

Pakistan doesnot need to spend more on education and health; the country just needs to spend it better

Outline

1. Introduction

- a. Thesis Statement: Pakistan's crisis in education and health is not born of scarcity but of squander, and until the nation learns to spend smarter, not merely bigger, its future will remain hostage to inefficiency and misgovernance.

2. Current Landscape: The crisis is not of cash, but of care and control

3. Why "More Spending" Alone Fails?

- a. Leakages through corruption and ghost employees
- b. Funds misallocated to buildings, not human capital
- c. Weak governance and poor provincial capacity
- d. Global models show efficiency beats expenditure

4. Spending Smartly is the only Way Out for Efficient Outcomes

- a. Primary First, Impact Always
(Focusing on schools and BHUs, Sri Lanka's PHC model)
- b. Track Every Teacher, Nurse, and Peso
(Biometric attendance and e-procurement (Punjab school Monitoring
- c. Pay for Results, Not Just Presence
(Vietnam Learning assessment models)
- d. Prevention Beats Cure
(Immunization, nutrition, literacy)

e. Power to Local Hands

(Decentralized delivery; Kerala's literacy and health surgen)

f. Partner Smart, Serve Better

(PPPs like TCF school and Indus Hospital; low cost education and health care case studies (Tooley, The Beautiful Tree))

g. Invest in People, Not Just Buildings

(Bangladesh's BRAC program improved maternal and child health)

h. Climate ready classrooms and clinics

(resilient school and mobile health units)

j. Comparison with SAARC peers and a way forward

k. Conclusion.

The Essay

In 2019, a government school in Sindh was inaugurated with much celebration. The building was modern, equipped with new furniture, and proudly displayed as a symbol of progress. Yet, when a journalist visited the school months later, he found the classrooms empty, not because children were unwilling to study, but because there were no teachers. Salaries for appointed staff were being drawn, but only on paper, in reality, ghost teachers never showed up. Similarly, in a rural district hospital of Balochistan, an MRI machine worth millions was purchased, but it lay idle for years because there was no trained technician to operate it. Both cases reflect the same truth: Pakistan does not suffer from a shortage of funds, but also from mismanagement and inefficiency in how those funds are spent. These examples reveal

a fundamental dilemma in Pakistan's development trajectory, that the problem is not always the size of the budget but the quality of its use. For decades, policymakers have argued that the solutions to Pakistan's educational crisis and weak healthcare system lies in greater financial allocation. Yet, despite repeated increases in fundings at different levels, learning outcomes remain stagnant, and health indicators continue to lag behind regional and global peers. The real issue lies in weak governance, poor monitoring and misplaced priorities that allow resources to be wasted rather than being transformed into tangible progress. Countries with fewer resources like Bangladesh and Rwanda have achieved remarkable improvements by ensuring efficiency, accountability and community based interventions. Pakistan, therefore, does not merely need to spend more, it must learn to spend better. Only then can education and health sectors become engines of social transformation and national prosperity. Pakistan's crisis in education and health is not born of scarcity but of squander, and unless and until the nation learns to spend smarter, not merely bigger, its future will remain hostage to inefficiency and misgovernance.

"Money alone cannot fix broken systems; accountability and management do." (World Bank Human Capital Reports) Pakistan's

education and health systems exemplify this truth. Despite allocating funds that include 1.9% of GDP to education and 2.9% to health (according to World Bank), the country struggles to convert spending into real outcomes. In education, 23-26 million children remain out of school, literacy hovers around 60% and ghost schools alongside.

rampant teacher absenteeism erode the impact of even existing budgets (a report by Aif Ailaan, Save the Children (2025)). Similarly in health, resources are heavily skewed towards urban tertiary hospitals while rural communities face under-resourced clinics, leaving Pakistan low on the Healthcare and Quality Index. These inefficiencies contribute to a Human Capital Index of 0.41 , one of the lowest in South Asia. Clearly, the problem is not absolute scarcity of funds, but a lack of proper oversight, equitable allocation, and accountable management that transforms money into meaningful education and health outcomes.

"Resources wasted in inefficiency are worse than resources never allocated at all." (UNICEF report). Pakistan's broken education system clearly highlights misallocated funds that fail to produce efficient human resources. Despite allocating ~~some~~ 1.9% and 2.9% of GDP on education and health, resources often fail to reach the people who need them the most. Ghost schools, absentee teachers, and idle hospital equipment siphon public salaries without delivering services as noted by Transparency International. These leakages mean that even existing budgets cannot produce meaningful outcomes. Banerjee and Duflo (Poor Economics, 2011) emphasize that careful targeting and monitoring of resources are far more effective than simply increasing spending. Without accountability, additional funds risk being absorbed by inefficiency rather than transforming lives.

Moreover, the problem is compounded by misallocation of funds, which diverts resources toward constructing new school buildings or urban tertiary hospitals while teachers, nurses, and rural clinics remain critically underfunded. In many districts, classrooms exist but are empty or poorly staffed, and local health facilities lack

trained personnel and essential medicines. This urban focused spending prioritises visible infrastructure over the human capital necessary for effective education and healthcare delivery. Consequently millions of rural children are left out of school, and patients in remote areas receive little or no medical care, perpetuating inequality and social disparity. Studies in global development, including Haseltine's Affordable Excellence demonstrate that investing in well trained human resources, such as teaching and frontline healthworkers produce far higher returns than spending solely on buildings or equipment. As rightly noted by ~~world Bank~~ Abhijeet Banerjee that, "It is not the amount of money we spend, but how we spend it, that determines outcomes."

Adding to these challenges, weak governance and oversight exacerbate inefficiency. Post-18th Amendment, provincial capacities vary widely, leaving some regions unable to implement programs effectively. Funds may be available on paper but remain trapped in bureaucratic bottlenecks, delaying or distorting service delivery. The absence of performance-based mechanisms means there is little incentive to correct systemic inefficiencies, making expenditure more symbolic than transformative. Rwanda and Bangladesh, in contrast have achieved significant progress through disciplined governance, community monitoring and accountability driven budgeting.

Finally, these issues collectively illustrate that more spending is not the solution without systemic reforms. "Money alone cannot fix broken systems; accountability and management do." Pakistan's crisis is not merely one of scarcity but of mismanagement.

poor prioritization, and lack of care for those on the frontlines. True transformation requires primary-first investment, which is nowhere to be seen in Pakistan. Along with accountability, human resource development, and preventive strategies. All these translate into a wasted human resource that needs to be cured by not spending largely but smartly.

After having a clear view of mismanagement of the funds, it can be assumed that Pakistan's crisis stems from misallocation of resources. These resources need to be spent rightly and smartly to produce efficient results. Prioritizing primary level services that are basic schools and rural/basic health units, ensures that frontline needs are met first that can translate into a valuable human resource. Pakistan ~~can~~ ^{needs to} relocate a larger share of its budget to these facilities, ensuring that teachers and nurses are getting proper supplies and functional infrastructure. This approach would directly address the 26 million out of school children and under resourced rural clinics. A relevant model is Sri Lanka's Primary Healthcare system (PHC) which prioritizes rural and basic health facilities to improve literacy, maternal and child health outcomes. Pakistan can replicate this by strengthening BHUs and primary schools in rural districts, focusing on human resources and essential services. By learning from Sri Lanka's targeted investment, Pakistan can achieve measurable outcomes without necessarily increasing total expenditure, proving that strategies matter more than sheer spending.

Accountability is another major bottleneck in Pakistan. Despite existing budgets, teacher absenteeism (22.1%) and under staffed clinics undermine outcomes (Punjab Monitoring report). Pakistan

4
can implement biometric attendance, an e-procurement and monitoring systems to ensure resources reach the deserving and no one escapes the grind. Incentives and penalties could link attendance and service delivery to payroll and budget allocation. The Bangladesh BRAC program demonstrates an effective model: community based monitoring ensures ^{that} health workers and teachers are present. Pakistan can adapt this by empowering local committees to track staff attendance and service provision, supported by digital monitoring tools. By combining governance reforms with community oversight, Pakistan can significantly reduce waste and improve the efficiency of existing budgets, showing that care and control are more critical than hefty spendings.

Moreover performance based budgeting ensures that spending translates into measurable outcomes rather than just inputs. Pakistan can link funding to metrics like student test scores, immunization rates, and maternal health indicators. Schools and clinics that meet targets could receive additional resource, reward or recognition as explained by B.F Skinner in Operant Conditioning. Vietnam's learning assessment model provides a relevant example for Pakistan to be followed, that has linked budgets to measurable outcomes. Implementing a similar system in Pakistan would involve standardized assessments, robust data collection, and reward mechanisms for high performing institutions. Banerjee and Duflo (Poor Economics) emphasize that aligning incentives with results maximize the impacts of limited resources. By adopting performance based budgeting, Pakistan can ensure that its education and health spending produce tangible improvements in human capital, fostering accountability and a culture of continuous improvement.

Apart from this, preventive strategies are essential

to maximize existing resources. In Pakistan, 40% of children are stunted, and disease burdens remain high according to a UNICEF report. Investing in preventive measures like nutrition, immunization and early literacy programs can yield higher returns than curative interventions. Pakistan can strengthen community healthworker programs, integrate school based nutrition initiatives and focus on vulnerable rural and urban populations. A successful model to be followed is that of Rwanda—community based preventive health program, which reduced child mortality and malnutrition through vaccination campaigns, maternal nutritional support and early monitoring. By adapting these strategies, Pakistan can prevent avoidable illnesses, improve learning readiness and enhance overall human capital without increasing total spending. Preventive interventions ensure that existing funds are used efficiently, turning limited resources into measurable education and health gains and proving that preventive care often surpasses curative expenditure.

Another ~~or~~ method of smart spending includes decentralization, which is crucial to making spending effective. In Pakistan, education and healthcare ^{are} often planned and budgeted centrally that leave little room for provinces, districts or schools to respond to local needs. Devolving financial and administrative powers to local bodies and school councils can increase efficiency, transparency and accountability. As argued by Amartya Sen in Development as Freedom, empowerment at the grassroots improve service delivery because communities know their priorities best. A relevant model is Kerala, India, where decentralized planning allowed local governments to directly manage schools and health centers, resulting in literacy and health indicators comparable to developed nations.

5.
Pakistan can replicate this by strengthening local governments, ensuring predictable fiscal transfers, and empowering school and hospital management committees. By putting power in local hands, Pakistan ensures that resources are not lost in bureaucracy but directly meet community needs.

Along with this partnerships with the private sector and NGOs are another way to stretch limited budgets. Pakistan's government often struggles with implementation, but NGOs and social enterprises have experience reaching underserved areas. Smart partnerships can fill gaps in teacher training, healthcare provision and technology. The Punjab Education Foundation model already subsidizes low cost private schools to provide affordable education to millions of children, showing the potential of such collaborations. Similarly, BRAC in Bangladesh demonstrates how NGO-government partnerships scale literacy and health interventions efficiently. Jeffrey Sachs, in *The End of Poverty*, notes that public-private synergies are essential for development where state capacity is weak. Pakistan needs to expand this approach by forming structured contracts with private and community actors, ensuring accountability through performance metrics. By partnering smartly, the state leverages existing capacity, delivers services at lower cost and ensure that spending has maximum social returns.

In addition to this, human capital development depends not just on infrastructure, but on people delivering services. In Pakistan, undertrained teachers and healthworkers undermine outcomes despite significant budget allocations. Investing in teacher training ~~efficiently~~, medical education and continuous professional development ~~efficiently~~ ensures that resources are translated into results. William Haseffine's *Affordable Excellence*

highlights how Singapore's investment in healthcare professionals ~~for~~ created a high quality, ~~low~~ low cost system. Pakistan can follow this model by expanding teacher academies, upgrading medical colleges and introducing mandatory in-service ^{female} training linked with incentives. Additionally, deploying qualified teachers and health workers to rural areas can improve girls' education and maternal health outcomes. Instead of building more schools and hospitals without capable staff, Pakistan must prioritize quality over quantity; investing in people who can transform facilities into functioning centers of learning and care. A trained, motivated workforce ensures that each rupee spent produces long-term human capital dividends.

Finally, Pakistan must recognize that climate change is reshaping health and education needs. Floods, heatwaves, and displacement disrupt schooling and increase disease burdens, straining existing budgets. Instead of reactive spending, Pakistan should invest in climate-resilient infrastructure: schools that double as shelters, solar powered health units, and digital learning platforms for continuity during disasters. Bangladesh offers a model that ~~is~~ can be replicated by Pakistan. The cyclone shelters of Bangladesh are double as schools, protecting both lives and learning. Similarly, Vietnam's integration of disaster risk reduction into schools has improved resilience. Books like *The Climate Crisis and Global Development* by Matthew Peterson stress that resilience building is no longer optional for vulnerable nations. By adopting these strategies Pakistan can ensure that education and health system can withstand shocks, preventing resources from being wasted in rebuilding after every disaster. Climate ready planning not only saves money in the long

6
men but also safeguards the human capital essential for sustainable growth. As Jeffrey Sachs argues in *The End of Poverty* that targeted investments backed by accountability can rapidly transform societies.

In a nutshell, Pakistan's dilemma in education and health is less about the size of the purse and more about the wisdom of its use. As the discussion above shows that weak governance, corruption, bureaucratic delays and misaligned priorities have repeatedly eroded the impact of public spending. Countries in the region prove that even modest budgets, when well managed, can yield remarkable results, while Pakistan's higher allocations on paper often fail to reach classrooms or clinics. The lesson is clear: true reform lies in accountability, decentralization and outcome-based planning. Only by ensuring that every rupee serves its intended purpose can Pakistan transform existing resources into genuine human capital. The crisis therefore is not of cash, but of care, control and commitment. Only by spending smartly can Pakistan lead to a path of prosperity and sustainable development.