

Strategic Insight

A U.S. Strategy for Achieving Stability in Pakistan: Expanding Educational Opportunities

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At present, Pakistan is probably the most pivotal coalition partner in the war on terrorism. Its geographical proximity to Afghanistan and Central Asia gives it tremendous strategic importance. It is the world's second most populous Islamic state. The country's cooperation helps prevent the war on terrorism from becoming a conflict between Islam and Christianity. Pakistan also has an effective military and intelligence service and thus could serve as an important ally for anti-terrorist operations.

Clearly, the United States would like to see Pakistan become a stable, developing state where religious based extremists do not find support or recruits. As such it could provide a model for other Islamic states and play a leading role in building regional stability and prosperity.

This positive outcome is certainly not preordained. Pakistan could disintegrate into a nightmare of ethnic conflict, sectarian violence, and humanitarian disaster. Under such conditions, religious extremists could ally with sympathetic military officers, seize political power, and thus control nuclear weapons.

Which path the country goes down will depend ultimately on the policies adopted by Pakistan's leaders. For his part, President Musharraf has emphasized the theme that "Pakistan is a moderate Muslim country." He has spoken of his country's "greater jihad against illiteracy, poverty, and hunger," and enthusiastically detailed his hopes for reshaping his country's crumbling educational system and reforming its controversial religious schools.

Economic Challenges

Prior to 9/11, Pakistan's economy was struggling under the weight of a huge foreign debt. The key agricultural sector was also severely crippled by drought. Both factors were responsible for constraining growth well below the 6-7 percent range necessary for making a significant dent in the country's gripping poverty.

September 11 and the ensuing war in Afghanistan have compounded the country's economic problems. Pakistan's key exports, textiles, are suffering from a rash of cancelled orders and a lack of new business. Experts anticipate that the country stands to lose about \$1 billion in exports -- a drop of about 12% -- in the current (2002) fiscal year. Meanwhile, additional spending on security to reinforce the border with Afghanistan will make it extremely hard to control the government's budget deficit. All in all, the losses to Pakistan's economy associated with 9/11 and the Afghan crisis are estimated at \$2.5 to \$3 billion.

Offsetting this to a certain extent has been the lifting of U.S. sanctions that had been imposed in response to Pakistan's nuclear testing and military take-over. Pakistani textiles have been given greater access to the U.S. market and the IMF recently negotiated a new loan package for the country. International aid pledged thus far totals \$3 billion. Included in that figure are grants, write-offs of bilateral debt and

humanitarian assistance. It is not clear however, whether these actions have neutralized the adverse economic effects noted above -- some experts contend that Pakistan is still economically worse off following 9/11.

No doubt restoring economic growth will be the ultimate key to stability in Pakistan. Having said that, what needs to be done to bring sustained economic betterment to the masses? Historically this has not occurred in Pakistan because the government has, despite extensive World Bank assistance, failed to design a coherent approach to poverty reduction. More generally, the country has suffered from: (1) political instability and lack of continuity in economic reforms and policies; (2) low levels of domestic savings and investment; (3) unstable macroeconomic conditions; (4) high level of protection to domestic industries and discrimination against primary production and exports; and, (5) an unusually low level of public investment in human capital (health and education).

Table 1 Pakistan: Defense versus Development (All figures given as percentage of GNP)

FY	Health	Education	Defence
1981/82	0.6%	1.4%	5.7%
1982/83	0.6%	1.5%	6.4%
1983/84	0.6%	1.6%	6.4%
1984/85	0.7%	1.8%	6.7%
1985/86	0.7%	2.3%	6.9%
1986/87	0.8%	2.4%	7.2%
1987/88	1.0%	2.4%	7.0%
1988/89	1.0%	2.1%	6.6%
1989/90	0.9%	2.2%	6.8%
1990/91	0.8%	2.1%	6.3%
1991/92	0.7%	2.2%	6.3%
1992/93	0.7%	2.4%	6.0%
1993/94	0.7%	2.2%	5.6%
1994/95	0.7%	2.4%	5.5%
1995/96	0.8%	2.4%	6.2%
1996/97	0.8%	2.5%	6.5%
1997/98	0.7%	2.3%	6.9%
1998/99	0.7%	2.2%	7.1%

Source: Economic Survey of Pakistan

In short, despite historically high rates of overall growth (compared say to those in India), an environment predominated by these five policy failures has, in large part, created the poverty and income disparities at the heart of the current instability. To rectify this, the government will have to revamp its whole approach to the country's economy and its educational system. Progress is being made in this direction under Musharraf, but given Pakistan's high level of external indebtedness and rising defense/security expenditures, the government will be very hard pressed to achieve significant short run success in these areas.

U.S. Options

In the economic area, the United States could assist by undertaking the following: (1) additional debt relief for Pakistan -- this could involve outright debt forgiveness as well as a restructuring of much of Pakistan's short term foreign obligations; (2) special access for Pakistan to the U.S. market for textiles -- using a long term schedule expanding Pakistan's share of the U.S. import market; (3) a long term U.S. aid commitment tied to certain performance criteria. Here the United States should consider the use of grants, especially in shifting resources towards an improved Pakistani school system, and (4) resumption of a long term military aid commitment to Pakistan.

Increased aid, debt relief, and expanded military assistance for Pakistan are obvious areas on which the United States should focus. Less apparent, but perhaps even more important are our actions in two key areas: educational reform and textile market access. One thing both areas have in common is that, albeit in somewhat different ways, they are fertile breeding grounds for discontent and anti-Americanism. The following section focuses on what the United States might do to facilitate educational reform in Pakistan.

The Madrassah System

One of the unique characteristics of the Pakistani educational system is the reliance on religious schools commonly known as Madrassahs. Historically these schools were founded as centers of learning for the next generation of Islamic scholars and clerics. As Singer (2001) notes, however, during the 1980s the Madrassah system changed significantly. First, as part of its Islamization policy the Zia regime stepped up funding for the schools. Funds were dispersed at the local level to institutions deemed worthy of support by religious leaders, creating new incentives for opening religious schools. At the same time, the war in Afghanistan produced millions of refugees and the radicalism of a jihad movement.

Today, the schools are funded both by private donations from Middle Eastern countries and by the "zakat," a 2.5 percent tax collected by the Pakistani government from the bank accounts of Sunni Muslims once a year. The tax results in millions of dollars each year being directed to the schools. Foreign donations come mainly from rich individuals and Islamic charities in Saudi Arabia and the Gulf States.

A major reason for the popularity of the Madrassahs in Pakistan is that the country's public school system is in shambles, and many families cannot afford the small fees that are charged. Madrassahs offer an attractive alternative: free education, free meals, free schoolbooks and even in some cases a stipend. While the exact numbers are unobtainable, estimates are that over a million and a half students study at more than 10,000 of these schools.

A number -- probably a significant fraction -- of these schools have built extremely close ties with radical militant groups. In this capacity they have increasingly played a critical role in sustaining the international terrorist network. In addition to their role in terrorism, the schools are a concern because of their non-technical, non-scientific curriculum. Many teach only religious subjects to their students, focusing on rote memorization of Arabic texts. In essence they are producing a generation of students unlikely to play a productive role in creating the type of modern dynamic economy necessary to reduce the country's grinding poverty.

Educational Reform

For its part the Musharraf Administration is trying to revamp the country's school system, together with weeding out extremist Islamic educators. To this end, on June 19, 2002 the federal cabinet approved the Madrassah Registration Ordinance 2002, in force immediately, to regulate religious schools by bringing them under the formal educational system of the country. According to the ordinance, Madrassahs must register with the Pakistan Madrassah Education Board and the respective Provincial Madrassah Education Boards. A key aspect of the Ordinance is that unregistered Madrassahs will be prohibited from receiving Zakat funds, financial assistance, grants, donations or other benefits from the federal government or provincial governments. Madrassahs violating the Ordinance risk closure or a fine or both.

The government is also trying to persuade the schools to teach science, mathematics, English and Urdu. This would provide students with the option, now usually lacking, of eventually enrolling in professional schools. The government has gone so far as to suggest that Madrassahs would receive government aid only if they begin providing what could be termed a "modern education".

According to the Ordinance every registered Madrassah is to maintain accounts and submit an annual report to their provincial education board. A registered Madrassah must not receive any grant, donation or

aid from any foreign sources, or allow admission to foreign students or make appointment of teachers without valid visa and a "No Objection Certificate" from the Interior Ministry.

Musharraf's plan is ambitious and very necessary. But by itself it will take years before the effects start to show. It is already apparent that change will not come soon to the Madrassahs. Not only are many religious groups violently opposed to any government interference, but the Ordinance is not compulsory. In practice, because of pressure from the clergy, the only penalty for not registering a Madrassah is that it will not be eligible to receive any government funding. Even this limited incentive is undercut by the fact most of the schools receive little or no government funding to begin with. In August of 2002 after intensive lobbying by clergy leaders, the Musharraf Administration has pledged to water down the Ordinance.

Given the limited reforms likely in the Madrassahs in the near future, the United States and other donor countries should seriously consider using foreign aid and assistance to facilitate educational reform in Pakistan. As a start, the United States plans to provide nearly \$35 million in 2002 to bolster the country's state school system. At this juncture, the critical questions involve the most effective and efficient ways to proceed.

Singer has explored several of the options that might be worth considering. Logically, the United States could help the Pakistani government with one or more of the following options:

1. Developing a public Madrassah system as an alternative to the current private Madrassahs.
2. Developing a secular public education system that provides Pakistani families with a superior alternative to the Madrassahs.
3. Developing alternatives and supplements outside the formal educational system
4. Obtaining educational aid from a variety of international sources.

Option 1, given the country's limited supply of educational facilities and qualified teachers, might appear to be an attractive short term solution. As Singer notes, publicly managed Madrassahs exist throughout the Middle East, teaching the tenets of Islam, but also providing a more modern curriculum. The United States could help in this effort, but should do nothing to imply direct American influence over the schools, which would discredit their Muslim credentials. Here, U.S. aid should focus mainly on providing various educational materials and supplies. A major problem is that the schools would be hard to monitor for performance, and given the constraints on the role that the United States could play here, this may not be the best avenue through which to focus U.S. efforts.

Option 2 would definitely entail considerable U.S. aid and assistance. However, rough cost calculations indicate that this might be a promising option. Estimates are that the United States could build a school for several hundred children for \$60,000 and operate it for \$10,000 a year. This would appear to be an extremely cost effective alternative.

A final alternative noted by Singer, Option 3, would largely involve expanded American sponsorship of technical schools and other centers of learning within Pakistan. No doubt this would be a popular alternative for many students. As the government's economic reforms begin to bear fruit the demand for trained and skilled graduates will grow rapidly. More importantly, without a steady stream of qualified graduates, the country would have a hard time restoring growth in the 5-6% per annum range.

With regard to Option 4, many other international organizations are prepared to assist Pakistan's attempts at improving public education. The problem is that often the country does not meet all the conditions to qualify for this assistance. For example, the World Bank has recently named Pakistan and 22 other developing nations in Asia, Africa and Latin America to spearhead a campaign to educate all children by 2015. Unfortunately Pakistan, together with India, Bangladesh, the Democratic Republic of the Congo and Nigeria, currently falls short of the Bank's minimum criteria for receiving financial aid. The Bank has set two requirements for countries seeking financing: they must have a fully developed "poverty reduction

strategy"; and they must be effectively implementing an education plan that donor nations have agreed to. As part of its relationship with the IMF, Pakistan currently has a poverty reduction strategy in place. The U.S. contribution could be in helping the Pakistani government develop a comprehensive educational plan that could draw financing not just from the World Bank but also from other international agencies and NGOs.

Clearly educational reform will be one of Pakistan's most important challenges in the months and years to come. Fortunately, the country has a number of viable options for moving away from the current dysfunctional system. Pakistan's progress in this area may be the most critical determinant of whether the country becomes a moderate, progressive nation joining the world community, or whether it descends into increased poverty, isolation, and instability.

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Suggested Further Reading

P.W. Singer, [Pakistan's Madrassahs: Ensuring a System of Education not Jihad](#) (Brookings, November 2001)

Brookings Forum on Universal Education, [Basic Education in Pakistan and Afghanistan: The Current Crisis and Beyond](#), December 17, 2001

Susannah Price, [Pakistan religious schools deadline](#) (BBC, 19 June, 2002)

Pakistan Reform Party, [Education for Life: First Priority](#)

Shamim Ahmed Rizvi, New Education Policy: Universalization of Primary Education has the Pivotal Role in the Nations' Economic Progress (*Pakistan & Gulf Economist*, November 20, 2000)