

Structural Issues in Ensuring Education for All: Identifying Policy Breaches for Out-of-School Children



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CERTIFICATE

This is to certify that this thesis entitled: **“Structural Issues in Ensuring Education for all: Identifying Policy Breaches for Out-of -School Children.”** submitted by Muhammad Yasir Khan is accepted in its present form by the PIDE School of Social Sciences, Pakistan Institute of Development Economics (PIDE), Islamabad as satisfying the requirements for partial fulfillment of the degree in Master of Philosophy in Public Policy.

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Author's Declaration

I **Muhammad Yasir Khan** hereby state that my MPhil thesis titled “**Structural Issues in Ensuring Education for All: Identifying Policy Breaches for Out-of-School Children**” is my own work and has not been submitted previously by me for taking any degree from Pakistan Institute of Development Economics or anywhere else in the country/world.

At any time if my statement is found to be incorrect even after my Graduation the university has the right to withdraw my MPhil degree.

Date: November 14, 2025



Muhammad Yasir Khan

Dedication

This work is dedicated to those whose bond represents the purest and most unconditional form of love in this universe — my family. I dedicate this thesis to my parents — my most respected father, **Hukam Zad Khan**, and my honorable mother, **Shamshada Bibi** — whose prayers, guidance, and sacrifices have been the foundation of all my achievements. I also dedicate it to my beloved siblings — **Saima Khan, Sadiq Khan, and Hamza Khan** — and my adorable nephews, **Zulkefal Khan, Salar Sikandar, Zawiyar Khan**, and my niece, **Samurna Gul**, whose love and affection have always inspired me. This work is a humble tribute to all those who live in my heart and whose unwavering support has made this journey possible.

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ABSTRACT

Education is universally recognized as a fundamental human right and plays a vital role in eradicating poverty, reducing social inequalities, and fostering sustainable human development. Despite Pakistan's constitutional and policy commitments, including Article 25-A and Vision 2025 targets, the challenge of out-of-school children (OOSC) persists at alarming levels. Islamabad alone has over 89,000 OOSC, reflecting systemic failures in policy formulation, governance, and implementation. This study examines the structural and policy breaches that hinder the achievement of universal education, with a specific focus on the Islamabad Capital Territory. A qualitative research design was followed, and data was collected through purposive sampling of 16 key informants, including policymakers, education experts, NGO representatives, development partners, and teachers. Thematic analysis revealed that there are multiple barriers, such as a lack of political will, elite resistance to inclusive reforms, inadequate financing, misallocation of resources, centralized decision-making, weak monitoring and evaluation mechanisms, socio-economic constraints, and gender-based disparities. Existing policies were found to prioritize inputs and infrastructure over outcomes such as retention, learning gains, and teacher quality. The study also explores the potential role of Social Impact Bonds (SIBs) as an innovative public-private partnership financing model that links disbursements to measurable educational outcomes. Findings suggest that effective adoption of SIBs requires institutional reforms, procurement law amendments, reliable data systems, and independent outcome verification mechanisms. The research concludes that overcoming the OOSC crisis demands a paradigm shift from symbolic political commitments to evidence-based, outcome-focused, and community-driven policy approaches. Implementing such reforms, supported by innovative financing models, can significantly improve enrollment, retention, and learning outcomes, advancing Pakistan's progress toward national and international education commitments.

CHAPTER 1

INTRODUCTION

1.1 Background of Study

Education is a fundamental human right, which is globally recognized since the Universal Declaration of Human Rights in 1948. It plays a vital role in eradicating social inequalities and poverty, ensuring human rights, and sustainable human development. However, according to a report of the UNESCO Institute of Statistics, about 263 million children and youth are out of school worldwide due to economic, social, and cultural reasons. These include out-of-school children from different grades, such as 61 million from primary school, 60 million from lower secondary, and about 120 million from higher secondary school. Among all the countries, Pakistan has the highest number of children who are not attending primary school. According to the report of the Pakistan Institute of Education (2023), 26.2 million children between the ages of 5-16 in the country are not enrolled in schools, and this represents 61% of the Net Enrollment Ratio Total (NERT) of the whole population within this age group (Pakistan Institute of Education, 2023a). The Global Gender Gap Index 2024 report highlights that Pakistan stands at 139th position out of 146 countries with a score of 0.836 based on educational attainment (World Economic Forum, 2024). In Islamabad, substantial funds are allocated along with various interventions aimed at improving education, but still, the situation is not different, and the number of OOSC has crossed 89,000 (Pakistan Bureau of Statistics, 2023).

National Commitments

The Constitution of Pakistan ensures the eradication of illiteracy and the provision of free and compulsory education. In this regard, Article 37(b) illustrates that *“The State shall remove illiteracy and provide free and compulsory secondary education within the minimum possible period.”* Further, Article 38(d) of the Constitution demonstrates that *“The State shall provide basic necessities of life, such as food, clothing, housing, education and medical relief, for all citizens, irrespective of sex, caste, creed or race, as are permanently or temporarily unable to earn their livelihood on account of infirmity, sickness or unemployment.”* (Constitution of Pakistan, 1973). In April 2010, Article 25-A was inserted in the Constitution under the 18th amendment, which states that *“The State shall provide free and compulsory education to all children of the age of five to sixteen years in such manner as may be determined by law.”* (PIPS; & ITA, 2019). The 18th Amendment of the Constitution ensures the devolution of the

subject of education to the provinces, and it is obligatory on the provincial and federal governments to ensure that children receive education as a fundamental right. Furthermore, Vision 2025, approved by federal and provincial governments, proclaims human resource development as the first pillar of development. Under this vision, 100% enrollment and completion would be achieved at the primary school level and the 90% literacy target by 2025. Furthermore, in 2017's Education Policy, it is proposed that federal, provincial, and local governments develop a plan to achieve 75% literacy by 2020, and 90% by 2025.

International Commitment

International organizations and agencies also came forward to help Pakistan achieve universal education. In this regard, Pakistan is a signatory to the Dakar Framework of Action for Education for All (2000-15). In April 2000, Pakistan committed to ensuring a literacy rate of 50% within the next fifteen years.¹ However, Pakistan planned to achieve a literacy rate of 86% by 2015. On the other hand, Pakistan became a signatory to the 2030 Agenda for Sustainable Development Goals (SDGs), which was adopted by the United Nations. In 2016, the National Assembly unanimously adopted the SDGs as its own national development goals. SDG No. 4 relates to education with 7 subgoals and targets (Khan, 2021) In this regard, SDG No 4.1 is committed to achieving 100% enrolment at the Secondary level by 2030. SDG No 4.2 focuses on Early Childhood Education (ECE), which states that *“By 2030, ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education”* (MoFEPT, 2017). Further, SDG No. 4.5 ensures equal access to all levels of education and vocational training for children with disabilities and those in vulnerable situations. For the attainment of the international commitment, the Federal and Provincial Governments had prepared an action plan to achieve the targets of SDG 4.

Status of Out-of-School Children in Islamabad

The recent census by the Pakistan Bureau of Statistics (2023) indicates a significant portion of children in Islamabad remain out of school. The data in Table 1 presents the OOSC ratio in Islamabad, which is disaggregated by gender, age group, and rural-urban residence. The data indicates that amongst all age groups, 336,804 children have never attended school, of which 134,575 are males, 202,080 females, and 149 transgenders. The data also reflects an urban and

¹The Dakar framework for action was adopted by the World Education Forum in Dakar, Senegal, commenced from 26-28 in 2000 under the agenda of education for all. The meeting was held for collective commitments to achieve the goal of education for all, including regional frameworks for action.

rural divide, where 170,275 children have never attended school in rural areas as compared to 166,529 in urban areas. In addition, the data for the children of the age group (5 to 16) reveals that 40,477 children in Islamabad have never attended school, with 19,944 males, 20,531 females, and 2 transgenders. Out of 40,477 children, 18,552 are from rural areas and 21,925 are in the urban sector. Moreover, the dropout rates within this age group are 48,650, including 27,905 males, 20,744 females, and 1 transgender person. In rural areas, the dropout figure stands at 25,120, and 23,530 for urban areas. Overall, the total number of Out-of-School children between the age group of ages 5-16 is 89,127, of which 47,849 are males, 41,275 are females, and 3 are transgender. In rural areas, the OOSC is 43,672 and 45,455 in the urban sector (Pakistan Bureau of Statistics, 2023).

Table 1: Out-of-School Population by sex and rural/urban in Islamabad, Census-2023

Area	Indicators	Never to School (all)	Drop Out (5 - 16)	Never to School (5-16)	Out of School Children (5-16)
Rural	Male	65,558	13,971	9,444	23,415
	Female	104,691	11,149	9,107	20,256
	Transgender	26	-	1	1
	Total	170,275	25,120	18,552	43,672
Urban	Male	69,017	13,934	10,500	24,434
	Female	97,389	9,595	11,424	21,019
	Transgender	123	1	1	2
	Total	166,529	23,530	21,925	45,455
Total	Male	134,575	27,905	19,944	47,849
	Female	202,080	20,744	20,531	41,275
	Transgender	149	1	2	3
	Total	336,804	48,650	40,477	89,127

Source: Pakistan Bureau of Statistics (2023)

1.2 Problem Statement

The government of Pakistan has made national and international commitments for flourishing education in Pakistan. However, the result of OOSC and students' retention rate is deteriorating day by day in Pakistan. Despite substantial financial investments and various programs aimed at improving educational outcomes in Islamabad, the out-of-school children have crossed 89,000, and the achievement of results seems a distant dream. Additionally, the evidence-based policy formulation, bottom-up approach, data standardization, transparency, accountability,

and evaluation are rare in the sector of education, just like other sectors in Pakistan. The problem is in the traditional structure, where financing in education has always been attached to inputs and activities, rather than outcomes. To address these issues, the Social Impact Bonds (SIBs) model was proposed for adoption, in which the investors provide the upfront capital for the program and will be repaid when an independent evaluator verifies the identified outcomes achieved through the service provider, and the risk of failure would be upon the investor instead of the government. This structure would not only strengthen the governance but also enable the service provider to develop a policy that would ensure “Local Research, Local Solutions” in addressing the barriers to children’s enrollment. Additionally, it has been observed that the education sector often faces a budget constraint in fulfilling the desired objectives. In this regard, *the Social Impact Bonds* model aims to address financial as well as technical support to promote education.

Research Problem

Based upon the narrative given in the statement of the problem, I narrowed down the research focus to “Structural Issues in Ensuring Education for All: Identifying Policy Breaches for Out-of-School Children” and have classified my topic into the following questions and objectives.

1.3 Research Objectives

1. This study aims to identify the structural and policy breaches, creating barriers towards the achievement of national and international commitments.
2. It aims to evaluate the effectiveness of current governmental policies and programs in addressing the educational needs of OOSC in the Islamabad Capital Territory.
3. To assess the potential role of *Social Impact Bonds* in improving educational outcomes and to explore how they can be effectively implemented in the local educational system.

1.4 Research Questions

1. What are the structural barriers and challenges in ensuring Zero OOSC in Islamabad?
2. Are the traditional policies, focusing on inputs and activities, rather than outcomes, failing to achieve the desired objectives?
3. What role can *Social Impact Bonds* play in improving educational outcomes, and how can they be contextualized in Pakistan's educational system?

1.5 Significance of Research

This research is essential for understanding the policy breaches and structural challenges in ensuring Zero Out-of-School children in Pakistan. This study aims to identify the gaps in policy formulation, structural challenges, traditional financing, weak governance, monitoring, evaluation, and accountability mechanisms, implementation, and limited adaptability to a bottom-up approach in policy formulation in Islamabad. The emergence of *Social Impact Bonds* in educational financing is a promising approach that shifts the focus from inputs and activities to outcome-based funding. This innovative public-private partnership (PPP) model in education can enhance accountability, governance, data standardization, and overall effectiveness of educational policies. Implementing such a model has the potential to transform the educational landscape in Pakistan, particularly for its most vulnerable segments of the population.

1.6 Policy Context

The challenge of a high number of out-of-school children remains a significant policy issue in Pakistan. The failure of national and international commitments highlights the need for addressing the high OOSC problem in Pakistan. This requires structural changes in the education sector, such as evidence-based policy formulation, a bottom-up approach, data standardization, transparency, accountability, and evaluation for achieving target outcomes. For this, PPP is the need of the hour for bringing the OOSC into the schools. In Pakistan, due to a lack of political will, a low budget is allocated for education. Addressing the structural challenges and budget constraints in the country requires the adoption of Social Impact Bonds in the education sector. This model not only provides upfront capital for the agenda but also shifts the traditional financing approach towards outcomes rather than inputs and activities. International Finance and development are supporting low- and middle-income countries to use *Social Impact Bonds* for the best practical approaches for achieving the targeted outcomes in education. Implementing the SIB model in education can transform the educational landscape in Pakistan, particularly for its most vulnerable segments of the population.

CHAPTER 2

LITERATURE REVIEW

2.1 Preamble

The issue of out-of-school children (OOSC) has been a persistent challenge globally, especially in developing countries like Pakistan. In the case of Pakistan, education is not assigned to development; instead, it is reflected as a social problem. Despite being a signatory to SDGs, MDGs, and EFA, the country has failed to achieve the desired results. According to the report of PIE, about 26.2 million children between the ages of 5-16 in the country are not enrolled in schools, and this represents 61% of the Net Enrollment Ratio Total (NERT) of the whole population within this age group (Pakistan Institute of Education, 2024a). The Global Gender Gap Index 2024 report highlights that Pakistan stands at 139th position out of 146 countries with a score of 0.836 based on educational attainment (World Economic Forum, 2024). In Islamabad, substantial funds are allocated along with various interventions aimed at improving education, but still, it falls in the “High category”, instead of the “Very High” performance category (MoPDSI, 2023).

In this regard, the government of Pakistan has proposed commitments towards eradicating illiteracy. For instance, after the 18th Constitutional amendment, the state is obligated to provide both formal and informal education for out-of-school children. Furthermore, Vision 2025, approved by federal and provincial governments, proclaims human resource development as the first pillar of development. Under this vision, 100% enrollment and completion would be achieved at the primary school level, and 90% of the literacy target by 2025. Furthermore, in 2017’s Education Policy, it is proposed that federal, provincial, and local governments develop a plan to achieve 75% literacy by 2020, and 90% by 2025. For this purpose, financial resources would be released and allocated to achieve the implementation plan of the 90% literacy target by 2025 (MoFEPT, 2019).

International organizations and agencies also came forward to help Pakistan achieve universal education. In April 2000, Pakistan committed to ensuring a literacy rate of 50% within the next fifteen years. However, Pakistan planned to achieve a literacy rate of 86% by 2015. On the other hand, Pakistan also signed the Millennium Development Goals (MDGs) declaration for achieving the 8 MDGs by 2015. In this declaration, MDGs 2 and 3 are related to education, in which the global community has set the goal for achieving a 100% enrollment rate at the primary level. Additionally, Pakistan signed the Sustainable Development Goals (SDGs)

proposed by the United Nations (UN) in 2015. In this declaration, SDG 4 is related to education, which has a target (4.6) to promote literacy and to ensure 100% enrollment of youth by 2030 (MoFEPT, 2019).

2.1.1 Historical Overview Educational Policies for OOSC (1947–2024)

From 1947 to 2018, Pakistani governments formulated eight education policies aimed at fulfilling national and international commitments.

Table 2: National Education Policies

Education Policy	Key Objectives	Regime	Gaps
1947: All Pakistan Education Conference	<ol style="list-style-type: none"> 1. The first conference for the reconstruction of the education system in Pakistan. 2. Establishment of various committees for different sectors such as primary & secondary education, women's education, adult education, University education, cultural education, etc. 	M. Ali Jinnah	No significant implementation due to political instability and the aftermath of the 1948 Pak-India war.
1959: Commission on National Education	<ol style="list-style-type: none"> 1. Establishment of universities 2. Medium of instruction in the national language (Urdu) 3. Compulsory education till age 10 4. Focus on technical and scientific education 5. Religious education was declared compulsory till middle level, and optional at secondary level 6. Gender equality in education, etc. 	Ayub Khan	No significant implementation due to external political tensions and financial constraints.
1972: National Education Policy	<ol style="list-style-type: none"> 1. Nationalization of schools and education 2. Free and universal education up to Grade 10 3. Promotion of scientific and technological education 	Zulfikar Bhutto	No significant implementation due to limited resources and the aftermath of the separation of East Pakistan (Bangladesh).
1979: National Education Policy	<ol style="list-style-type: none"> 1. Integration of religious ideologies in the education system 2. Promotion of technical and scientific education 3. The Medium of instruction is Urdu, with a separate institute for girls and boys 4. Revision of Curriculum 5. Integration of madrassas to create a linkage between scientific and technical education. 	Zia-ul-Haq	Weak planning and financial constraints hindered the effective implementation of the policy.
1992: National Education Policy	<ol style="list-style-type: none"> 1. Primary education was made compulsory to ensure 100% enrollment of children by 2002 2. Eradication of illiteracy through non-formal education 3. Promotion of Islamic values through education 4. Focus on female education and demand-oriented curriculum. 	PML (N)	Political instability and the shifts in governments led to the inconsistency of education policy.

1998-2010: National Education Policy	<ol style="list-style-type: none"> 1. Elementary education was made a fundamental right without any discrimination. 2. The expenditure on education was proposed to increase from 2.2 to 4% of GNP. 3. To construct 190,000 primary schools, 57,000 mosque education schools, and 250,000 non-formal centers. 4. To ensure universal primary education 5. Expansion of technical and science education 6. Training of Madrassa teachers 7. Development of national testing services 	Pervez Musharraf	Lack of quality control and untrained teachers, along with budget constraints, hinder the progress of education policy.
2009-2015: National Education Policy	<ol style="list-style-type: none"> 1. Promote and provide incentives for the private sector 2. Compulsory early childhood education for the age group of 3-5 3. Promoting research in higher education 4. Target literacy rate of 86% by 2015 5. Introduction of computer courses at all levels 6. Allocating 7% of GDP to education by 2015 	PPP Government	Overly ambitious goals were without sufficient budget allocations
2017-2025: National Education Policy	<ol style="list-style-type: none"> 1. The upgradation of non-formal basic education and 50% primary public sector schools to middle 2. To increase access to higher education by building more public universities 3. Enrollment of 50% special children by 2025 4. Focus on special education with a separate budget allocation 	PML (N)	Consistent budget constraints and administrative hurdles remain significant barriers in fulfilling national education policy goals.

Source: Various resources

Since 1947, Pakistan's educational policies have aimed to expand access and enhance the quality of education. In the 1947 Educational Conference, the government set the six-year free and compulsory education, literacy, and social unity as a foundational goal (Government of Pakistan, 1947). The Commission on National Education in 1959 proposed that at least eight years of education are required. The commission approved that within the period of 10 years, at least 5 years of schooling is compulsory, and 8 years is compulsory within the total period of 15 years (Government of Pakistan, 1959). The 1972 Education Policy aimed to nationalize schools, and education was declared free and universal up to Grade 10 throughout the country. However, political and financial challenges hinder progress, and the policy failed to significantly reduce OOSC. By 1979, the National Education Policy attempted to decentralize education and aimed to achieve 100% enrollment at Grade 1 for boys by 1987 and girls by 1992. To achieve the target, the policy proposed to open 13,000 new primary schools, mainly in lagging areas, to improve access across rural areas (Bengali, 1999).

The 1992 National Education Policy marked the first milestone towards alignment with global education targets, followed by the World Conference on Education for All. The primary objective of the policy is to illustrate that “Basic education for all children shall be pursued as an integral part of the human development plan and not merely reflected as a sectoral target”. Under the policy, primary education was made compulsory with the aim of ensuring 100% children’s enrollment at the primary level by the year 2002, and to eradicate illiteracy through formal as well as non-formal education. Primary education was made compulsory (Ministry of Education, 1992). The 1998 National Education Policy put forward that every child has the right to education and acknowledged elementary education as a fundamental right, irrespective of region, gender, sect, ethnicity, or any other cult. This policy focuses on the enormous involvement of foreign donor agencies' assistance in elementary education programs and projects. The Policy proposed to raise the expenditure on education from 2.2 to 4 % of GNP, and to construct 190,000, upgrade 60,000, and build primary schools. The policy also aims to construct 250,000 non-formal centers and 57,000 mosque schools, and to begin double shifts in 20,000 existing primary schools (Ministry of Education, 1998).

The 2009 National Education Policy responded to national and international criticism of Out-of-School children and weak educational outcomes, especially under the Dakar framework for Action and MDGs. The policy introduced a decentralization approach by provinces and area governments in achieving free and universal primary education by 2015 and up to Grade 10 by 2025. The policy focused on allocating 7% of GDP to education by 2015 and formulated a formula for proportional allocation to provincial and area governments. The policy is determined to give high priority to reducing the dropout rates (Ministry of Education, 2009). The 2018 National Education Policy Framework emphasized the universalization of education up to Grade 10 in the light of Article 25-A by 2020. The policy aims to achieve universalization of primary education in all three dimensions, i.e., access/enrollment; retention; and achievement by 2020 in the case of boys and for girls by 2025. For the expansion and strengthening of middle education, the existing non-formal basic education program would be upgraded to middle level (VI – VIII). Moreover, the existing 50% primary public sector schools will be upgraded to middle level, 40% middle schools to secondary, and 20% high schools to higher secondary school level by 2025 (MoFEPT, 2018).

2.2 Policies breaches for Out-of-School Children

The literature discusses following as the main breaches in education policy formulation in Pakistan:

2.2.1 Policy Paradigm

In Pakistan, several resources were consumed on the formulation of educational policies and plans. But none of these policies achieved their desired objectives and goals. Up to now, there are eight national policies, and a twelve 5-year plan is proposed, but the time-period and planning made for education policies did not align with the five-year development program (Dildar, Saif & Naz, 2016). In this connection, (Ambreen & Mohyuddin, 2022) indicate that the failure in achieving educational goals prevails in the policy formulation and its implementation due to the “top-bottom” approach instead of “bottom-up”, and a lack of follow-ups. In addition, the upward mobility of information from ground realities to identify the problems that are creating barriers is lacking in the policy process for policymakers while formulating policy. This approach mostly lacks a symbiotic relationship between policy formulation and implementation mechanisms, which often lack knowledge of ground realities.

2.2.2 Governance

Governance is a crucial component for effective policy implementation to ensure accountability, resource allocation, and the achievement of educational policy outcomes. A study by (Akram, 2020) highlights that governance involves both formal and informal processes that stretch from policy formulation to monitoring and implementation of educational plans. It involves contributions from every level of the system, from central government to classrooms and communities. In the case of Pakistan, the (World Bank, 2010) report indicates that Pakistan stood at the 3rd position among the highest ratios of out-of-school children. Furthermore, reports of UNESCO show that from 2000-11, Pakistan remained at 3rd position in the list of out-of-school children. However, the country remained the 2nd largest receiver in terms of donations by the international donors, such as the International Development Association (IDA), to eradicate the problem of out-of-school children in Pakistan. During the 2000 to 2012 period, the total amount received by Pakistan was \$1.5 billion, 15% of the total donations given by the World Bank to promote primary education. These results indicate the failure of the poor implementation plans, bad governance, and lack of transparency in the education sector (Ambreen & Mohyuddin, 2022).

2.2.3 Policy Implementation

In Pakistan, 5-year plans and policies are made to eliminate illiteracy and reduce OOSC, but due to a lack of implementation spirit, the government has not achieved the desired goals. Economic planning plays a vital role in setting a road map for achieving the goals. In the case of Pakistan, successive governments formulated their own educational policy but often failed in its implementation. Failure in effective execution often creates hindrances from one policy to another, ultimately preventing the achievement of educational goals (Khowaja, 2017). On the other hand, the funds allocated in the budget were not fully disbursed to meet the demands and commitments. According to the financial regulations, any allocated funds not utilized by 12 p.m. on June 30 become ineffective for that fiscal year (Dildar, Saif, & Naaz, 2016). Furthermore, there is a lack of coordination among government departments, NGOs, and other private organizations, which leads to little effect of the efforts, inefficient resource allocation, and limited reach. For instance, in Islamabad, multiple organizations are working for the promotion of primary education, like NCHD, BCES, and NEF, resulting in inefficiencies and gaps in the coverage due to a lack of coordination (Ambreen & Hussain, 2020). These issues contribute to the consistently slow progress in the incomplete achievement of educational goals and objectives to this day.

2.2.4 Education Policy Evaluation

The evaluation of education policy serves as a feedback mechanism to assess the achievement of desirable objectives and goals of policies. The report on Education for All (2015) highlights that most of the Asia-Pacific region, including Pakistan, suffers from “policy drift”, where policies are designed without a structured evaluation framework. The absence of evaluation contributes to persistent challenges in achieving universal education goals, as policies become outdated and misaligned with ground realities (UNESCO, 2015). In Pakistan, the evaluation of education policy is rare, as evidenced by the fact that in the history of Pakistan, once the National Education Policy (1998-2010) was evaluated to find the achievements and loopholes of the policies for the up-gradation of educational policy (Ambreen & Hussain, 2020). The absence of an evaluation mechanism leads to repeated failures in addressing education disparities and out-of-school children.

2.2.5 Spending on Education

Pakistan, since its inception, has consistently allocated an insufficient budget for education. Despite multiple commitments made by governments in multiple policy documents and plans to increase the education budget, actual spending on education has remained consistently low in practice (PILDAT, 2018). The federal budget for the fiscal year 2024-25, presented by Finance Minister Muhammad Aurangzeb, indicates a neglect of the lessons learned from the past and a failure to adopt progressive policies in line with the modern world. The allocation of 1.91% of Gross Domestic Product (GDP) reflects the low priority given to education by the government (Abbasi, 2024). According to the 2009 and 2017 education policies, the document proposed an allocation of 4% GDP for Education. Furthermore, all the major political parties lack a vision for out-of-school children. They all proposed a GDP ratio between 4-7 % in their manifesto, but when it came to implementation, no government had allocated the proposed budget (Bari, 2024). The World Bank report shows that between 2010-22, no government had allocated a budget of more than 3% of GDP in Pakistan. These figures reflected the state's priorities, whether they are serious about educating their children.

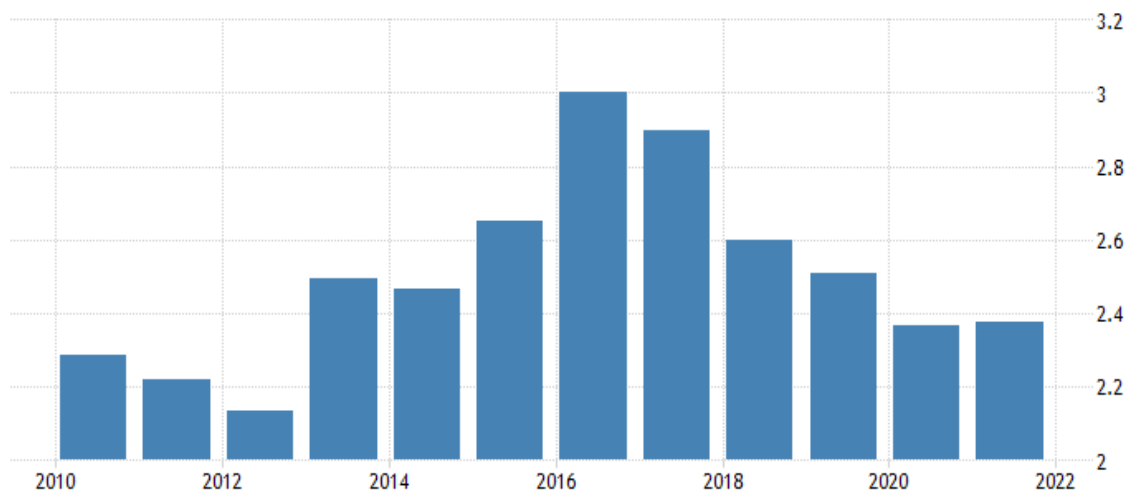


Figure 1: Pakistan - Public Spending on Education, Total (% of GDP)

Source: World Bank (2023)

2.2.6 Lack of Access to Education

The National Education Policy (2017-25) emphasizes the importance of educational infrastructure, but implementation remains slow in investment in middle and secondary schools (MoFEPT, 2018). The target to ensure a 100% enrollment rate has been hindered by various factors, such as accessibility to schools and school infrastructure. In Pakistan, the education

system comprises 236,492 institutions, with 144,977 (61%) at the primary level, 47,182 (20%) at the middle level, 34,210 (14%) at the high school level, 7,102 (3%) at the higher secondary level, and 3,223 (1%) as inter-degree colleges and universities. Moreover, at the primary school level, only 25% of teachers are assigned to this critical and foundational level of education. Furthermore, there are more educational institutions for boys compared to girls in the public sector (Gallup Pakistan, 2024). The number of schools is insufficient to accommodate all children, especially at pre-primary, lower secondary, and higher secondary levels, particularly in remote rural areas and low-income areas. Even where schools are available, they often lack the basic infrastructure facilities like proper buildings, boundary walls, toilets, and wash facilities, which are especially vital for girls (UNICEF, 2019). These patterns reflect a potential concern for policymakers while formulating policies to ensure educational accessibility, sufficient teachers for primary schools, and several schools for girls, especially in marginalized areas. The institutional scarcity from primary to secondary education reflects a critical policy gap in ensuring universal education.

2.3 Structural Challenges for Out-of-School Children

The policy formulation stage addressing Out-of-School children often lacks the structural challenges that hinder the achievement of universal education. The literature discusses the following as the main structural challenges in ensuring Education for All in Pakistan.

2.3.1 Poverty

In 2022, Pakistan's Human Development Index (HDI) was 0.544, and the country ranked 161 out of 192 countries. According to Article 37 (a) of the Constitution of Pakistan, the state shall promote the educational and economic interests of the backward groups and areas (Pakistan, 2018). The “free-education” mentioned in Article 25-A means that the education should be free of costs, including expenditure on books, stationery, bags, and transport. However, the Pakistan Social and Living Standards Measurement (PSLM) graph in “Figure 2” indicates that, in terms of various income groups, the highest OOSC is from the poorest family. These figures highlight that poverty is a deep-rooted problem that is creating barriers to universal education. Poverty mostly leads to limited access to education due to financial constraints. Additionally, most families take the opportunity cost in sending their children to school, as a portion of the household income comes through child labor (primarily from boys). Many poor households cannot afford school fees, uniforms, textbooks, stationery, and transportation costs, making it difficult for many families to send their children to attend school regularly (Moosvi, 2022). In

this regard, (Friedman, 1955) argued that the state should provide subsidized education for those who cannot afford it and increase the taxes on individuals and organizations that provide educational services.

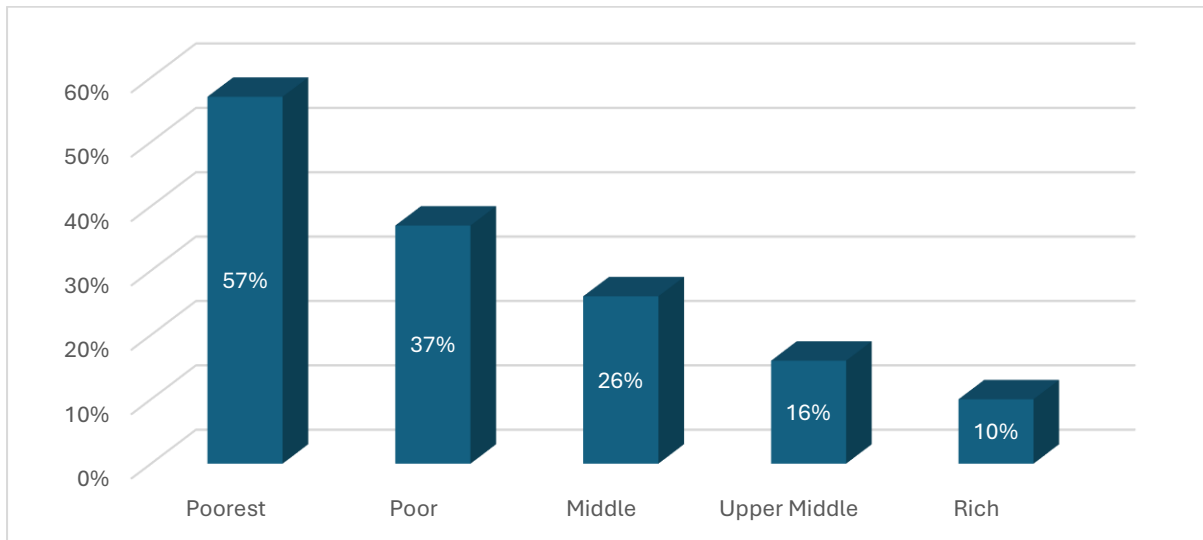


Figure 2: OOSC within various income groups (%)
Source: PSLM (2020)

2.3.2 Low Quality of Education

In Pakistan, about 10.7 million boys and 8.6 million girls are enrolled at the primary level, and the dropout rate at the lower secondary level comes to 3.6 million for boys and 2.8 million for girls. According to the PSLM (2019-20) survey report, the most cited reason for children leaving school before completing primary education was "child not willing," reported by 36 percent, as shown in Figure 3 (Pakistan Bureau of Statistics, 2021). This figure portrays the low-quality education in Pakistan, which stems from issues such as outdated curriculum, ineffective teaching methods, multi-grade teaching, language issues, inadequate infrastructure facilities, inequitable access to education, and a lack of student and teacher assessment and evaluation systems (UNICEF, 2019). In this regard, parents are often reluctant to send their children to school due to a poor learning environment, along with a lack of basic facilities, for instance, boundary walls, drinking water, proper infrastructure, and a lack of school equipment. This reluctance is further intensified by the fact that a significant number of public-school teachers lack essential training and face challenges in delivering knowledge to students in an effective, interactive, and engaging manner (Moosvi, 2022).

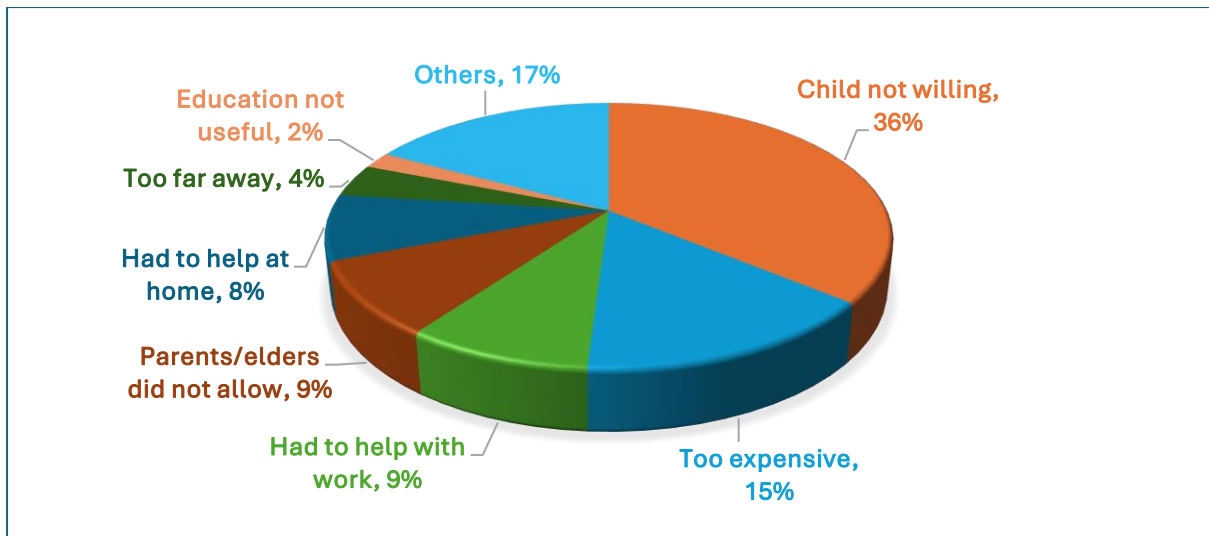


Figure 3: Reasons for Out of School Before Completing Primary Age (5-16) Years

Source: PSLM (2019)

2.3.3 Socio-cultural Challenges

In the PSLM (2019-20) survey, 10% of the children reported leaving the school to help with the household work, and 9% lack the willingness of parents to attend schools (Pakistan Bureau of Statistics, 2021). These figures mostly replicate the case of girls, and the households perceive that they don't need to attend school until they get married (Moosvi, 2022). Moreover, (Batada, 2024) highlights that the net enrollment ratio (NRT) of girls is 47%, and this disparity is mostly witnessed in rural areas, where primarily socio-cultural norms restrict the attainment of education. Furthermore, Rana et al. (2022) underline that the cultural preference for early marriage often leads to high dropout rates among adolescent girls. In addition, the study indicates that families prioritize sons' education over daughters, particularly when faced with the cost of schooling, which leads to a systematic undervaluation of girls' education.

2.3.4 Mobility

Mobility is one of the primary barriers to education in rural and mountainous regions, especially for girls. The (World Bank, 2018) report highlights that children in remote regions travel long distances to reach the nearest school, and some children must walk several kilometers to attend school. The unreliable transportation further exacerbates access to education, especially in remote areas where families may not have the means to facilitate travel (Farhan, 2021). In this case, access to school becomes problematic, particularly for girls, due to the societal restrictions on their mobility and long distances. On the other hand, displacement caused by armed conflict often results in school closures or destruction, which further hinders

the way towards receiving an education. The report by (Amir & Ruth, 2014) indicates that 25% of OOSC in Pakistan live in conflict-affected provinces, which emphasizes the need for targeted interventions in these areas. Moreover, Pakistan has witnessed natural disasters in the past, where the means of mobility, like bridges, roads, and schools, were swept away or damaged. The destruction of infrastructure has left many villages cut off from educational facilities, making it difficult for children to attend school (Nagri, 2024).

2.4 Public-Private Partnership for Universal Education

In the attainment of Education for All, the public sector remains a vital force in delivering educational services, especially in developing nations. However, ensuring universal access to education requires innovative programs and initiatives. To fill the gap, public and private sector collaboration offers a powerful approach to leveraging strengths in advancing educational access and quality. These public-private partnerships (PPPs) can be designed to specifically address the needs of underserved, low-income communities, thereby aiding developing countries in achieving key educational targets (Patrinos, Osorio, & Guaqueta, 2009).

The concept of Public-private partnerships (PPPs) emerged as a collaborative governance framework for the integration of both state and non-state stakeholders in various development initiatives (Robertson et al., 2012). Traditionally, the public sector has remained the principal provider of public services, and the government is responsible for policy formulation, infrastructure development, service delivery, and operational management (Bing & Akintola, 2003). However, especially in low- and middle-income countries (LMICs), the government faces significant challenges like political interference, bureaucratic complexity, budget limitation, and other constraints to meet the high-quality services and provide efficient public services. Issues like bureaucratic complexities, political interference, budget limitations, and other constraints create a gap between the resources available and the demand for high-quality services. The World Bank (1997) emphasized that the state should become a regulator and not be the sole provider of goods and services. This perspective transition in the state role is described as a shift from government to governance (Rosenau, 2009).

In this regard, the developing countries borrow different successful models followed globally. These reforms mainly come due to the involvement of foreign assistance, which includes loans, grants, and technical expertise. The educational policy borrowing also caught the attention of Pakistan, which borrowed the tested education reform solution. In Pakistan, multiple external agencies are working for the betterment of education in terms of improving governance,

capacity building at primary and elementary education levels, teacher training, and data standardization. In addition, some prominent educational policies are prevailing in Pakistan, like decentralization and privatization, which reflect the influence of globalization on education. The historical developments and operations of PPP can be witnessed from its inception in the 1992 Education Policy in Pakistan. Despite this, the idea of PPP had flourished and went through a significant transformation in Pakistan, which can be seen from the promotion of PPPs in Pakistan to achieve the national and international commitments that are hard to achieve due to limited resources (Ali, 2012).

2.4.1 Prominent PPP models in Pakistan

Since 2001, several public-private partnership (PPP) models have been followed in Pakistan. These programs aim to foster government and private educational institutions by utilizing the private sector expertise. Some of the key PPP initiatives include:

Table 3: Public-Private Partnership Programs in Pakistan

Program Name	Nature of Program	Partnership Between	Financial Support By	Year Introduced
Taleem Foundation Model Schools	Schools focused on underprivileged regions	Taleem Foundation, private and community organizations	Corporate CSR funds, international organizations	1989
Adopt-a-School Program	Allows private organizations to manage public schools	Government of Sindh, NGOs, private organizations	Private sector, some government assistance	1997
CARE Foundation	Improving infrastructure and education quality in public schools	CARE Foundation, government schools	CARE Foundation, private donations	1998
Education Voucher Scheme (EVS)	Voucher-based program providing free education to low-income families	Government of Punjab, private schools	Government of Punjab, international donors	2006
Education Management Organizations (EMOs)	Public schools managed by private EMOs through contracts	Government of Sindh, NGOs, donors	World Bank, ADB, USAID, Government of Sindh	2015
Results-Based Financing (RBF) under ASPIRE	Financing linked to educational outcomes, targeting teacher training and student learning gains	Ministry of Federal Education, World Bank, public and private stakeholders	World Bank, Government of Pakistan	2020

Source: Author's compilation based on literature.

Foundation-Assisted Schools (FAS)

This program provides financial support to private schools by allowing them to offer free enrollment to students from low-income backgrounds. Schools under FAS receive funding based on student enrollment and performance to ensure more children have access to quality education without financial barriers. As of the latest reports, FAS includes over 1,300 schools and serves approximately 529,210 students across Punjab (Malik, 2010).

Education Voucher Scheme (EVS)

The program is designed to enable educational attainment by offering vouchers to low-income families to enroll their children in private institutions. The program is particularly beneficial in urban areas with a high focus on low-income families. This approach not only supports families who struggle to afford private schooling but also encourages competition among schools to improve educational quality in under-resourced public schools (Pakistan Education Foundation, 2024).

New School Program (NSP)

This program aims to improve management and educational outcomes in poorly performing public schools. Under NSP, the schools receive resources and accountability standards aimed at improving student performance and school administration. The program offers practical solutions for underperforming schools that require structural and managerial improvements.

Adopt a School Program

The Adopt a School program has become one of Pakistan's most prominent public-private partnership (PPP) initiatives in education since 2001. The program allows non-state actors like NGOs, individual philanthropists, corporate and private entities to take responsibility for improving government schools, as with the Sindh Education Foundation. Under the program, Idara-e-Taleem-o-Aagahi (ITA) adopts educational content improvements through teacher training sessions and weekly school visits in five districts. Another Lahore-based NGO, CARE, adopts the regulations of over 350 schools in the learning environment and educational processes (Bano, 2009).

Education Management Organizations (EMOs)

In 2015, the Government of Sindh launched the EMO program with the support of the World Bank, ADB, and USAID to increase educational access and equity, particularly in rural

areas. Under this program, USAID funded the establishment of 106 school buildings in Northern Sindh, and ADB initiated 160 secondary schools in Southern Sindh. Several NGOs, academic institutions, and private school systems within Pakistan were selected through a competitive technical and financial bidding process. As the program expands, ADB and the government are exploring partnerships with international EMOs to introduce further innovation in school management (Rind & Shah, 2022).

Actions to Strengthen Performance for Inclusive and Responsive Education (ASPIRE)

The ASPIRE project was developed to address the severe disruptions in Pakistan's education system due to the COVID-19 pandemic. The primary objective of the program is to recover access and improve the quality of education. The program aims to enhance sector resilience through better coordination, particularly for vulnerable and lagging districts. The project operates as a results-based financing where funding disbursements are linked to Disbursement-Linked Results (DLRs). This structured approach aligns with the World Bank's financing model to ensure accountability and measurable outcomes. Under this framework, an independent verification agency is responsible for evaluating the completion of each DLR, after which a Technical Steering Committee (TSC) reviews the findings. Upon successful approval, funds are released specifically for the completed DLR by the World Bank, enhancing transparency and accountability within the program's operations (Bank, 2020).

2.5 Social Impact Bonds in Education

Despite the progress made by PPP models in the education sector, it is evident that the current approach of allocating resources for education often flows through the public sector, which primarily focuses on inputs and activities rather than outcomes. This traditional financing limits innovation funding due to the associated high risks and complex approval and disbursement process. To address these issues, *the Social Impact Bonds (IBs)* model needs to be adopted, in which the investors provide the upfront capital for the program, and the government will be the outcome funder when the results are achieved. The investors are only repaid when an independent evaluator confirms that the outcomes are achieved, and the risk of failure falls upon the investor instead of the government. The outcome will be identified by the government with the investor, and the contract will be based on the principal-agent theory (Elsby et al., 2022). This mechanism ensures that funds are effectively and efficiently used towards the project. The investors are not just interested in the financial return on their investment, but also in its social impact. Hiring a third party can be costly, but it will strengthen the country's

internal measurement system. IB ensures accountability in the system and strengthens the system for monitoring and evaluation. This system would enable us to mark baseline and end line, which, through counterfactuals, will help to identify the true impact of the program. Data collection would be ensured, which would help the researchers/policy makers to highlight the gaps in education.

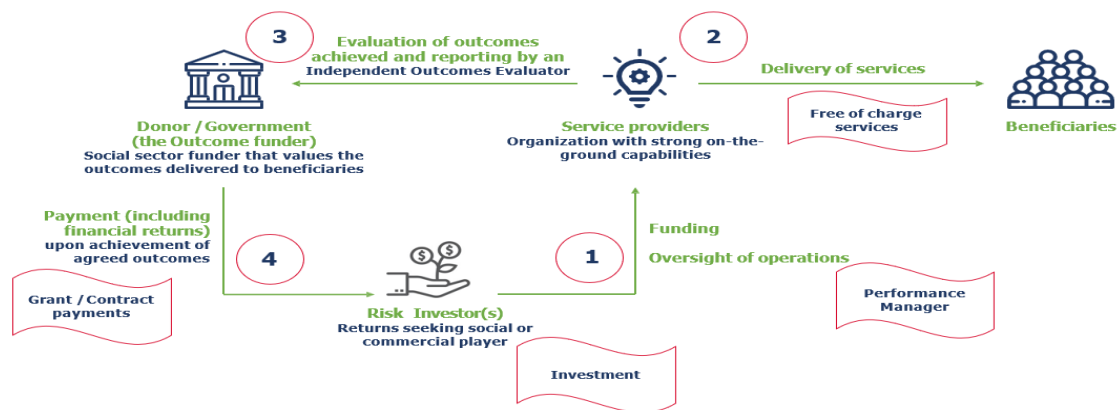


Figure 4: Transforming development through Result-based Financing

Source: Tabadlab (2022)

Social Impact Bonds are implemented across various global regions, particularly in Europe (151 Social Impact Bonds), moderate representation in North America (31), Oceania (16), and Asia (14), and a growing presence in Africa (7) and South America (6). Although Social Impact Bonds in low- and middle-income countries (L&MICs) constitute a minor portion (10%) of total investment (Elsby et al., 2022). In India, “Educate Girls” *Impact Bonds* were launched in 2015. This model focused on enrolling out-of-school girls and improving foundational literacy and numeracy skills. The primary risk investor, “Optimus Foundation,” achieved 116% of the bond's final target and not only increased the enrollment and learning targets but also demonstrated the potential of DIBs to drive innovation (IDinsight, 2018). After the success of the Educate Girls program, two additional DIBs were launched in 2018, named Quality Education India (QEI) and Utkrisht. The Quality Education India aims to improve learning outcomes in language and math for 200,000 primary students across several Indian states. Over four years, QEI invested \$3 million, which was linked with outcome payments up to \$9.18 million for performance achievements. The bond utilized diverse interventions, including teacher training, principal development, and technology-driven learning solutions. Despite COVID-19 disruptions, the program achieved remarkable outcomes as the students demonstrated 2.5 times greater learning gains than those who were not in the program. The

success has encouraged stakeholders to explore increased government involvement in outcomes-based approaches and scale effective practices (Tanyah, Ivjyot, & Mara, 2023).

2.6 Research Gap

In Pakistan, the adoption of innovative financing mechanisms like *Social Impact Bonds* is absent. The lack of research on implementing *Social Impact Bonds* in Pakistan's education sector reflects a broader gap in understanding how performance or outcome-based financing models can help in achieving national and international commitments. In accordance with Pakistan's persistent educational challenges, such as the high number of out-of-school children, there is a need to examine Social Impact Bonds as a financing mechanism. This study has explored how such an approach would address the structural challenges, traditional financing, weak governance, monitoring, evaluation, and accountability mechanisms, and the limited adaptability to a bottom-up approach in policy formulation in Islamabad.

2.7 Conceptual Framework

To address the research gap, the study relied on a comprehensive review of existing literature and the reports of government departments, research organizations, different NGOs, and international development partners, which enabled the researcher to gather insights relating to the factors behind the OOSC and the failure of PPPs in Pakistan. This secondary evidence not only highlighted the understanding of the problem but also served as the foundation for developing the conceptual framework of this study.

The conceptual framework for this study is grounded in Principal-Agent Theory, which is the primary conceptual framework for understanding RBF and its implementation in the education sector. The theory focuses on the relationship between the Principal (the government) and the agent (the investor, service provider, or intermediary). In the context of Social Impact Bonds, the Principal contracts private service providers (agents) to deliver educational services on behalf of the Principal. Under the shadow of this theory, the payment is linked with the results of targets that the principal wants to achieve. In addition, the Principal and the Agent must agree on the indicators and their value to define the desired results and outcomes. After results are achieved, the Agent will know what has been accomplished and what the principal needs to measure. In this regard, an independent verifier can help ensure fairness, transparency, and accountability for both the Principal and the Agent (Arushi, Nicholas, & Marina Dreux, 2021). The RBF arrangement can be classified based on the Principal-Agent theory as prescribed in Table 4.

Table 4: Types of RBF in Education

Sr. No	Principal	Agent	RBF Instrument
1	Donor Organization	National Government	Performance/results-based aid
2	National Government/ Donor organization	Local government, School management (province, district, municipalities, school)	Output-based disbursement, performance-based transfer
3	Donor/ National, Provincial, and Local government	Service providers (Private or Public education service provider) or investors	Social Impact Bonds, performance-based contracts, school grants, school vouchers
4	Government/ School	School directors or teachers	Performance pay or bonus pay
5	Government/ School	Beneficiaries (Households and students)	Conditional cash transfer

Source: World Bank (2021)

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Research Strategy

The methodology adopted for this study is qualitative, focusing on in-depth exploration of the policy breaches and structural issues for OOSC. This method was chosen to gather insights from stakeholders, such as government officials, policy makers, experts of NGOs, and INGOs, to understand the challenges for OOSC. This approach was particularly effective for understanding the structural challenges and policy breaches by digging out the root-level causes and implications. Additionally, this approach was well-suited for investigating the dynamics of Public-Private Partnerships (PPPs) and the potential implications of innovative financing mechanisms like Social Impact Bonds in the context of Pakistan.

3.2 Research Design

The research followed an exploratory design to explore and analyze the opinions of key stakeholders in education. This design enabled the researcher to delve into the complexities of policy breaches, governance issues, evidence-based policy formulation, data standardization, transparency, accountability, and evaluation in the education sector.

3.3 Methods of Data Collection

Since this study aims to apply a qualitative approach instead of a quantitative or mixed-method model. Therefore, quantifying the number of OOSC is not the primary focus of this study. However, the relevant data from sources like ASER, PSLM, and the World Bank database supported the quality and context of the research. Instead, the core focus of this study is to understand the “why” phenomenon, examining the structural issues and policy breaches contributing to OOSC and exploring ways to address these challenges specifically within the Islamabad Capital Territory (ICT).

Moreover, in-depth interviews were conducted with different stakeholders, like government officials, policymakers, think-tanks, and representatives from NGOs, INGOs, and other national and international organizations working in the education sector. A tentative question guide is attached as Annexure A.

3.4 Description of Study Site

The locale for this study is Islamabad, as the situation even in the capital is far from ideal. However, in qualitative research, the researcher mostly avoids focusing on extreme scenarios, whether they represent the best or worst cases. Moreover, after the 18th Amendment, the role of the Ministry of Federal Education and Professional Training (MoFEPT) has been limited to the Islamabad Capital Territory (ICT). Therefore, this study focuses on MoFEPT work in ICT, which can later be replicated in the provinces and other constituents of Pakistan. In addition, MoFEPT oversees key areas such as the Private Educational Institutions Regulatory Authority, the Inter Board Committee of Chairmen, matters related to Deeni Madaris, and the Inter-Boards Coordination Commission (Cabinet Secretariat, 2024).

On the other hand, Islamabad's education system is highly diverse, encompassing English-medium schools to Madrassah systems, and from homeschooling to distance learning. Despite various financial programs and initiatives aimed at reducing the number of Out-of-School Children (OOSC), the desired objectives remained unmet. According to (PAMS, 2024), ICT ranks 32nd out of 591 districts in terms of OOSC, with 89,127 children, representing 15% of the total OOSC population. This challenging situation in ICT underscores the need to explore the structural issues and policy breaches contributing to the high number of OOSC, which compelled the researcher to investigate these challenges.

3.5 Sampling

The non-probability sampling approach was adopted for this study by focusing on purposive sampling to explore in-depth knowledge of educational challenges in Islamabad. The purpose of adopting purposive sampling was to ensure that the interviews are conducted by education experts who have relevant experience and expertise in the education sector in Islamabad. Along with purposive sampling, the snowball sampling was also adopted for a broader perspective.

3.5.1 Size and Level of Sampling

In-depth interviews were conducted with 16 participants who have deep knowledge regarding education policies and public-private partnership, especially the main stakeholders, government officials, experts, representatives of NGOs and INGOs, and development partners working in the education sector in Islamabad. The selection of participants from diverse organizations ensured the relevance of the research findings.

3.5.2 List of Respondents

Table 5: List of Respondents

Organization	No of Participants
Ministry of Federal Education & Professional Training	4
Japan International Cooperation Agency	2
National Commission for Human Development	2
Idara-e-Taleem-o-Aagahi	1
Pak Alliance for Maths and Science	1
Teach for Pakistan	1
Ibtidah for Education	1
Quaidian Community Service School	1
Teachers	3
Total	16

Source: Author's

3.5.3 Limitations Including Independent Evaluators

Public sector projects in Pakistan are typically audited by the Auditor General of Pakistan (AGP) or the sponsoring agency. In some cases, third-party audits are conducted by Independent/External Auditors. Since Social Impact Bonds had not been implemented in Pakistan, there is no agency or individual with experience evaluating such bonds. Therefore, it is too early to include such individuals or agencies in the interviewee list, as they currently do not exist in the country. However, responses from organizations involved in project evaluation, such as Gallup Pakistan (for surveys and impact verification) and Apex Consulting (focus on monitoring and evaluation).

3.6 Ethical Considerations

Before conducting an interview, the participants were provided with a detailed explanation of the research objectives and how their input would contribute to the analysis and reporting of the study. The personal information and responses of the participants remained confidential. The Participants were asked for permission to record their interviews.

3.6.1 Equipment's use in the Field

For data collection, various equipment was utilized in the field, such as a semi-structured questionnaire, an interview guide, an audio recorder, and file notes.

3.7 Data Analysis

3.7.1 Data Cleaning, Translation, and Transcription Procedures

Before conducting the thematic analysis, the collected data underwent a systematic data cleaning process to ensure its accuracy, reliability, and suitability for analysis. The interviews were conducted in both Urdu and English, depending on the respondents' preferences. As the primary interviews were conducted in Urdu, the cleaned transcripts were then translated into English. To ensure the accuracy of meaning across languages, the study employed a process of back-translation, as this procedure is widely recognized in qualitative research as a strategy for validating translated data and maintaining conceptual equivalence across languages (Wang, 2006). Finally, the data were transcribed in English in a form that preserved the integrity of respondents' views and ensured that the data was suitable for qualitative analysis. This sequence of data cleaning, translation, back-translation, and transcription provided a rigorous foundation for the thematic analysis that followed. In both cases, where permission for recording was granted, the audio files were used to cross-check the transcripts and incorporate any important points that might have been missed during the initial transcription.

The overall procedure followed these sequential steps:

- **Urdu interviews:** cleaning → translation → back-translation → transcription.
- **English interviews:** cleaning → transcription → verification.

3.7.2 Analysis Techniques

The study employed thematic analysis to examine the qualitative data gathered from interviews and secondary sources. Themes were established around structural barriers, policy breaches, governance issues, socio-cultural challenges, gender disparities, and regional variations contributing to the persistently growing number of out-of-school children. This research adopted thematic analysis to examine the qualitative data, drawing on Braun and Clarke's (2006) six-step framework, which is particularly well suited for investigating complex policy, structural, governance, and regulatory issues in social sectors such as education. The process began with familiarization, where interview transcripts and policy documents were read and re-read to gain a deep understanding of the data. In the second step, initial codes were generated manually to capture meaningful features across the dataset. The third step involved collating these codes into potential themes that reflected broader patterns. In the fourth step, the themes were reviewed against the data to ensure internal coherence and distinctiveness. The fifth step required defining and naming the themes in a way that captured their scope and essence.

Finally, the sixth step involved producing the report, in which the themes were integrated into an analytic narrative supported by evidence from the data (Braun & Clarke, 2006).

Adopting this framework ensured both rigor and transparency in the analytic process. It provided a systematic pathway for moving from raw data to well-defined themes, thereby strengthening the credibility of the findings. Through this process, the study was able to highlight the major structural challenges and policy breaches shaping educational outcomes in Islamabad. These included weak political commitment, institutional shortcomings, governance failures, and socio-economic barriers that collectively undermine progress toward achieving education for all.

Moreover, as this is exploratory research, the researcher first identified whether there is any educational policy specifically focused on OOSC. In case such a policy exists, then the researcher identified certain criteria or Key Performance Indicators (KPIs) against which its success can be measured. For instance, the National Education Policy (2017) set targets such as achieving 100% enrollment and completion at the primary school level and achieving a 90% literacy target by 2025. In this context, this research aims to examine the available statistics to determine whether these targets have been achieved and analyzed the OOSC statistics before and after the policy's implementation. Every policy defines specific objectives to be achieved upon its implementation, and these objectives serve as the criteria for evaluating the policy's success or failure.

3.7.3 Approach to Thematic Analysis

This study employed manual thematic analysis for the examination of qualitative data. The manual approach facilitated direct engagement with participants' narratives and allowed for iterative reading, coding, and theme development. This method offered flexibility and a nuanced understanding of the data, which was essential for aligning the analysis with the study's objectives. Although manual analysis is more time-intensive and may carry the risk of researcher bias, it ensures close familiarity with the data and strengthens the interpretive process. In contrast, software-based tools such as NVivo provide systematic data management and minimize the possibility of overlooking codes, yet they may reduce direct interaction with the data and require technical expertise. Considering these advantages and limitations, the manual approach was identified as the most appropriate for this research.

CHAPTER 4

FINDINGS OF THEMATIC ANALYSIS

This study employed thematic analysis as a qualitative research method to explore the structural and policy-related challenges in addressing the issue of Out-of-School Children (OOSC) in Islamabad. Through this approach, the research identified recurring patterns and emerging themes from interviews with policymakers, education experts, and relevant stakeholders. Thematic analysis allows for a systematic understanding of structural and governance challenges, policy breaches, and the potential role of innovative financing models such as Social Impact Bonds in improving educational outcomes. The study classified six major themes and their associated sub-themes highlighted in Table 6; therefore, the study presents a comprehensive picture of the underlying factors contributing to the persistent educational gaps in Pakistan. Furthermore, a detailed summary of the responses from six key participants has been included in Annexure II to offer additional context for the interpretation of themes.

Table 6: Themes and subthemes

Themes	Subthemes
Lack of Government Priority	Symbolic Commitment
	Financing Challenges
	Resistance to Inclusive Policy
	Missing Long-Term Vision
	Political Instability
	Infrastructural Disparities
Structural Barriers towards Education	Economic Constraints
	Social-Cultural Norms
	Public Education Perception
	Discrimination in Education
Policy Design and Implementation	Policy Centralization
	Flaws in Policy Design
	Local Planning Gaps
	Implementation Challenges
Governance and Accountability Failures	Lack of Accountability
	Weak Data & Evaluation
	Urban-Rural Governance Gaps
Public-Private Partnerships in Education	PPP Potential
	Implementation Challenges
The Role of Social Impact Bonds in Education	SIB Potential
	Structural Reforms
	Institutional and Legal Barriers
	Monitoring & Verification Gaps
	Capacity Gaps

Source: Author's

4.1 Theme 1: Lack of Government Priority

One of the most persistent and dominant perceptions is that the government does not treat education as a national priority and a long-term commitment to addressing the issue of out-of-school children.

4.1.1 Symbolic Commitment

Education appears in state discourse and development plans as a concern; however, it is treated as a peripheral challenge. As Respondent 3 articulated, *“Writing the number of rights is not fine unless you make it accessible to the citizens. If you don't create the means to ensure that right, you are just tailoring political rhetoric.”* The emphasis on rhetoric without meaningful structural support indicates the symbolic promises rather than a tangible entitlement. Participants emphasized that education in Pakistan is not seen as a public good or a state responsibility. In this regard, Respondent 1 highlighted that *“When the government provides education, they see it as a product, not a right. It expects returns on investment rather than transformation.”*

Additionally, respondents argued convincingly that the clearest barrier to universal education lies in skewed political priorities rather than in material scarcity but in skewed political priorities. Respondents argued convincingly that the issue is less about financial constraints and more about the absence of political will. As mentioned by Respondent 3, *“If China had waited for resources, it would never be where it is now. It's more about priorities, not money.”* Some participants highlighted how this absence of prioritization manifests in legal and administrative vagueness. *“Article 25-A ensures education from ages 5 to 16, but defines the right by age, not years of schooling—unlike countries where even homeschooling is tracked. Here, no one tracks if a child goes to school for 10 years or just drops out in year two.”* This gap between legal scope and practical enforcement allows the state to sidestep accountability. Moreover, Education programs are often launched to fulfill a political agenda or to attract donor organizations. Respondent 11 indicated that *“initiatives are done only to showcase PM-level programs like Daanish Schools,”* with billions allocated for the school and located at prime urban locations, while the schools in rural and low-income areas are struggling with basic infrastructure and facilities. Although Article 25-A guarantees the right to free and compulsory education, it remains largely rhetorical due to the absence of enforcement mechanisms or accountability structures. As Respondent 2 indicated, *“We are pleased with international*

funding instead of working for society... The government does not see education as a blessing; instead, we look at it as a burden.”

4.1.2 Financing Challenges

Across all interviews, one of the most frequently raised and deeply interlinked barriers to addressing the out-of-school children (OOSC) crisis was the insufficient and often misallocated financing of education in Pakistan. The issue of fiscal commitment surfaced repeatedly, not just in terms of insufficient education budgets, but in how those budgets are utilized. In this regard, Respondent 2 emphasized that *“The education is not dealt as a priority, which can be witnessed by the low budget allocation, and even the allocated budget goes mostly on the non-development side for salaries, and the little that’s left is invested in construction of classrooms, painting, or other visible changes. Instead of ensuring proper learning, they focus on painting. Even the National College of Arts in Rawalpindi was painted to make it attractive.”* Moreover, many Respondents mentioned that in the education sector, the government reduces its own standards. This dual system perpetuates inequality and reduces public trust in state-run education, particularly among the poor, who see little value in sending their children to schools that offer minimal opportunity.

Respondents also highlighted that in practice, the right to education cannot be realized without parallel support systems. For children engaged in Labor or caretaking roles, enrollment is not just a legal matter but one of survival. Respondent 3 pointed out that *“The child who has to earn for their family, then how will the government ensure that support? In Japan, the government provides support money to parents to send their kids to school and penalizes those who don’t.”* Without such safety nets, rights remain aspirational rather than operational. The conversation frequently returned to the need for a state-led minimum support framework. As Respondent 1 highlighted, *“If we do not improve the living standards of families, how can we expect children to study?”* This perspective affirms that rights must be accompanied by redistributive and facilitative policies to become meaningful.

4.1.3 Resistance to Inclusive Policy

A more critical analysis came from respondents who identified elite resistance as a core structural barrier. The idea that those who formulate policies and decision makers, whether they are politicians or bureaucrats, are the beneficiaries of an inequitable system and therefore have no interest in transforming the education sector. Respondent 6 stated bluntly, *“The one who formulates policies is the beneficiary of the structure, so how can they hurt their*

privileges?” Additionally, Respondent 2 provocatively pointed out that *“Will the elite ever want a critical population that can question the flaws in the constitution or the law?”*. The suggestion here is that exclusionary education is not merely a result of neglect but also of active disinterest in dismantling existing privilege. This resistance was further emphasized through a reflection on curriculum complexity and institutional opacity, as indicated by Respondent 1, *“Even a PhD in English can’t comprehend our tax system without a chartered accountant. That’s how inaccessible we’ve made basic state functions.”* Such complexity is not just bureaucratic inefficiency, but it becomes a structural barrier to citizen empowerment.

Moreover, the public schools serve the “poor child of Pakistan,” while the elite send their children to private institutions such as Beaconhouse, Cambridge, and Oxford school systems, so why would they care about the public sector schools? The divide between public and private education was seen not only as a practical gap but as a tool for social control. “Will the elite give up their elite status and privileges so that the poor child of Pakistan can also get a chance for upward mobility?” The elected officials often make promises without allocating meaningful resources or mechanisms for enforcement. A Respondent 2 shared that, *“The problem is not just technical, it’s moral. Our elected representatives do lip service. They don’t know what’s missing because their children don’t study in these schools.”*

4.1.4 Missing Long-Term Vision

The understanding of education itself emerged as a contested barrier. In the current neoliberal framework, education is increasingly evaluated in terms of income-generation potential. In this regard, multiple respondents argued that the outcome of education should not merely be economic uplift but intellectual empowerment, civic participation, and ethical consciousness. As observed by Respondent 3, *“What’s the point of getting an education system that creates earning ability, when that child cannot understand the world, the law, or their own rights?”*. Moreover, Respondent 9 added, *“Success should not be measured by income. The outcome should be a liveable planet, a conscious citizenry, and systems improvement.”* Another critique pointed out the context of marginalized youth who often find themselves excluded from formal education. As indicated by Respondent 1, *“If a child earns more by working at a store than by attending school, and still doesn’t gain critical thinking or understanding of society, then haven’t we failed him through that very system?”*

On the other hand, Respondent 6 explained that *“Education is not like a seed which you plant today and tomorrow you will have a tree.”* However, the government's behaviour suggests an

expectation of instant results, leading to policy decisions that are superficial, fragmented, and unsustainable. The Respondent 4 commented that *“We are not aware where we are, and where we want to go. And that’s the real challenge that has created the chaos we see all around.”* Without a coherent philosophy, educational reforms remain vulnerable to bureaucratic drift and political interference. In this regard, without a long-term national strategy, Pakistan continues to suffer from broken policies, incomprehensible policies, wishful thinking, and creates chaos all around.

4.1.5 Political Instability

Education programs are rarely allowed to complete their course, as each government introduces its own education vision while disqualifying the initiatives of the previous regime. This undermines the time required for any policy to take shape and has created systemic instability that trickles down to the classroom. Without a unified and long-term vision that transcends political regimes, even the most effective policies fail to scale. It is pointed out by many respondents that *“One of the crucial factors for a successful policy is to give the policy enough time to complete its cycle... a one unified policy, regardless of the political party in power, must remain intact.”* In addition, Respondent 4, *“Every government discards the previous administration’s vision. Each brings a new version, disqualifying the former. This undermines the time required for any policy to take shape and yield results.”* This cycle not only undermines promising programs midstream but also demotivates field-level implementers who find themselves adapting to shifting directives. The head of a community education initiative expressed frustration that proven models tested in schools are frequently overlooked once leadership changes. Moreover, Respondent 6 pointed out that *“One of the crucial factors for a successful policy is to give it enough time to complete its cycle.”* Without a unified and long-term vision that transcends political regimes, even the most effective policies fail to scale.

4.1.6 Infrastructural Disparities

Islamabad is perceived as relatively privileged compared to other regions; however, internal disparities remain persistent in the region. Certain rural union councils and informal settlements (katchi abadis) remain outside the purview of the Capital Development Authority (CDA). In this regard, Respondent 8 observed that *“90% of our students walk 4 to 6 kilometers to reach school. In the summers, our daily attendance falls short due to extreme heat.* The lack of school buildings with basic facilities such as washrooms, drinking water, and boundary walls further deteriorate enrollment and retention. As Respondent 7 noted, *“There is a computer lab, but no*

boundary wall.” The lack of essential infrastructure represents a symbolic and material failure of the state to prioritize education for all, particularly for marginalized children.

4.2 Theme 2: Structural Barriers towards Education

Despite constitutional and international commitments to ensure education for all, there are deep-rooted structural barriers that continue to hinder equitable access to schooling in Islamabad.

4.2.1 Economic Constraints

Poverty is one of the main reasons behind shaping the family decision-making around education. In Islamabad’s lower-income households, education competes with economic survival. According to Respondent 1, *“Parents prefer to send their child to a workshop rather than school. Priority is given to immediate economic benefit, pushing children into labour.”* Moreover, Respondent 8 shared that *“Mariam (12) quit school to care for her paralysed abba. We negotiated with her employer (a tailor) to let her attend classes two hours a day.”* Another challenge is the requirement of documents, such as birth certificates, which has also emerged as a major structural hurdle. Additionally, Respondent 9 stated, *“We’ve documented 33 cases where birth certificates, required for enrollment, cost families three days’ wages.”* In such cases, even minimal bureaucratic requirements can become a hurdle for the poorest families. In addition, the so-called “free” education guaranteed by Article 25-A often comes with hidden or indirect costs: transportation, stationery, uniforms, and supplementary materials. For families living at or below the poverty line, these costs serve as insurmountable barriers to enrollment. As Respondent 2 noted, *“There is no demand because many parents cannot afford workbooks, transport, or even shoes. Education becomes a burden rather than a right.”*

Moreover, the opportunity cost of sending children to school is a crucial consideration for many families. In economically disadvantaged households, children are often seen as an economic asset who can contribute to the family’s income. This is particularly true in families involved in informal labour sectors, where children are expected to work in shops, factories, or on farms, instead of attending school. As children grow older, this opportunity cost increases, as the potential income from child labour outweighs the perceived benefits of education. When parents must choose between sending a child to school or putting food on the table, survival invariably takes precedence. According to Respondent 1, *“Parents prefer to send their child to a workshop rather than to school. Priority is given to immediate economic benefit, pushing children into labour while they should be in a classroom.”* As explained by Respondent 10,

“Societal barriers in marginalized areas prevent parents from educating their children to school as they perceive education as non-beneficial and a waste of time due to limited career opportunities.”

4.2.2 Social-Cultural Norms

The gendered aspect of education is another form of discrimination that limits access, particularly for girls. In many areas, traditional gender roles dictate that girls are less likely to receive an education than boys. In patriarchal societies, girls’ education is often undervalued, and they are expected to contribute to domestic labour rather than pursue formal schooling. Parents may prioritize boys’ education over girls’, especially when resources are limited, which perpetuates gender inequality in educational attainment. Furthermore, social norms in some regions discourage girls’ education due to concerns about safety and early marriage. In such contexts, families may view sending their daughters to school as unnecessary, especially when schools are located far from their homes or lack adequate safety measures. In many rural areas, where cultural practices often govern the decision-making process, girls’ education may be considered secondary to family responsibilities or preparing girls for marriage. For girls, socio-economic pressures are compounded by cultural norms and expectations. In certain communities, early marriage, household responsibilities, and mobility restrictions reinforce exclusion. Respondent 9 conveyed that *“in Pashtun areas, girls are often expected to help with household chores rather than attend school.”*

4.2.3 Public Education Perception

Even where access exists, many low-income families question whether education delivers meaningful returns. Respondents pointed out that when public schools are overcrowded, poorly staffed, and under-resourced, then the parents, especially those with limited formal education, struggle to see the benefit of enrolling their children. Respondent 4 pointed out that *“Many believe the education system is outdated and of low quality, as students often lack proper skills after completing 16 years of education.”* Respondent 7 indicated that, *“When families see no economic return from sending children to school, the decision to invest in education seems pointless. The quality of education doesn’t meet the expectations of many parents, which contributes to high dropout rates.”* The divide between private schools and underfunded public institutions further shapes parental perception. As Respondent 6 emphasized, *“In the government structure, the government reduces their own standards.”* Furthermore, the lack of trained teachers in public schools contributes to the perception of poor education quality.

Teacher absenteeism, lack of professional development, and poor teaching methods make the school experience ineffective, especially for children from marginalized backgrounds, who need the most support to succeed in education.

4.2.4 Discrimination in Education

Discrimination within the education system also plays a significant role in the marginalization of certain groups and in restricting their access to education. This discrimination takes place in various forms, including ethnic and linguistic bias, particularly in urban schools. Children who do not speak the dominant language, such as English or Urdu, are often perceived as linguistically disadvantaged or inferior, which leads to their exclusion from quality education. For many of these children, language barriers hinder their ability to actively participate in classroom activities, which can ultimately result in poor academic performance and eventual dropout. In addition, cultural biases also affect children from marginalized communities and regions. For instance, the refugee or migrant children often encounter discrimination within formal educational settings. These children are sometimes excluded from the mainstream school system and are compelled to shift into non-formal educational settings that offer substandard learning. Similarly, children from lower socio-economic backgrounds are often stigmatized related to their appearance, behaviour, and their underprivileged background, which further deepens their sense of isolation within the education system.

4.3 Theme 3: Policy Design and Implementation

A recurring concern expressed by almost all respondents was the constant failure in policy design and implementation within Pakistan's educational framework, particularly the challenge of out-of-school children (OOSC).

4.3.1 Policy Centralization

Another major structural barrier is the centralized approach to educational policymaking. Respondents emphasized that the policy formulation process mostly lacks consultation from teachers, parents, students, and school administrators. This top-down approach not only alienates grassroots stakeholders but also reduces the overall effectiveness of policies. This limitation is mostly indicated in the Pakistan National Education Policies (NEP) for OOSC, which can be evident from the 2017 National Education Policy's failure to achieve the desired objectives and goals. As explained by Respondent 4, *“Formulation of educational policies requires consultation with teachers, students, and parents... This is usually lacking in Pakistan's policies for OOSC.”* This detachment leads to policy instruments that look good on

paper but fail to resonate with those expected to implement them. In the opinion of Respondent 3, *“We make policies while sitting in boardrooms, completely disconnected from the child working in a car workshop or the girl helping her mother clean homes. Until we center them in policymaking, nothing changes.”*

4.3.2 Flaws in Policy Design

Another major critique pointed to the nature of policy design, where the success is measured through inputs (e.g., number of schools built, teachers hired) rather than actual learning outcomes or retention rates. According to Respondent 10, *“The government celebrates ‘desks distributed’ while 12-year-old Ali sells tissues at huts in QAU premises. That’s the gap between paper and practice.”* Respondents from both civil society and the public sector argued that budgets are structured, which is primarily focused on salaries and infrastructure, with little investment in interventions that enhance student retention or quality. As explained by Respondent 1, *“The budget goes mostly to non-development heads like salaries, while real learning outcomes — the child who can read, write, and think — are never tracked.”*

4.3.3 Local Planning Gaps

The lack of decentralization was seen as a major hurdle in service delivery. In the words of one respondent 4, *“The challenge of a centralized structure is that the policymakers are never in contact with the children they’re trying to educate.”* Conversely, schools and organizations that embedded parental feedback and local monitoring observed significantly better outcomes. As Respondent 10 explained, *“We invite parents every month and are in regular contact with guardians. That improved children’s learning outcomes and gave us feedback the government never collects.”* Respondent 11 emphasized that centralized, one-size-fits-all planning fails to capture the diversity of challenges across different communities. One educationist suggested adopting community-driven initiatives like the *“Teach One, Each One”* model, where university students’ mentor local children in their spare time.

4.3.4 Implementation Challenges

Multiple respondents pointed out the disconnect between the existence of legal frameworks and their execution on the ground. While Article 25-A of the Constitution guarantees free and compulsory education for children aged 5 to 16, most respondents asserted that there are no clear mechanisms to enforce this right. As explained by Respondent 2, *“There is no federal law that holds anyone accountable for a child being out of school.”* *“If a child doesn’t go to school, there’s no institutional responsibility to ensure they do.”* Similarly, Respondent 9 from

a marginalized area shared, *“We tested multiple interventions, but only those based on rigorous research worked. Still, no government body came forward to understand or scale them.”* Moreover, in the words of Respondent 8, *“To sign an MOU with Quaid-e-Azam University, we needed 34 approvals. One clerk held it hostage for a ‘computer fee’ bribe.”* This not only reflects administrative redundancy but also the deeper culture of informal gatekeeping that obstructs implementation at every level. As indicated by Respondent 2, *“We don’t even have a national registry that tracks children from birth. How can we plan if we don’t know who we’re planning for?”* Most policies suffer from "wishful thinking," with no clear understanding of the problem. Respondent 3 echoed Amartya Sen’s notion that *“writing rights are not enough unless you make them accessible, and explained, “You can’t claim education is a right if there are no means to enforce or access it. Then it’s just political rhetoric.”*

4.4 Theme 4: Governance and Accountability Failures

Failures in governance and weak institutional coordination emerged as fundamental barriers to achieving universal education and reducing the number of out-of-school children (OOSC) in Pakistan.

4.4.1 Lack of Accountability

A strong theme that ran across respondents’ critiques was weak accountability systems within the education bureaucracy. Although policies exist, there is no system to monitor their implementation or evaluate their success. Respondents expressed that the government makes public commitments, like achieving SDG 4 or implementing Article 25-A but has no mechanisms to hold itself accountable for progress. Respondent 2 remarked that *“There is no law or federal policy that holds anyone accountable for a child being out of school. It remains a promise, not a system.”* Respondent 3 added, *“No one is held responsible if a school fails, if children drop out, or if they are never enrolled. The system allows everyone to escape blame and accountability.”*

4.4.2 Weak Data and Evaluation

The absence of robust data and evaluation frameworks is another significant barrier to the effective implementation of education policy. Several respondents highlighted that without comprehensive and real-time data, it becomes impossible to assess the actual impact of educational policies. As many respondents stated, *“Without proper data, we cannot measure success or failure. Policies are launched, but there is no monitoring mechanism to evaluate whether they are achieving their intended goals.”* In Pakistan, many education programs are

launched without any systematic follow-up or assessment mechanism to understand their effectiveness and loopholes. In this regard, Respondent 1 commented that *“non-formal education programs provide alternative schooling models for OOSC, often lack evaluation frameworks. These programs are often introduced rapidly without understanding their long-term impact.”* In the opinion of Respondent 4, *“Evaluations expose systemic inequities and provide enough space for accountability and iterative improvement.”* The lack of data integration and coordination between government departments, ministries, the private sector, and non-governmental organizations is another critical concern. According to Respondent 2, *“There is no centralized system for data collection across various sectors. The absence of data interoperability indicates that we are flying blind when it comes to tracking educational progress.”* In this regard, reliable and integrated data systems are essential for policymakers and decision makers to evaluate educational outcomes, allocate sufficient resources, and amend policies based on the real feedback from the ground-level challenges.

4.4.3 Urban-Rural Governance Gaps

Governance disparities between urban and rural regions were also seen as a critical barrier. Respondents argued that while urban schools, especially in sectors like F-6 or F-7 in Islamabad, are equipped with better facilities and political attention, rural schools are neglected. A striking example was provided by Respondent 11, *“To get a child enrolled in an F-6 school, you need a reference. Meanwhile, rural schools have no toilets or classrooms.”* The inconsistency in enforcement, resourcing, and monitoring between urban and rural sectors reflects governance failure not just on a scale but in equity.

4.5 Theme 5: Public-Private Partnerships (PPP) in Education

As the public education system struggles with infrastructural deficits, resource scarcity, and declining trust, Public-Private Partnerships (PPPs) have emerged in Pakistan as a potential mechanism to bridge access gaps and improve service delivery for out-of-school children (OOSC).

4.5.1 PPP Potential

Public-Private partnership has had a practical impact in expanding access to education areas neglected by the public sector. In this regard, Respondent 6 indicated that *“PPP models are like Junior Jinnah Trust that quickly filled gaps in underserved areas and often outperform both public and low-cost private schools.”* These kinds of arrangements enable faster decision-making, context-specific solutions, and provide innovative approaches such as community

mobilization and learning incentives. For instance, Respondent 8 shared a successful enrollment drive through a partnership with a prominent foundation, The Citizen Foundation (TCF), and highlighted that *“Our partnership with TCF enrolled 120 children in Bari Imam.”* Additionally, private sector involvement has shown better outcomes in regions like Punjab and Sindh. Moreover, Respondent 2 indicated that *“In some instances, PPP schools have shown better results in terms of student retention and learning outcomes compared to fully public schools”*. Respondent 7 states that *“The PPP model is good, but it does not ensure sustainability.”* PPP can demonstrate potential efficiency, learning gains, and achievement in the delivery of education targets if innovation, competition, and accountability are introduced for the private sector.

4.5.2 Implementation Challenges

While the potential of PPPs is acknowledged, several challenges exist in the successful implementation of the model. One of the primary barriers is the lack of clarity in defining the roles and responsibilities of the public and private sectors. Moreover, the dependency on funding was viewed as a major vulnerability. Without having consistent policy support, their integration into broader educational planning can hamper the community with renewed gaps. Another critical concern was raised about the tendency of the private sector, which mostly focuses on profit generation rather than educational outcomes and often compromises on the quality of education. Furthermore, the absence of strong accountability mechanisms can further exacerbate the problem, as several respondents raised concerns about how insufficient oversight can lead to underperformance in some PPP schools. In this regard, Respondent 1 demonstrated that *“Without strong oversight from the government or third-party evaluators, private contractors can sometimes fail to meet the agreed-upon*

Additionally, some PPP stakeholders shared their experiences of navigating Pakistan’s rigid and sludge in the bureaucratic administrative frameworks. In this regard, Respondent 8 shared the process of signing a Memorandum of Understanding (MoU) with a federal university, remarked, *“We needed 34 approvals. One clerk held it hostage for a ‘computer fee’ bribe.”* As explained by Respondent 2, *“There is no clear policy on how PPPs should be structured for education delivery. Every agreement feels like reinventing the wheel.”* Without simplified procedures, clear guidelines, transparency, and mutual accountability, private partners would continue to face operational uncertainty and reputational risk, which would ultimately undermine the effectiveness of PPP initiatives in education.

4.6 Theme 6: The Role of Social Impact Bonds in Education

In the broader context of the education crisis in Pakistan, particularly for marginalized and out-of-school children (OOSC), the potential of Social Impact Bonds emerged as a significant approach and a suitable financing model. Although a few of the respondents who were familiar with the concept and technicalities of SIBs presented a strong case for the contextual adoption of this financial model in Islamabad. Their perspectives emphasized the urgent need to shift from a traditional input and activities-based financing toward outcome-based models that could promote accountability, foster innovation, and ensure performance-based service delivery. These reflections highlight both the promise and the practical relevance of SIBs within the educational landscape of Pakistan.

4.6.1 SIB Potential

One of the primary advantages of Social Impact Bonds lies in their ability to address the financial constraints of governments while ensuring accountability for educational outcomes. As Respondent 1 highlighted, *“Social Impact Bonds provide a mechanism for outcome-based financing, which indicates that the funds are allocated based on actual results rather than just inputs such as the number of schools built or teachers trained.”* This shift from an input-based to an outcome-based model encourages efficiency and incentivizes the service providers to deliver tangible improvements in education, such as increased enrollment rates and enhanced learning outcomes. Another significant opportunity offered by Social Impact Bonds is their potential role to attract private sector investment into the education system. As Respondent 2 explained, *“The ability to leverage private investments for public education programs opens new avenues for funding, which is especially crucial in a country like Pakistan, where the education sector faces multiple challenges such as low allocation of budget.”* Thus, SIBs could serve as a tool to bring much-needed capital into the education sector, particularly for programs and initiatives aimed at reaching out to the marginalized and out-of-school children.

Furthermore, Social Impact Bonds encourage collaborative engagement and efforts among the government, private investors, and non-governmental organizations. This multi-stakeholder approach fosters innovative solutions that are better equipped to cater to the diverse challenges faced by children in getting an education. By aligning the interests of various stakeholders, SIBs can help to achieve long-term educational goals, while simultaneously offering financial returns to the investors who successfully deliver the measurable outcomes. Additionally, respondents emphasized that SIBs offer an opportunity to realign incentives among diverse

stakeholders such as government, donor organizations, service providers, and evaluators by creating shared accountability for outcomes. Respondent 8 indicated that *“Imagine: Investors fund QCSS teacher training, UNICEF validates learning gains, the government repays investors per literate child. This aligns interests.”* This multidirectional partnership model was viewed as critical to solving deeply entrenched challenges in Pakistan’s education sector.

Additionally, Respondent 9 from a grassroots school shared their practical pilot project with an international donor, where payment was linked to verifiable literacy gains per student. The result was remarkable: *“Enrollment jumped 300% in six months, where we paid mothers as ‘learning monitors’, and they became our fiercest enrollment advocates. When we paid mothers Rs. 1000 per child’s monthly test pass, and retention hit 98%.”* A Few Respondents added that traditional financing mechanisms, such as input-based grants or rigid budgetary allocations, rarely prioritize whether children are learning in the classroom; however, the SIBs tie funding to meaningful results, where traditional funding buys desks while results-based financing buys destinies.

4.6.2 Structural Reforms

A consistent theme among the few respondents familiar with Social Impact Bonds was the critical need for robust structural and institutional reforms to enable their effective implementation in Pakistan’s education system. While the model was generally acknowledged as innovative and potentially transformative, most respondents emphasized that the current bureaucratic, legal, and administrative environment in Islamabad is not yet conducive to performance-based financing mechanisms.

4.6.3 Institutional and Legal Barriers

Several respondents who had direct experience attempting to implement or pilot Social Impact Bonds –like models pointed to Pakistan’s regulatory frameworks as a fundamental barrier. Most of the time, the government sees Private partners as an alien, and they walk away when faced with cases of kleptocracy. Many Respondents emphasized that without revising procurement and public-private contracting laws, respondents argued, no serious investor would risk engaging in long-term, outcome-based projects. Moreover, Respondents advocated for targeted legal reforms, specifically amendments to the Public Procurement Regulatory Authority (PPRA) Rules, to accommodate performance-linked financing models such as Social or Development Social Impact Bonds. One respondent shared that they had already drafted a sample framework in collaboration with institutional economists to support this transition,

indicating a proactive yet unsupported civil society effort. In this regard, Respondent 2 pointed out that *“First, amend the PPRA Rules to allow outcome-based contracting. Second, create an independent OOSC verification body.”*

4.6.4 Monitoring and Verification Gaps

A critical reform needed for the effective implementation of Social Impact Bonds in education is the strengthening of data collection and evaluation systems. Respondents repeatedly highlighted that data gaps and the lack of reliable, real-time information undermine the effectiveness of education policies and prevent accurate measurement of educational outcomes. As Respondent 2 emphasized, *“Data is the backbone of any outcome-based model like Social Impact Bonds.”* For Social Impact Bonds to succeed, Pakistan must invest in creating robust data infrastructures that can track student outcomes, school performance, and resource allocation across the entire education system. Another respondent indicated that *“Social Impact Bonds are only as good as the evaluations they are based on, and without a consistent evaluation framework, it is difficult to assess the actual impact of these programs.”* *“Social Impact Bonds are an innovative model, but there is a need for clear, transparent policies that define how outcomes will be measured, what constitutes success, and how private sector investments will be monitored.”* Respondent 8 shared his personal experience as *“In 2023, a Dubai investor offered \$50K for a Social Impact Bond. We identified 200 OOSC, trained teachers, and designed metrics.”* Although the deal collapsed due to bureaucratic delays, the narrative clearly demonstrates the readiness of external actors to invest if results can be validated. *“When we proposed biometric verification for an RBF, the Education Secretary laughed: ‘Our system can’t even track teacher absenteeism.’ No trust in data = no outcome financing.”*

4.6.5 Capacity Gaps

Another area of reform identified by respondents is the capacity building of key educational institutions to manage Social Impact Bonds effectively. This includes not only government agencies but also the private sector, NGOs, and other stakeholders involved in the execution of Social Impact Bonds. According to Respondent 1, *“Institutional strengthening is a key requirement for the success of any education reform, especially one as complex as Social Impact Bonds.”* Specifically, respondents suggested the need for training in financial management, outcome-based financing models, and data analysis to enhance the capacity of both sectors to manage such innovative models. Additionally, respondents stressed the importance of fostering collaboration between public and private entities. *“Social Impact*

Bonds require effective partnerships between governments, investors, service providers, and civil society organizations. Public-private collaboration is essential to ensuring that the interests of all stakeholders are aligned and that the model is successful.” “Third, train bureaucrats on RBF; most confuse it with stock markets.”

4.7 Summary of Thematic Analysis

The research reveals several critical barriers and challenges in addressing the issue of out-of-school children (OOSC) in Pakistan, focusing on both systemic and structural issues within the education sector. Through the thematic analysis, it becomes clear that the lack of government priority, inadequate policy design, governance failures, and socio-economic constraints all contribute to the persistent challenge of OOSC.

One of the most pressing themes identified in the analysis is the lack of government priority in education. While education is often mentioned in state discourse and development plans, in reality, it remains peripheral in the government’s agenda. State symbolic commitment is evident through high-profile programs aimed at political agendas or donor attractions, which are often concentrated in urban areas, leaving rural schools without basic infrastructure. The government does not see education as a blessing; instead, it is perceived as a burden. The issue of financing and resource allocation further compounds the problem, with insufficient budgets and the misallocation of resources, such as prioritizing infrastructure over learning outcomes, leaving the education system failing to meet its desired goals.

Another significant issue in the education system is the elite's resistance to inclusive policy. Those who formulate policies and have decision-making powers are often perceived as beneficiaries of an inequitable system, which leads to a lack of priority in transforming education. In this regard, the divide between public and private schooling serves as a tool for social control, where the elite send their children to private school while the poor are left in the low-resourced public institutions. The problem indicates that the OOSC challenge is not just technical, but it's moral, as our elected representatives do lip service. They don't know what's missing in these institutions, as their own children don't study in public schools. This approach further exacerbated the crisis and played a vital role in perpetuating the current disparities within the education system, as those in power have little incentive to improve public education for marginalized communities.

Structural barriers to education are deeply linked with socio-economic challenges. For many low-income families, the financial constraints shaped parents’ decisions to force their children

to labor instead of sending them to school. In such cases, priority is given to immediate economic returns rather than the value of education. Moreover, the hidden costs of education, such as uniforms, transportation, and other supplies, create a significant barrier for families to enroll their children in school. Additionally, social and cultural norms regarding gender also play a crucial role in restricting girls' access to education. In patriarchal societies, girls are often expected to contribute to domestic responsibilities rather than pursue formal schooling. Moreover, the safety concerns regarding distance to school discourage families from sending their daughters to school. These gender barriers further contribute to the gender disparity in the attainment of education. Even when access to education is available, many low-income families perceive the quality of education as inadequate, as investing in education does not ensure any meaningful benefits.

Policy design and implementation challenges further exacerbate the OOSC crisis. In Pakistan, the policymaking process followed a centralized approach, where decisions are made without consultation from local communities, teachers, and school administrators. This top-down approach often results in hindering the effective implementation of policies and the achievement of goals. Respondents emphasized that top-down policies fail to resonate with those they are designed to help, making it difficult for reforms to succeed. Moreover, the policies are made in a boardroom and are completely disconnected from the child working in a car workshop or the girl helping her mother at home. Until we involve them in policymaking, no change will occur. On the other hand, the central issue in policy implementation is the lack of accountability and an evaluation mechanism. While policies such as Article 25-A guarantee free and compulsory education, they lack clear enforcement mechanisms. Even in Islamabad, no law holds anyone accountable for a child being out of school. This lack of accountability undermines the government's ability to fulfil its commitments to ensuring education for all.

Despite these challenges, Public-Private Partnerships have shown potential in addressing the gaps in the crisis of OOSC. PPPs have been proven as a successful model in addressing infrastructure deficiencies and improving educational outcomes in underserved areas. However, there are associated challenges in the adoption of PPP, such as the lack of defined roles between the public and private sectors, and insufficient oversight remains a significant challenge. Moreover, the private sector motive revolves around profit, which can undermine the quality of education. Profit-driven motives of private partners can sometimes compromise educational quality. On the other hand, Social Impact Bonds were also examined as a potential financing mechanism for education. SIBs present an innovative approach by linking financial

disbursements to measurable outcomes, which ensure efficiency and accountability in the education system. However, the successful implementation of SIBs requires institutional reforms such as amendments to procurement laws, the establishment of outcome verification bodies, and the enhancement of data collection systems. These reforms are necessary to overcome the regulatory barriers and bureaucratic inefficiencies that currently hinder the education sector's capacity to implement performance-based financing models.

In conclusion, this thematic analysis highlights several structural and policy barriers in the attainment of universal education in Pakistan, including government priority, governance and implementation failures, insufficient financing, socio-cultural constraints, and flawed policy design. Addressing these challenges requires a holistic approach that includes policy reforms, accountability mechanisms, and innovative financing models like Social Impact Bonds. By improving governance, strengthening data systems, and promoting collaboration between public and private sectors, we can build an education system that is more inclusive, equitable, and capable of meeting the educational needs of all children in the country.

CHAPTER 5

CONCLUSION AND POLICY RECOMMENDATIONS

This chapter explains the conclusion and policy recommendations of the study.

5.1 Conclusion

This study aims to explore the structural issues and policy breaches that hinder the achievement of zero out-of-school children in Islamabad. An in-depth investigation of policy failures, governance challenges, and socio-economic barriers revealed that the persistent issue of OOSC in Islamabad is the systemic flaws within Pakistan's education system. These issues include a lack of political will, misallocation of resources, inefficiencies in policy execution, and the absence of a clear and inclusive strategy for out-of-school children.

One of the key findings of this study is the government's failure to ensure education as a fundamental human right, as enshrined in Article 25-A of the Constitution, but lacking an enforcement mechanism. However, OOSC reflects a broader structural challenge, governance issues, and a lack of strong commitment to flourishing education. Education is often treated as a symbolic priority, as often discussed in public forums, even announced as a national education emergency; however, there is no strong implementation of the commitment. Moreover, policymakers often prioritize inputs such as the construction of schools or the hiring of teachers over outcomes like student retention, learning gains, and teacher training.

Additionally, the research identified challenges related to data availability and coordination among government agencies and local bodies. The lack of reliable data and ineffective monitoring systems has been a significant barrier to assessing the impact of current policies. The study emphasized the importance of continuous feedback mechanisms to understand the ground realities for addressing the structural challenges towards the attainment of education. Moreover, the evaluation mechanism should focus on learning outcomes and whether the policies are effective in achieving their educational goals.

Moreover, socio-economic challenges such as poverty, child labor, and gender norms are playing a critical role in OOSC in Islamabad. Families often prioritize immediate economic needs over long-term educational benefits. Addressing this perception requires community-based interventions that offer tangible incentives for education and raise awareness about the purpose of education. In addition, the study also emphasizes the need for inclusive policies. To

ensure inclusive programs and policies, the structure should be decentralized to meet the community's needs. Adopting a bottom-up approach, where the community members, teachers, and parents are actively involved in the educational process, can create a more responsive and accountable education system.

The Social Impact Bonds model emerged as a promising solution to address financial constraints and inefficiencies within the education system. SIBs provide a performance-based financing mechanism, ensuring that funds are tied to real improvements in enrollment, retention, and learning outcomes. The accountability offered by SIBs could serve as a crucial mechanism for ensuring that education policies are not only well-designed but also effectively executed. However, there are significant challenges in the implementation of SIBs, such as capacity building and data availability. Moreover, a significant gap is indicated in knowledge and technical capacity within both the public and private sectors, which could obstruct the successful adoption of innovative financing models in education.

This research highlights the urgent need for a shift in the educational policy paradigm in Pakistan. The government must move beyond symbolic commitments and prioritize the educational goals at both the national and local levels to bring meaningful reform. Where education is genuinely prioritized at both the national and local levels. The achievement of national and international commitments not only demands a political will but also a strategic budget allocation to address the root causes of OOSC. In addition, the policy should shift its focus from input-based financing to outcome-based models that align funding with measurable improvements in educational outcomes. A data-driven approach in policy formulation, strong monitoring and evaluation systems will ensure sustainable and effective interventions regarding the OOSC challenge in Islamabad.

In a nutshell, the failure of national and international commitments highlights the need for addressing the high OOSC problem in Pakistan. This requires structural changes in the education sector, such as evidence-based policy formulation, a bottom-up approach, data standardization, transparency, accountability, and evaluation for achieving target outcomes. For this, PPP is the need of the hour for bringing the OOSC into the schools. In Pakistan, due to a lack of political will, a low budget is allocated for education. Addressing the structural challenges and budget constraints in the country requires adopting *Social Impact Bonds* in the education sector. This model would not only provide upfront capital for the agenda but would also shift the traditional financing approach towards outcomes rather than inputs and activities. The International donors are supporting low- and middle-income countries to use *Social Impact*

Bonds for the best practical approaches for achieving the targeted outcomes in education. Implementing the SIB model in education can transform the educational landscape in Pakistan, particularly for its most vulnerable segments of the population.

5.2 Policy Recommendations

The findings of this study indicated that addressing the ongoing issue of out-of-school children in Islamabad demands a multidimensional approach and a reform agenda rooted in the structural challenges. Across in-depth interviews, respondents highlighted a range of systemic, political, financial, and operational failures that are impeding progress toward achieving universal education. These recommendations are drawn directly from the thematic analysis of stakeholder insights and reflect both specific suggestions made by respondents and broader reforms implied by their critique of the current policy and implementation landscape. Each recommendation aims to support national and international education commitments, particularly SDG 4, while accounting for Islamabad's unique administrative context and the lived realities of vulnerable children and families.

Democratization of Education

Education should be a central issue within parliamentary debates, media discussions, and a vital part of public discourse. Without elevating education to this level of societal importance, the challenge will remain a marginal issue, shielded from democratic pressure and unresponsive to the lived realities of communities. Moreover, the democratization of education governance is not merely a technical measure but a political necessity. The elected representatives, bureaucrats, and institutional heads must be held publicly accountable for their progress in reducing the OOSC. This should include public discourse, parliamentary reviews, and regular citizen hearings focused on education performance at the district and union council levels.

Establish a Unified Education Policy Framework

A long-term national education framework must be developed and institutionalized that transcends political shifts and changes in government. In this regard, there should be a unified policy, regardless of political party, that must remain intact to ensure continuity in the achievement of national commitments and goals. Moreover, there should be an implementation mechanism in the enforcement of Article 25 that guarantees free and compulsory education.

Integrated Multi-Sectoral Education Approach

Addressing the OOSC challenge requires a holistic approach where the schooling should be linked with health, nutrition, social protection, legal documentation, and household economic support programs. The targeted programs, such as conditional cash transfers, free school meals, and subsidies for learning materials, should be expanded to reduce the out-of-school children. Furthermore, there should be a unified inter-ministerial and departmental coordination unit, where the data system is integrated, and collaboration with community-based organizations to ensure the effective implementation of the efforts invested in a common agenda.

Financial and Resource Allocation Improvements

Funding emerged as a fundamental issue both in terms of government priorities and household poverty. A significant portion of the education budget goes to salaries and superficial infrastructure. More funds must be allocated to teacher training, learning materials, remedial programs, and student well-being that directly improve educational outcomes. Moreover, Programs like BISP (Benazir Income Support Program) have demonstrated that conditional cash transfers can increase enrollment and reduce dropout rates. Expansion of such programs is vital in Islamabad's under-resourced urban settlements and rural union councils.

Institutionalizing Evaluation and Data Systems

A recurring recommendation was the need to ensure evaluation, data, and feedback into all education policy and financing mechanisms. The real-time, school-level data, including attendance, enrollment, and performance, must be integrated through digital tools accessible to schools and administrators. In addition, financial models like RBF should be a part of the structure, which indicates significant improvements in enrollment and learning outcomes when payments were tied to performance. Moreover, the District Education Offices should be equipped with trained Monitoring and Evaluation officers who can conduct regular reviews and support adaptive implementation.

Contextualizing and Piloting Social Impact Bonds

Social Impact Bonds can be a transformative financing tool if institutional and structural barriers are addressed. In this regard, initiating pilot projects based on Social Impact Bonds should be introduced in collaboration with credible NGOs, local schools, and external evaluators. For this, an independent outcome verification body should be established.

Moreover, the existing procurement regulations prevent flexible, performance-linked funding, which needs to be amended to enable a suitable environment for RBF and SIBs.

5.3 Limitations of the Study

While this study provides critical insights into the structural issues surrounding out-of-school children (OOSC) in Islamabad, there are several limitations that must be acknowledged.

Geographical Scope and Generalizability

The study was confined to Islamabad, the federal capital of Pakistan. Although Islamabad is representative of urban educational challenges, the findings may not fully capture the complexity of rural areas, where education-related issues may be different from those in other sectors.

Sample Size and Respondent Diversity

The sample size in this research, based on in-depth interviews, is relatively small. While the respondents were experts, educators, and policymakers, a larger and more diverse sample, including parents, students, and other stakeholders, could have offered a more comprehensive understanding of the issues faced by out-of-school children.

Limited Knowledge of Social Impact Bonds

A key finding of this study highlighted that many respondents were unfamiliar with the Social Impact Bonds model. Despite this, the study attempted to explore how such a model could be implemented in the local educational landscape. The lack of familiarity with the model limits the depth of insights regarding its potential impact and the challenges associated with its implementation.

5.4 Future Research Directions

Despite the limitations, this study provides several avenues that can be further explored to understand the complexities around the OOSC challenge and the potential role of Social Impact Bonds in education reform.

Exploring the Effectiveness of Social Impact Bonds

The implementation and effectiveness of SIBs can be further investigated in the local education landscape of Islamabad. Given the promising results of SIBs in other countries, future research could focus on case studies that examine how the model can be adapted to Pakistan's education system.

Comparative Studies Across Provinces

While this study focused on Islamabad, it would be valuable to extend the research to other regions of Pakistan, particularly in rural and underserved areas. A comparative analysis between urban and rural regions could offer insights into how structural barriers, socio-economic factors, and policy barriers are creating hurdles for children to enroll in school.

Public-Private Partnerships and Community Engagement

The future research could further focus on how community-based solutions, where the local communities, parents, and NGOs can collaborate with the public and private sectors, can reduce the barriers towards the attainment of education.

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ANNEXURE A

Question Guide for In-Depth Interviews

Sr. #	Questions
1	What are the structural barriers and challenges in ensuring Zero OOSC in Islamabad?
2	What are the major policy breaches for addressing out-of-school children in Islamabad?
3	Why do policymakers need to prioritize OOSC compared to other educational challenges in Islamabad?
4	Are the traditional policies focusing on inputs and activities, rather than outcomes, failing to achieve the desired objectives?
5	What governance challenges are contributing to the failure of policy implementation regarding OOSC in Islamabad?
6	How does political instability and financial constraints can impact the continuity and effectiveness of these policies in Islamabad?
7	How can evaluating processes improve the effectiveness of policies targeting OOSC, particularly in marginalized areas?
8	How are socio-economic hurdles contributing to children remaining out of school?
9	How does the perception of low quality of education in public school influence parents' decisions to keep children out of school?
10	To what extent PPP can increase the enrollment of children compared to Public and Private Schools?
11	What are the structural barriers for the successful implementation of PPP for OOSC in Islamabad?
12	How can results-based financing models address the inefficiencies in OOSC policies and programs?
13	What challenges hinder the implementation of results-based financing for OOSC education in Islamabad?
14	What role can <i>Social Impact Bonds</i> play in improving educational attainment, and how can it be contextualized in Pakistan's educational system?
15	How can Social Impact Bonds encourage collaboration between government, private sector, and donors in addressing OOSC challenges?
16	What structural reforms are necessary for Social Impact Bonds to be successfully implemented in the education sector of Islamabad?
17	How do financial constraints limit the adoption of innovative financing models like Social Impact Bonds for OOSC?
18	How does the RBF differ from traditional financing, and does the education sector need to change its approach from input and activities based to Outcome based financing for reducing OOSC?
19	What limitations in capacity and data availability prevent the successful implementation of RBF models in Islamabad's education sector?

ANNEXURE B

This Section describes the essence of observations made by respondents.

Respondent 1

The respondent provides a comprehensive critique of the systemic and structural barriers that hinder universal access to education in Pakistan. The discussion begins by highlighting that the problem of out-of-school children (OOSC) exists on both the demand and supply sides. On the demand side, poverty plays a decisive role, compelling families to prefer skill-based work for their children over formal education due to the immediate economic returns. On the supply side, although education is constitutionally guaranteed as a fundamental human right, and advertised as free, families face significant hidden costs such as transport, uniforms, stationery, and tuition. However, this constitutional promise is undermined by a shortage of resources and poor implementation. Schools follow a pyramidal progression model, assuming many students will drop out along the way. While policies are in place, the real issue lies in their execution. Moreover, there is a lack of continuity in policy due to frequent changes in political leadership. Inconsistent policy implementation hampers long-term progress.

The quality of education is one of the primary factors contributing to dropout rates. The public education expenditure is disproportionately tilted towards salaries, leaving minimal funds for development, teacher training, accountability, or education quality improvements. Teachers, in many cases, are overburdened with non-teaching responsibilities such as election duties, which further distract from their core role. The purpose of education itself needs to be redefined: what outcomes are we expecting from it? The current curriculum is content-heavy and lacks practical utility. Schools fail to prepare children for real-world responsibilities like civic participation, banking, and documentation. Students are caught between the formal (explicit) curriculum and the informal (hidden) curriculum, which includes unspoken expectations around discipline, obedience, and differences in authority. In this regard, the respondent raised a question that “Do schools really empower students to think critically and participate in society?” Or do they merely socialize them into passive compliance? If children are not finding value in school, it's not surprising they or their parents may choose other paths. Until equity and quality are ensured, the goals of universal education will remain unmet.

Private sector engagement has considerable potential, as they cater over half of the student population. However, registration and regulation remain weak. Public-Private Partnership (PPP) models and collaborations with organizations like JICA are attempting to bridge literacy

and numeracy gaps, as well as provide technical and vocational training to make children employable. Still, there is skepticism and resistance, especially among teachers who see PPP as a threat to their job security. The respondent believes it is the state's responsibility to communicate the purpose of PPPs clearly and ensure that the model remains outcome-based and accountable, even as it recognizes the profit motives of private actors. In this regard, the respondent also highlights that the emerging model of Social Impact Bonds can be a promising financial model. However, there are inherent risks of manipulation, especially if success indicators are artificially inflated. The government must develop safeguards, learn from international experiences like India, and consider piloting the approach before full-scale adoption. Data challenges persist due to the devolution of education in the provinces. Many provinces are reluctant to share data openly, impeding national-level planning. Issues like teacher absenteeism and ghost schools have begun receiving attention, but sustained progress requires public engagement and discourse.

“The perception needs to be changed... education is not really free; families are spending a lot of family income.”

Respondent 2

The respondent indicated that the core issue lies in the absence of genuine political will and ownership. Despite abundant policy dialogues, seminars, and lip service, there is little practical commitment from the government to treat education as a fundamental human right. Citizens without privilege, especially those in informal or marginalized communities, have no recourse for demanding education as a right. In addition, decision-making authorities mostly rest in the hands of unaccountable bureaucracies, such as the Federal Directorate of Education and the Capital Development Authority. Without a mayor or local elected representation, the basic social contract between the citizen and state is fractured. The respondent criticized the absence of a comprehensive education sector plan in Islamabad. Most initiatives focus on constructing school buildings rather than addressing systemic issues or creating incentives to achieve universal enrollment. Moreover, Article 25-A of the Constitution and the ICT Compulsory Education Act are supposed to guarantee educational access, but the implementation is weak.

A significant number of these children are temporary migrants from provinces like KP, Balochistan, or from Afghanistan, and they often lack documentation like B-forms or CNICs. Although schools are supposed to accept children without such documents, this is rarely implemented, pushing children toward madrassas and informal community schools. Moreover,

the discrimination within schools based on language or ethnicity further isolates marginalized groups, especially those who do not speak Urdu or English fluently. From a demand-side perspective, the respondent emphasized that economic necessity often dictates educational decisions. Social norms, particularly around girls' mobility and safety, further complicate access, especially in rural areas. Many families see schooling as a lost opportunity for children to contribute to household income. Moreover, citizens, especially from the working class, do not demand their children's right to education out of fear of state retaliation. In addition, education is not integrated with health or social protection policies, weakening the multidimensional support that families require to keep children in school.

The respondent identified governance as a central failure. Fiscal planning focuses on how many teachers to hire or classrooms to build, rather than on how many children will be brought into schools or what learning outcomes they will achieve. In Islamabad, most of the budget supports higher education, with minimal resources trickling down to primary schooling. Evaluation mechanisms were another area of concern. Moreover, the respondent argued that monitoring and evaluation exist mostly on paper and are not meaningfully applied. Even when budgets are allocated, they are often not released on time or spent efficiently, leading to funds being returned. A robust evaluation system is urgently needed which includes civil society, educators, and beneficiaries. Planning Commission documents should be made publicly accessible, as practiced by international development organizations like the World Bank. Instead, a participatory and democratic evaluation model is needed, where stakeholders are consulted and policies adjusted based on their input.

The respondent then addressed the role of Public-Private Partnerships (PPP). Ideally, it should be a state responsibility to provide education to all, but the current fiscal situation demands innovative solutions. Models in Sindh and Punjab demonstrate how PPPs can combine the scale of the public sector with the quality and efficiency of private initiatives. However, PPPs face major regulatory and ideological hurdles. The state often treats NGOs and community initiatives with suspicion and enabling environments for collaboration are lacking. On Social Impact Bonds, the respondent offered a balanced view. While skeptical of privatizing educational decision-making, they acknowledged the model's potential to bring in much-needed financing and promote outcome-driven approaches. But for this, Pakistan needs a strong data system to verify outcomes and ensure accountability. The respondent warned against investor-driven metrics that might prioritize numbers over meaningful learning

environments. Nevertheless, if accompanied by proper checks and balances, this model could help address the financing and effectiveness gap.

“We have 89,000 out-of-school children which represents 15% of the population between the ages group of 5-16... in a city made for elites, that’s quite alarming.”

Respondent 3

The education policies and efforts in Pakistan are not driven by genuine local commitment, but by external international pressures aimed at showcasing development rather than achieving it. Education is perceived by the state as a burden not as a blessing. In addition, the respondent raised a critique to the narrative of lack of resources, if countries like Singapore can manage equitable distribution of educational institutions so why not Pakistan? The issue is not associated with the low resources instead it’s a reflection of state priorities. Moreover, the structural inequities are maintained by design. Those who formulate policy are themselves beneficiaries of the status quo and are unlikely to create laws that would disrupt their privilege. Even the most educated struggle to navigate Pakistan’s systems like taxation which is demonstrating how exclusion is embedded in the structure. The chaos in Pakistan's policies, stems from a fundamental confusion of priorities and lack of direction.

Additionally, the dropout crisis stems from deep-rooted socio-economic factors, such as poverty, child labor, and family survival strategies. Many children are pulled out of school not due to incompetence but due to existential pressures, like working as domestic helpers or assistants in shops. The respondent proposes a state-supported welfare mechanism, inspired by Japan, wherein the government financially supports poor parents to ensure children remain in school, and penalizes in the case of non-compliance. Moreover, the respondent raised a strong critique of Article 25-A, which guarantees free and compulsory education from ages 5 to 16. The rights assert by state must be accompanied by means of implementation. Otherwise, they remain empty political rhetoric. The real goal should be creating equal opportunities rather than expecting equal outcomes, as the current system does not level the playing field for a child living in the slums versus one in Islamabad's urban sectors.

On public-private partnerships (PPPs), the respondent pointed that PPPs are designed to guarantee profits for the private sector at the expense of public interest, much like the independent power plants (IPPs) in Pakistan’s energy sector. Government land and infrastructure are offered to private actors, who then charge fees, while ghost enrollment and profit-seeking practices go unchecked. Instead, the respondent advocate for direct public

investment, hiring qualified teachers, and building strong public schools through capacity-building and effective regulation. The respondent also rejects Result-Based Financing (RBF) and Social Impact Bonds as superficial models rooted in flawed assumptions about measurable outcomes. We don't need to play with the terminologies, instead we need to work on fundamentals. These mechanisms focus on output over effort and distract from deeper, value-driven reforms. Drawing inspiration from programs like Teach for Pakistan, the government needs to adopt hiring practices that value empathy, motivation, and social commitment rather than qualities that cannot be captured through Key performance indicators (KPIs) alone.

“We don't have the intrinsic desire that everyone should read and write.”

Respondent 4

The respondent presents a critical analysis of Pakistan's education governance and the structural failures in addressing out-of-school children (OOSC). In education sector numerous plans and programs exist on paper, the practical implementation is fragmented, weak, and often driven by donor priorities rather than national strategy. The problem is not a lack of awareness of what needs to be done, but a consistent failure to act with coherence, seriousness, and long-term planning. In addition, the decision-making power remains concentrated at the federal level, with little authority delegated to district or community actors. This centralization with weak bureaucratic accountability and capacity leads to slow responses, poor service delivery, and little to no adaptability in the system. The education system is not structured to solve problems, rather it is built to maintain bureaucratic control and political interests.

In addition, the bureaucratic structures are more concerned with enrollment figures and documentation rather than real outcomes. The respondent critically notes the manipulation of education statistics, citing that once it was claimed of achieving “zero OOSC,” which, according to her, is baseless and politically driven. These figures are often based on superficial campaigns, temporary setups, and ghost data that do not reflect the lived reality of children and families. The absence of credible data systems and inter-ministerial coordination further complicates the situation. Ministries mostly adopt disintegrated approach of having no integrated database or shared understanding of the scale and distribution of the problem. Learning cannot happen in isolation, for that education must be delivered as part of an integrated package of social support, especially for the poorest and most at-risk children.

A respondent highlighted the critiques on the philosophical underpinnings of current policymaking. The prevailing approach assumes limitations are fixed, and solutions must be

found within those limitations, and without questioning whether the system itself is broken. This mindset, according to her, prevents creative problem-solving and keeps the education sector trapped in a cycle of surface-level reforms and short-term projects. Programs are often launched for political visibility, such as giving out laptops or scooters, while deeper structural and pedagogical issues remain unaddressed. On the other hand, policy decisions are often made by individuals without specialized knowledge in education. Consequently, projects are announced, piloted, and abandoned with little evaluation or continuity. Ministries are often reactive, responding to donor interest or political pressure rather than developing a sustainable, evidence-based approach.

“The system is not set up to solve educational problems, it is set up to maintain bureaucratic interests.”

Respondent 5

The expert underscored that the fundamental problems lie on the supply side of education, not demand. According to them, communities are willing to send their children to school if the facilities are safe, accessible, and of adequate quality. However, in many areas, especially rural, peri-urban, and slum settlements, where either schools are not available, or too distant, which is creating barriers in accessibility particularly for girls. Moreover, there is a severe disconnect between the scale of educational need and the capacity of existing institutions. For example, there are primary schools but very few middle or secondary schools, creating educational drop-off points that disproportionately affect children. The education system is fragmented and under-imagined, and the absence of a coherent and updated national policy reflects a deep governance failure.

In addition, education crisis is not merely educational, it is a multi-sectoral development failure. Children who are out of school are often food insecure, unregistered, and excluded from social protection programs. Without addressing health, nutrition, social security, documentation, and economic livelihood, educational access alone cannot succeed. There is a need for an integrated, multi-sectoral model of intervention, including social protection schemes tailored specifically to children’s educational needs. The respondent also criticized non-formal education programs as being overly basic or insufficiently aligned with real educational progression. They urged the development of skill-based, accelerated learning models with livelihood linkages, especially for the poorest children. They argued that social support mechanisms like the Benazir Taleemi Wazaif must include displaced and migrant

children, especially those residing in Islamabad's informal settlements, who are often excluded from national databases.

“Our policy has been frozen since 2009. We have no meaningful national education policy today.”

Respondent 6

Education is rarely a real priority in political manifestos, and campaigns promise often to dissolve into action. Policymakers often link out-of-school children to a lack of schools, without addressing structural or systemic issues. Moreover, the respondent explained the diversity of educational streams in Pakistan such as public, private, non-formal, and religious education, and emphasized how expectations vary across income groups. For instance, the elite expect to enroll their children in schools that provide learning in international curricula which later led to the opportunities for foreign scholarships, which are often provided by private schools. Due to a vacuum in public service delivery, low-cost private schools have mushroomed, but they face barriers such as expensive NOCs and unrealistic mandates like free education quotas, which push them to increase fees for students and limit accessibility.

On structural barriers, the respondent highlighted the poor learning outcomes, and lack of recognition for non-formal education. Despite schools being physically available, many children remain out of school due to mistrust in the system, as they perceived irrelevance of education to the job market, and unaffordable associated costs. Many parents view child labor as economically more beneficial. In addition, most of the education budget is allocated to infrastructure, there is little investment in quality such as teacher training or critical thinking development. Although technological modernization is discussed such as introducing AI, it lacks the necessary support systems like internet access and trained educators. In this regard, the respondent strongly advocated for simultaneous attention to both supply and demand sides, as current policies are disconnected from community realities.

“The government claims we are providing free education, but there are associated costs such as stationery, logistics, and workbooks.”