

## Strengthening Local Governance of Schools – Evidence from Pakistan

### Abstract

This paper investigates the impact of strengthening local governance in schools, by engaging school-level actors, on school and student performance. Approximately 27,000 primary and middle schools in 21 districts of Punjab, Pakistan's largest province, receive a non-salary budget to make improvements in school inputs. However, much of the funds remain unspent at the end of the financial year. In 2014, approximately 30% of the schools were spending on average more than 75% of the available budget (Annual School Census, 2015). To inform council members of their responsibilities in school management, the provincial government in Punjab, spearheaded the School Council Mobilization Program (SCMP), hiring a call center to make regular calls to members in primary and middle schools. Approximately, 50 percent of all primary and middle schools in the province (13,000 schools comprising of 80,000 council members) were reached out as part of the program every month from May to December 2015. The call center used a time-varying (but integrated) script, discussing the development of a school improvement plan by council members and particularly, the utilization of a non-salary budget transferred to each school by the government.

I use multiple datasets (administrative, survey, test scores, call center data) and employ a difference-in-differences strategy to estimate the impact of the program. I find that schools where council members received the SCMP calls were likely to spend 45% more funds in absolute terms, compared to schools that did not receive the calls. However, the increased expenditure does not translate into improved outcomes for the schools or students rather, the outcomes are adversely impacted. School outcomes, such as teacher attendance, student attendance and a composite factor of school facilities worsen, albeit the magnitude of the decline is small. The largest decline is in test scores among students in schools that received the program. Students do worse in Math, English and Urdu by 0.07 of a standard deviation in treated schools compared to non-SCMP schools.

To help interpret my results, I use standard economic models in which increase in inputs, like financial resources, coupled with strengthening of local governance to spend that money, may reduce the effort teachers exert in the classroom. This reduced effort may lead to adverse outcomes for students. I also discuss larger issues of political economy for interventions at scale, such as the SCMP, that impacts service delivery in education.