

Market Intelligence Brief

PAKISTAN

2019/2020



INTERNATIONAL
EDUCATION
SERVICES

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1. AT A GLANCE



Market background

- Pakistan is the second largest nation in South Asia with a population of 212 million. The population is growing by an estimated 2 per cent annually, considerably faster than the 1 per cent rates recorded in its neighbours India and Bangladesh. Pakistan's population will climb to 245 million by 2030, retaining its position as the sixth most populous country in the world.
- This population growth has contributed to a large student-aged population but at present very few Pakistanis can afford the costs of studying abroad. Prospects for growth in higher education or economic consumption will be driven by Pakistan's small, but growing, middle class.
- Pakistan's GDP grew by 5.8 per cent in 2019, level with 2018. The country's economic development has frequently been interrupted by political instability and natural disasters, but the IMF has deemed Pakistan's economic activity to be robust overall. However, the Covid-19 pandemic and resulting global recession will significantly hurt Pakistan's growth in 2020, with the IMF anticipating a 1.5 per cent contraction.



Local education trends

- In 2010, the government planned to commit 10 per cent of GDP to education each year. However, in 2019 Pakistan spent just 2.4 per cent of GDP on the sector, more than 2 per cent lower than the global average of 4.8 per cent. Lack of funding has resulted in neglected infrastructure and underqualified teachers. The quality and availability of education across Pakistan's administrative areas varies vastly.
- The poor quality of public provision means that private education has become a de facto requirement for university entrance or professional qualification. Most consumer spending on education is directed at the primary and secondary level. The cost of higher education to the consumer however remains comparatively low.
- Tertiary education is becoming a defining feature of the middle class and is linked with more stable employment and income. As such, demand from the young, urban population is growing. Tertiary enrolment in the country is low, a fate exacerbated by tremendous regional and gender disparities in higher education and employment.



International education

- In 2017, 53,023 tertiary students from Pakistan studied overseas. The number of students heading overseas has increased almost four-fold since 1998 due to increasing disposable income, rising educational attainment, and rapid population growth.
- In 2018/19, there were 6,575 Pakistani students in the UK for tertiary study. The UK has traditionally been a popular destination for Pakistani students due in part to the strength of UK based programmes as well as the legacy of colonial ties between Pakistan and the UK.
- China is the most popular destination with more than 28,000 Pakistani students in 2018/19. Australia is the second most popular destination with 11,377 students, and the US ranks just behind the UK. As interest in the UK has waned, interest in Australia and the US has grown.

2. INTRODUCTION

Pakistan is the second largest country in South Asia after its neighbour India. It is home to 212 million people and the population is predicted to climb to 245 million by 2030, retaining its position as the sixth most populous country in the world.

Pakistan has experienced strong economic growth since 2010, with GDP growing by 5.4 per cent in 2018 and 2019. The full effect of the Covid-19 pandemic is not yet clear, but the high population density in urban regions poses a significant challenge to Pakistan's response. The pandemic will also hurt economic growth and the IMF has revised down its projection for 2020 from about 4 per cent growth to a 1.5 per cent contraction.

In 2019, Pakistan spent an equivalent of just 2.4 per cent of GDP on education, half the global average of 4.8 per cent. The severe lack of funding has led to inadequate provision with a lack of trained teachers and poor infrastructure. The majority of consumer spending on education is directed at the primary and secondary levels as government spending is comparably lower on earlier stages of education. However, the government has a number of initiatives in place under its Vision 2030 policy blueprint to improve quality and access and reform the education system.

The number of students enrolled in tertiary education in Pakistan remains modest given the size of the population. Only about 7 percent of youth are enrolled in higher education. Demand from the young urban population is growing and total enrolment has grown steadily since 2014/15, reaching 1.6 million enrolments in 2017/18.

Despite this, Pakistan is one of the largest sending markets for international students globally. This is due in part to the poor quality of Pakistani tertiary institutions but also because of the country's large and growing youth population. Over two-thirds of Pakistan's population is under the age of 30. In 2017, 53,023 Pakistani students studied overseas. Despite falling in 2017 by 0.7 per cent, outbound student numbers have increased by 31 per cent in only five years.

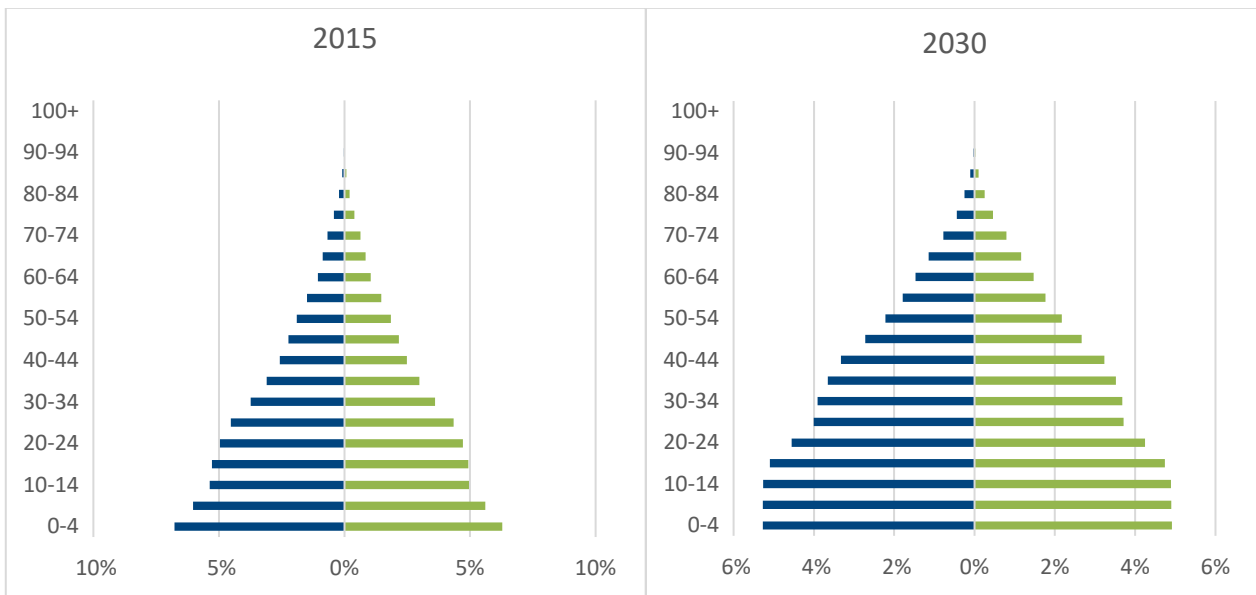
The UK is one of the top destinations for Pakistan's outbound tertiary students, receiving 6,575 in 2018/19, an 8 per cent increase from the previous year. The UK and Pakistan have strong ties due to migratory flows and their shared colonial history. A 2011 census showed that British Pakistanis are the second largest minority ethnic group in the UK, with a population of over one million. Because of this, the UK was the top destination for internationally mobile Pakistani students for many years, but changes to visa and post-study policies led to a sharp decline in 2013. The announcement of a new two-year post study work visa set to take effect from summer 2021 is likely to contribute to faster growth in enrolments.

China is by far the most popular destination, receiving more than 28,000 Pakistani students in 2018/19. This is primarily due to the China-Pakistan Economic Corridor agreement that includes favourable education policies towards students in Pakistan, including a number of scholarships. Australia is the second most popular destination, and the UK just barely outranked the US in 2018/19.

3. DEMOGRAPHICS

With a population of 212 million, Pakistan is the second largest nation in South Asia. While population growth has slowed since the early 2000s, Pakistan’s population is still growing by 2 per cent annually, considerably faster than the 1 per cent growth in India and Bangladesh.¹ According to UN estimates, Pakistan’s population will climb to 245 million by 2030,² retaining its position as the sixth most populous country in the world. While the fertility rate is relatively high at 3.5 births per woman in 2018, it has declined from 6.2 in 1990 and comfortably above the replacement rate of 2.1.³

Figure 1: Pakistan’s Population Pyramid, 2015 and 2030



Source: UN Population Division

Because of this, Pakistan has a large and growing youth population. The population aged 15-29 comprises about one-third of the total population. Currently, the median age in the country is 22.5, and this is expected to rise to 31 years by 2050.⁴ These demographic features create risks and opportunities for the government, who must ensure adequate services and employment opportunities to facilitate economic growth and meet the needs of a growing labour force. Pakistan’s average life expectancy at birth has improved from 61.7 years in 1996 to 66.9 in 2017 thanks to improved medical facilities and better health training. However, this is still lower than the regional average of 71 years.⁵

¹ [Population Growth \(annual %\) – Pakistan, India, Bangladesh](#), World Bank, 2019.

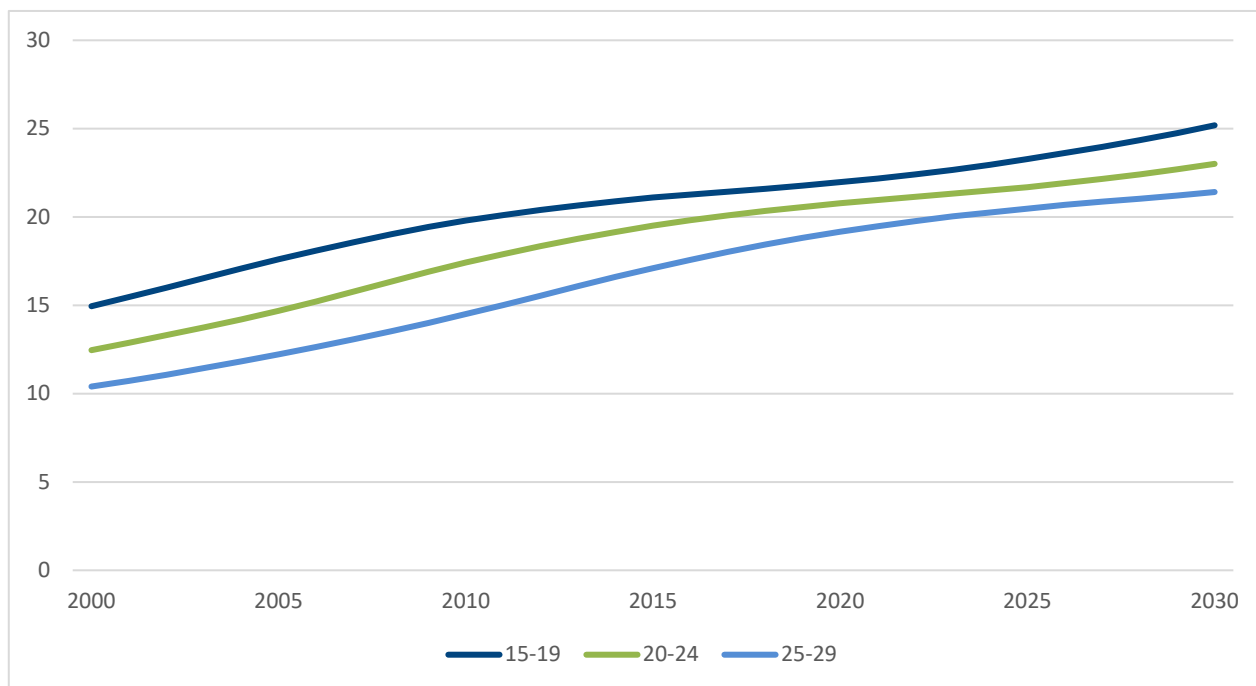
² [Pakistan: 2030, Population Pyramid](#), 2017.

³ [Population Growth \(annual %\) – Pakistan, India, Bangladesh](#), World Bank, 2019.

⁴ [National Human Development Report: Unleashing the potential of a Young Pakistan](#), United Nations Development Programme, 2017.

⁵ [Pakistan life expectancy](#), World Bank, 2019.

Figure 2: Pakistan's Student Age Population (millions)



Source: UN Population Division

The exploding youth population also means that there is a large student-aged population. In 2019, 18.7 per cent of Pakistan's total population were aged 15-24.⁶ As shown in Figure 2, the 15-19, 20-24, and 25-29 segments of the population are all projected to continue to grow steadily through 2030. The 15-19 segment is expected to grow from 15 million people in 2000 to 25 million in 2030, indicating strong future growth for the university-age population. However, prospects for growth in higher education enrolments or economic consumption will be driven by Pakistan's small, but growing, middle class.

Pakistan is a predominantly rural country. In 2018, only 36.6 per cent of Pakistanis living in urban areas in 2018, and this is projected to rise to 40 per cent by 2030. High immigration to Pakistan has served as a catalyst for urbanisation and in recent years the country has hosted a large Afghan diaspora, who entered the country as refugees. As of 2019, an estimated 1.4 million Afghan refugees remain in Pakistan although plans to repatriate are in place.⁷

The growing urban population has caused increasing pressure on infrastructure and public services, resulting in slum dwellings, overcrowding and the proliferation of urban poverty and crime. Slums can spread out of the administrative boundaries of some cities as 'ruralopolises' that are not officially recognised as part of the cities. By some estimates, these account for up to 60 per cent of urban Pakistan.⁸

A 2011 housing census indicated that the majority of the population live in the Punjab and Sindh regions neighbouring India. Pakistan's largest region, Balochistan, was comparatively under-populated, with just 38 people per square kilometre compared to 244 people per square kilometre nationally. The largest cities are Karachi (with almost 10 million inhabitants), followed by Lahore and Faisalabad. Wealth is concentrated in the urban regions and some of the poorest and most marginalised people in Pakistan are found in isolated, mountainous and border regions.

⁶ [Pakistan: 2030, Population Pyramid, 2017.](#)

⁷ [Registered Afghan Refugees in Pakistan, UNHCR, 1 March 2019.](#)

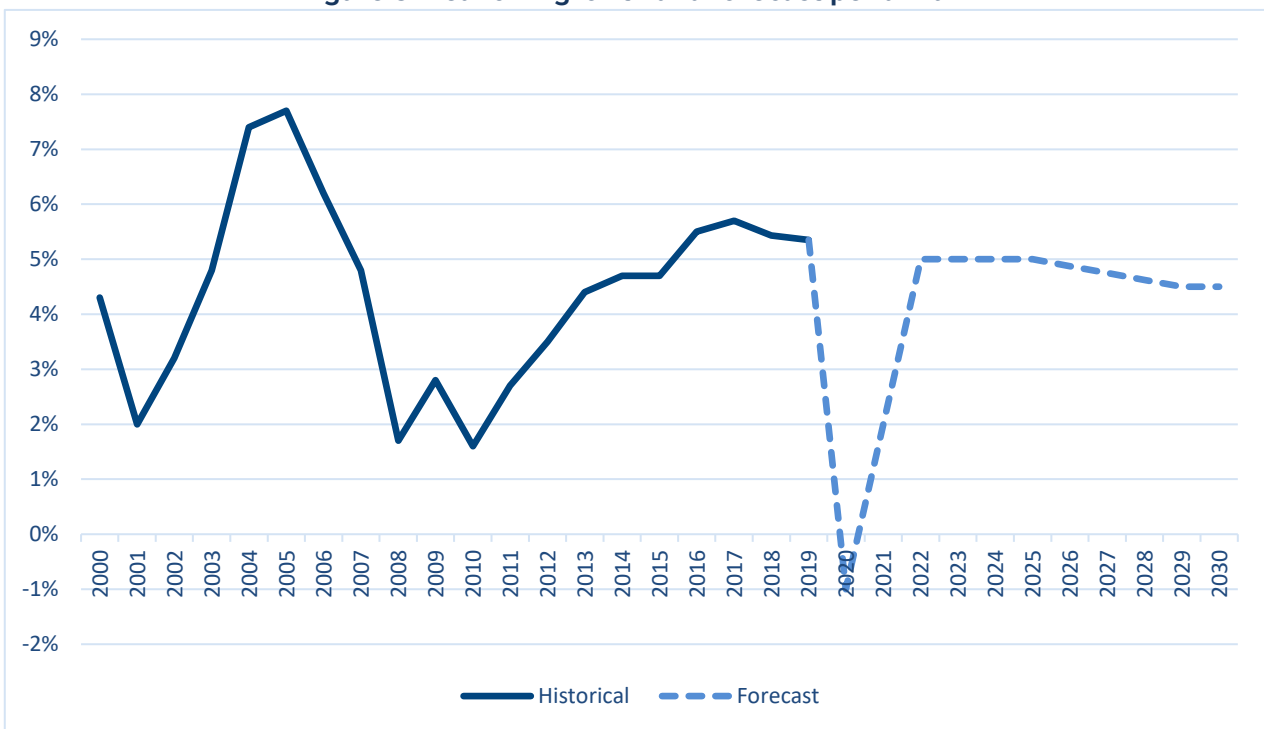
⁸ [The six biggest challenges facing Pakistan's urban future, LSE South Asia Centre, February 2017.](#)

4. ECONOMICS

Pakistan has experienced solid economic growth over the last decade, averaging 5 per cent annual GDP growth between 2014 and 2019. Pakistan’s economy grew by 5.4 per cent in both 2019 and 2018, and growth was anticipated to slow slightly in 2020. However, the Covid-19 pandemic and resulting global recession will significantly hurt Pakistan’s growth in 2020, with the IMF anticipating a 1.5 per cent contraction in 2020.

Pakistan’s economic development has frequently been interrupted by political instability and natural disasters, preventing meaningful economic, industrial and regulatory reform and keeping macroeconomic conditions weak and efficiency low. Yet there is still significant potential in agriculture, industry, manufacturing and services as well as the country’s natural and demographic resources.⁹

Figure 3: Real GDP growth and forecast per annum



Source: IMF

Thanks to the steady economic growth, Pakistan is classified as a lower-middle-income economy. The percentage of the population living below the international poverty line (US\$1.90 per day) has declined from over 60 per cent in 1990 to just 3.9 per cent in 2015, though 24 per cent of the population lived below the national poverty line (below about US\$18 per month) in 2015.¹⁰ Some worry that austerity measures required by the IMF and the global economic recession resulting from the COVID-19 pandemic could cause the poverty rate to rise.

However, the country has faced economic difficulties in recent years. The budget deficit reached 7 per cent of GDP, inflation accelerated to 10.1 per cent, and government debt reached 77 per cent of GDP in

⁹ [Pakistan’s Economy is a Pleasant Surprise](#), Bloomsbury, 7 February 2017.

¹⁰ [Pakistan poverty data](#), World Bank, accessed 6 May 2020; [Pakistan poverty data](#), Asia Development Bank, accessed 6 May 2020.

2019.¹¹ The country has received financial assistance from the United Arab Emirates and Saudi Arabia as well as from international banks such as the Asia Development Bank, the IMF, and the World Bank. In July 2019, the IMF approved a three-year, US\$6 billion loan package for Pakistan to stave off a balance of payment crisis on condition that the government would take tough austerity measures and implement structural reforms.¹² This most recent appeal for IMF funding was driven by concerns about Pakistan's growth prospects, informed by its current account deficit, depleting foreign exchange reserves and a rupee that was rapidly decreasing in value. Since joining the World Bank in 1950, Pakistan has received US\$40 billion in assistance, and the current portfolio prioritising energy, private sector development, inclusion, and service delivery has 46 projects with a net commitment of \$9.1 billion.¹³

In April 2020, the IMF approved a US\$1.4 billion disbursement to address the economic impact of the COVID-19 pandemic in Pakistan. The World Bank approved a US\$200 million package to strengthen the country's national healthcare systems and mitigate socioeconomic disruption and draws US\$38 million from existing projects for medical equipment and supplies.¹⁴

Agriculture accounts for 23 per cent of GDP, and the major crops are wheat, rice, cotton, and sugarcane. The sector employs 41 per cent of the workforce. However, production in agriculture is subject to extreme weather that can dampen production, and power shortages cause bottlenecks and disrupt farming processes.¹⁵ Energy shortages are cited as an obstacle for all business around the country and is a major hindrance to Pakistan's economy.¹⁶

Industry accounts for 18 per cent of GDP, employing 24 per cent of the workforce, and Pakistan has almost 10 per cent of Asia's spinning capacity. Services accounts for 53 per cent of GDP, led by transport, construction, and communication. The IT sector accounts for 1 per cent of GDP and 3.5 per cent of exports.¹⁷ Growth in the services, agricultural and industrial sectors drives Pakistan's economic development.

Unemployment stood at 4 per cent in 2019, slightly lower than the 6 per cent rate between 2011 and 2017.¹⁸ However, unemployment is particularly an issue for youth, with the rate among those aged 20-24 reaching 12 per cent in 2017/18.¹⁹ According to the 2017/18 Labour Force Survey, the unemployment rate for people over the age of 10 was 5.8 per cent. Pakistan will need to add an additional 45 million jobs over the next five years to sufficiently utilise the earning potential of the country's youth bulge.²⁰ The growth in the labour force may cause a rise in jobless growth and gaps in productivity between the formal and informal sectors.²¹ A large undocumented workforce is estimated to account for 36 per cent of Pakistan's overall economy.²²

¹¹ [IMF board approved \\$6 billion loan package for Pakistan](#), Reuters, 3 July 2019; [Pakistan: Country Profile](#), Euromonitor, 6 March 2020.

¹² [IMF board approved \\$6 billion loan package for Pakistan](#), Reuters, 3 July 2019.

¹³ [World Bank Fast-Tracks Support for COVID-19 \(Coronavirus\) Response to Pakistan](#), The World Bank, 2 April 2020.

¹⁴ [IMF Executive Board Approves a US\\$ 1.386 Billion Disbursement to Pakistan to Address the COVID-19 Pandemic](#), IMF, 16 April 2020; [World Bank Fast-Tracks Support for COVID-19 \(Coronavirus\) Response to Pakistan](#), The World Bank, 2 April 2020.

¹⁵ [Pakistan: Country Profile](#), Euromonitor, 6 March 2020; [Energy crunch hits Pakistan's farm productivity](#), SciDev.Net, 12 August 2019.

¹⁶ [Powering the Powerless in Pakistan](#), The Diplomat, 2 November 2018.

¹⁷ [Pakistan Economic Context](#), Nordea Trade, May 2020.

¹⁸ [Unemployment rate](#), IMF Data Mapper, 2019.

¹⁹ [Labour Force Participation Rates and Un-Employment Rates, 2017-18](#), Pakistan Bureau of Statistics, December 2018.

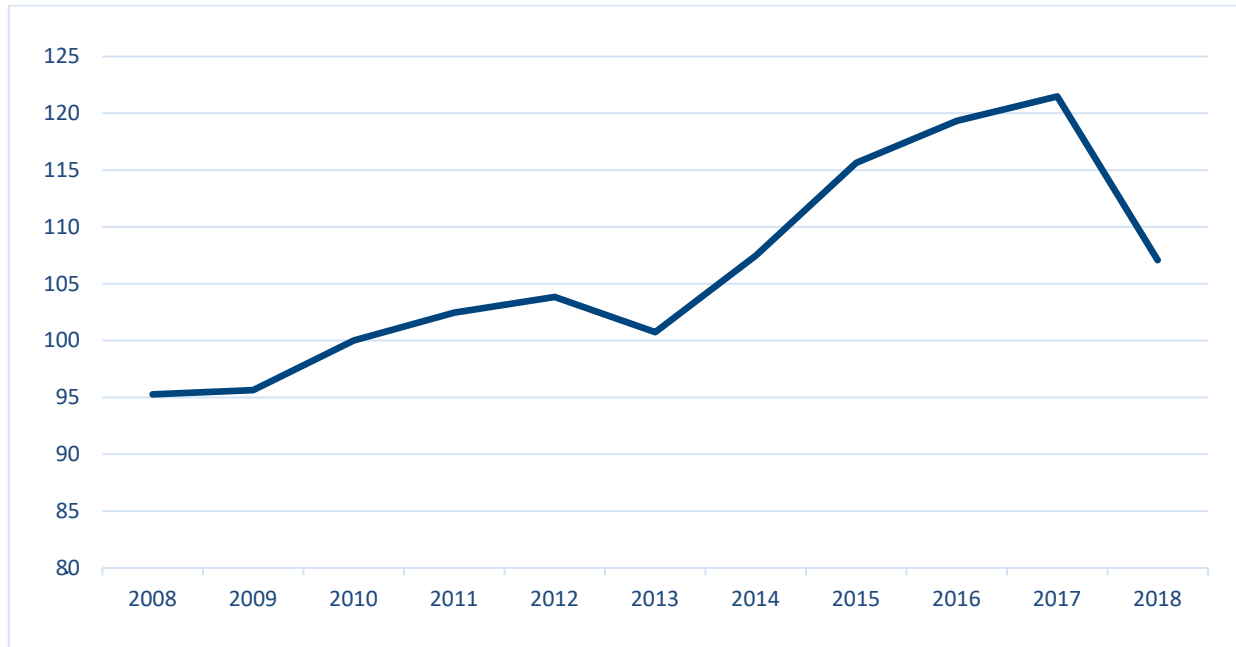
²⁰ [National Human Development Report: Unleashing the potential of a Young Pakistan](#), United Nations Development Programme, 2017.

²¹ ['With economic expansion, Pakistan facing jobless growth'](#), The Express Tribune, 25 June 2018; [Pakistan: Country Profile](#), Euromonitor, 6 March 2020.

²² Emerging Pakistan, Government of Pakistan.

The country currently ranks eighth in the world for remittance inflow, and workers’ remittances have recently been important in offsetting Pakistan’s trade deficit. In 2019, remittances grew by 4.2 per cent for a total of about US\$21 billion, much of which came from Pakistanis employed in Middle Eastern countries such as Saudi Arabia.²³

Figure 4: Real effective exchange rate



**This chart shows the relative strength of the currency against a weighted average of foreign currencies, adjusted for inflation. The base value is defined to be 100 in 2010*
 Source: IMF

The currency in Pakistan is the Pakistani rupee, which has been in circulation since 1947. Historically, the currency has fluctuated significantly as a result of national and regional instability, yet the country has made substantial progress towards building up its foreign exchange reserves, aided by a US\$6.4 billion IMF loan in 2013.

Despite this progress, the government also failed to hit its budget deficit and revenue collection targets under the IMF programme by 2015, contributing to sharp increases in inflation and currency appreciation.²⁴ After talks with the IMF in February 2016, Pakistan’s government agreed to depreciate the rupee and allow the currency exchange rate to adjust to market conditions. The rupee’s value reached a historical high of Rs139 to US\$1 in January 2019.²⁵ The rupee has continued to appreciate relative to other major currencies, undermining export competitiveness and in part contributing to another IMF loan application in 2018. Exchange rates against the Pakistani rupee are particularly important for the country’s migrant workers and remittances.

In recent years, the international business community has viewed Pakistan with increasing interest, recognizing that its large consumer market has considerable potential given the country’s strategic location at the crossroads of Asia. The Pakistani government has welcomed foreign direct investment, offering low interest rates to facilitate a favourable credit environment, supporting local businesses and bolstering private sector confidence.

²³ [Pakistan and the foreign remittance sector](#), *The Asia Dialogue*, 23 March 2020.

²⁴ [IMF says Pakistan’s currency overvalued by as much as 20 per cent](#), *Bloomberg*, 9 November 2015.

²⁵ [Pakistan](#), *Trading Economics*, January 2019.

The China-Pakistan Economic Corridor (CPEC) is a major source of investment for massive infrastructure projects.²⁶ China has pledged to spend US\$63 billion to build roads, railways and infrastructure across Pakistan and the project is expected to add US\$13 billion to Pakistan's GDP by 2025.²⁷ China has also built two nuclear power plants in Pakistan, due to start production in 2021 and 2022, and a third power plant is under construction.²⁸

Pakistan ranks 110th (out of 141 countries) in the World Economic Forum's 2019 Global Competitiveness Index, reflecting Pakistan's growth and business climate challenges, three places lower than 2018.²⁹ It ranked the lowest among South Asian countries and well behind India, which came in 68th. In the World Bank's Ease of Doing Business 2020 report, Pakistan ranked 108 (out of 190 economies) and was named as one of the top 10 improvers, climbing 28 places from 2019.³⁰ The country's reforms to make starting a business easier, streamlining approvals for construction, and improving electricity access and property registration processes contributed to its rise in the rankings.

²⁶ ['A Path to the Sea: China's Pakistan Plan'](#), *World Affairs*, 1 October 2015.

²⁷ [Pakistan: 2017 article IV consultation](#), *International Monetary Fund*, July 2017.

²⁸ [Pakistan: Country Profile](#), *Euromonitor*, 6 March 2020.

²⁹ [Global Competitiveness Index 2019](#), *World Economic Forum*, October 2019.

³⁰ [Doing Business Report 2020](#), *World Bank*, October 2019.

5. POLITICS & POLICYMAKING

Since Pakistan's birth out of partition in August 1947, it has faced continuous domestic political upheaval and regional conflicts. A parliamentary republic, Pakistan's seven provinces and autonomous territories enjoy a high level of federal autonomy. Executive power rests with the national cabinet, headed by the prime minister who legislates in a bicameral parliament where several political parties compete for seats at the national and provincial assemblies. Pakistan has many political parties, but the two largest and most historically relevant are the Muslim League and the Pakistan People's Party.

The president serves as the head of state, but Pakistan's military establishment has historically played an influential role in national politics. The 2018 general election marked just the third consecutive democratic handover of power.

Imran Khan, a 66-year-old former cricket star from the centre-right, social democratic Tehreek-e-Insaf Party (PTI), was elected to be prime minister in the 2018 general election. In the run-up to the election, there were several bombings targeting candidates across the political spectrum. Mr Khan campaigned on a platform of anti-corruption and with promises of reform to the country's often poorly functioning governance system. His party won the most votes and built a coalition to obtain the necessary parliamentary majority.

Internationally, Pakistan's relations with its neighbours, Afghanistan and India, are fraught. Since partition, numerous military conflicts with India have endured, usually around the issue of Kashmir, a territorial region that borders India. Consequently, there are often periods of hostility and suspicion between the two countries. Similarly, to Pakistan's west, a territorial dispute at the Durand Line, the 2,430-kilometre international border with Afghanistan, causes frequent tensions.

Pakistan typically enacts ambitious five-year plans for development, the most recent of which is the 12th Five Year Plan (2018-2023). The 11th Five Year Plan missed many of its targets, though this period did see sustained economic growth. The primary aim of the 12th Five Year Plan is to ensure long-term, sustainable economic growth of 5 per cent with sufficient job creation for inclusive growth. The plan also places importance on education and calls for the development of a standardised curriculum, national standards for education, emphasises teacher training, and sets a goal of increasing higher education enrolment from 3.2 million to 5.8 million and increase the number of universities from 192 to 207. The 12th Five Year Plan also sets goals to establish science, technology, and innovation parks and increase the number of technology/business incubators.³¹

³¹ [12th Five Year Plan: Govt targets 5pc growth in GDP](#), *The News International*, 10 June 2019.

6. EDUCATION

Pakistan's education system, particularly in rural areas, faces many challenges in infrastructure, funding, teaching, and literacy. The country frequently ranks among the lowest on several global education-related indicators, such as literacy, gross enrolment rates, and government spending on education. Pakistan spent 2.9 per cent of GDP in 2017 on education and an estimated 2.4 per cent of GDP 2019, placing it lower than the 2017 average for lower-middle-income countries (4.5) and below the global average of 4.8 per cent.³²

The quality and availability of education across Pakistan's administrative areas varies vastly. Education is administered at the provincial level with the federal government providing additional support in low performing regions. For example, in instances where a provincial literacy rate is low, the federal government will issue grants to improve educational resources.

In 2017, the literacy rate for those between ages 15-24 was 74.5 per cent (81 per cent for males and 67.5 per cent for females), compared with an average of 89 per cent in lower-middle-income countries. Among those 15 and older, the literacy rate was just 59 per cent (71 per cent for males and 46.5 per cent for females), compared with 77 per cent for lower-middle-income countries.³³ Data from UNESCO show that the literacy rate has continuously improved since the 1980s, but still lags far behind Sri Lanka (91.7 per cent), India (74.4 per cent) and Bangladesh (73.9 per cent). The literacy rate also varies across provinces: literacy in Balochistan stands at only 41 per cent, with men more than twice as likely as women to be able to read and write. The country ranks 146 out of 187 countries on the UN Human Development Index's Education index.³⁴

There is a large skills deficit and a wide disparity in provision between genders and income groups. Private education has become a de facto requirement for university entrance or professional qualification. The majority of consumer spending on education is directed at the primary and secondary level, as enrolment at the tertiary level and associated costs to the consumer remain comparatively low. Primary education receives relatively low levels of resource allocation and public subsidies for higher education disproportionately benefit the upper classes.

Another of the problems facing Pakistan's education system is language. Although the country's official languages are English and Urdu, according to the Pakistan Bureau of Statistics, less than 5 per cent of people speak Urdu as a mother tongue in each of the four provinces.³⁵ There are between 60 and 70 languages spoken in Pakistan, but schools are taught in Urdu, English, or a local language. A British Council survey in 2013 found that 94 per cent of teachers at English-medium private schools in Punjab did not speak English.³⁶

Pre-tertiary education

Education is a fundamental right accorded by the constitution, and it is free and compulsory for all children between the ages of five and 16. Pre-tertiary education involves eight years of primary school and four years of secondary school, divided into two years of lower secondary and two years of upper secondary (a 5+3+2+2 system). Because the administration of the school system devolved from the federal government to provincial governments, curricula in pre-tertiary education vary greatly between jurisdictions. Prime Minister Imran Khan's government seeks to create a uniform education system and

³² [Economic Survey 2018-19](#), *Business Recorder*, June 2019; [Economic Survey 2017-2018](#), *Government of Pakistan*, 26 April 2018; [Pakistan Government expenditure on education, total \(% of GDP\)](#), *World Bank*, 2017.

³³ [Pakistan](#), UNESCO UIS, accessed May 2020.

³⁴ [Education index](#), *United Nations Development Programme*, 15 November 2013.

³⁵ [Why can't Pakistani children read?](#), *The Wilson Center*, July 2019.

³⁶ [Can English medium education in Pakistan work?](#), *British Council*, 2013.

develop a single national curriculum, which is scheduled to be completed by October 2020 for grades one through eight.

Students must sit the Secondary School Certificate exam at the end of grades nine and ten for admission to upper secondary school, which culminates in the Higher Secondary School Certificate exam in two parts at the end of grades 11 and 12. Lower secondary education involves three specialisation streams: science, humanities, and technical, plus mandatory core subjects. Upper secondary has seven streams: general, humanities, science, pre-medical, pre-engineering, medical technology, and home economics, plus compulsory learning in Urdu, English, Islamic education/civics, and Pakistan studies. At the national level, the net enrolment rate at the primary level was 68 per cent in 2018, an increase of 4.1 per cent from the previous year.³⁷ Secondary school net enrolment reached only 38 per cent, but did also increase on the previous year by 5.6 per cent.³⁸

Enrolment rates have improved, but still only 3 per cent of those starting public school will graduate from upper secondary school, and the gap between male and female enrolment is the largest in South Asia after Afghanistan.³⁹ More than 22.6 million children between the ages of five and 16 are out of school. Poverty is also a contributing factor to low enrolment rates as children from the poorest fifth of households are much less likely to attend schools, in part because of the poor quality and infrastructure of rural schools. This is particularly pronounced for girls: there is a strong correlation between poverty and out-of-school girls at all levels, but no correlation for boys.⁴⁰

Pakistan offers alternative secondary vocational training, combining technical and vocational training. This is provided by Vocational Institutes or Technical Training Colleges, which have a programme of two years and are designed to qualify graduates for the labour market. At the end of vocational study, either a Technical Certificate or Diploma in engineering disciplines is issued which allows students to enter their respective field or gain another related qualification. TVET in Pakistan is overseen by the National Vocational and Technical Training Commission. In 2017/18, there were 3,700 TEVT institutes and 433,200 enrolments, an increase of 25.6 per cent from the previous year. The TVET sector in Pakistan has limited capacity, outdated curricula, and a need for improved infrastructure.⁴¹

Religious education may also be provided by a *madrassah*. Independent of the national system, madrassahs offer male-only primary, secondary and university education.

Higher education

Higher education in Pakistan is overseen by the Higher Education Commission (HEC), a government-affiliated, independent statutory body. The HEC is responsible for formulating higher education policy and delivering quality assurance. Besides dictating basic regulatory measures, the government has no control over private education providers. Devolving control over educational standards to private providers has resulted in declining educational standards.

As of 2017/18, 194 public and private sector higher education institutes (HEIs) operate in Pakistan with a combined student population of approximately 1.6 million.⁴² The top university in Pakistan is Quaid-i-azam University in Islamabad, which came in the 401-500 bracket in the Times Higher Education World University Rankings 2020. COMSATS University Islamabad ranked in the 601-800 bracket, and five universities (University of Agriculture, Faisalabad; International Islamic University, Islamabad; Lahore

³⁷ [Pakistan School enrolment, primary \(% gross\)](#), World Bank, 2018.

³⁸ [Pakistan School enrolment, secondary \(% gross\)](#), World Bank, 2018.

³⁹ [Pakistan is home to the most frenetic education reforms in the world](#), *The Economist*, 1 April 2018.

⁴⁰ [Why can't Pakistani children read?](#), *The Wilson Center*, July 2019.

⁴¹ [Economic Survey 2018-19: Education](#), Government of Pakistan, 2019.

⁴² Ibid.

University of Management Sciences, Lahore; National University of Sciences and Technology, Islamabad; University of the Punjab, Lahore) ranked in the 801-1,000 bracket.⁴³

Tertiary education is becoming a defining feature of the middle class and is linked with more stable employment and income. As such, demand from the young, urban population is growing. The number of enrolments in universities has grown steadily since 2014/15, reaching 1.6 million in 2017/18. However, in 2014/15 enrolments dropped by 19 per cent year-on-year and this number only recovered to the previous level in 2017/18. Enrolment is projected to decline by 0.2 per cent in 2018/19.⁴⁴ Gross enrolment in tertiary education was just 9 per cent in 2018, far below the lower-middle-income country average of 25 per cent, and the lowest enrolment in South Asia in 2018.⁴⁵

Admission to higher education requires an Intermediate Certificate or Higher Secondary School Certificate (HSSC). After earning their HSSC, students may study for a bachelor's degree, which usually requires four to five years of study in a specialised field. Bachelor's courses are split into two types, pass and honours. The Honours route aligns with the UK university system, whereby students specialise in a chosen field. Most Master's degrees require two years of study and are available in most subject areas.

Traditionally, the degree system included a two-year bachelors programme followed by a two-year master's programme (2+2), or a specialised three-year bachelor's programme (honours degree) followed by a one-year master's (3+1). While most HEIs have transitioned to a four-year bachelor's degree followed by a one- or two-year master's degree, some institutions still award the old 2+2 or 3+1 qualifications. Credentials of the current system include: Associate degree (typically two years); bachelor's degree (four years); bachelor's degree in professional disciplines (four years); master's degree (one to two years); doctoral degree. HEIs also offer a variety of one-year undergraduate and postgraduate diplomas.

Lack of funding is the primary issue for HEIs in Pakistan, especially given recent budget cuts in higher education. Beyond this, the HEI system is poorly managed, lacks qualified faculty and suffers from high levels of corruption and red tape. About 60 per cent of HEIs are public, and private HEIs are relatively new to Pakistan. However, high tuition fees (up to US\$3,106 per semester) mean that private HEIs are beyond the means of much of Pakistan's population.⁴⁶

Research capacity is another area where Pakistani universities are struggling. Research output has grown significantly, but many have questions about the quality of the output due to an incentive system that ties academic journal publications to faculty promotions and financial rewards. According to the Nature Index, Pakistani institutions published 194 papers between 1 December 2018 and 30 November 2018, the vast majority of which were in physical sciences. China is Pakistan's most common country of collaboration, followed by the US and Germany. The UK ranks fifth for collaboration.⁴⁷

As part of the China-Pakistan Economic Corridor (CPEC), China and Pakistan have developed strong academic relations. In 2014, Chinese language courses were introduced at all state universities. Recently, Chinese and Pakistani institutions have signed memoranda of understandings, such as that between Pakistan's NUML and China's Xinjiang Normal University, Urumqi for cooperation on higher education and cooperation on the establishment of a NUML International Centre of Education (NICE).⁴⁸

At present, almost half a million Pakistani students are enrolled in distance learning programmes. With a large young population and increasing connectivity, there may be significant potential for online education providers. In addition, Pakistan has operated a branch of the Shaheed Zulfikar Ali Bhutto

⁴³ [Best universities in Pakistan 2020](#), *Times Higher Education*, 20 September 2019.

⁴⁴ [Economic Survey 2018-19: Education](#), *Government of Pakistan*, 2019.

⁴⁵ [School enrolment, tertiary \(% gross\)](#), *World Bank Statistics*, accessed May 2020.

⁴⁶ [Education in Pakistan](#), *WENR*, February 2020.

⁴⁷ [Country outputs: Pakistan](#), *Nature Index*, accessed May 2020.

⁴⁸ [Institutions](#), *CPEC*.

Institute of Science and Technology in Dubai since 2003, targeting the local Pakistani and South Asian diaspora in the Middle East.

Key policies related to education

Pakistan has a number of education-specific policies, many of which are directly related to United Nations initiatives for development. Pakistan's National Framework for education aligns with Goal Four of the Sustainable Development Goals (SDG), which focuses on improving access to quality education. Pakistan did not score well in the 2019 SDG report, ranking 130 out of 157 countries, dropping four places from the previous year. The Dakar Declaration on Accelerating Girls' Education and Gender Equality is another UN initiative that resulted in the launching of Pakistan's Girl's Education Initiative, which provides funds and support to get and keep girls in school, despite cultural opposition and poor resource access.⁴⁹

The Vision 2030 policy blueprint proposes building a unified national curriculum and national examination system under federal responsibility. Key elements of this policy include increasing public expenditure on education, introducing vocational and skills training into the secondary school system, increase education quality, and technical programming.

National education reform is a challenge because of the 18th Amendment to the Constitution, which guarantees provincial autonomy in education. As such, national policies have been blocked in some regions, resulting in uneven implementation. An agreement in 2015 resulted in consensus on a national curriculum as well as plans to create textbook bodies, teacher training institutes and examination assessment boards; however, Punjab, Balochistan and Sindh provinces gave only limited support. In some provinces, security concerns and a lack of government control further limit the efficacy of government spending and initiatives.

One strategy to try and achieve educational targets has included encouraging public-private partnerships to offer programmes in regions not adequately served by the public sector. As such, provincial governments, through national and provincial education foundations, are offering incentives such as financial assistance and voucher schemes to low-cost private schools to improve quality provision for and retention of children from low income families (UNESCO).

The Prime Minister's Youth Programme was founded in 2013 and aims to combat youth unemployment and secure economic empowerment through improved access to skills and higher education. The project includes six different schemes, which include: access to business loans, interest free loans, provision of 300,000 laptops and a tuition fee reimbursement scheme.⁵⁰

The National Vocation and Technical Training Commission (NAVTTTC) and the Ministry of Federal Education and Professional Training have developed a framework to improve the TVET sector. The roadmap emphasises increasing training opportunities, re-skilling existing workers, implementing a National Vocation Qualification Framework and Competency-Based Training and Assessment, as well as introducing high-tech training programmes to bridge the skills gap. The framework also encourages industry and private sector actors to participate in TVET development and improve the skills and capacity of TVET trainers and managers.

NAVTTTC has also launched three new initiatives to develop a comprehensive strategy for the TVET sector: the national Skills for All Strategy; the prime-minister's Skills for All program; and a project to establish 'centres of excellence' throughout the country. Both 'Skills for All' initiatives intend to improve quality and access to skills development and training, while 'centres for excellence' are intended to ensure a supply of skilled workers specifically for the construction and hospitality sectors.⁵¹

⁴⁹ [Pakistan](#), Unicef.

⁵⁰ [National Youth Development Programme](#), National Youth Development Programme.

⁵¹ [Economic Survey 2018-19: Education](#), Government of Pakistan, 2019.

International student recruitment

Overall inbound trend

Pakistan does not publish any data concerning inbound international student numbers. No other reliable sources for inbound data are available, though it is understood that universities in Pakistan do accept international students. For example, Karachi University has hosted students from Sudan, Nepal, Somalia, Jordan, Turkey, Iran, Yemen, China, and Kenya.⁵² Pakistan has also accepted millions of Afghan refugees in the past decades and seeks to integrate them into the school system. In 2019, the Higher Education Commission of Pakistan announced that it would be offering 3,000 scholarships to Afghan students over four years in various fields such as medicine, engineering, agriculture, management, and computer science.⁵³

While some universities fare better than others in attracting international students, the overall inbound mobility rate remains low. The International Islamic University (IIU) leads the country in international student recruitment, hosting more than 1,700 international students. As of 2019, IIU had a total enrolment of 31,000 students from 45 nationalities.⁵⁴

Many Pakistani institutions have developed international-facing marketing to accelerate the internationalisation of the country's higher education sector. It is now commonplace for universities to establish mutual agreements on research collaborations and student/staff exchange programmes with overseas partner institutes. Nevertheless, a knowledge gap on the necessities of internationalisation still exists and a greater level of understanding is required to improve the quality of higher education and develop university infrastructure that is attractive to foreign students.

Overall outbound trend

According to UNESCO, 53,023 students from Pakistan studied overseas in 2017.⁵⁵ The number of students heading overseas has increased almost four-fold since 1998, reflecting increasing disposable income, rising educational attainment, and rapid population growth. Between 2013 and 2016 outbound student numbers increased rapidly, with a 7 to 10 per cent increase annually. Despite numbers actually falling slightly in 2017 by 0.7 per cent, outbound student numbers have overall increased by 31 per cent in only five years.⁵⁶

UNESCO statistics do not include data on students studying in China, but according to the Chinese Ministry of Education, there were 28,023 Pakistani students studying in China in 2018/19, including more than 7,000 students on scholarships. Of these students, 6,156 were studying for a Ph.D., 3,600 were in master's programmes, 11,100 were in bachelor's programmes, and 3,000 were on short-term exchanges. This number makes China by far the most popular destination, mostly due to its preferential education policies towards Belt and Road Initiative participants.⁵⁷

The UK is the third most popular destination for Pakistani students, behind Australia and just barely above the US. In 2018/19, the UK hosted 6,575 Pakistani students, almost half of the 11,377 students opting to study in Australia and only three more students than the US. The last time students in the UK outnumbered Pakistani students in the US was in 2015, before US enrolments rose by 32 per cent. Malaysia and Saudi Arabia are also popular study destinations.⁵⁸

⁵² [KU's foreign students tell all](#), *The International News*, 13 November 2017.

⁵³ [Pakistan offers 3,000 scholarships to Afghan students](#), *The Express Tribune*, 29 June 2019.

⁵⁴ [IIU confers degrees on over 6,500 female students](#), *The News*, 15 March 2019.

⁵⁵ [Data.UIS](#), *UNESCO Institute for Statistics*, 2018.

⁵⁶ *Ibid.*

⁵⁷ [Over 28,000 Pakistanis studying in China](#), *The Express Tribune*, 15 April 2019.

⁵⁸ [Data.UIS](#), *UNESCO Institute for Statistics*, 2018.

The efforts of the Higher Education Commission (HEC) of Pakistan have supported growth in outbound numbers through the introduction of several scholarship schemes.⁵⁹ Scholarships for international study are awarded predominantly to the sciences at postgraduate level.

- The “Partial support program” provides help to students and faculty studying for their PhD abroad who are in need of partial financial help. Beneficiaries of the grant receive a one-time award of up to US\$15,000 to cover tuition, research expenses or living allowances.
- The “Overseas scholarship for MS/M.Phil. leading to PhD” aims to train highly qualified engineers and scientists by sending scholars to countries considered technologically advanced by the HEC which either have no tuition fees or special rates for which the HEC holds a signed MoU.
- The “Overseas Scholarship Aghaz-e-Haqooq-e-Balochistan Project” specifically provides funding to residents of the Balochistan region. Candidates are offered the chance to study for a PhD in universities ranked in the world top 500 according to the THE rankings.
- The “Overseas Scholarships for PhD in Selected Fields” programme aims to train 1,800 PhD scholars in fields considered to have strategic importance to Pakistan. These were identified by focus groups from 11 fields of study, namely: Social Sciences, Higher Education Trends, Physical Sciences, Medical Sciences, Engineering & Technology, Business Education, Development Studies, Economics, Biological Sciences, Arts & Humanities and Agricultural Studies. Potential relevance to the China-Pakistan Economic Corridor is taken into account when awarding the scholarship.
- The UK also offers several scholarships specifically to Pakistani students.⁶⁰

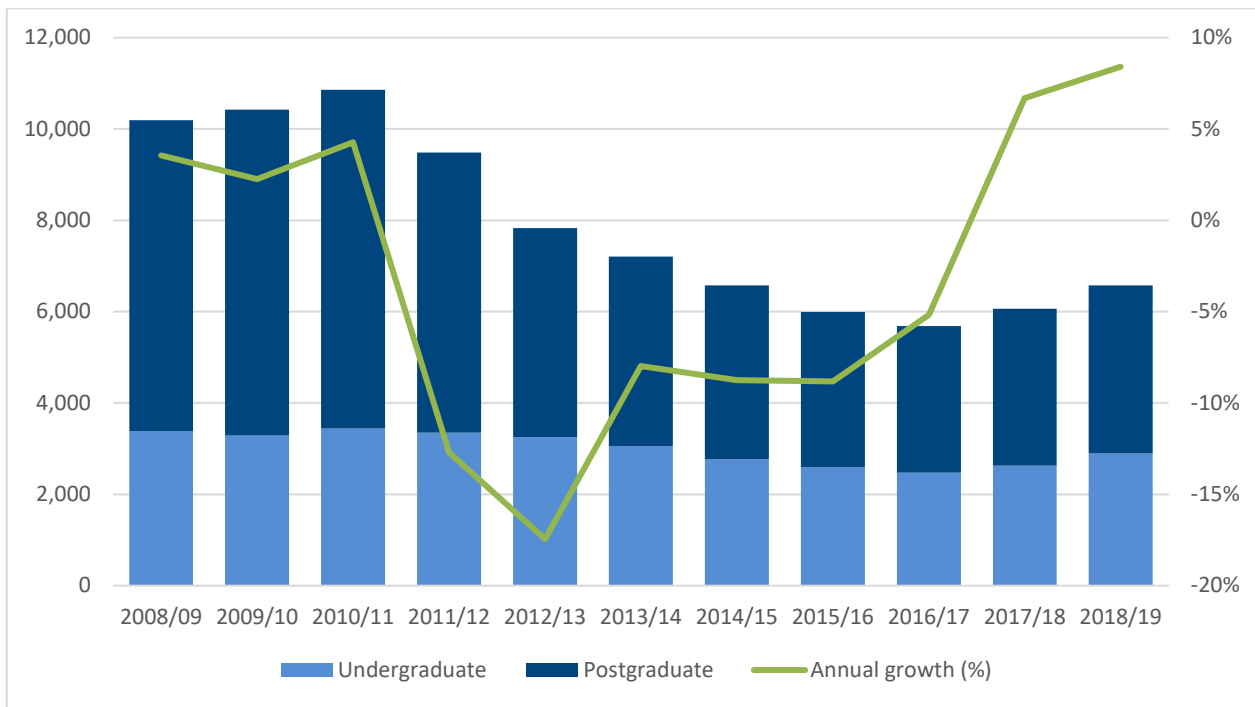
⁵⁹ [Foreign Scholarships](#), Higher Education Commission Pakistan.

⁶⁰ [Scholarships for Pakistani Students](#), Topuniversities, February 2019.

UK recruitment

The UK has traditionally been a popular destination for Pakistani students traveling abroad for tertiary studies due to the strength of UK based programmes and the history of strong ties between Pakistan and the UK. The UK is Pakistan’s third largest destination country for HE students, ranking below China and Australia and just above the US. However, the UK has waned in popularity since reaching a peak of 10,865 enrolments in 2010/11.

Figure 5: Pakistani students enrolled in HE programmes in the UK

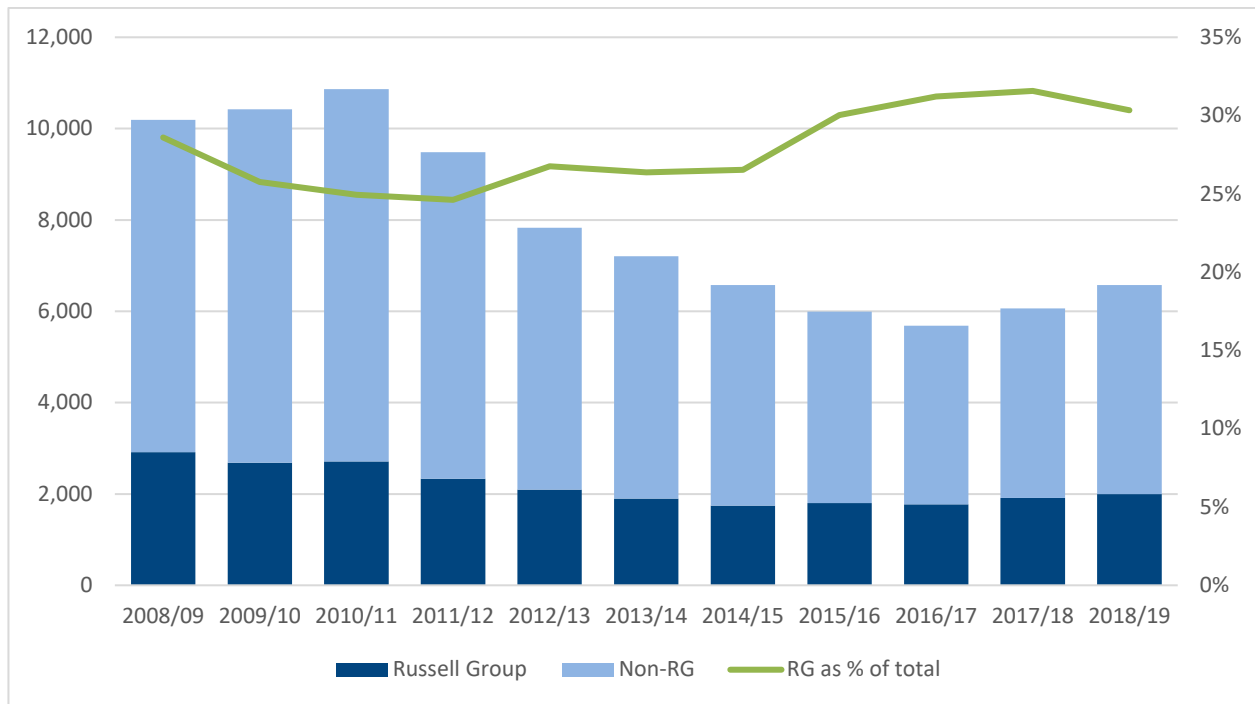


Source: HESA

In 2018/19, there were 6,575 Pakistani students enrolled at UK HE institutes. The 8 per cent growth year-on-year marked the second consecutive year of growth after six years of decline. This waning interest since 2010/11 was likely caused by the introduction of higher tuition fees at UK universities, stricter post-study working visa requirements, and increased interest in other study destinations. Though enrolments have begun to recover, they are still just a fraction of the 2010/11 peak. The reintroduction of the Graduate Immigration Route (GIR), which will allow graduates to remain in the UK to look for work for up to two years after graduation from summer 2021, is likely to boost interest in UK tertiary programmes.

As shown in Figure 5, more than half of Pakistani students (56 per cent) in 2018/19 were enrolled in postgraduate programmes. The proportion of undergraduate enrolments has increased from about 30 per cent in 2010/11 to 44 per cent in 2018/19, with the largest increase happening between 2010/11 and 2012/13. This indicates that the major drop in Pakistani enrolments after 2011 was particularly acute for postgraduates.

Figure 6: Russell Group Enrolments



Source: HESA

Enrolments in Russell Group institutions have consistently accounted for at least one-quarter of total Pakistani students in the UK. Despite a drop in the total number of Pakistani students coming to study in the UK, the proportion studying at Russell Group institutions actually increased: from 25 per cent in 2011/12 to 30 per cent in 2018/19, showing the staying power of the reputation of these institutions.

Subject areas

Figure 7: Change in UK enrolments according to subject area

	Total new UK enrolments in 2018/19	Undergraduate			Postgraduate		
		New UK enrolments in 2018/19	Change from previous year	5-year trend	New UK enrolments in 2018/19	Change from previous year	5-year trend
Business & administrative studies	2295	1110	11.6%		1185	7.7%	
Engineering & technology	1010	500	-2.0%		510	-7.3%	
Law	630	355	26.8%		275	22.2%	
Computer science	575	210	20.0%		365	28.1%	
Social studies	545	230	2.2%		315	5.0%	
Subjects allied to medicine	270	50	0.0%		220	12.8%	
Biological sciences	230	110	10.0%		120	-11.1%	
Education	180	20	33.3%		160	0.0%	
Medicine & dentistry	145	30	50.0%		115	9.5%	
Physical sciences	120	35	0.0%		85	6.3%	
Architecture, building & planning	115	35	40.0%		80	0.0%	
Languages	105	45	0.0%		60	-14.3%	
Mass communications and documentation	85	40	60.0%		45	12.5%	
Creative arts & design	80	35	0.0%		45	-25.0%	
Historical and philosophical studies	70	30	20.0%		40	0.0%	
Mathematical sciences	65	25	-28.6%		40	33.3%	
Combined	30	30	-14.3%		0	0.0%	
Agriculture & related subjects	20	0	0.0%		20	33.3%	
Veterinary science	0	0	0.0%		0	0.0%	

Source: HESA

Business and administrative studies is by far the most popular subject area for Pakistani students studying in the UK. In 2018/19 there were 1,110 enrolments at the undergraduate level and 1185 at postgraduate, together accounting for 35 per cent of all enrolments. The second most popular subject area was engineering, with approximately half as many enrolments as business at both undergraduate and postgraduate level. Other popular subject areas include law, computer science and social studies.

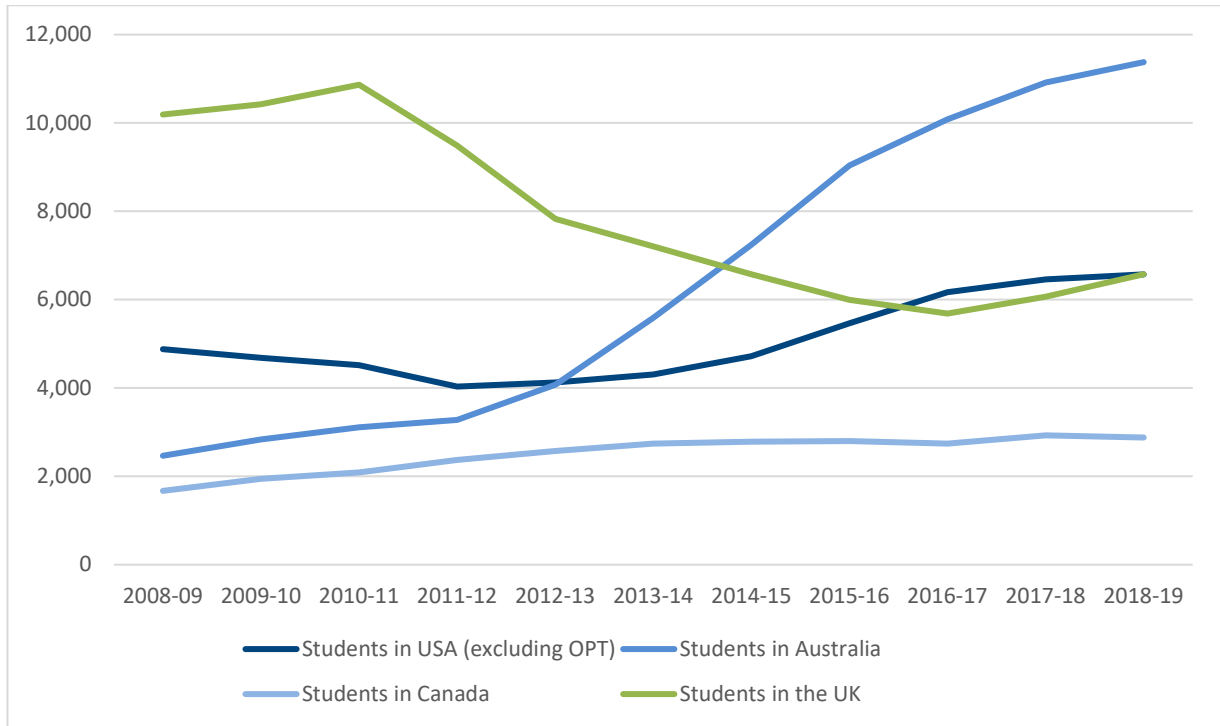
Enrolments in business and administrative studies have started increasing after a number of years of decline, with year-on-year increases of 11.6 per cent at the undergraduate level and 7.7 per cent at postgraduate level. There was strong growth in computer science enrolments among both undergraduates and postgraduates, increasing by 20 per cent and 28 per cent year-on-year, respectively. New enrolments in law programmes have also increased for three consecutive years at both levels, increasing by 27 per cent year-on-year for undergraduates and 22 per cent year-on-year for postgraduates.

Engineering enrolments have meanwhile fallen notably. Undergraduate enrolments decreased by 2 per cent, and postgraduate enrolments fell by 7.3 per cent year-on-year. Other subject areas in decline represent a much smaller proportion of the total Pakistani students in the UK. These subject areas are

mathematical studies and combined programmes at the undergraduate level, and biological sciences and creative arts and design at the postgraduate level.

Competitor activity

Figure 8: Student mobility to the UK’s main competitors



Source: HESA, IIE, Stat Canada, Austrade

United States

The United States received 6,572 students from Pakistan in 2018/19 (excluding OPT), just barely behind the UK. The number of Pakistani students studying in the US has rebounded since reaching a low in 2011/12, when just over 4,000 students went to the US. New visa restrictions proposed by the US government in 2020 are likely to negatively impact all international student mobility to the US.

Australia

Enrolments in Australian HEIs have skyrocketed in recent years, increasing from 2,466 in 2008 to 11,377 in 2018. It became the most popular destination for Pakistani students in 2013, when it overtook the UK. Interest in studying in Australia is driven by the quality of Australian institutions and a history of close educational ties with the country. Several other factors also contribute to this rapid increase, including favourable post-study visa work and immigration opportunities, marketing efforts from the Australian government, increased restrictions on UK visas and marginally cheaper costs.

Canada

In 2018/19, 2,881 Pakistani students studied in Canada, attracted by ample post-study work options, marginally cheaper tuition and living costs and pathways to citizenship. Enrolment levels have slowly increased over the last ten years, reflecting consistent demand for educational offerings in Canada. While this demand is stable, student enrolment in Canada is low in comparison to other traditional study destinations.

Transnational education

There is a relatively large UK TNE presence in Pakistan, but it has become less popular in recent years. Since a peak in TNE enrolments in 2015/16, student numbers have fallen consistently every year. In 2017/18, Pakistan hosted 40,210 UK TNE students – 5.8 per cent of total UK TNE students globally and the fourth highest host territory.⁶¹ However, this was a decrease of 8.3 per cent from the previous year.

The Higher Education Commission of Pakistan lists 28 universities and educational institutions with permission to carry out collaborative degree programmes and other educational courses in Pakistan.⁶² It is possible that the HEC list is not exhaustive, as a list compiled by the British Council in 2013 includes 48 UK institutions with Pakistani students enrolled in TNE programmes.⁶³ Nine of the listed programmes have closed. According to the list, six UK universities currently have a presence in the country.

Non-university organisations administering UK TNE in Pakistan include the examinations board Edexcel, ACCA and a number of business programme providers.

⁶¹ [The scale of UK TNE 2017-18](#), Universities UK International, 2019.

⁶² [Foreign Universities/Institutions Allowed Under Collaborative Degree Programmes In Pakistan](#), Higher Education Commission, Pakistan

⁶³ [Gearing up for growth: Transnational education in Pakistan](#), British Council, April 2013