitrous oxide gas projects in the fertilizer industry. These projects can be characterized as projects with large carbon offset contributions (1508 kCERs annually) but with no significant sustainable development contributions.

Efficient cooking stove projects in Jaranwala (Punjab) and renewable energy projects in Chitral and the Northern Areas have significant Sustainable Development contributions as they enhance the livelihood of rural populations but they contribute very little in terms of carbon offset contributions as only 217 kCERs are expected annually from the six projects combined.

This suggests that there is little synergy between climate mitigation and sustainable development contributions of CDM projects instead there appears to be a trade off where large contributions in climate mitigation are accompanied by small contributions in sustainable development and vice versa i.e. projects with large contributions to sustainable development contribute little to climate mitigation.

Conclusions

Why should Pakistan have a more critical approach to the CDM? This was the question we set out to address in this article. We can summarise our conclusions in the following points.

1) CDM is a zero sum game

   Pakistan's involvement in CDM does not add any more global carbon mitigation to the targets set for the countries in the North subject to mandatory emission reductions. It also does not open up a new structural pathway to a low carbon development model but instead enables large polluting projects gain some marginal reductions with CDM financial flows as an incentive.

   It helps the countries in the North achieve their emission reductions more cheaply and in this sense may delay the structural change required in the North.

2) The future viability of CDM is linked to the future viability of Cap and Trade and Carbon Trading in the North.

If carbon trading suffers from severe difficulties in addressing the global climate instabilities, as argued by many critics, then CDM will also collapse when Carbon Trading collapses. It is not an independent contribution to climate mitigation from the Global South.

3) The questionable additionality of CDM projects in Pakistan and the Global South implies that these CDM efforts are likely to result in increased emissions over the targeted emissions of the Global North under the Kyoto Protocol. In other words many CDM projects in the South are essentially Business as Usual projects with perverse incentives to projects which erode the climate integrity of the Kyoto Protocol.

4) CDM projects are biased in favour of large polluters which through marginal changes in efficiency or fuel switch can generate large carbon offsets. The overhead costs of CDM projects can be met relatively easily and these projects enable routine efficiency projects to gain CDM credits. The bias in favour of large projects means that instead of having a growth in a large number of small offset projects it is more attractive for developers to engage with a few large projects rather than many small projects. Some new schemes such as PoA (Programs of Activities) and NAMA (Nationally Appropriate Mitigation Actions) have been introduced into CDM to attempt to address this kind of criticism. They however remain with the broader framework of carbon trading which itself exhibits the big polluter bias discussed here.

5) Lastly CDM was originally intended to address the issue of climate debt resulting from the overuse of the atmosphere by a few countries of the North since the time of the industrial revolution. Instead of reparations for this overuse of the atmosphere as a dump for the wastes of industrial production CDM now requires that enterprises in the South earn their carbon credits through enabling industries of the North meet their emission targets at reduced costs. Climate reparations have been replaced a system of earning Payment for Ecosystem Services in the South. The structural inequalities of the global system are thereby reinforced and strengthened.

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MUNEER AHMAD

POVERTY REDUCTION STRATEGY IN PAKISTAN AN ASSESSMENT OF PRMP 2003-2008

Abstract

The government of Punjab initiated many measures to reorient its administration in the late 1990s to improve service delivery to the poor. In late 2003 the government of Punjab sought ADB's support for public resource management reforms targeted at poverty reduction. Under the Punjab Resource Management Programme, 2003-2008, the government rationalized tax structure, developed a debt management strategy, broadened the base of non-tax revenues, prepared policies for the restructuring of administration and human resource management and liberalized regulatory and administrative regulations for increased private sector participation in service delivery. As a part of its plan to enhance pro-poor expenditure the government also provided proprietary rights to slum dwellers and land to the landless. Many of these measures may be rated as successful but they have not proved to be sustainable beyond the programme period.

Introduction

Poverty Reduction Strategy Papers are documents required by international financial institutions (IMF, World Bank) for considering a country's request for debt relief or for grant of concessional loans. Most major international donors also require PRSPs before giving aid to low income countries. The PRS process is expected to encourage countries to develop a more poverty-focused government and to develop the strategy in close consultation with the public at large, especially the poor.[1]

Pakistan adopted the PRSP process in 2000. Its immediate purpose was to qualify for foreign funding (IMF, World Bank). The Finance Division of the Government of Pakistan hastened to prepare what it called I-PRSP 2001-2003 (Interim Poverty Reduction Strategy Paper). Many measures proposed in the I-PRSP (tax reforms, public expenditure management, debt management, privatization) appeared to be more in response to structural adjustment reforms as required by IMF and World Bank than measures directly targeted at poverty reduction.

Pakistan's first formal PRSP (PRSP-I) was finalized in the end of 2003. It was expected to be implemented over the years 2004 to 2006. It was aimed at achieving four goals: rapid economic growth while maintaining macro-economic stability; improving governance, devolution and socio-economic justice; human resource development and improving public service delivery; targeting the poor and reducing

inequalities. PRSP-I focused on the following sectors as the main drivers of growth and thus instruments of poverty reduction: agriculture, small and medium enterprises (SME), housing, construction, information technology (IT) and telecommunications. (Government of Pakistan 2003)

PRSP-II was implemented over 2008-2010. It aimed to direct the economy back into the path of sustained and broad-based economic growth, creating jobs and reducing poverty. Its impact was severely constrained by political instability at home and financial crisis and (food and fuel) inflation abroad. (Government of Pakistan 2009)

The provincial Government of Punjab initiated preparatory work on P-PRSP (Punjab Poverty Reduction Strategy Paper) in early 2002. The first draft of P-PRSP was prepared by Planning and Development Department in February 2003. It was finalized by October 2003. (Government of Punjab 2003)

Governance reforms were the cornerstone of the Government's agenda for reducing poverty. It was founded on the realization that public resource management fundamentally impacts tax revenues, allocation efficiency, public expenditures and access by the poor to public services. In line with the goals of the national poverty reduction strategy, the main objectives of P-PRSP were to restore good governance, enhance effectiveness of public expenditures, re-establish the integrity of state institutions and ensure accountability to the public especially the poor. In addition, improvement in service delivery for social sectors (Education, Health), integration of gender concerns in development effort, policy for enhancing employment opportunities and addressing environmental concerns were given a significant focus. (Government of the Punjab 2003)

Key Issues and Strategy in PRMP

The P-PRSP provided the backdrop to the initiation of the PRMP. Towards the end of 2003, the Punjab Government approached the federal government in Islamabad with the request to seek assistance from the Asian Development Bank for the preparation and implementation of PRMP. The Punjab Government's case for PRMP was based on the belief that poor governance was the main cause of poverty in the province. The provincial government felt that more efficient management of provincial resources and liabilities would result in improved governance, better service delivery to the poor and hence reduced poverty. According to its diagnosis poor service delivery emanated from shortage of funds, rigid expenditure structures, outdated administrative systems, inadequate human resource management and constrained state of private sector participation in service delivery.

Limited Revenues

To strengthen public resource management, the Government of Punjab faced fiscal, governance and institutional challenges. The provincial government faced limitations on revenue generation capacity. Routine annual budgetary increases in expenditures on ongoing public services left little room for increasing spending on

the basis of policy priorities. Lack of funds impeded growth and kept social indicators below the potential of the province. Provincial tax structure was characterized by a large number of low-yielding and inelastic taxes. Considerable potential for collection of AIT (Agricultural Income Tax) and GST (General Sales Tax) on services remained unexploited. Reforms in tax collection system were also called for in order to increase the revenue yield.

Rigid Expenditure Structure

Expenditure structure was dominated by high establishment costs comprising salaries and pension payments which accounted for more than half of total spending. This was a result of over-extended public infrastructure networks and staff-heavy but ineffective social service networks that were fiscally unsustainable. In addition, a high percentage of expenditure was allocated for servicing provincial debt. The rigid expenditure structure had resulted in worsening under-spending on critical non-salary inputs including operation and management of pro-poor services. To rectify this situation, the Government of Punjab needed to take steps to limit further expansion of establishment costs, reduce subsidies and to develop a debt management strategy.

The overall budget deficits were financed by building up arrears and utilizing off-budget funds held by the government including the General Provident Fund (GPF) of civil service employees. There was also a considerable amount of unfunded and contingent liabilities that was not adequately provided for, including civil service pensions and liabilities of autonomous bodies including the PSO's (Public Sector Organizations). Pension liabilities, in particular, were growing at a rapid pace. To ensure the medium and long-term sustainability of provincial finances there was an urgent need to devise strategies to deal with the unfunded pension liabilities, and to rectify the financial positions of the public sector organizations (PSOs).

Limited Institutional Capacity

A crisis of governance encompassing public institutions and functions at all levels of government had been identified as central element of the poor development performance. This required improvements in public sector governance and resource management. For Punjab, the key governance challenges were to promote greater decentralization, encourage participatory policy formulation and implementation, transparency in financial management, protection of assets (land) through effective law and order and through access to justice.

Shortcomings in policy implementation remained a major concern. The effectiveness of policies was limited by the existence of outdated regulations, administrative systems and practices. Lack of accountability and transparency in financial management provided rent-seeking opportunities for public officials. Internal controls and accountability systems had weakened over time. Poorly functioning financial reporting and management systems and procedures compromised the reliability of provincial accounts and the quality of financial management.

Existing government procedures did not provide an incentive structure for performance-based human resource management. Lack of private sector participation in service delivery prevented competition to act for better performance. Limited institutional capacity, in addition to lack of funds, contributed to deteriorating quality of public services. The administrative structures to manage the large pool of public sector employees were highly centralized and inflexible. Much of the employment was at low salary grades. Their motivation to work was limited. This resulted in high level of absenteeism as well as rent seeking.

Inadequate Human Resource Management

Inadequate human resource policy and management resulted in weak performance of public institutions in Punjab. Rotation of staff was frequent occasionally under political pressure. Rising through the ranks was based more on seniority than on performance largely because of lack of clear accountability rules and performance monitoring systems. As pay structure had not kept pace with market trends it was increasingly difficult to attract and retain suitable persons for important institutions (e.g., physicians, school teachers). Pakistan had in the past made attempts to improve social indicators through increasing social sector spending (e.g. through Social Action Programme) but it had, in the absence of related governance reforms and additional fiscal space, proved to be unsustainable.

Constrained Private Sector

Significant government involvement in private sector remained both at the policy and regulatory level. The regulatory burden was spread over many arms of government (finance, industry, labour) which provided opportunities for rent seeking for government officials and resulted in high compliance costs for business. In addition, there were imperfections in the legal system to fully protect and facilitate the acquisition and disposition of property as well as to provide effective enforcement of contracts. Despite the presence of liberal laws, businesses still faced lengthy court proceedings for contractual and other disputes. Government involvement in economic services of commercial nature remained high. The performance of public sector organizations was generally poor. There was a need to shift the role of government from directly providing key services towards creating an environment that encouraged private initiative and public-private partnership for delivery of goods and services.

PRMP- Programme and Organization

PRMP refers both to a programme and an implementation agency. As an implementation agency it acted as the secretariat of the Punjab Poverty Reduction Strategy Programme. It forms a part of the Planning and Development Department (P&D) of the Government of Punjab. It is headed by a senior civil servant designated as Programme Director (PD) who is assisted by four Deputy Directors (Administration, Public Finance Management, Result Based Management and

Private Sector Development). The PRMP is overseen by the Programme Steering Committee (PSC) headed by the Chief Secretary to the Government of Punjab. Because of the inability of PSC to meet frequently an Executive Committee of the PSC, headed by the chairman P&D, was formed to guide programme management. The Implementation Agencies (IAs) include relevant line departments of the Government of Punjab such as Finance Department, Excise and Taxation Department, Services and General Administration Department. The Executing Agency (EA) i.e. the Planning and Development Department (P&D) has also established a Programme Management Unit (PMU) for supervising implementation and monitoring of the various sectoral programmes. A Change Management Unit (CMU) was also established under the Services and General Administration Department to steer civil service change management. (CMU was abolished in 2011). (www.punjab-prmp.gov.pk).

As a programme, PRMP comprised (i) a programme cluster for public resource management reforms in Punjab (ii) a programme loan and (iii) a technical assistance (TA) loan in support of public resource management reforms in Punjab. The Programme visualized the crisis of governance at all levels as one of the root causes for the high incidence of poverty in Punjab. The policy objectives of the Programme were to (a) strengthen provincial finances (b) realign provincial institutions to pro-poor service delivery, and (c) create opportunities for growth and income generation in the private sector in order to facilitate participation of private sector in service delivery. The PRMP was structured in three thematic components, seven key result areas (KRA) and twenty-two outcomes. Programme Component-1 related to provincial financial management. It covered three KRAs (strengthen provincial revenues, rationalize provincial expenditure, and improve accountability in financial management). Component-2 aimed at reforming processes and institutions for pro-poor service delivery. It covered two KRAs (improve strategic programming of investments for poverty reduction, restructure and strengthen government administration and human resource development). Component-3 was concerned with creating opportunities for economic growth and income generation through private sector development. It covered two KRAs (regulatory and administrative reforms for private sector development and public-private partnership, reduce direct public sector involvement in economic and commercial operations). (See Table1).The twenty-two programme outcomes were as given in Table 1 below.

Table 1: Key Result Areas and Outcomes of PRMP

KRA1 Strengthen Provincial Revenues

1) Broaden tax base by rationalizing and restructuring provincial taxes,
2) Enhance non-tax revenue and user charges,
3) Improve tax revenue administration,

KRA2 Rationalize Expenditures

4) Restructure and reduce provincial debt,
5) Contain and reduce contingent liabilities e.g., pensions,
6) Phase out non-poor subsidies.
7) Improve public accountability of spending for pro-poor service delivery,

KRA3 Improve Accountability in Financial Management

8) User-friendly budgets within MTBF (Medium Term Budgetary Framework),
9) Establish rule-based systems of inter-government financial transfers,
10) Transparent procurement of goods and services,
11) Timely, reliable and publicly accessible accounts,

KRA4 Invest for Poverty Reduction

12) A medium-term, poverty focused investment strategy (PFIS) ,
13) Develop systems to generate sector-wise outcome-based provincial development plans,
14) Improve monitoring, feedback and evaluation systems,

KRA5 Strengthen Government Administration

15) Restructure and enhance capacity of provincial agencies responsible for policy, planning and fiscal management,
16) Rationalize provincial staffing and enhance skill levels,
17) Merit-based system of recruitment, promotions and transfers,
18) Implement GRAP (Gender Reform Action Plan),

KRA6 Reform for Private Sector Development

19) Remove regulatory restrictions to sustainable private sector development (PSD),
20) Improve land record management system and utilization of land assets,
21) Provide support mechanisms for facilitation of private sector investment, public- private partnership and employment generation,

KRA7 Reduce Size of Public Sector

22) Initiate privatization or divestment of government ownership in selected public sector organizations (PSO).

The reform agenda of the Government of Punjab, funded by the Asian Development Bank and implemented through the PRMP was based on a medium-term programme. The overriding goal of the PRMP was poverty reduction in the province of Punjab. The programme was envisaged to build on other ongoing governance initiatives, such as Decentralization Support Programme (2003), the Punjab Devolved Social Services Programme (2005) and Punjab Gender Reform Action Plan (2002). The policy objectives of the Programme were to assist the

government of Punjab through reforms in governance structures, systems and processes to strengthen its provincial finances, realign provincial institutions for pro-poor service delivery and create opportunities for economic growth and income generation in the private sector.

The PRMP was structured in three sequential Sub-programmes. A loan of $200 million was provided by ADB from its Ordinary Capital Resources (OCR) to Sub-programme 1 (SP1). SP1 was approved in December 2003 and concluded in June 2005 (approximately a period of 18 months). It was a two tranche programme, each to the amount of $100 million. Each tranche was released upon the successful achievement of specified targets of previous tranche. The programme loan of Sub-programme 2 (SP2) also amounted to $200 million, disbursed in the form of two tranches. It was approved in December 2005 and became effective in April 2006. It was concluded in August 2007 (approximately a period of 17 months).

Originally, PRMP cluster design envisaged a Sub-programme 3 (SP3) to be completed before the programme period i.e., June 2008. Based on its assessment of the reform progress, the Punjab Government and ADB decided to replace the envisaged SP3 with a new programme cluster comprising three SPs to be implemented over the years 2007-2010. The Punjab Government thought that the new, longer term reform agenda (Punjab Government Efficiency Improvement Programme or PGEIP) would ensure that the ongoing reforms would be broadened and deepened. The successful completion of SP2 marked the end of the first cluster of the PRMP. (Table 2)

Table 2: Punjab Resource Management Programme (PRMP)
Sub-programmes and Programme Periods 2003-2008

Sub-Programme	No. of Components	Amount (million)	No. of Tranches	Programme Period
SP1	3 SP1 focused on Component 1	$200 Funding Source: ADB	2	4 Dec 2003-27 June 2005
SP2	3 SP 2 focused on Components 2 and 3	$300 Funding Source: ADB	2	5 April 2006-16 Aug 2007

Technical Assistance for Supporting PRMP

Implementation of the reform agenda of PRMP posed considerable challenges that required technical assistance (TA) for both strengthening the capacity to further detail and fine-tune the reforms, as well as capacity-building measures in key provincial agencies. The objectives of the ADB TA Loan 2031-PAK were to (i) support assessments and analytical studies in key policy and reform areas of PRMP

(ii) develop strategies to improve fiscal sustainability and public service delivery; and (iii) build capacity to carry out institutional reforms in key public sector departments, such as P & DD, Finance Department. (ADB 2003)

The TA Loan comprised eight components: (i) revenue and tax administration reform; (ii) public expenditure and financial management (including medium- term budgeting, intergovernmental financing, procurement, and financial management); (iii) contingent liability management and pension reform; (iv) strategic planning systems and change management; (v) human resources management; (vi) land registration reform; (vii) public sector organization (PSO) reform (including preparation for privatization, liquidation and corporate restructuring); and (viii) implementation support (including monitoring and evaluation). (ADB 2003 Appendix 9)

The Government of Pakistan requested for the TA loan of $ 4 million at the same time as it applied for the Programme loan. It was approved in December 2003. The ADB financed the entire foreign exchange costs amounting to $835,000. The remaining amount ($3,165 000 equivalent) was provided in local currency. The TA required 478 person-months of consulting services, including 18 person-months of international and 460 person-months of domestic consulting services. The major TA activities included: facilitation of the Punjab Development Forum as a part of the process of consultation of stakeholders and the civil society, workshops on capacity building and training needs assessment as a part of public sector reform. (ADB 2003 Appendix 9)

A major capacity building initiative was launched in collaboration with the Singapore Civil Services College International (CSCI) to build the capacity of key provincial government departments in financial management, development planning and human resource development. Senior management teams of concerned departments visited Singapore, eight senior officers attended specialized training seminars at Victoria University, Wellington, New Zealand and Lee Kuan Yew School of Public Policy, Singapore. Thirty mid-career civil servants attended an international seminar on leadership. Technical studies of six public sector organizations were carried out under the private sector development component of the PRMP. Four workshops were held on private sector development in Punjab's key industrial hubs including one with public sector decision- makers' participation. The workshop results were shared at the Punjab Development Forum 2007 and were fed into the design of PRMP II cluster. (ADB 2007 para 74).

In addition to TA Loan No. 2031-PAK, the Government of Punjab requested ADB for a TA grant to help prepare the Sub-programme 2 of the PRMP. The TA Grant Project No. 37202-12 and Loan No.4520 in the amount of $250,000 became effective in May 2005 (Table 3). The TA required 43 person-months of domestic consulting services of one lead policy analyst, two fiscal management experts, one public finance expert, one public administration expert and one private sector development expert. The TA resources were also used in Sub-programme 2 implementation. Its focus was on improving public financial management, institutional strengthening and capacity development and creating conducive

environment for private sector development (PSD). Further consultancy inputs were provided to enhance the quality of capacity building management and to develop a monitoring and evaluation framework of the Programme Management Unit (PMU), which coordinated all donor-assisted policy reform programmes in the Punjab. The TA was used to enhance capacity for policy analysis within the PMU. The TA was used to strengthen the medium term expenditure framework (MTEF). An international consultant was hired to finalize the detailed blueprint for the MTEF-related reforms. Two more international consultants were hired to provide actuarial advice on Punjab's pension scheme and the general provident fund. The TA supported a workshop, held in June 2005, which brought together civil servants, staff of ADB, World Bank and DFID to brainstorm over policy objectives of Sub-programme 2 on civil service reform and private sector development. International experts helped assess business processes in Punjab from an outsider's point of view and provide an opportunity to expose existing government practices to international standards especially in the areas of private sector development, private-public partnership and human resource management.

Another TA Grant (TA 4734-PAK) in the amount of $150,000, requested by the Government of the Punjab, was approved by the Asian Development Bank in December 2005 (Table 3). The purpose of TA was to provide advice for the implementation of Sub-programme 2 and for the preparation of Sub-programme 3. The ADB grant covered the entire foreign exchange cost and part of the local currency cost, mainly for domestic consultants. As Sub-programme 3 did not materialize, the TA resources were spent on consulting services in support of ongoing activities and on private sector development workshops. It required 3 person-months of international and 20 person-months of national consulting services. The TA had four components: 1) Fiscal and financial management. Experts were engaged to facilitate revenue and expenditure management; to restructure public debt and provincial liabilities; identify inefficient subsidies in order to phase them out; improve accountability and financial management systems; and to review reforms for public procurement systems. 2) Civil service reform. This component supported the Government of the Punjab to review and assess various options on restructuring the provincial civil service; to assist in the preparation of a human resources policy; provide technical review for amendments to the legislation and rules of the provincial public service commission; and to design a medium-term departmental restructuring plan. 3) Private sector development: The TA provided support to draft laws, regulations and rules required to effect changes in the legal regime impeding private sector growth; and to prepare templates for public-private partnerships; design innovations in business processes to encourage the inclusion of private sector in service delivery; help government to privatize and outsource agriculture-related functions and prepare options for privatizing public sector organizations. 4) Reform management and policy dialogue: Provided assistance to the PMU, the Finance Department and the Planning and Development Department to manage work plan for TA loan; develop capacities of key officials and players in the reform process; help the PMU to institute a performance monitoring and evaluation system for the reforms; provide civil society and partner organizations

with strategic information and conduct policy dialogue; and publicize progress on reforms through electronic and print media and through professional exchanges.

The Department for International Development (DFID) of UK provided parallel and tied co-financing to bolster the PRMP reform agenda through a TA grant of £3 million. This TA complemented the PRMP TA loan project. This TA grant was formally approved in October 2006 for a period of three years. The DFID support to the Government of the Punjab was facilitated by an international consultancy firm (Crown Agents) that coordinated closely with the PMU and all implementing agencies. It focused on (i) reform of fiscal and financial management; (ii) poverty-focused planning and monitoring system; (iii) international technical advice for civil service reforms, and (iv) enabling environment for private sector development. The work of ADB and the DFID project teams was closely coordinated by the PMU. The two agencies maintained an ongoing dialogue on how best to collaborate in assisting the government of Punjab's reform agenda. The DFID participated in the design workshops and helped refine the PRMP reform agenda (Table 3).

Consultative Process for PRSP

One of the preconditions of the PRMP was to engage the civil society and other stakeholders (private sector, NGOs, multilateral donors) in defining the objectives and the scope of the reform programme. The Punjab Government pursued this goal via the specialized, periodical consultative forum called the Punjab Development Forum. The central idea of Punjab Development Forum is that the reform programme is 'home- grown' and is owned by the top political and bureaucratic leadership of the province. The platform of Punjab Development Forum follows the format of the Pakistan Development Forum (PDF) which has become, more or less, institutionalized since the organization of the first PDF in 2001. Spread over two to three days, the Pakistan Development Forum is used to share the national development priorities with domestic and external stakeholders. Its sessions are used by the government to report progress and to identify impediments to the implementation of national development plans such as PRSP. Apart from the representatives of bilateral and multilateral development partners, increased participation of civil society, academic and private sector is encouraged. Organized by the Economic Affairs Division of the Ministry of Finance, the PDF enjoys active support of the international development partners such as the World Bank, ADB, CIDA and DFID.

Table 3: Technical Assistance (TA) Loans supporting PRMP 2003-08

Project No.	Modality	Loan No.	Approved (US$)	Effective	Closing Date		Amount	Source	Undisbursed
					Original	Actual			
36057-023[1]	TA Loan	2031-PAK	4 Dec 2003	23 Dec 2003	30 June 2006	17 Dec 2008	US$ 4 million	ADB	50%
37202-012[2]	TA	TA 4520-PAK	22 Dec 2004	26 May 2005	31 Jul 2006	26 Mar 2008	US$ 250,000	ADB TASF	24%
37202-022[3]	TA Grant	TA 4734	14 Dec 2005	14 Dec 2005	30 Jun 2007	Revised 31 Mar 2008	US$ 150,000	ADB TASF	43%
	TA Grant co-financed by DFID[4]		Oct 2006 For three years				£ 3 million	DFID	

Source:

[1] www.adb.org/projects. Punjab Government requested a TA grant from ADB to assist in completing and implementing P-PRSP and PRMP.

[2] www.adb.org/projects. Punjab Government requested ADB for TA grant to help prepare Sub-programme 2 of PRMP.

[3] www.adb.org/projects. The purpose of TA was to provide advice for implementation of Sub-programme 2 and for preparation of Sub-programme 3.

[4] Progress Report on Tranche Release. Pakistan: PRMP (Sub-programme 2). August 2007 paras 79-81.

The Government of Punjab organized its first Development Forum in 2003. Thereafter three more were convened. Some observers feel that development forum is not an effective tool for gauging the opinion of the general public and the poor.[2]

The Government of the Punjab did not confine itself to the mechanism of Punjab Development Forum alone for the consultative process. It undertook additional measures to ensure that consultation was detailed and down-to-earth. The work for the preparation of P-PRSP was assigned to a special section in the P&D Department. Under the overall supervision of the chairman, P&D, the Chief Economist worked on the preparation of P-PRSP, assisted by Director, Punjab Economic Research Institute (PERI), Director General Punjab Bureau of Statistics and Senior Chief, Poverty, Social Action Programme (SAP). After obtaining inputs from the various line departments, a provincial seminar on P-PRSP was held to which administrative secretaries, representatives of various government bodies, District Nazims, District Coordination Officers, academicians, NGOs, and CBOs were invited. The participants were briefed on the theme of poverty, its trends, the funding requirements and strategies to combat poverty. The district governments were made part of all consultations in finalizing the P-PRSP. Special consultative meetings were arranged with the DCOs of 15 selected poverty stricken districts. They were asked to point out factors causing poverty and to prioritize areas of action. Six workshops on poverty reduction were held at the headquarters of six selected districts. These workshops were mainly attended by the representatives of district governments, NGOs, notables, academia and the press. The participants were briefed about the efforts underway for poverty alleviation and were introduced to the main features of P-PRSP. They were provided with copies of a structured feedback form and were asked to fill it through consultation with fellow participants towards the end of the workshop. This exercise generated new and innovative ideas for poverty alleviation. In addition to the intensive consultations in the six districts, a SWOT proforma was distributed among the DCOs of all the districts of the province. Their responses reflected their assessment of poverty and poverty reduction strategies in relation to their geographic, climatic, socio-economic and resource-base situation. In order to consult the primary target group of P-PRSP viz., the poor, a participatory poverty assessment (PPA) was conducted in 15 selected districts of Punjab. The PPA report was presented to a seminar presided over by the Chairman P&D and attended by heads of all government departments, representatives from the federal government, district governments, members of civil society and international development agencies. Consultations with the federal government and the international financial institutions and bilateral development partners continued during the entire period of preparation and implementation of P-PRSP. The P-PRSP was subjected to continuous monitoring review and updating in consultation with the district governments and other stakeholders. (Government of Punjab 2003)

Actions taken under Sub-programme 1 of PRMP

KRA #1: Strengthened Provincial Revenues. The aim was to build a stronger revenue base to finance a shift in expenditures towards high-priority social sector interventions. For this purpose, provincial taxes and duties were restructured, non-

tax revenues and user charges were enhanced and measures were adopted in order to improve tax and revenue administration. The provincial government eliminated low yielding taxes and reduced the number of provincial taxes from 36 to 9. The scope of General Sales Tax for services was expanded to cover additional services such as television / radio advertisements, courier services, marriage halls, beauty parlours. Professional Tax base was broadened to include lawyers, jewelers, wholesale tobacco dealers, contractors, builders and property developers. Urban immovable property tax (UIPT) was increased and exemptions from property tax eliminated. The Punjab Government broadened the base of token tax rates and motor vehicles registration fees. It introduced a flat rate irrigation water charge (*abiana*) and increased user charges of water supply and sewerage schemes of WASAs (Water and Sanitation Authorities) towards cost recovery. It reactivated PMDFC (Punjab Municipal Development Fund Company) to fund infrastructure and capacity building projects of TMAs (Tehsil Municipal Administrations) on matching grant basis, and built capacity for assessment and collection of property tax at local government level. (ADB 2005 and ADB 2003)

KRA #2: Rationalized Provincial Expenditure. Provincial expenditure was to be rationalized by restructuring provincial debt, containing contingent liabilities, phasing out non-poor subsidies and improving public accountability of spending for pro-poor public service delivery. Under Sub-programme 1, the Government of Punjab changed its expenditure pattern by gradually reducing the cost of debt servicing. (i) Using the proceeds of the first tranche of SP 1 of PRMP, the Government of Punjab reduced the provincial debt by retiring cash development loans (CDL or high interest bearing loans from Federal Government). Taken together SP 1 and SP 2 helped the provincial government to repay $ 3 million equivalent worth of CDLs.; (ii) reduced contingent liabilities of pension by establishing a legal and regulatory framework for the capitalization of both the pension fund and the General Provident Fund; (iii) initiated actuarial assessment of civil service pension liabilities; (iv) phased out government subsidies that did not explicitly target the poor, for example, initiated phasing out of wheat subsidy; (v) rationalized Annual Development Programme (ADP) by making it consistent with availability of funds in the MTBF projections; (vi) wrote off all non-performing loans of PSOs (Public Sector Organizations) guaranteed by the provincial government; (vii) enhanced pro-poor expenditures (increased allocations for Education and Health, water supply and sanitation, and access to justice); (viii) provided proprietary rights to 84000 slum dwellers, distributed 100,000 acres of land among landless and small farmers, and provided low-income housing to 200,000 beneficiaries.

KRA #3: Improved Effectiveness and Accountability in Fiscal Management. The aim was to improve effectiveness, predictability and accountability in financial management through user-friendly budgets within MTBF, implement rule-based systems of inter-governmental transfers, transparent and efficient procurement of goods and services and timely, reliable and publicly accessible accounts. SP 1 achievements in financial management include (i) finalized MTBF and improved information content and presentation of budget documents; (ii) prepared in MTBF mode budget planning for education and irrigation (one devolved and one retained

sector) in two selected districts; (iii) introduced White Paper on the provincial budget providing information on contingent liabilities and losses of off-budget PSOs (Public Sector Organizations); (iv) appointed Provincial Finance Commission (PFC) for rule- based systems of inter-government transfers, finalized fiscal awards through PFC for better information of districts about their allocations;(v) the government implemented agreements on PIFRA (Project for Improvement in Financial Reporting and Auditing) with World Bank support, the provincial government strengthened the capacity of its Finance Department and local governments to implement public sector accounting and auditing reforms under PIFRA;(vi) adopted new budgetary classification for accounting of financial transactions; (vii) increased budgetary allocations to strengthen DAOs (District Accounts Offices); (viii) reviewed existing purchase procedures/manuals and provided capacity building training to provincial and local government procurement agencies for transparent and efficient procurement of goods and services; (ix) published provincial budget on the website of the Government of Punjab; (x) inaugurated online presentation of expenditures by line departments.

(KRA #4: Strategic Investment for Poverty Reduction. The idea was to adjust institutional arrangements for pro-poor impact of expenditure through improved strategic programming of investments for poverty reduction. This objective required a medium- term, poverty-focused, investment strategy, effective systems and procedures to operationalise provincial goals and priorities and improved monitoring, feedback and evaluation systems. Important milestones reached were: (i) draft medium-term poverty-focused investment strategy (PFIS) including quantifiable targets and indicators, was developed for key sectors and presented for discussion at the second Punjab Development Forum in 2005; (ii) Medium-term strategies were developed for education, health, water supply and sanitation, housing, urban development, small and medium-sized enterprises and livestock and dairy development sectors; (iii) PRMP helped to improve monitoring, feedback and evaluation systems by reconciling actual expenditures against budget estimates and revised estimates, it also assessed the actual results of inputs and revenue allocated for pro-poor social sector spending to assure better long-term planning and resource allocation; (iv) enhanced medium term planning and budgetary capacity of local governments; (v) P & D (Planning and Development Department) in collaboration with UNICEF initiated MICS (Multiple Indicator Cluster Survey) in order to collect baseline indicators for improved monitoring of poverty in districts and to provide a mechanism for feedback and evaluation system; (vi) P and DD introduced a system for each department to monitor the functioning of the related department in the local government on progress in implementation of PFIS (Poverty Focused Investment Strategy); (vii) developed Vision Statement 2020 for Punjab; (viii) held first Punjab Development Forum for consultation of stake-holders on poverty reduction strategy.

KRA #5: Restructured and Strengthened Government, Administration and Human Resource Development. (i) improved structure and institutional capacity of the Planning and Development Department and Finance Department of the

Government of the Punjab for more effective policy planning and fiscal management especially for poverty reduction; (ii) The Government of Punjab established a Change Management Unit (CMU) to guide and support the Government on civil service restructuring.; (iii) The Government revised Regulations of Punjab Public Service Commission (by amending the Punjab Public Service Commission Act, 1978) to strengthen the autonomy and financial powers of the members, enhanced their period of tenure but made it non-renewable; (iv) added to the responsibilities of the Public Service Commission the recruitment of provincial staff BPS-11 to BPS-15; (v) restricted permanent recruitment in the public sector employment (especially in health and education sectors) and shifted to institution-specific contract appointments (vi) announced Contract Employment Policy 2004; (vii) announced a new civil service reform policy on merit-based recruitment, promotions and transfers; (viii) prepared and approved GRAP (Gender Reform Action Plan for Punjab); (ix) Health and Education Departments instituted pay structures incorporating incentives for contract posts in remote areas.

KRA #6: Reforms for Private Sector Development. The Government of Punjab initiated several reforms to develop the private sector; (i) in order to address problems in acquiring land assets, a major impediment to private sector development, the Government established PIEDMC (Punjab Industrial Estate Development Management Company) under public-private partnership, to facilitate establishment of public-private partnership industrial estates; (ii) with ADB TA loan, it established a computerized land and property registry to improve record registration and management, to provide greater security and transparency of property rights for enhanced revenue collection on land and property and promoting effective and pro-poor utilization of public lands and properties; (iii) Government of Punjab approved a policy to develop markets outside major cities for bulk trading of agriculture products; (iv) also the provincial cabinet approved amendment in Punjab Agriculture Produce Market Ordinance, 1978, designed to eliminate the monopoly of public sector nominated market committees and to allow private firms and farmers to sell their produce in any market; (v) outsourced installation and operation of weighbridges to the private sector in selected cities and established cooling chains through PAMCO (Punjab Agriculture marketing Company) at selected airports. (vi) amended Rent Control Ordinance, 1959 to ensure that the rent controller's powers to fix rents were withdrawn and pro-tenant bias was reduced in matters relating to eviction of tenants; (vii) the Government announced new labour, industrial and environmental policies in order to remove restrictions to sustainable private sector development (viii) established EPD (Environmental Protection Department); (ix) government approved urban development policy to develop zoning and building regulations in Lahore (a major city) and Kharian (a smaller city) in line with modern urban planning standards.

KRA #7: Reduced Direct Public Sector Involvement in Economic and Commercial Operations; (i) The Government constituted Punjab Board of Investment and Trade (PBIT) , under the chairmanship of the Chief Minister, a body comprising of leaders from both the private and public sector to promote investment and trade in the

province (ii) Under a TA loan the government initiated assessment of operational and financial viability of six PSOs (the Punjab Small Industries Corporation, the Punjab Provincial Cooperative Bank Ltd., the Tourism Development Corporation of Punjab, the Punjab Government Printing Press, the Punjab Seed Corporation and the Bank of Punjab) with a view to restructure, privatize or close.

Actions under Sub-programme 2 of PRMP

By improving short-to medium-term fiscal management in the province, Sub-programme 1 allowed the government to increase its spending in social sectors through local development budgets. Consistent with the development strategies of Pakistan and with the country operating strategy of the Asian Development Bank, SP 2, extended and deepened the reforms under SP 1. The activities under Sub-programme 2 gave rise to important outputs in the seven Key Result Areas (listed below), which in turn yielded the following 11 significant outcomes. (a) a wider tax base; (b) reduced provincial debt and contingent liabilities; (c) better service delivery; (d) transparent budgeting; (e) transparent procurement of goods and services; (f) effective government systems and procedures; (g) increased capacity of provincial agencies for policy making, planning, and fiscal and financial management; (h) merit-based recruitment, promotions and transfers in the civil service; (i) an improved enabling environment for private sector development (j) improved land registration and management practices; and (k) restructured public sector organizations in economic and commercial activities. Sub-programme 2 fully achieved its objectives in three of the 11 outcome areas (d, f, g). The release of the first tranche was contingent on the fulfillment of 24 conditions, all of which were fully complied with. The second tranche was linked with 39 conditions. Of these 26 were fully complied with, 6 were substantially complied with, another 6 were partially complied with, and one was not complied with. The Asian Development Bank waived full compliance with the following seven partially or fully non-complied conditions: decentralization of levy and collection of UIPT to all TMAs in Lahore, Faisalabad and Sialkot districts, the Civil Service Census of provincial government staff to develop a database to reconcile payroll and pension records for ten districts or ten departments, eliminate the monopoly of market fee collection by public sector nominated market committees, outsource installation and operation of weighbridges in market committees of five districts, establish a cooling chain at five airports, outsource operation of three training institutions of TEVTA, outsource collection of market fees in Gujranwala, Faisalabad and two large markets in Lahore. (ADB 2010)

KRA # 1: Strengthened Provincial Revenues

The intention was to consolidate the improvements made to the provincial resource base under SP 1. Some of the actions were designed to increase various provincial taxes and rates, others focused on institutional adjustments for that purpose. The Excise and Taxation Department approved an action plan for automation of tax assessment and collection. The Finance Department, Excise and Taxation Department and Board of Revenue notified revised policies on UIPT (Urban

Immovable property Tax), AIT (Agricultural Income Tax) and Stamp Duty. Till such time as the capacity of TMAs is sufficiently developed, the assessment, levy and collection of UIPT is to be continued to be made by the E and T Department on their behalf through its district offices. However, the UIPT proceeds were credited directly to the TMAs. Agricultural income was brought in to the tax net. The Government increased, through better tax administration, provincial tax revenue by more than the target 14 per cent in FY 2006. (ADB 2007)

KRA #2: Rationalized Provincial Expenditures

The aim was to carry on the provincial debt management strategy developed under SP 1 i.e. to reduce the province's debt service liability. It also required introduction of institutional arrangements for off-budget liability management and capitalization of Pension Fund and General Provident Fund to reduce fiscal pressure caused by annual pension and GPF payouts. The aim was also to improve the quality of investments of these Funds and of investment returns to contributors. As a result of the debt management strategy the Finance Department reduced debt servicing (interest only) as a percentage of total expenditure from 6.4 per cent in FY 2005 to 4.1 per cent in FY 2006. The Finance Department finalized the legal framework, rules and regulations for the GPF (General Provident Fund). It capitalized the Pension Fund and partially capitalized the GPF. The Finance Department increased the allocation for Operation and Maintenance (O & M) expenditure to at least 8 per cent and non-salary allocations to at least 12 per cent of total current expenditures in FY 2006 yielding better quality of services by the public sector.

KRA # 3: Improved Accountability in Financial Management

The objectives were to introduce policy-based and predictable planning, rational allocation decision system and to put in place a more transparent procurement system. The Finance Department finalized and announced the PFC Award (Provincial Finance Commission) and thus made the flow of resources to local governments more predictable. The Finance Department and Planning and Development Department (P & DD) set up dedicated MTBF cells and prepared budgets of Communication and works Department (provincial section) and Irrigation and Power Department in accordance with the MTBF. Finance Department and P & D Department revised and updated Budget and Planning Manuals, published monthly civil accounts on its website in a user friendly format and implemented a time-bound action plan to prepare the district budgets and accounts under the New Accounting Model (NAM). For transparent and efficient procurement of goods and services the S & GAD posted all unit costs of procured goods and services of S & GAD and Health Department on the official procurement website. The S & GAD standardized items of common use based on transparent eligibility criteria for two years and posted these on the official procurement website, substantially updated the Purchase Manual and established Departmental Purchase Committees on a permanent basis. P & DD approved and notified new consultant selection guidelines on its web site.

KRA # 4: Strategic Investment for Poverty Reduction

The achievement target was to provide a modern, institutionalized basis for ensuring that development priorities are translated into action through government planning cycles and an efficient monitoring system is in place to ensure that targets are achieved in timely fashion. In coordination with PIFRA, the Finance Department devised and implemented a development expenditure tracking system for provincial and local government budgets with regard to social sectors. It was expected to enable the stakeholders to track the district government's performance in a timely fashion. The P & DD operationalized PFIS through annual development Programme (ADP) allocations in FY 2007 for Education, Health and Livestock and Dairy Development Department. This strategy provided the guiding framework for sector policy and medium-term planning in the three departments. It prompted the Punjab government to develop a health sector reform framework (HSRF). The government also held workshops to develop an action plan for the implementation of HSRP. The P & DD automated its monitoring procedures for tracking expenditures and outcomes of the ADP and for the implementation of PFIS. The system provides a real time updating of the progress of various development schemes with multi-dimensional performance tracking.

KRA # 5 Strengthened Government Administration and Human Resource Development

The achievement targets were to create modern, function-based reorganization of key planning and financial management departments and to introduce merit-based, transparent and institutionalized system of recruitment, promotions and transfers. The Finance Department, Irrigation and Power Department and Health Department reviewed, enhanced and notified delegation of non-financial departmental authority to expedite disposal of official business and to reduce workload on senior policy making `positions. P & DD implemented its re-organization plan along functional lines to make further adjustments. An institutional reform consultant attached to CMU undertook an organizational review of the Punjab Public Service Commission and made recommendations for amendment to regulations to make its composition more broad-based, include members from more professions. Health and education Department instituted an incentivized pay structure for contract posts in remote and unattractive locations.

KRA # 6 Introduced Reforms for Private Sector Development

The aim was to encourage private sector growth through removal of irritants in urban development regulations and agricultural marketing management regime. The aim was also to enhance the role of private sector in service delivery through partnerships and out-sourcing arrangements. Good progress was noted with regard to streamlining urban zoning regulations and initiating public-private partnership in health sector. The Punjab Health Foundation (PHF) helped the private sector and nongovernmental health care givers in remote areas through grants and loans for

equipment and building construction which complemented efforts to make service delivery more pro-poor. HUD (Housing and Urban Development Department) notified urban zoning regulations for Lahore and one smaller city (Kharian) to delineate zones for different categories of land use, e.g. residential, commercial, and industrial . Home Department amended the Rent Control Ordinance, 1959 to reduce pro-tenant bias so that increased investment in housing market is achieved; Excise and Taxation Department and Local Government and Rural Development Department awarded contracts for automation of property tax records and urban property tax collection system by ten TMAs of five selected districts (Lahore, Rawalpindi, Gujranwala, Faisalabad and Sialkot); Commerce and Investment Department finalized an assessment of the provincial legal and policy framework affecting private sector growth in the province including factors affecting the cost of doing business; Lahore Development Authority (LDA) and Faisalabad Development Authority (FDA) started implementation of modern urban land titling system and decided to introduce bio-metric identification in phased manner; Chief Minister approved policy, including timelines and targets, to relocate 18 agricultural markets outside cities in the main agricultural centres of the province for bulk trading of agricultural products (grains, vegetables, fruits) and to ensure that normal city life is not interfered with; Makro, an international chain, started operations outside Lahore for bulk trading, Government amended Punjab Agricultural Produce Markets Ordinance, 1978 and related rules in order to allow private sector and farmers to sell their produce in any market thus eliminating monopoly of public sector nominated market committees; Agricultural Marketing Department out-sourced installation and operation of weighbridges in one market, Multan; It could not install weighbridges in four remaining markets (Faisalabad, Sargodha, Mian Channu, Lahore) because of stiff resistance from farmers who favoured the use of a middle-man in agricultural marketing. Agricultural Marketing Department approved setting up of cooling chains by PAMCO at five airports, (Lahore, Multan, Rahimyar Khan, Faisalabad, Sialkot) but actually established only in the cargo section of Lahore Airport through long-term lease with the CAA, hoping to boost exports of horticulture products, assist the private sector in bringing down their costs and providing opportunities for growth of the economy.

KRA # 7 Reduced Direct Public Sector Involvement in Economic or Commercial Operations

Provincial cabinet announced, through a White Paper on Budget FY 2008, a comprehensive policy and a two-year action plan for privatization or divestment, liquidation or re-structuring of provincial public sector operations to bring more efficiency; Industries Department transferred management of five small industrial estates of PSIC to the respective Industrialists' Associations; TEVTA signed an MOU with CARE (an educational NGO) to outsource the management and operation of three of its training institutions.

The Performance Completion Report (PCR) rated SP 2 as relevant but not effective and not efficient in achieving outcomes and outputs. The IED (Independent

Evaluation Department of the ADB) rated SP 2 as partly relevant. It also considered the achievement of outcomes and outputs as less effective and efficient. The PCR assessed the programme as sustainable but the IED regarded it as unlikely to be sustainable. Both PCR and the IED described the performance of the Executing Agency as only partly successful. (Table 4)

Table 4: Ratings of SP2 under PCR and IED Review

Ratings	**PCR** **Programme Completion Report**	**IED Review** **Independent Evaluation Department Review**
Relevance	Relevant	Partly relevant
Effective in Achieving Outcome	Less effective	Less effective
Efficiency in Achieving Outcome and Output	Less efficient	Less efficient
Preliminary Assessment of Sustainability	Likely	Less likely
Borrower and Executing Agency	Partly satisfactory	Partly satisfactory
Performance of Asian Development Bank	Partly satisfactory	Partly satisfactory
Impact	Not rated	Modest
Overall Assessment	Partly successful	Partly successful

Source: ADB 2010. (Adapted)

Punjab's Progress on Millennium Development Goals, 2001-2011: Did PRMP reduce Poverty?

In this section, an attempt is made to answer the question: did the PRMP reforms result in poverty reduction. An indirect approach is adopted. Progress of Punjab in achieving Millennium Development Goals (MDG) is reviewed over the period 2003 to 2011. It is assumed that to the extent a MDG was realized in the Punjab the PRMP may be considered to have registered a success.

According to the results of the PSLM 2010-11 and MICS 2011, Punjab's progress towards achievement of MDGs appears to be better than the national average for a number of indicators. However, substantial improvement needs to be made in order for Punjab to finally achieve any of the MDGs. Data trends suggest that no MDG can be achieved in its entirety in the province by 2015. (UNDP 2011)

Targets of MDG1 (eradicate extreme poverty and hunger) are unlikely to be met at the current rate of progress on indication. The national target for headcount index of poverty is 13 per cent for 2015. The index for Punjab stood at 26 per cent in 2001-02 which was 7 percentage points lower than the national average. By 2005-06 poverty incidences in Punjab across agro-climatic zones ranged between 5.5 and 25 per cent. While incidence of poverty in Punjab was, in general, lower than the national level, Punjab was unlikely to reduce poverty sufficiently to meet the MDG target in 2015. Using another indicator of poverty i.e., the proportion of population living below 2350 calories per day, the incidence of poverty in Punjab was estimated at 36.3 per cent in 2001-02. The incidence of poverty has grown even higher since the conclusion of PRMP. (Table 5)

Targets of MDG2 (universal primary education) are also unlikely to be achieved by 2015. The net primary enrolment ratio stood at 61 per cent in 2010-11 which is 5 percentage points higher than the national average but is still far behind the 2015 target of 100 per cent. This indicator increased by only 16 percentage points between 2001-02 and 2010-11. The literacy rate in the province was 2 percentage points higher than the national average at 60 per cent but it was not likely to reach the MDG target in 2015.

On MDG3 (promoting gender equality) the GPI (Gender Parity Index) for primary education was 0.90 for Punjab – 6 percentage points above the national level in 2008-09. Performance on other indicators, such as wage employment of women in the non-agricultural sector was lower than the MDG target for 2015.

On MDG4 (reducing child mortality), progress to-date suggests that targets for some indicators may be met by 2015. For example, targets for immunization might be met. Estimates for 2010-11 indicate that 85 per cent of children from 12 to 23 months of age had been fully immunized which is close to the MDG target of 2015 i.e., 80 per cent or above. Targets for reducing the infant mortality rate to 50 per 1000 live births and the under-5 mortality rate to 52 per 1000 live births are unlikely to be met.

On MDG5 (improving maternal health) most targets are unlikely to be achieved. The maternal mortality ratio which must be brought down to 140 maternal deaths per 100,000 live births stood at 227 in 2006-07.

On MDG7 (ensuring environmental sustainability) targets have already been achieved. In 2011 access to improved water source in Punjab was close to the national MDG target for 2015. (Table 5)

It may, therefore, be construed that PRMP does not appear to have achieved significant success in reducing poverty in the Punjab

Difficulties encountered in implementing PRMP

Being a resource management programme, PRMP was complex in design. It was too wide-ranging and multifaceted in scope. As such it required long-term institutional development and long-term engagement. Its focus was on policy setting, monitoring and oversight and realignment of systems and procedures and governance structures. Its emphasis was on improving revenue-generating capacity, reforming the civil service, and developing the private sector, to enable the delivery of better public services, reduce employment pressures in the public sector and support sustainable economic growth and poverty reduction. As a whole, the PRMP was overambitious in scope and was therefore less than effectively implemented.

With the intent to create fiscal space, the Punjab government, set about retiring high interest debt of the province to the federal government. From the ADB loan funds under the Subprogramme 2, the P&DD was able to retire about $300 million equivalent cash development loans from the federal government. Better public services could thus be provided to the poor through the local governments. The P&DD also transferred substantive amounts of funds into the general pension and provident funds accounts. But the P&DD found it difficult to coordinate the activities of the large number of implementing agencies. In addition to federal ministries 13 provincial government departments took part in the implementation of PRMP. The programme steering committee (PSC), met less frequently. The PMU (Programme Management Unit) required a significant upgrading in capacity midway through implementation. The PRMP posed many challenges to the government's capacity and commitment. The ADB had to be physically present and remain continually engaged in dialogue with the government to create a climate of change and reform.
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Table 5: Punjab's Progress on MDGs
2001-2011

MDG	Indicator	Region	2001	2003	2004	2005	2006	2007	2008	2009	2010	2011	MDG Target 2015
MDG1 Poverty	Head Count Index (per cent)	Pakistan	34.5		23.9	22.3							13.0
		Punjab	26.0		n/a	5 to 25							
	Proportion below 2350 calories per day	Pakistan	30.0		n/a	n/a							
		Punjab	36.34		n/a	n/a							13.0
MDG2 Education	Net primary enrolment (per cent)	Pakistan	42.0		52.0	53				56.0			100.0
		Punjab	45.0		58.0	57				61.0			100.0
	Literacy rate (per cent)	Pakistan	45.0		53.0	54				58.0			88.0
		Punjab	47.0		55	56.0				60.0			88.0
MDG3 Gender Equality	Gender Parity Index for Primary Education	Pakistan	0.82		0.85	0.85			0.84			n/a	1.0
		Punjab	n/a		0.89	0.91			0.90			0.95	1.0
	Share of women in wage employment (per cent)	Pakistan	9.65		10.1	10.93			10.64				14.0
		Punjab	6.57		n/a	7.67			7.1				
MDG4 Child Mortality	Under 5 mortality rate (deaths per 1000 live births)	Pakistan					94						52
		Punjab										104	52
	Infant mortality rate (deaths per 1000 live births)	Pakistan	77		77	76							40
		Punjab						77				82	40
	Proportion of fully immunized children 12-23 months	Pakistan	53	77	71				78				>90
		Punjab	57	84	76				85				>80

(Continued next page)

(Table 5: Continued from previous page)

MDG	Indicator	Region	2001	2003	2004	2005	2006	2007	2008	2009	2010	2011	MDG Target 2015
MDG5	Maternal Mortality	Pakistan	350		400	380			n/a			n/a	140
Maternal	Rate	Punjab	n/a	n/a	n/a	n/a	227	n/a	n/a	n/a	n/a	n/a	140
Health	Proportion of birth	Pakistan	40		48	35			41			n/a	>90
	attended by skilled birth attendants	Punjab		33								59	
	Contraceptive	Pakistan	28						30.8				55
	prevalence rate	Punjab	22	36			32.2					35	
	Total Fertility Rate	Pakistan							3.75				2.1
	(mean number of children)	Punjab		4.7		3.5		4.32				3.6	
	Antenatal Care	Pakistan	35		50	52			58				100
	coverage (per cent)	Punjab	n/a		33	n/a			61			74	
MDG7	Forest Cover	Pakistan	4.8		4.9	5.02			5.02			n/a	6.0
Environmental		Punjab										3.1	n/a
Sustainability	Proportion with	Pakistan	64		66	66			65				93
	access to improved water	Punjab			96	95			95			94	n/a

Note: n/a or blank means data are not available.
Source: UNDP, Punjab Millennium Development Goals Report 2011

Many of the improvements in financial governance and institutional reform later suffered setbacks. For example, the fiscal space created by retiring the federal debt disappeared when the government resumed borrowing. Similarly, the contractual hiring measures were reversed when hundreds and thousands of contractual employees were regularized in 2009. Thus reforms under the PRMP cannot be deemed as sustainable. The PRMP also failed to use the Technical Assistance funds effectively. A substantial portion of TA amounts remained unspent (Table 3). Seven of the 39 conditions linked with the implementation of SP 2 of the PRMP were not fully complied with. The ADB had to waive full compliance of these seven conditions.

Government ownership of PRMP was slow to emerge in the initial stages due, primarily, to perceptional differences. The PMU (Programme Management Unit) of PRMP had to organize awareness raising events to help enhance the ownership. The staff and consultants of the Programme Management Unit (PMU), (the official body responsible for coordinating the implementation of PRMP), lacked international exposure in critical reform areas. Exposure visits and training had to be used to build acceptance of proposed reforms within and outside the government bureaucracy.

A lot of time was wasted in developing terms of reference which led to unsuccessful procurement of consultants. (ADB 2005). The Implementing Agencies (IA) found it difficult to articulate their requirements well. They had limited skills to conceptualize policy issues and write them up into Terms of Reference (TOR). This difficulty was handled by hiring domestic consultants with special knowledge of the working of the provincial and local governments. Also, dedicated core groups within the IAs (focal persons and core teams) were used to specify reform needs. International counterparts of domestic consultants helped assess business processes in Punjab from an outsider's point of view.

Absence or uncertainty of data presented another problem to consultants in implementing PRMP. For example, different sources of Government of Punjab reported different numbers of active pensionable employees. In such cases, the consultants had to apply sampling and extrapolation techniques for actuarial analysis. The capacity of Pakistan Resident Mission of ADB was limited in processing and implementing PRMP. A consultant who was well versed in ADB implementation guidelines and who understood the working of the Punjab public sector had to be hired for this purpose.

Towards the end of the programme period, the special consultative forum, (Punjab Development Forum), ceased to meet regularly. The dedicated web site of PRMP was also not updated on a regular basis. The attempt to outsource to private sector the assessment and collection of market fee on the sale of agricultural produce met stiff resistance to the extent that the effort had to be abandoned. The plan to introduce contract employment instead of permanent employment in government bureaucracy (to reduce the financial burden of pension) also faced strong opposition. Thus both inertia and entrenched traditions of bureaucratic structures and the social system made implementation of reforms difficult.

Conclusion

The Punjab Government's 2003 reforms for poverty reduction emanated from three policy documents prepared in earlier years: Punjab Economic Report, CM's Vision 2020, and Punjab-Poverty Reduction Strategy Paper. These policy papers provided the intellectual framework for developing broad policy strategies and targets for the medium term in the area of poverty reduction and governance reforms. PRMP (Punjab Resource Management Programme) emerged out of the endeavour to reform the management of the province's public sector for poverty reduction.

The Government of Punjab approached the federal government in 2003 with the request to seek financial and technical assistance from the Asian Development Bank for PRMP. The PRMP loan agreement setting out time-bound achievement targets in a Policy Matrix was signed in December 2003 in the amount of $ 500 million. The rationale of the Programme was that improvement in public sector governance and resource management would yield considerable gains in economic development, increased budget allocations to social sectors and thus poverty reduction. The reforms in the country's most populous and economically significant province were expected to have far-reaching impact on the country and its people as a whole.

The goal of PRMP was to achieve improvements in socio-economic indicators in Punjab as outlined in the federal government's Poverty Reduction Strategy Paper through efficient delivery of public services to the weak and vulnerable. The Programme was expected to complement, at the provincial level, with various other governance-related initiatives based on PRSP such as Decentralization Support Programme, Devolved Social Service Delivery Programme, fiscal devolution and gender reform.

Considering the comprehensive nature of the reforms and the medium time-frame of the reform process, the PRMP was structured in two sequential sub-programmes. Sub-programme 2 loan was processed upon successful completion of sub-programme 1. The entire programme was implemented over a period of 5 years. Each sub-programme was implemented over a period of around 18 months. The release of loan proceeds under each sub-programme was performance based in two tranches of $100 million each upon meeting specified achievement targets, after loan effectiveness and before the end of implementation period of the sub-programme.

In Vision 2020, the Chief Minister of Punjab envisioned to achieve, in the medium term, a GDP growth rate of over 7 per cent per annum, increase in the provincial tax revenue by 14 to 16 per cent, increase in operation expenditure (in contrast to expenditures on salaries) to 8 per cent and an increase in non-salary allocations to 9 per cent of current expenditures. In Vision 2020, the provincial government expected to create one million new, sustainable jobs every year (15 per cent in the public sector). It expected to double the income per capita over the programme period. It hoped to reduce the incidence of poverty in the province from 34 per cent in 2003 to 28 per cent in 2008. (Government of Punjab 2004)

Assessments of PRMP by ADB show that only some of the fiscal management targets were met. For example, collection of tax revenue showed some increase, debt servicing of the provincial government was reduced, medium term budgeting framework (MTBF) was introduced and industrial estates for private sector industries were established. Increased revenues, in the short run, enabled the Government of the Punjab to increase spending in the social sectors targeting the poor communities. All these improvements occurred only in the short run. They have not been sustained beyond the PRMP period (2003-08). Similarly, the Government of the Punjab retired millions of dollars of high interest bearing loans with the help of funds generated from the ADB loan. However, after a few years the government resumed borrowing and thus lost the fiscal space gained through debt retirement. The attempt to replace permanent government servants by contract employees in order to reduce pension liability also failed. Civil Service Reform and Human Resource Management policies were formally adopted but never implemented.

Foremost among the accomplishments of PRMP may be considered the initiation of the Multiple Indicators Cluster Survey (MICS). The Survey is conducted regularly since 2003 every three years. Its main contribution is collection of district-wise baseline data which has considerably improved monitoring of poverty in the districts. The second important achievement of PRMP is the establishment of Punjab Industrial Estates Development Authority (PIEDMC) under which small industrial estates have been set up under public-private partnership such as in the Sundar Industrial Estate near Lahore. Under the institutional reforms, the provincial government passed the Punjab Pension Fund Act, 2007 and the Punjab General Provident Investment Fund Act, 2009. These laws provide legal framework for investment of pension and provident funds. The investments are expected to generate financial resources which can be utilized to meet some of the civil service pension liabilities. By introducing MTBF the PRMP replaced the traditional annual budget with three year budget planning. Improving the presentation of the provincial budget document made it more user-friendly. However, the PRMP has not succeeded in improving the role of the members of the provincial assembly in the preparation of the provincial budget. Their role is still in the form of token participation. The PRMP strongly supported devolution of UIPT to the TMAs but the provincial government still has not been able to build the capacity of TMAs to assess and collect UIPT.

The PRMP failed to reform the provincial governance processes which were expected to lead to poverty reduction. The Implementation Agencies (IA) lacked capacity to conceptualize policy issues. Required data, in many cases, were not available for consultants to implement the reform programme. For, these among other reasons substantial amounts of technical assistance funds remained un-utilized. The PRMP did not succeed in generating a high rate of growth. It failed to create significant number of new jobs. It performed poorly to enhance income per capita. No wonder it failed to reduce incidence of poverty. In short, the programme was too wide-ranging and ambitious for the implementation capacity of the political and bureaucratic leaders and workforce of the province.

Notes

[1] Of course there are people who are skeptical about the usefulness of poverty reduction strategy as advocated by the World Bank. See for example, Dijkstra, 2011.

[2] Some observers doubt the usefulness of Pakistan Development Forum format as a medium for consulting the civil society and the poor. One writer described Pakistan Development Forum as more of a flamboyant ceremony than substance, calling it "Pakistan-schizophrenic-forum". See sehrtariq 2010.

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Review

Dongping Han 2008. *The Unknown Cultural Revolution: Life and Change in a Chinese Village,* New York: Monthly Review Press. Reviewed by Munir Ghazanfar

Soviet Union and China were two major revolutions of the twentieth century. However, both have changed course from socialism to market economy. It is generally believed it happened because the revolutions proved inefficient and unsustainable in economic terms. According to Mao it was because of class war and the question of who would win had still not been decided in China even by the mid-1970s.

Han's book is an investigative record of class struggle and the changes that occurred in the rural areas during that final period class struggle which overturned the revolution in China. It is not an account of what transpired at the Central Committee level but of what happened at the village and commune level. The Cultural Revolution was ten year epic battle fought to keep China on revolutionary track. It was lost with the death of Mao Zedong in 1976.

Two phases of recent Chinese history

China today competes with US in most indicators at variable level including economic, scientific, technological, agriculture, education and defence. It may not be at par but in many areas it is close behind. At the time of liberation in 1949 it was as low as India and Pakistan if not lower on most indicators of development. It is not even endowed with such huge river basins like the Indus Basin of Pakistan. Yet today it is able to feed its 1.35 billion population without taking a begging bowl around.

The Chinese post-liberation history is divided into two nearly equal periods of 30-35 years each. During the first period, 1949-1978, educational and technical transformation occurred without an outside manifestation of development in the form of glamorous infrastructure, comfort in homes or urbanization. The Chinese made many breakthroughs and scientific innovations in the fields of nuclear and space technology, aeronautics, petroleum exploration, setting up steel, chemical, electro-mechanical, metallurgic, refining and consumer industry. People received their basic needs but their life remained simple and austere. The last ten years of this earlier period was the period of Cultural Revolution.

The next 35 years from 1978 onwards have been a period in which a different model of development was initiated under the leadership of Deng Xiaoping. It was a period of reaping the fruit of earlier social investment. China now gradually changed course to a capitalist model of development in which production units started to be privatized, relations were monetized, work was incentivized, and people were

encouraged to compete against each other. The capacity built during the earlier phase was now being reaped in the form of modern infrastructure, improved housing, cars and consumer goods. China today has become the workshop of the world. It is manufacturing most consumer goods used by millions of people all around the world, especially in the West. Such amazing production capacity has been achieved on the basis of social and human capacity transformation that took place in the earlier phase.

The last 10 years of this early revolutionary period, 1966-1976, were a period of great social and human transformation. It is this period of Cultural Revolution about which the book under review has been written.

Dongping Han, the author, grew up in Chinese village during the Cultural Revolution. In 1966, when the Cultural Revolution started, there were many illiterate people in his village. Many children would not go to school or would drop out after one or two years. During the educational reforms of the Cultural Revolution, villages set up their own primary schools and hired their own teachers. Every child could go to the village school or to the joint village middle school free of charge.

However, while Han was in college, the Cultural Revolution together with its educational reform was denounced by the government and the educational style and methodology disapproved.

In 1986 while teaching at Zhengzhou University Han had a chance to visit rural Henan where he was surprised many children could not read newspaper headlines because they were not in school. It was the same story everywhere he went. It could not be because of poverty. Why were children of villagers able to finish high school during the Cultural Revolution when ostensibly the rural areas were poorer than in 1986. He decided to study the issue.

In 1990 when he went to study in the History Department at the University of Vermont he decided to write his thesis on the Cultural Revolution. He felt there was need to go beneath the surface structure of events that occurred at that time. After he entered the doctoral programme at Brandeis University he continued his research on the same topic. For this he was to return to China a number of times to research in depth the evolution and consequences of educational policy and other changes during the Cultural Revolution.

Jimo County is where Han grew up. For his research he decided to study the history of a single county in depth in an effort to ground social science theory in the reality of people in a small place over time. He chose Jimo because he felt he could get at local knowledge best by going back into local society of which he had been a part, and where he had an intimate connection with the local people. Jimo County is on the eastern part of the Shandong Peninsula near the port city of Qingdao. It covers an area of 1780 square kilometers, and is composed of 30 townships (formerly communes) within these townships there are 1033 villages.

The context of the Cultural Revolution

The title of the book is apt. Of all the recent Chinese history the ten years 1966-1976 of the Cultural Revolution remain the least known and misunderstood period. This was a period of intense struggle within the ruling Chinese Communist Party. In mid 1960s though Mao Tse Dong remained the Chairman of the party and commanded great respect throughout China and abroad, the Communist Party had split into two clear factions over the future direction of the revolution and party policy. Mao's faction wanted to continue the revolution under the banner of class struggle both outside and within the Communist Party. The other faction led by Liu Shaoqi and later Deng Xiaoping considered it chaos and disruptive for production and development. They wanted to replace the engine of class struggle now with the engine of incentive. While Mao wanted to uplift the whole of Chinese society together by mobilizing the lowest classes to lead the revolution through the process of class struggle his opponents wanted to unleash the individual's potential by providing economic incentive and breaking his bond with the much larger project of class or national uplift. The goal of national uplift was to be achieved by the much smaller project of the individual's personal uplift. In the words of Adam Smith the effort resulting from the greed of some ultimately leads to the benefit of all. Deng Xiaoping summarized it well: "Let some people get rich first". Mao called it the capitalist approach and its proponents capitalist roaders within the party.

The objectives of the Cultural Revolution

In 1966 the vast majority of Chinese people lived in rural areas and although the communist ideology considered urban proletariat as the vanguard Mao wanted the rural peasants to lead the revolution from behind. More concretely he defined closing the three gaps of the Chinese society as the aim of the next phase of the revolution. These three gaps were between urban and rural areas, between mental and manual labour and between workers and farmers. It was easy to talk about them but to get serious about eliminating them meant trouble with the very party which had led the revolution in the previous phase.

Three major achievements of the revolution prior to 1966 had been liberation from imperialism, abolition of feudalism and the creation of collectives. These were no mean tasks and had taken off the burden of expropriation from the backs of the peasants and created conditions for accumulation of capital to undertake large scale projects in the rural areas.

However, from feudal domination the Chinese peasantry had now moved under the domination of the Communist Party hierarchy which gradually changed from being the voice of the people to assuming the role of a bureaucratic apparatus. Within the villages and the communes the Chinese peasant was still not fully liberated. He could not rise, rebel and freely air his views and say things out aloud fearlessly. The Cultural Revolution now aimed to do that.

The Cultural Revolution was not aimed at the old feudal and bourgeois elements. It was aimed at the new emerging bourgeoisie, the Communist Party local cadre and their patrons right up into the Central Committee. Mao believed people's potential could only be realized if they could pick courage to rebel against their new oppressors many of which unfortunately happened to be the same local party leaders who had led their struggle against the feudal and the bureaucrat capitalists in the previous phase.

It was indeed essential to mobilize the people because the future of socialist China lay in the collective ownership structure, the communes, in the rural areas. The collective could not be successful without active participation and ownership of a liberated people. Such active participation, sense of ownership and mobilization could only be achieved through a democratic struggle leading to cultural equality.

In the early stages of the Cultural Revolution when masses and especially the youth was invited by Mao to rise and rebel against their class enemies the local Communist Party leaders successfully deflected their anger to the relicts of the old feudal and bourgeois classes who thus once again became the target of class hatred. The newly formed Red Guards under the local party leadership used the campaign attacking the *Sijiu*: (the four olds): old thoughts, old culture, old traditions and old habits to burn old books, old paintings, and destruction of old temples over several weeks. Many excesses were committed in this phase. It has become the dark side of the Cultural Revolution and has been projected as its principal character to condemn the Cultural Revolution as a whole.

It was in this situation that Mao presided over the drafting of the "16 points" in August 1966 which made a distinction between the Communist Party as an institution and the party bosses as individuals in a definitive manner and which stressed the target of the Cultural Revolution were the capitalist roaders inside the party. The old educated bourgeois classes and cultural heritage were not the target. The 'chaos' that attacks on local party leaders would cause was the price Mao was willing to pay in order to create opportunities to empower the masses. On many occasions Mao had to make more and more direct references to the target: "The enemy is within", "Bombard the headquarters".

Rural areas contribution to the Communist Victory

The Chinese Communist Party owed its survival and eventual victory in October 1949, to the rural poor. In the face of Chiang Kai-shek's slaughter in 1927, a small and defeated Chinese Communist force was able to survive and grow quickly in the Jinggang Mountain region and other remote places because of the support of the rural poor.

In 1946, in order to mobilize the rural poor to join the Communist war effort against the Nationalists during the Chinese Civil War, the CCP sponsored the land reform in part of rural Jimo that was under its control.

But as the military situation shifted in favour of the Nationalists during the course of the Civil War, CCP forces retreated, and landlords who had fled returned to their hometowns with the Nationalist forces. With the support of the Nationalist forces some Jimo landlords organized small military groups, which villagers called "*huan xiangtuan*" or "returning home regiments." They committed tremendous atrocities.

Nie Yinhua, the head of the village Women's Association, was only eighteen years old at the time. The landlords tortured her, then buried her alive. They sawed her palm with a string, and burned her breast with a gasoline lamp. In addition, Nie's parents, grandfather, and two younger brothers were all killed. They killed Gu Xiuzhong, the head of the village Women's Association, first. Then they killed her mother and three younger brothers and threw their bodies into a well. Her youngest brother was only eight years old at the time. The landlords held his legs and tore him apart before they threw him into the well.

In the final confrontation between the Communists and the Nationalists, the Communists were outnumbered, and their weaponry was inferior. The Nationalist army was armed with American weapons and had logistical support from U.S. Support of the rural people for the Communists changed the equation. They rushed to fill the ranks of the People's Liberation Army (PLA). They pushed wheelbarrows to transport supplies for the PLA and carried stretchers to take the wounded PLA soldiers to safety. In Shandong Province alone, several million peasants were on the road transporting supplies with wheelbarrows for the PLA during the Civil War.

1966: Situation on the eve of the Cultural Revolution

No doubt after the revolution the Communist Party fulfilled its promise of land reform and liberation of peasants from the oppression and serfdom of the feudals. Yet the peasantry continued to lag far behind the urban population. In the next phase through agricultural collectivization, the communists sought to promote production and improve the living standards of the rural residents through better organization and institution building. But these efforts were not enough to change the peasants' relative position vis-à-vis the urban population. Compared to urban residents, rural residents were still second class citizens in China. The peasantry was still treated as stupid and ignorant *xiangbalao* (a derogatory term for rural residents) under Communist rule. Rural people's incomes lagged behind those of the urban residents.

Urban workers enjoyed a much better diet and free medical care, and their family members could get fifty percent refund for their medical expenses from the state. Farmers had to pay for their medical bills. There was no medical insurance in China's rural areas and little access to modern medical care before the Cultural Revolution. Urban workers had paid holidays, weekends, paid sick days, insurance against injury and retirement pensions. Farmers had none of these benefits. The government rapidly expanded educational opportunities in urban areas. But in the rural areas like Jimo many rural children were denied a formal education for lack of space in schools.

Corruption and abuse of power became widespread among the rural Communist leaders soon after the CP came to power, even though CCP cadres were supposed to be different from the old type of officials, they were supposed to be servants of the people.

In reality, the collectivization of the means of production did not transform everybody into equal owners of the collective, and did not empower the farmers politically or economically to the extent expected. The collectives pooled manpower, production and resources and assigned some to larger and common infrastructural projects, health, education and special needs like experimentation, which individual households could never dream of. But because the collective assigned work, determined wages and distributed grain it turned farmers into dependents of the collectives the same way it turned factory workers into dependents of modern industry. It created a management structure and concentrated authority in the local Communist Party cadre.

Prior to collectivization, village leaders' power was limited. They were essentially managers of the public affairs in the village. Their basic functions were those of tax collectors and arbitrators of disputes among villagers. Collectivization gave village leaders more tantalizing power. When ordinary villagers who worked in the fields did not have enough to eat during the years of grain shortage following the Great Leap Forward, village leaders and their families were well-fed.

Rural Education: unfulfilled promises

Before the Communist Party came to power it had vigorously opposed educational inequality between urban and rural areas and proposed free universal education throughout China. At that time the fruits of poor peasants labour enabled a small privileged group to enjoy the benefits of education. But that small privileged group then turned around to deceive and bully the rural poor, and to label them as 'ignorant and stupid'.

The aim of the education had been social mobility and because of the rural urban gap parents educated their children with the hope they would ultimately leave the village for the power, comfort and culture of the urban upper classes.

Since few high school students returned to rural areas upon graduation high school education in rural Jimo made little direct contribution to rural development in the 17 years from 1949 to 1966. Instead of contributing to rural development, the educational system served as a drain on rural talent. Consequently, the countryside lacked the educated personnel capable of absorbing new knowledge and new techniques.

While the students' success was measured by test scores, teachers' success was measured by students' success. After 7 to 5 school, students were given heavy homework. Added to this crazy workload was parental pressure to bring glory to their family. There were frequent quizzes and tests and no time to play and exercise.

Historical data such as which emperor did what and when, mathematical formulas and language compositions and many other things needed to be memorized. Exposed to pressure to succeed and worried about failure from very early on in life the children endured a lot of mental stress but had little experience of real life. Creativity and imagination suffered. The struggle for success in examinations and fear of teachers and exams helped to create loyal and obedient civil servants not creative thinkers for society. A lot of this memorization was useless in later life.

The educational inequality between the rural and the urban areas after the revolution was justified by the beneficiaries of the urban key schools who argued that since there wasn't enough money for all some key schools must be kept if the nation was to compete in science and technology and keep its freedom. Mao and his supporters argued that only when vast majority of China's rural people enjoyed adequate educational opportunity could China's overall educational level be raised. So what was the revolution about if not about equality; somehow it didn't occur to the Communist Party leadership.

Collectivization: Generating a new bureaucracy

Communism is first and foremost about sharing and collectivization. It is not about development through any means.

In the rural areas, the CCP's first move after land reform in the early 1950s was to organize individual farmers into mutual aid groups and later into agricultural cooperatives. With better coordination, agricultural collectivization was supposed to make better use of the large pool of labour force in the countryside to improve the agricultural infrastructure, like soil improvement and huge irrigation projects. This labour force could not be mobilized without collective ownership.

Communes pooled resources from production brigades to invest in industrial enterprises and engage in gigantic irrigation projects for the benefit of an entire commune. With the improvement of the agricultural infrastructure, farmers were less dependent on rainfall for a good harvest, and production was expected to increase greatly.

Consequent upon the formation of rural communes 1958-1961 were the years of the Great Leap Forward, a crash programme initiated by Mao Tse Dong for the creation of widespread agricultural infrastructure and industry in the rural areas under local initiative. The very success of the programme in building agricultural infrastructure and setting up industry in rural areas under local initiative meant large scale diversion of infrastructural capital formation and as a result production of food suffered. It was compounded by a severe drought during the same years. Opponents of Mao's radical initiative in the Communist Party used the situations to dismantle the communes and roll back the spread of rural industry.

Rural industry was nonexistent in Jimo before 1958. With the establishment of the communes, farmers set up many industrial projects with very little capital. Two

thousand eight hundred and fifty four enterprises had been set up by August 1959, employing a total of 47,932 people.

Liu Shaoqi and Deng Xiaoping's readjustment policy following the failure of the Great Leap Forward closed down the new rural industrial enterprises. Only ten rural enterprises in Jimo survived the initial readjustment. These ten enterprises employed only 253 people and their annual output was estimated at only 170,000 yuan. By 1963, all commune-run industrial enterprises came to a stop.

Communes not only helped create large scale capital projects but also substantial social security guarantees were enabled by the collective distribution system in Jimo. No matter whether a villager could work or not, the collective undertook to provide him and his family with "five guarantees", (wu bao)-food, clothes, fuel, education for his children and a funeral upon death.

Seventy percent of the collective harvest was divided on a per capita basis, and only thirty percent of total production was divided according to the input of labour. In the short run, those who contributed more labor to the collective seemed to be shortchanged.

The main weakness of rural collective organizations was political: ordinary members were not politically empowered and were dependent on village and commune officials. The Communists had not fundamentally changed the rural political culture of submission to authority and had not significantly remedied the lack of education in the countryside.

Criticising a sacred cow: Cultural Revolution and political empowerment

The Communist Party had fought and given supreme sacrifice for the cause of the people. So after the revolution no one was better qualified to lead the people. The Communist Party thus was granted the supreme authority by the Chinese Constitution to rule. But without appropriate supervision from the people, the party bosses at all levels possessed the human tendency to become arrogant and corrupt. The corruption of an increasing number of individual party leaders would eventually lead to corruption of the party as an institution – from a quantitative change to qualitative change.

If the revolution was not to be taken over by a bureaucratic apparatus, increasing the marginalization of the people with eventual restoration of capitalism the new emerging bourgeoisie within the ranks of the Communist Party had to be confronted and defeated giving a boost to the power of the masses in the process.

The power of the old ruling class stood discontinued but their cultural hegemony continued in many ways and they had powerful external backers. The party leadership thus needed to be protected and so had often been presented as a "sacred cow" by CCP leaders at various levels. This by itself led to many distortions. Challenges to their personal authority and criticism of the mistakes of party leaders

could be labeled "anti-party," and challengers subjected to severe punishment. Party committees and their work teams continued to use this mechanism to suppress challengers during the early phase of the Cultural Revolution. In other words, official work teams, sent out by party authorities in the name of leading the Cultural Revolution, were used to suppress the very activity – independent criticism of Party authorities – that Mao was trying to encourage by launching the movement.

In some other ways, the opening stanza of the Cultural Revolution in Jimo also looked like a second land reform because the traditional enemies of the Chinese Revolution – former landlords, capitalists and rich peasants – were again targeted. In order to deflect criticism of their own behavior, local party officials encouraged renewed attacks against the old class enemies.

Of course, from the point of view of local party officials, campaign the official Red Guards' to destroy the four olds and attack on former landlords, capitalists and political enemies were convenient ways to divert attention from themselves and protect themselves from attack.

It was in this situation that Mao presided over the drafting of the "16 Points" in August 1966, which made the distinction between the Communist Party as an institution and party bosses as individuals in a definitive manner, and which stressed that the targets of the Cultural Revolution were the capitalist roaders inside the party.

Strategies adopted by people to criticise the corrupt cadre

Mass associations and political empowerment

Before the Cultural Revolution for ordinary villagers there were no channels to air their grievances. Their expression therefore was violent whenever happened. After the Cultural Revolution villagers no longer felt shorter before the village party leaders.

In the past people were made to bribe the party officials, they suspected embezzlements and foul play but they did not question for fear of reprisal. With the start of the Cultural Revolution the big character posters appeared as one strategic tool which gave them courage to know and raise these issues.

Big character posters, debate and political empowerment

The big character posters were a simple but ingenious device to promote free expression. Whoever wanted to criticize or raise a question didn't have to do it in person. He/she could just write a big character poster or get it written and put it up in the village. Big character posters more than made up for the absence of a free press while the ordinary people were empowered the party bosses hated it. Even if you had nothing important to say it created a habit of speaking your mind.

Big character posters which expose and challenge local practice and authority are far more potent and effective in a local area like a village, than in a larger setting

like a district, province or a country. In a village they can threaten and change the power relations.

Chuanlian and political empowerment

Chuanlian was the term for the students and young peoples' journey to and from Beijing to learn from Beijing and other places on the way.

In Jimo County, the Cultural Revolution took a dramatic turn after young people returned from trips to Beijing where they gained new perspectives. The independent mass associations emerged, and destruction of the *sijiu* (four olds) based on wrong interpretation stopped.

In 1966, one group of twenty rural youth between fourteen and sixteen years old left their rural middle school in Jimo County on foot for Beijing. At reception centres on the way they met students from other places and discussed the developments of the Cultural Revolution with them. They read and copied big character posters. They collected and read large quantities of the political pamphlets published by different Red Guard associations in cities and towns. As they saw the world, and exchanged ideas with others, they felt politically empowered.

In Beijing and in other cities along the road to Beijing they had some eye opening experiences. The school classrooms in the cities were much better equipped than those in their own school. They had glass windows, electric lights, and better desks and chairs. The city people ate mostly wheat flour breads, with vegetable and meat dishes. Back home their families grew wheat and raised pigs and poultry. But not just wheat flour and meat, even most vegetables were too much of a luxury for them.

The outrages of village *tuhuangdi* (local emperors), the villagers' term for the unaccountable corrupt local leaders, who stole collective grain, slept with other people's wives and suppressed those who dared to challenge them angered the Jimo high school rebels and fired their determination to sustain the Cultural Revolution.

The campaign to study Mao's works and use his words for political empowerment

Mao's books became available and directives from Mao and Central Govt were read and explained to villagers much against the dominant traditional philosophy "ordinary people should be lead but kept ignorant". Mao's writing and his words started to be used in a variety of ways to bulldoze the local corrupt party leaders and demolish their bureaucratic ways.

To the educated elite today, songs based on Mao's quotations and a banxi constitute a personality culture. But ordinary villagers used Mao's words to promote their own interest. Mao's works had become a de facto constitution for rural people and his words became an important political weapon for ordinary villagers. They used Mao's words in their debates with abusive village leaders.

Mao's essay "Serve the People," one of the three essays people were encouraged to memorize during the Cultural Revolution, is less than three pages long, but it contains several straightforward messages. First, it states that the CCP and the People's Army have no other goal than to serve the people. This message undermines the legitimacy of selfish and corrupt behavior on the part of officials. Second, it states that the CCP and CCP officials should not be afraid of criticism, and if the criticism is correct, they should accept it and act on it. On the one hand, this principle provided ordinary villagers with the right to criticize their superiors. If a leader was afraid of criticism and forbade people to criticize him, he was unqualified to lead the masses. Third, it says that everyone in the revolutionary ranks is equal regardless of rank or position. Implicitly, this criterion denounced all practices of beating and cursing by village leaders and other officials. Today farmers still say that "Chairman Mao said what ordinary villagers wanted to say" *(shuo chu liao nongmin de xinli hua).*

Rural education reforms during the cultural revolution

Education is normally not considered part of the political process but it happened to be deeply so. No wonder it was the most contested terrain of the Cultural Revolution.

Challenging the Jimo education system

The rebels raised specific questions about how the school should be run. What should be the admissions policy? What kind of teaching materials should be used? And what kind of students should be produced? They challenged the system because they felt it contradicted the ideological belief in social equality with which they had been indoctrinated by the Communist Party.

The challengers demanded an overhaul of the existing educational system to make it open to the disadvantaged segments of Chinese society, children of the so-called poor and middle peasants and the workers. Since the beginning of the Great Leap Forward, the Chinese Government had been talking about eliminating the three gaps: between urban and rural areas between mental and manual labor, and between workers and farmers. For the eighty percent of the Chinese population living in rural areas, the slogan of eliminating these gaps was very powerful and appealing. But a slogan was only a slogan. It was only during the Cultural Revolution that some students took it so seriously that they adopted it as a concrete goal of their struggle. They believed that the government's educational policy, instead of helping eliminate these gaps, was actually perpetuating them. They saw with their own eyes that a very small number of educated youngsters from elite middle schools entered college and never returned. Those high school graduates who did not enter college became government employees and urban workers; few ever came back to the rural areas.

Village schools operated on a flexible schedule. During the busy season, teachers would take students to the fields to help with the harvesting in whatever ways they could, like gleaning wheat fields, or sometimes singing songs for villagers at breaks.

Jimo's experimental village primary schools during the Cultural Revolution offered solutions to the various problems that had caused many children not to attend school. First of all, it provided enough school space for every child in the village. There was no need to reject any child for lack of space. Second, the school was free. Parents did not need to pay tuition for their children's education. Third, children went to school in their own village and school hours were flexible, which meant children could have more time to help their parents with household chores. During busy seasons when parents needed their children's help most, the school was closed.

The enrollment of school aged children in Jimo County reached 90.5 percent in 1968, 98.3 percent in 1973, and 99.1 percent in 1976. Between 1969 and 1976 (7 years) high schools increased from 17 to 84 and enrolment from 3020 to 13172. From 1969 to 1976 there were 19130 high school graduates 13 times more than in the 17 years before the Cultural Revolution. An entrance examination was not needed to keep anybody out.

Combining education with productive labour

The old curricula and text books were divorced from the real lives of rural children and put rural children at a disadvantage. The math, physics and chemistry text books had little relevance for daily life, while concepts and formulae useful for rural life were not taught.

What constitutes good education? A more rounded education which in Jimo context combined academic study with some industrial and farming skills. Jimo Teachers Training School students rotated working in school's plastic workshop and vegetable garden, 3 hours a week. Students and teachers from Jimo number one Middle School spent three months in different factories and compiled text books on the operating principles of internal combustion engines, crops, fertilizers and farming machines. Over time schools also set up their own workshops and farms to experiment and to generate income.

Apart from opening the school doors wide to rural children a farmer teacher of South River joint Middle School cited 3 major achievement of the educational reform during the Cultural Revolution. First rural schools trained members of local youth in practical industrial and agricultural skills and knowledge which had long term impact on the development of rural areas. Second, the education debate began to alter the views of teachers who had previously looked down upon farmers. Third, the struggle empowered villagers. Farmers no longer viewed the educated elite with mystic feelings after having worked with them. The educational reforms during the Cultural Revolution served the historical needs of the rural areas extremely well.

Many teachers began to encourage students to ask questions in the classroom, and to engage in discussion among themselves and with teachers. Some teachers made extra efforts to involve students in preparing new lessons.

Educated youth in the countryside

Instead of educating the rural population, the pre-Cultural Revolution educational system was depleting the countryside of talent. The few students who were able to attend high school went on to college or got a job in the city. Few ever returned to the villages.

In June 1966 institutions of higher education suspended the scheduled national entrance examinations. From the perspective of the individual it was dream shattering but from perspective of rural development it was like a blood transfusion to a sick person and brought knowledge and skills that revived rural areas. Going to college immediately after high school graduation was no longer an option. Every student had to work in a rural area or in a factory for at least two years before becoming eligible for college. Academic performance was not the sole criterion for the selection of candidates for college. Students had also to prove themselves good workers or farmers before going to college. Starting in 1976 college students from rural areas were required to go back to their original villages after graduation to serve the villages that sent them to college. The *Shangshan Xiaxiang* (going up the mountains and down to villages) movement was intensified following the suspension of college entrance examinations. The graduating high school students returned to their home villages. Even high school graduates with urban hukou (household registration) went to settle down in rural communes. Most stayed there for two years before they got jobs in town. The influx of educated youth of both rural and urban origin, into rural areas changed he educational structure and talent base of the rural population. These students became the new teachers, medical personnel, and skilled workers and technicians on which rural development depended. The movement of encouraging educated rural and urban youth to go to the rural areas restored the ecological closed cycle of the Chinese education.

From the perspective of the village, the Cultural Revolution decade, far from being a disaster for education, as it is routinely presented by Chinese education officials today, was period of unprecedented development.

Development model and achievements of the Cultural Revolution

During the Cultural Revolution decade agricultural production more than doubled in Jimo county. At the same time, rural industry, which had been negligible before 1966, grew to become nearly 36% of the Jimo economy.

The author argues that two key factors were products of the Cultural Revolution—a change in political culture, which empowered ordinary villagers and enhanced collective organization and rapid improvement in education, which provided literacy, numeracy and technical knowledge that made the adoption of modern technique possible.

In the new political culture of the Cultural Revolution decade political campaigns remained an important component. The Cultural Revolution consolidated the collective economy. The "socialist" line of development was promoted and

contrasted with so-called "bourgeois" line of development. In rural Jimo, the "socialist" line of development was understood to mean cultivating and encouraging loyalty to the collective.

In 1968, the South River Production Brigade began a major irrigation project. During the day, a special group of people worked on the project. At night, villagers who worked on other projects during the day all came out to put in a couple hours of work. During the crucial stage of the project, schoolteachers, students, and local government employees all came to help. They worked from 7:00 p.m to 10:00 p.m. each day for several days until the crucial stage was completed. While the villagers got paid in work points and would benefit directly from the irrigation project, government employees' and school teachers' neither got work points nor direct benefit. Nevertheless, they volunteered to work on the project at night.

Second, the education reforms led to the adoption of more practical curricula tailored to the local needs. School children learned agricultural, mechanical and industrial skills in school, which they could make good use of upon their return to their villages. Village middle schools and commune high schools quickly trained thousands of rural youth with technical know-how.

The changing political culture together with rural educational reforms broadened villagers' minds and horizons. They began testing new farming methods and new crop seeds. In 1966, 244 of 1,016 production brigades in Jimo set up experimental teams to cultivate new seeds, and test new farming methods. By 1972, the number of experimental teams had increased to 695, employing 4,043 people, and by 1974, the figure had increased to 851. At the same time, about 1,015 production teams had set up experimental groups.

The average total unit yield in Jimo county was 69.1 kilos in the period between 1949 to 1965. Grain production per mu of land in 1976 reached 180 kilos, 2.16 times that of 1965. In the early 1960s, in the entire county there were only ten rural industrial enterprises which together employed only 253 people.

By 1976, there were 2,557 rural industrial enterprises in Jimo with an average of 2.5 enterprises per village. These rural industrial enterprises employed a total of 54,771 people and annual output amounted to 91,360,000 yuan (1970 constant value). By then, rural industry accounted for 35.8 percent of the total income of the thirty communes in rural Jimo.

While incomes of rural Jimo residents rose substantially during the Cultural Revolution decade, the incomes of urban residents in the town of Jimo stagnated or actually fell. The average annual income of a worker in a state-run factory in Jimo decreased from 480.7 yuan in 1956 to 427.8 yuan in 1976. If a state worker had four dependents to support, then his family per capita income in 1976 would have been 85.4 yuan, only a little higher than a typical peasant family's per capita incomes.

This fact coupled with the significant increase in rural incomes, however, led to a closing of the gap between urban and rural living standards, a communist goal that Mao particularly emphasized during the Cultural Revolution.

Medical care comes to rural Jimo

Before the Cultural Revolution there was a general lack of medical care in the rural areas and care of the sick was a responsibility of the family. Many families hated to go to the County People's Hospitals. The fee was too high and they could not stand the arrogant attitudes and careless handlings of the doctors and nurses in the hospitals.

The reintroduction of collectivization during the Cultural Revolution introduced "barefoot doctors" in the rural areas. The rural barefoot who staffed village clinics were mostly returned educated rural youth, who had received rudimentary medical training sometimes as internees during their high school years. Each village then sent two or three young people to receive regular medical training. The barefoot doctors then provided villagers free medical care. In case a villager needed to be hospitalized at the county hospital the village would pay for his medical bills. If the bills were too big for the village and the commune, the hospital would waive it. They were paid for by the local collective the same wage as the other peasants.

The value of the barefoot doctors cannot simply be measured by the formal training they received. They were from the same village as their patients. They were available 24 hours a day in all weather conditions, even during the Chinese New Year or during a big snowstorm. Their medical training was adequate to treat common problems and for bigger problems they would get help from regular doctors from the commune or the county hospitals. Life expectancy in Jimo County increased from 35 years in 1949 to 70.54 year in 1986. This healthcare system was made possible only by collectivization.

Reversing the Cultural Revolution

Political empowerment is a long process. In China, where officialdom had been dominant for thousand of years, this process, of necessity, was not only long but tortuous. The Cultural Revolution was one of the first attempts to empower ordinary rural Chinese against officialdom. It only succeeded to a limited extent. The complete negation of the Cultural Revolution following 1978 was like a quick deep frost on tender spring crops. It rolled back and in many respects destroyed the process of political empowerment in China—at least this seemed to be the case for rural Jimo.

The emerging democratic culture of *da ming, da fang, da bianlun and dazibao* (great airing of opinions, great freedom, great debate and big character posters) of the Cultural Revolution empowered the rebels and ordinary people. They began to challenge aspects of China's traditional culture of officialdom, demanding that party leaders conform to the ascetic Maoist code of official conduct.

However, the political situation in China changed rapidly following Mao's death. Following the arrest of the 'Gang of Four' at the centre, old party officials at different levels of government around the country rounded up former rebel leaders. In Luoyang, an industrial city in Henan Province, for instance, hundreds of former rebel leaders were arrested and paraded in public and then disappeared. Farmers referred to these acts as the new Huan Xiangtuan (the returning home regiments) a title they had given to the revengeful military bands of the landlords against the peasants who had taken part in the land reform movement during the civil war.

In the early 1980s, the government mounted an even larger and more extensive campaign of retaliation against the former rebels. Government departments, factories, schools, universities, research institutions all set up special offices to investigate charges against former rebels.

Deng Xiaoping promoted the *changzhang fuzezhi* (manager responsibility) system, which put all authority in the hands of the managers. Under the new system, managers decided how much they would get paid and how much workers would get paid. They could dispose of public assets without being accountable to anybody.

And now while many enterprises cannot even find funds to pay workers, managers are getting fatter and fatter with their control of state resources. Press accounts have dubbed this phenomenon: "*qing miao fu fangzhang*" (poor temples with wealthy abbots).

Dismantling the Collective Organization

The "household responsibility system," which was promoted by the Central Government in the early 1980s, was considered by many to be a reactionary measure imposed on Jimo farmers. Villagers said: "*xinxin kuku sanshi nian, yi yie huidao jiefang qian*" (we worked hard for thirty years to build up the collectives, but overnight we returned to the status quo before the liberation). Many farmers in Jimo did not want to change their way of life. In fact, they were shocked by the government decision to disband the collectives on which important rural social security measures, education, and medical care depended.

Government officials all enjoy job security, medical insurance, and retirement pensions, and their children have easy access to education. They take these things for granted. But they never put themselves in the farmers' shoes. Before they were disbanded, collectives had become an important institution in rural life. Job security, medical insurance, old age safeguards and education in rural areas had all been built around this one institution.

Before Deng Xiaoping's rural reforms, Jimo's rural industrial enterprises were all owned and operated by the collectives. Workers in these industrial enterprises were paid in work points, the same way as farmers working in the fields and profits from these enterprises were distributed among farmers the same way crops were distributed. Managers and village party secretaries were paid the same amount of work points for a day's work as ordinary villagers. It was a very equitable system.

But with the division of land, the collectives did not exist anymore. Management of these industrial enterprises was left in the hands of village party secretaries and the managers of the collective industrial enterprises. Frequently, these collective enterprises were rented to their managers for fixed rents decided by village party secretaries and managers of the collective industrial enterprises themselves. South River village, for example, rented its collective enterprises to the managers, Zhao Licheng and Guan Dunxiao, after 1984 for a fixed amount. In some other villages, the enterprises were sold to the managers. Despite the strong resistance of villagers, Yaotou Village sold its village enterprise to its managers.

This practice changed the nature of rural industrial enterprises. Whether through renting or outright buying, the managers took complete control of the formerly collective enterprises. They had the right to hire or fire workers and to decide how much to pay workers. Workers lost their job security, medical insurance and job-related injury compensation. The managers of South River Village enterprises gradually replaced most village workers with outside workers.

The power relationship in the rural areas was reshuffled by the dissolution of the collective. Unlike during the collective years when villagers worked together and shared common bonds because of their collective interests, villagers are now fragmented by issues concerning their own families as they farm their land separately.

The division of land eliminated the production team leaders – the most important check on village party secretaries – and also fragmented the village population, concentrating power in the hands of the village party secretaries.

The decline of rural education

After 1978, the Central Government denounced the educational reforms introduced during the Cultural Revolution. Key schools at various levels were again established and resources were channeled to these key schools, which cater largely to the advantaged segments of urban Chinese society. Many rural schools, especially middle schools and high schools, were eliminated in the name of streamlining and quality control.

Rural education had largely been supported by the collective structure. Village schoolteachers were paid in work points the same way as villagers working in the fields. The burden of financing rural education thus was born collectively by the community. With the dissolution of china's rural collectives, rural teachers had to be supported by tuition, and the costs of education are now borne by those who go to school. Most villages have little resources to support village schools.

During the Cultural Revolution decade, 98.5 percent school-age children in Jimo were in primary school, 90 percent were in middle school and over 70 percent were in high school.

Rising tuition, the remote location of the remaining schools and the demands of family farming caused many rural families to decline to send their children to school. Rural middle and high school education suffered most as a result of the rural reforms. The number of middle schools in Jimo decreased from 256 in 1976 to 106 in 1987. Many joint village middle schools were eliminated, because villages no longer had the resources to support the schools. The size of the middle school first year class dropped from 29,660 in 1976 to 15,734 in 1987. The number of high schools dropped from eighty-nine in 1977 to eight in 1987.

In 1977, the national college entrance examination was reintroduced and since then it has once again systematically drained talent from China's rural areas, in the same manner as before the Cultural Revolution. Talented rural children leave home to go to college and few return. The educational reforms of the Cultural Revolution had made serious effort to link education with the needs of rural Jimo. The reinstitution of the college entrance examination system once again fundamentally changed the nature of rural high schools. Instead of being oriented to serve rural development, schools became an avenue to joining the urban elite.

The reinstitution of the college entrance examination had ramifications in other areas of rural life. As soon as the national entrance examination resumed, textbooks had to be standardised nationally, since students had to sit for the same examination. Since national standard textbooks are compiled mostly by experts from urban areas, local knowledge relevant to agriculture and rural development were scarified.

The divorce of school curriculum from rural life has put rural children in a disadvantaged position because it is harder to study subjects that have no connection with their lives. This in turn has also contributed to the change of orientation of education for rural children. For each individual family, education is a big investment. The family has to pay for the children's tuition, books, and other costs.

There is great pressure on the schools to pay more attention to only the brightest children who have the greatest potential to succeed in the examination. Thus in order to achieve high success rates in the college entrance examination, schools and teacher often devote their energy to preparing the better students for the college entrance examination while ignoring the needs of other students.

The collapse of the rural medical care system and the "five guarantees"

The rural medical care system has suffered a fate similar to that of rural education. In 1983, after the collectives were dissolved, barefoot doctors in rural Jimo were renamed "rural doctors". Their service was no longer free, since the collective organization that supported these doctors was no longer there and they could no longer be paid in work points. Village clinics became private medical practices. Villagers who fell ill and used the services of rural doctors had to pay the bills. The community medical insurance that was part of the previous barefoot doctor system was eliminated, so each rural family was left on their own.

The "five guarantees" (*wu bao*) – food, clothes, fuel, education and a funeral – the collective had provided for old villagers and others who had no other support also disappeared with the dissolution of the collective. The economic foundation for the five guarantees had disappeared. Jimo farmers had never had formal pensions, as urban workers did. When the collective disappeared in 1983, many farmers who had worked for the collective for 25 years during their prime years found themselves having to depend on themselves for everything in their old age.

There are only a few cases of childless villagers in each of Jimo's village, but their difficulties serve as a warning for other villagers. Witnessing the plight of these childless old folks, some farmers have defied the government's one-child policy and continued to have two or three children. They want to have at least one, better two, male children, not just to continue the family line but as security for their old age. What if something happens to their only male child? Jimo farmers have learned from their experiences that nothing provides a better economic security for old age than their own flesh and blood, and the removal of collective guarantees has prompted them to accentuate this safeguard.

If the government does not provide farmers any security, farmers will have no other choice but to find their own security. This is why despite the extreme family planning measures in the rural areas, including cutting off supplies of electricity and water, dismantling houses, heavy fines and physical punishment, Chinese farmers continue to have more than one child. Farmers' desire to have more children under today's private farming is completely justified.

Assessing the Cultural Revolution

It is common belief that rapid economic growth in rural China began with the political ascendancy of Deng Xiaoping in 1978 and the ensuing market reforms. It is also believed that the Cultural Revolution was an economic disaster, which resulted from an overemphasis on the collective economy, vengeful political campaigns that persecuted party officials and intellectuals, contempt for educational standards and institutions, and an overzealous pursuit of egalitarian goals. Han's meticulous investigation of the history of *jimo* County has challenged this official account.

Rural transformation could not have taken place in China without the role of communes. But one of the author's central arguments is that a collective economy becomes dysfunctional without a democratic political culture and institutions that empower ordinary farmers and workers. This is as much true of a commune as of a joint family, a community or of state. The Chinese Communist Party was able to transform the ownership of the land and other means of production in China in the course of a few years. The transformation of political culture proved to be a more intractable problem.

The Cultural Revolution was an attempt to address this problem. It was an intensive and extensive social revolution aimed at changing people's social consciousness, the parallel of which is hard to find in history. It attempted to enhance collective

organization by challenging autocratic political authority within the collective. Big character posters widely used by villagers proved to be an important medium of political communication between villagers and village leaders. The mass associations, public debate and mass meetings provided important public forums to put matters of public interests onto the agenda. The political culture in the rural area was significantly changed. Farmers were no longer timid, submissive as they used to be. They were empowered by the experience of the Cultural Revolution to constantly keep village leaders in line. Social vices like official corruption, prostitution, drug abuse, fake products and others that plague Chinese society today were completely absent at the end of the Cultural Revolution.

As soon as Deng Xiaoping came back to power, he denounced the Cultural Revolution and reversed its reforms. Deng had the power to do whatever he wanted. But more important, he was supported by the persistence of traditional philosophies and practices that had been challenged during the Cultural Revolution, and by people who stood to benefit by the restoration of the old way, or thought they would.

One of the first things Deng Xiaoping did was to outlaw the *sida* (big character posters, the great debate, the great airing and great political freedom). He also announced that there would be no more political campaigns, which was giving the officials a guarantee that they would not be harassed by the masses even though they were corrupt. Many officials slipped into their corrupt old ways very quickly.

During the ten years of Cultural Revolution the Chinese peasants and the workers had waged their struggle at the local level. They had found support and encouragement from Mao representing the central level of the Communist Party. At the end of the Cultural Revolution the battle was lost not at the local level but at the central level. They had always loved and respected the central party. It was difficult for them now to take a stand against the central level of the Communist Party.

As soon as the political climate changed, officials ceased to participate in physical work with farmers, and they began to look after their own families. They found their children better jobs, and put them in important positions. That was how the present official corruption started in China since the reform.

Deng revived the old education philosophy. Education reforms introduced during the cultural Revolution were wiped out overnight. He was supported by an educated elite who clung to the old educational philosophy and practices.

Confucian ideas that a good education should pave the way for an official career, and that schooling is above everything else have proven very resilient. Many old intellectuals did not like the idea that the educated should interact with society. Many farmers and workers also cherished the idea that their children might one day become members of the elite through education. Therefore, Deng's denunciation of the Cultural Revolution's educational reform initially struck a responsive chord among these people.

The official evaluation of the Cultural Revolution serves to underline the idea, currently very much in vogue around the world, that efforts to achieve development and efforts to attain social equality are contradictory. The remarkable currency of this idea in China and internationally is due, at least in part, to the fact that such an idea is so convenient to those threatened by efforts to attain social equality. This study of the history of Jimo County has challenged this idea. During the Cultural Revolution decade and in the two decades of market reform that followed, Jimo experienced alternative paths, both of which led to rural development. The difference in the paths was not between development and stagnation but rather between different kinds of development. The main conclusion the author hopes readers will draw from the experience of Jimo County during the Cultural Revolution decade is that measures to empower and educate people at the bottom of society can also serve the goal of economic development. It is not necessary to choose between pursuing social equality and pursuing economic development. The choice is whether or not to pursue social equality. Grass root democratic political culture and institutions that empower ordinary farmers and workers lift the whole people and the whole economy.

TO POTENTIAL CONTRIBUTORS

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