

U.S. Aid to Pakistan: Planning and Accountability

Testimony presented before the House Subcommittee on National Security and Foreign Affairs, December 9, 2009.

C. Christine Fair, Assistant Professor, Georgetown University, Security Studies Program in the Edmund A. Walsh School of Foreign Service,

Introduction

Since the terrorist attacks against the United States on September 11, 2001, the United States and many other donor countries have fundamentally altered the logic of development assistance. In the period after the Second World War aid was primarily geared towards post-war reconstruction. Development assistance next conceptually shifted towards eliminating and reducing poverty which was expected to prevent conflict. After 9/11, development assistance has become subjected to the imperatives of the war on terror.¹

Pakistan, perhaps better than any other recipient country of concern, illustrates the “securitization” of aid. While there are no robust studies demonstrating the efficacy of development assistance in promoting peace, mitigating conflict or dissuading populations from embracing violence extremism, I argue here that this approach likely has had considerable adverse impacts upon U.S. efforts to reach out to Pakistanis and, ironically, may have engendered more distrust rather than mitigating the same. In addition, the popular perception that the public has seen little benefit from the billions of U.S. funding has encouraged a number of conspiracy theories about the ultimate and malignant objectives of the U.S. government as exercised through its assistance programs.

As USAID reconsiders the modalities of providing assistance to Pakistan, there are several issues that USAID may wish to consider. The below discussion draws from my own experience in Pakistan since 1991 as an Urdu speaker who has travelled throughout the country, from survey work that I have conducted with various collaborators as well as from reviews of relevant secondary literature.

Securitization of Aid

Since the terrorist attacks of 9/11, development assistance has become an instrument for containing, combating, and mitigating terrorism. The U.S. Agency for International Development (USAID), along with other U.S. federal agencies, has been incorporated

into the U.S. government's conception of waging counterinsurgency. According to *U.S. Government Counterinsurgency Guide*

USAID can assist U.S. COIN efforts by fostering economic growth, promoting human health, providing emergency humanitarian assistance and enhancing democracy in developing countries. This is achieved through a spectrum of actions from policy reform to community level programs..... The large numbers of foreign service nationals that make up the professional cadre of field staff provide a unique understanding of the local situation, while the range of sectors and levels of activity allow USAID great operational flexibility and agility to both implement and track the effectiveness of COIN operations.²

U.S. policies towards Pakistan are archetypal of the trend towards securitizing development assistance. As shown in Figure 1 below, after the 1971 Indo-Pakistan war (from which Bangladesh attained its independence), Washington continued to provide Pakistan with considerable economic assistance. (Note that the USAID Greenbook database exclusively provides *development* assistance data only for the last decade. For this reason, Figure 1 depicts all economic assistance between 1971 and 2007, the latest year for which data are available.)

In 1977 the Symington Amendment was triggered against Pakistan because it was found to be seeking reprocessing technology from French companies.³ (Sanctions were removed when the French cancelled the deal and aid resumed in 1978.) Aid was again cut off under Symington in 1979 when Pakistan imported equipment for the Kahuta uranium-enrichment facility, which was not under International Atomic Energy Agency (IAEA) safeguards.

Those sanctions were short-lived due to the December 1979 Soviet invasion of Afghanistan, which brought the Cold War to Pakistan's doorstep. In 1980, Washington and Islamabad began negotiations to resume aid following the invasion. The United States "persuaded" President Zia ul Haq to accept a six-year \$3.2 billion aid package in 1981. (He had previously rejected a \$400 million aid package as "peanuts.") However, the president was unable to make the necessary certifications required under the Symington amendment that he had received reliable assurances that Islamabad would not acquire or develop nuclear weapons.⁴ For this reason, the U.S. Congress suspended the Symington amendment in 1981 with respect to Pakistan for the duration of the agreement and annually appropriated the agreed upon funds.⁵

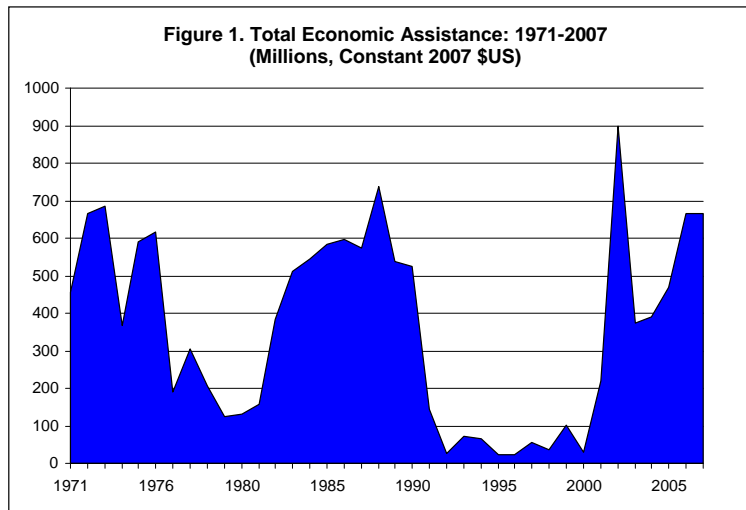
In 1985, the U.S. Congress passed the Pressler Amendment thereby permitting U.S. assistance to Pakistan conditional upon an annual presidential assessment and certification that Pakistan did not have nuclear weapons. The legislation allowed the United States to continue providing assistance to Pakistan even though other parts of the U.S. government increasingly believed that Pakistan had crossed the nuclear threshold, meriting sanctions under various U.S. laws. In contrast to popular accounts of this legislation in the United and in Pakistan, the Pressler Amendment was passed with the

active involvement of Pakistan's foreign office, which was keen to resolve the emergent strategic impasse over competing U.S. nonproliferation and regional objectives on one hand and Pakistan's resolute intentions to acquire nuclear weapons on the other.⁶ In 1990, when U.S. interests in the region lapsed after the Soviet Union left Afghanistan, the president declined to certify Pakistan and the sanctions came into force.

By September 10, 2001, Pakistan was encumbered with layers of sanctions including those under the Glenn-Symington Amendments⁷ following its 1998 nuclear tests as well as Section 508 sanctions following General Pervez Musharraf overthrow of the democratically elected Nawaz Sharif in 1999.⁸ Additionally, specific entities in Pakistan had been sanctioned under the Missile Technology Control Regime (MTCR) for proscribed acquisition of missile technology from China. On March 24, 2003, the United States imposed a new set of sanctions on Pakistan's Khan Research Laboratories for a "specific missile-related transfer" from North Korea's Changgwang Sinyong Corporation. (Sanctions were simultaneously imposed upon the Korean organization.)⁹ The United States also episodically threatened to label Pakistan a state that supports terrorism.

On the eve of the 9/11 terror attacks, Pakistan teetered on the brink of pariah state status. After President Musharraf chose, under considerable pressure, to join the U.S.-led Global War on Terrorism, the Bush administration waved sanctions related to the nuclear tests and military coup.¹⁰ At a September 24 press briefing, State Department spokesman Richard Boucher explained this change of course "We intend to support those who support us. We intend to work with those governments that work with us in this fight [against terrorism]."¹¹ The results were dramatic. In FY 2001, all Direct Overt U.S. Assistance to Pakistan totaled less than \$90 million with food aid comprising \$86 million and \$4 million in limited security-related assistance. There was no economic assistance. In FY 2002, Pakistan received \$2.1 billion, including \$665 million in economic aid.¹² Clearly Pakistan did not become needier; rather, Pakistan became important within the political contexts of the war on terror.

Figure 1 below depicts annual U.S. economic assistance to Pakistan between 1971 and 2007. The dramatic variation in assistance appears to have little to do with Pakistan's objective needs; rather Washington's changing policy priorities towards the country at different points in time and efforts to achieve U.S. objectives towards the country.



Source: Data from USAID, *Greenbook Database*, <http://gbk.eads.usaidallnet.gov/index.html>.

In my interactions with a wide swathe of Pakistanis since 9/11, many persons have communicated a deep awareness of and discomfort with Washington’s instrumentalism of its assistance. (As an Urdu speaker, I have access to a diverse cross-section of interlocutors.) In the years that have passed since 9/11, several themes have emerged from my numerous discussions with Pakistanis from various professional, educational and class backgrounds and other demographic characteristics (age, gender, ethnicity, mother tongue, etc.)

First, Pakistanis have long complained that the United States supported President and General Musharraf’s unconstitutional tenure because doing so served Washington’s interests. Pakistan, despite being ruled indirectly or directly by the military for a majority of its existence, sustains high levels of support for democracy—however flawed. Data from the World Values Survey in 1997 (at the height of public frustration with civilian ineptitude), a majority (55%) believed a democratic system is “very good” and another 12% believed it was “fairly good.” Only 18% believed it was “fairly bad” (15%) or “very bad” (3 percent). In 2001—two years after Musharraf’s military coup—solid majorities still supported democracy with 54% saying it was “very good” and 34% saying it was “fairly good.” Only 12 percent thought democracy was “fairly bad” (8%) or “very bad” (4%). (See Table 1 below).

Support for democracy among Pakistanis after the latest 2001 World Values Survey has been consistently found in more recent polls as well. For example in 2007, this author (working with colleagues at PIPA) fielded a survey in which we asked respondents to assess, on a 10-point scale, “How important is it for you to live in a country that is governed by representatives elected by the people,” a large majority indicated that it was very important, choosing 8 or higher, and 50 percent chose 10, meaning “absolutely important.” The mean score was 8.4. Only 7 percent chose a score of 3 or lower.¹³

Given the longstanding support that Pakistanis have evinced for a democratic dispensation, U.S. support for Musharraf outraged Pakistanis across the board. This policy was particularly enraging in light of prevailing U.S. rhetoric about “liberating” neighboring Afghanistan and Iraq.¹⁴

Table 1. “Having a Democratic Political System

	1997	2001	Total Both Years
Very good	56.0 %	54.2 %	54.7 %
Fairly good	11.9 %	33.9 %	27.5 %
Fairly bad	32.1 %	7.9 %	14.9 %
Very bad	-	4.0 %	2.8 %

Source: Data World Values Survey, Online Data Analysis Tool. <http://www.worldvaluessurvey.org/>.

Second, Pakistanis tend to believe that U.S. assistance to Pakistan is driven not out of humanitarian concern rather a cold requirement to sustain Pakistan’s cooperation in the U.S. war on terrorism. This has led to various formulations such as the United States is “buying Pakistan,” “leasing its military,” “creating a vassal state,” and so forth. Other programs such as U.S.-promoted educational reform of the religious schools (aka “madrassah reform”) and public school curriculum reform are often viewed warily as Washington-led attempts to de-Islamize Pakistan’s educational system.¹⁵ Pakistanis in the course of my field work have expressed further frustration with the U.S. focus upon the Federally Administered Tribal Areas (FATA), noting that this territory is important to Washington because of its proximity to the war theater in Afghanistan. (It is true that the Kerry-Lugar legislation seeks to dampen the focus upon FATA.)

Pakistanis’ assessments are not far off from reality. The U.S. Department of State, *Congressional Budget Justifications for Foreign Operations Fiscal Year 2008* makes a number of statements that explicitly justify such cynicism on the part of Pakistanis.¹⁶ Below follow a number of examples that explicitly link development aid to security. Emphasis is provided by the author.

- “...Funding will *continue to support the Global War on Terror* through security, reconstruction, development and democracy efforts, particularly in Afghanistan and Pakistan, which represent 84 percent of the region’s request...” p. 8
- “Pakistan -- \$382.9 million, including budget support, to be monitored by the Shared Objectives Process and for social sector programs such as education reform, expansion of basic health services for women and children, accountable and participatory democratic governance, and expansion of economic opportunities. The funds will also help invigorate Pakistan’s new Federally Administered Tribal Areas Sustainable Development Plan to assure basic human services are on par with the rest of the country to *minimize the appeal of joining the insurgency*. \$50 million supports the U.S. pledge for earthquake reconstruction projects.” p. 49
- “...The United States seeks to build a stable, long-term relationship with Pakistan. This request will *maintain Pakistan's support in the Global War on Terrorism and efforts to build peaceful and positive relations with its neighbors, India and Afghanistan*. U.S. assistance also will encourage

- Pakistan's participation in international efforts to prevent the spread of weapons of mass destruction and support in the development of a moderate, democratic, and civilian government which promotes respect for human rights and participation of its citizens in government and society....” p.564
- “... Enhanced governance [of FATA and Baluchistan] will undermine the appeal of terrorist organizations in regions which have provided safe haven for violent extremists. To respond to these challenges, \$90 million in assistance for this region is being set aside for FY 2008. Areas of focus include education, health, road building, and economic growth....” p. 564
 - “A strong long-term U.S.-Pakistan partnership remains critical to continued progress in the global war on terrorism and to regional stability. Assistance supporting education, healthcare, democratization, and economic development will help to strengthen social, political and economic institutions in ways that will be recognized by ordinary Pakistanis and encourage them to choose moderation over extremism.” p. 511

Third, during the last several years, Pakistani interlocutors have complained bitterly about the modalities of U.S. aid. They themselves note that the provision of large sums of cash without significant oversight and monitoring fosters further corruption within their government and related institutions. Interlocutors have asked with suspicion how the United States could have so little oversight of its funding and this in turn has churned a deeper cynicism that Washington explicitly seeks to ensure that Pakistan remains weak, riddled by corruption and thus more vulnerable to international pressure generally and to U.S. pressure in particular.

Several polling exercises demonstrate that, despite the infusion of more than \$15 billion in assistance and reimbursements since 9/11, Pakistanis harbor significant distrust of Washington’s programs in their country. In the afore-noted poll from the summer of 2007, my colleagues and I found that a majority of respondents were negatively disposed towards the United States with large majorities (64%) saying that the United States cannot be trusted to act responsibly and majorities (56%) believing that the United States controlled most or nearly all of the “recent major events” in Pakistan. A plurality disapproved of how Pakistan’s government has handled relations with the United States.¹⁷

Few Pakistanis think their government’s collaboration with U.S. anti-terrorism efforts has helped their country. When asked about “the cooperation in the last few years between Pakistan and the US on security and military matters,” only one in four (27%) said that it had brought *any benefits to Pakistan*. This includes 12 percent who said it had benefited both countries, 9 percent who said that although it had “mostly benefited the United States” it had also helped Pakistan, and 6 percent who said that it had “mostly benefited Pakistan” However, one in three respondents believed that Pakistan’s cooperation with Washington had actually *hurt* Pakistan.¹⁸

A similarly stark picture emerges from a recent WorldPublicOpinion.org poll from the spring of 2009 (in which the author was involved). In that nationally representative survey of 1,000 persons, respondents evidenced continued wariness towards the United States with intensifying negative disposition towards the U.S. government. A solid majority of respondents (66%) believe that the United States is hypocritical because it tried to “promote international laws for other countries but ... often does not follow these

rules itself.” In contrast only 28% believed that the “US has been an important leader in promoting international laws, and sets a good example by following them.” Equally dismaying, more than 90% believe that the United States “abuses its greater power” in its relations with the Pakistan. A mere 6% believe that the United States treats it fairly. (Five percent did not answer.)¹⁹

It is not clear to this analyst that these perceptions can be managed through a public diplomacy campaign however sophisticated. Arguably, if the United States wishes to move public opinion it will have to change how it works in Pakistan and engages its citizenry.

The Governance Challenge: Corruption and Popular Support for Sharia

In recent years, U.S. and Pakistanis alike have commented upon the lack of accountability in the disbursement of U.S. funds with both sides blaming the other for lost millions. Dealing with corruption and lack of accountability for these enormous outlays is not just fiscally responsible: doing so likely can influence how the United States is seen by average Pakistanis who distrust their own government and its international patrons to act responsibly with large sums of assistance and reimbursements.

Pakistan is still considered to be a corrupt country. According to Transparency International’s most recent 2009 Corruption Perception Index, Pakistan ranks 139 among 180 countries evaluated. (New Zealand topped the ranks as the least corrupt while Somalia was the most corrupt and ranked at 180.)²⁰ While corruption may have deep roots in Pakistan, corruption matters to Pakistanis deeply and thus should focus the attention of U.S. policy makers because of the potential impact it has upon the ways in which Pakistanis view the United States and their own institutions.

Transparency International Pakistan (TIP) monitors Pakistani public perception of corruption. In its most recent 2006 survey of Pakistan, TIP asked respondents to identify the main factor that they believe is responsible for corruption in Pakistan. The largest group (nearly one in three) believed that corruption was due to a lack of accountability or oversight.²¹ Various surveys of Pakistanis suggest that this interest in diminished corruption and improved governance may drive the consistently high levels of support for Sharia evidenced in polling efforts.²²

The author, working with Neil Malhotra and Jacob N. Shapiro, fielded a survey in April 2009 that sought to understand what Pakistanis believe “sharia” to mean and what role they want it to play in their government.

We first asked respondents “How much do you think Pakistan is governed according to Islamic principles?” Respondents were more divided on this issue. Nearly one in three thought that Pakistan was governed “completely” or “a lot” by Islamic principles. Nearly

one in two believed that it was so governed “a moderate amount” or a “little.” And one in five thought it wasn’t governed at all according to Islamic principles.²³

While most Pakistanis were of the view that Pakistan *is not* to any great extent governed by Islamic principles, the vast majority of respondents (69 percent) indicated that Sharia *should* play either a “much larger role” or a “somewhat larger role.” Only one in five thought it should play “about the same role” and fewer than one in ten believed that it should play “a somewhat” or a “much smaller role.”

While polls of Pakistanis consistently show that “Sharia” enjoys high levels of support in Pakistan, they do little to reveal just what “Sharia” means for Pakistanis. We fielded a battery of questions about Sharia to better understand the characteristics that respondents ascribe to “Sharia.” These results are presented in Table 2. The vast majority of respondents (more than 95 percent) believe that Sharia provides services, justice, personal security and is free of corruption. In contrast, a smaller majority (55 percent) believed that Sharia is a government that uses physical punishments. Given the generally positive attributes that respondents ascribe to Sharia, it is not surprising that few see Pakistan as being governed under those principles and that they would like a greater role for Sharia.

Table 2. How Respondents Understand Sharia

Sharia....	Percent Yes
Provides services	97%
Does not have corruption	97%
Provides personal security	96%
Provides justice through functioning non-corrupt courts	96%
Is a government that uses physical punishments	55%

Source: In-house tabulations, weighted.

To further explore respondents beliefs about what governance under Sharia would mean for them, we asked respondents several questions about how an expanded role for Sharia would affect other aspects of Pakistani civic life. First, we asked if there were to be a greater role for Sharia, how much more or less fair would the administration of justice be? A solid majority (79 percent) believed that the administration of justice would be “a lot more” (41 percent) or “a little more” (38 percent) fair. A mere 4 percent believed that it would be “a little less” or “a lot less” fair. Another 14 percent expected no change and fewer than 3 percent did not know or declined to answer.

We also asked survey participants if there were to be a greater role for Sharia in Pakistani law, how more or less corruption would there be? Consistent with the above results, a 70 percent of respondents believed that there would be “a lot less” (39 percent) or “a little less” (31 percent). Fourteen percent anticipated no change and another fourteen percent

anticipated that there would be either “a lot more” (6 percent) or “a little more” (8 percent) corruption.

Moving Forward: Considerations for Future USAID Programming in Pakistan

Admittedly, it is much easier to identify problems with current and past programs than it is to offer a more effective way forward. Below I present a number of steps and considerations that may be useful as USAID considers its future aid delivery mechanisms in Pakistan. Several underlying themes run across all of these elements including a firm need for better data; routine and robust analyses before during and after interventions with a focus upon outcomes rather than outputs; and a willingness to experiment with programs, retaining and improving upon promising programs while jettisoning those that are ineffective or fail to deliver cost effectively.

The Need to Better Discern Pakistani Preferences

In my interactions with USAID personnel, many have conceded that the pressure to execute often means that too little time is spent in discerning preferences of the target population and how to ensure that programs are genuinely demand-driven. This may well result in supply-driven programming that may not address the needs and aspirations of the target population and may even engender frustration with a foreign-driven agenda.

One study of education sector reform efforts in Pakistan is particularly illustrative. Mathew J. Nelson conducted interviews among a convenience sample of parents in and around Rawalpindi about their expectations for their children’s educational experiences and what kinds of education they preferred for their children. Nelson also interviewed a convenience sample of international education-sector reform professionals. He found that parental preferences were significantly different from preferences that reformers attributed to them. Nelson’s team asked parents “If your children were provided with a choice among all of the schools currently available in Pakistan *except madrasa*—because, in many cases, madrasa graduates suffer from unemployment—would you be satisfied with your educational options?” The majority of parents (60%) said no. Nelson was astonished to find that no aid reform professional expected this response. When Nelson’s team asked parents to identify their first and second educational priorities among basic education; religious education; liberal education; vocational education; and civic education, the plurality (41%) indicated religious education as their first priority and another 26% identified religious education as their second priority. In contrast, donors expected citizens to prefer vocational education instead.²⁴

Nelson, in the course of his work, found that USAID and other education-sector donors “made little discernable attempt to publish any systematic or disinterested assessment of local educational demands even though they claim that their work is ‘demand-driven.’” Nelson continued “...when I inquired about the strategies that [Education Sector Reform Assistance (ESRA, funded by USAID)] used to collect empirical data regarding the

nature of local demands, I was told that the office had no time for ‘ethnographic research.’”²⁵

Similar empirical lacunae exist surrounding USAID decisions to “brand” or “not to brand” USAID projects. It appears as if USAID does not determine how its projects should be presented to Pakistanis based upon empirical data collection and analysis. This is surprising. Pakistan has numerous professional marketing firms which have long conducted market research for a variety of private sector entities introducing new products into the Pakistani market. It would seem that focus groups coupled with market research should inform USAID’s decision about product placement and branding.

This points to a general but shockingly pervasive paucity of serious data about Pakistanis generally; the views they have on a wide range of domestic and foreign policies; the sources of information that Pakistanis access and which inform their views; and the legitimacy and trustworthiness of various sources of information among other critical pieces of information. Moreover, at best, the extant surveys are cross-sectional snapshots in time. There are no longitudinal studies of Pakistani public opinion that would permit more precise evaluation of evolving views and the factors that explain such evolution.

The U.S. government does engage in data collection efforts. However, those surveys – with the notable exception of those USAID surveys conducted through IRI—have small and idiosyncratic samples that frustrate generalizations about Pakistani public opinion in aggregate much less permit sub-national levels of analyses. In addition to problems with sample construction, surveys fielded in Pakistan suffer from overly complex Urdu instruments which may be difficult for average respondents to understand, high don’t know/don’t respond rates, ambiguous intentions of questions and polyvalent responses. Moreover, given the straightforward questioning techniques, these efforts are vulnerable to satisficing, intimidation, or other motivations that respondents may have to obfuscate genuine beliefs.

Unfortunately, these data are often collected by organizations and are treated as proprietary. This is unfortunate as it deprives the scholarly community access to these data and this community may be better situated than government agencies to conduct a thorough assessment of data integrity and sample structure; evaluate survey methods; and conduct sophisticated analyses that advance understanding of issues queried in the polls.

Across the board, my experience in Pakistan suggests that much more resources need to be devoted to better discerning and aligning Pakistanis’ needs and preferences with US objectives and programming.

Community-Based Development Programming?

For years, development economists have debated the vices and virtues of community-based development (CBD) programming. Proponents of CBD contend that such

approaches may result in an allocation of development funds that is more responsive to the needs of communities, improve the targeting of programs, make the government more responsive, enhance the delivery of public goods and services and develop the social capital of the citizenry to undertake and sustain self-initiated development activities.²⁶

Opponents contend that such programming takes a long time to fructify. Under a time constraint, implementers will forego the long-term task of institution building in favor of achieving measurable outputs (if not outcomes), create dependency rather than agency, and constitute parallel structures that undermine local governance institutions.²⁷

Unfortunately, there is no obvious way to resolve this debate as there have been precious few attempts to empirically demonstrate the impacts of CBD programming relative to a comparable effort of service provision by government agencies.²⁸

Mansuri and Rao review the extant literature on CBD and examine how CBD projects fair with respect to targeting, performance, participation and community capacity for collective action, role of social inequality and diversity, capture, role of external agents, sustainability and links to local government. Their findings are summarized below:

- In general they find that CBD programming does facilitate effective targeting (e.g. to specific demographic or geographic communities).
- They also find limited evidence that CBD creates effective community infrastructure and improves welfare outcomes. However, evidence is lacking for most projects as there are simply too few studies that compare CBD projects with centralized mechanisms of service deliveries through line ministries.
- There is limited evidence that there is an associative relationship between social capital and project effectiveness. While one could claim that CBD projects will be more effective in better managed communities, limited studies suggest that CBD may increase the capacity for collective action.
- Elite capture remains a consistent concern with CBD because elites are more likely to be better educated, have fewer opportunity costs on their time and have the greatest to benefit from CBD initiatives. It is imperative to understand how elite capture may occur and what types of checks and balances are most effective in mitigating exclusion of non-elite constituencies (e.g. the poor, ethnic or religious minorities, women, children, etc.)
- CBD initiatives depend critically upon enabling institutional environments. Line ministries must be responsive to communities. Partner governments must be committed to transparent, accountable and democratic governance. (In the case of Pakistan, this has not always been the case on either the U.S. or Pakistani side.) Without such upward commitment, community projects will fail. Community-built institutions require buy-in from the relevant line ministry. For example, community schools must be “owned” in some measure by the ministry of education to ensure that it has teachers and that its operating costs are budgeted. At the same time, community leaders must be downwardly accountable to their beneficiaries rather than political or bureaucratic elites.²⁹

Ghazala and Rao simply conclude that that the success of [CBD] initiatives depend critically upon local cultural and social systems and “It is therefore best done, not with a wholesale application of ‘best practices’ applied from projects that were successful in other contexts, but by careful learning-by-doing. *This requires a long term horizon and willingness to engage in a monitoring and evaluation process that is not only rigorous*

but is designed to allow for learning and program modification. Moreover, to be effectively scaled-up, [CBD] initiatives need to be embedded within structures of upward commitment and downward accountability.³⁰ (Emphasis added by the author.)

While this may seem somewhat obvious, USAID in Pakistan may not have the bandwidth, access, or even execution timelines to engage in such a robust evaluation and refinement process. Yet such rigorous empirical investigation into programming is critical to demonstrating programming impacts and this is likely to be true whether the treatment is delivered through a CBD initiative or one that is executed through a government agency (e.g. a line ministry). Without such a process it is simply impossible to assess the impact of U.S. aid programming and engage in an iterative process of improvement.

It is worth reflecting upon the role of NGOs in Pakistan, given that the likely movement away from large institutional contractors with high overhead to Pakistan-based NGOs. As scholars continue to debate the merits of CBD initiatives vis-à-vis those of government agencies, there are also ongoing empirical debates about the roles of NGOs in service provision. As is well-known to many persons who are familiar with Pakistan, Pakistanis tend to view NGOs with great skepticism and dubiety. NGOs are often viewed charitably as a hobby of an elite wife. More often and less charitably they are viewed as easy mechanisms to attract foreign assistance which is then pocketed by its founders or leaders while creating little if any public good. In other words, Pakistanis are inclined to see NGOs as part of the country's corruption problem rather than a means to diminish corruption and increase efficiency.

Discerning which NGOs are trustworthy—and which ones are seen as being trustworthy by the target population—will place serious information demands upon the mission. Yet any approach that relies upon NGOs will suffer if such diligence is not executed. It may behoove USAID—working with other international and domestic partners—to seriously consider putting forward some transparent clearing house on NGOs proceeds, expenditures, service delivery and so forth. Such systems for evaluating charitable organizations exist in the United States and elsewhere and could help the NGO sector by increasing transparency and overtime diminishing the distrust they engender as information on NGO performance becomes more accessible.

There are other potential problems associated with using NGOs as a vehicle for development projects in Pakistan. In a recent study of forty Pakistani “civil society organizations” (CSOs), Masooda Bano found a *reverse* correlation between funneling development aid through CSOs and expanding of CSOs' social capital and ability to strengthen their civil societies.

Bano found that CSOs were most effective in mobilizing their communities when they had to rely upon membership for resourcing. In contrast, those CSOs that rely upon external funding do not have the community mobilization capacity of membership-driven CSOs. Bano finds that CSOs that rely upon international aid begin to see the funding source as their primary constituent which must be satisfied rather than their members. For

such CSOs maintaining and expanding a membership base is time consuming and imposes opportunity costs when the same CSO may have a higher payout by soliciting the attention of other external funders.³¹

There is no reason per se why this principle-agent problem cannot be mitigated through appropriate emplacements of incentives to ensure that CSOs retain and expand their membership base and ability to mobilize as a condition of becoming *and remaining* a conduit for development aid delivery.

The bottom line from these empirical studies is that NGOs may not be a panacea for the malaise engendered by relying upon institutional contractors with their well-known problems. Reliance upon NGOs without serious dedicated resources to select NGOs and to monitor their activities and outcomes may simply swap a new set of poorly understood problems for older, well-characterized ones. At the risk of being overly cynical, I am somewhat skeptical that the mission would be in a position to better monitor numerous and dispersed NGOs of questionable quality and legitimacy when it currently lacks the mechanisms to properly oversee the activities of large institutional contractors.

Markets and Demand for Change³²

Given the pervasive problems with some important line ministries, there is likely considerable merit in pursuing private sector solutions to public sector problems. One area that seems particularly ripe for private sector support pertains to education reform in Pakistan.

U.S. policy makers focus attention upon reforming madrassahs, eliminating those with ties to terrorism and working with the Pakistani government to reform its sprawling public school system riven with teacher absenteeism, ghost schools, out of date pedagogy and a deeply problematic curriculum.

Unfortunately, this well-intentioned approach is not supported by available data. Pakistani full-time utilization of madrassahs in 2005-06 accounted for only 1.3 percent of all children attending school in the 4 main provinces of the country. The majority of students attend public schools (nearly 65 percent) and the remainder attends non-religious private schools (34 percent). Madrassahs are not the last resort of the poor: the socio-economic profiles of madrassah and public school students are quite similar except that madrassahs have more rich students than public schools. Of the extremely small number of households enrolling at least one child full-time in a madrassah, 75 percent use a combination of public and/or private schools to educate their other children.³³

Clearly there are key madrassahs that are fertile recruiting grounds for militant groups operating in and from Pakistan. And many training camps are unfortunately dubbed as “madrassahs” to shield them from scrutiny. However, these institutions should form the locus of law enforcement activities rather than drive educational policy in Islamabad and Washington.

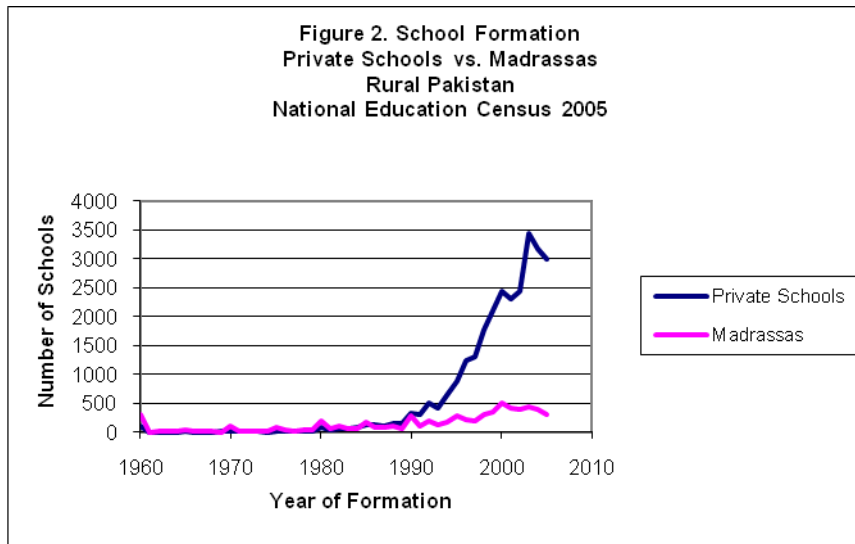
U.S. efforts to encourage Pakistan to reform its public schools and the curriculum used across Pakistan's public schools may not succeed. Like many other countries around the world (including the US), Pakistan is struggling with reform of its public education system and a serious debate within Pakistan has started in recent years on how this can best be accomplished. Many of the issues are familiar to those in the US. What role should the federal government play in education? Should the provision of education be divorced from its financing through voucher-like schemes? Should there be merit pay for teachers and changes in the hiring and firing processes?

Thus while madrassah and public school reform may be a good idea, there is actually little scope for Washington to engage productively and its continued efforts to do so will continue to sustain outrage among Pakistanis. The prevailing policy prescriptions do not adequately take advantage of the truly striking change in the Pakistani educational landscape in the last twenty years—the rise and prevalence of mainstream and affordable private schools all over the country.

Andrabi et al. argue that private schools should attract increased focus of U.S. policy because they offer a venue wherein the United States can do what it does best: foster quality through competition from the private sector. Private schools are not as encumbered by nationalist or Islamist ethos and are more likely to be receptive to outside assistance. While private schools account for nearly a third of full-time enrollments, according to most credible and latest dataset available, the National Education Census 2005, private schools outnumber madrassahs by five to one.³⁴

And the private school sector is dramatically expanding. In 1983, there were roughly the same number of madrassahs and private schools in the country—2770 private schools and 2563 madrassahs. By 2005, the number of private schools had shot up 21 times while madrassahs increased by 4.75 times. Figure 2 below shows this remarkable transition.³⁵

Contrary to popular misconceptions of “private schools” catering to the wealthy, urban elite, private schools are widely present in the rural areas of the country, where madrassahs are claimed to dominate. In fact, since 2000, in every year about half of all new private schools have been set up in rural areas. Moreover the growth in private schools has increased if anything after 9/11 while madrassah growth has stayed relatively flat once again.³⁶



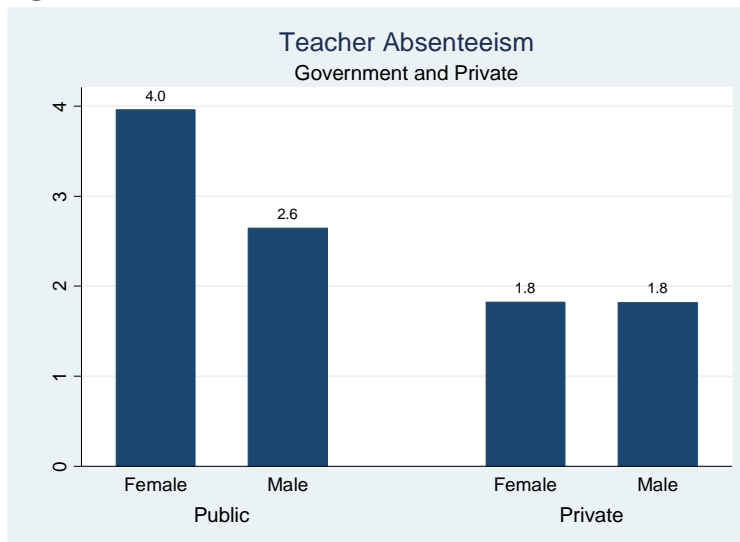
Source: Tahir Andrabi, Jishnu Das, C. Christine Fair, Asim Ijaz Khwaja, “The Madrassah Myth,” *Foreign Policy Web Exclusive*, June 2009. <http://www.cfr.org/publication/19568/fp.html>.

Data collected by Andrabi, Das and Khwaja as part of the largest longitudinal study of education in Pakistan find that private schools are also cost-effective and affordable.³⁷ They are able to keep costs low because they are “mom-and-pop” managed, for-profit, independent schools, unsubsidized by the government and responsive to local demands for education. While it is true that educational standards all over Pakistan are poor, private schools outperform government schools at all levels of the income strata. In three districts of rural Punjab where the project team tested over 25,000 primary grade students, private school children outperformed government schools by a significantly large margin even when we compared schools in the same village. Moreover, data collected by the team found that students learn more when they switch from public to private schools and learn less when they leave private schools for public schools.³⁸

Incredibly, the higher quality in private schools comes at a lower cost. The cost of educating a child in a government school is at least twice as high as in a private school. Private schools are very affordable, with monthly fees less than a day’s unskilled wage. For these reasons, private schools are expanding from urban and suburban areas into Pakistan’s rural areas.³⁹

Why are private schools able to deliver affordable value? Private schools take advantage of an important untapped supply of labor by relying upon moderately educated young women from local neighborhoods who are willing to work for lower pay. In fact, private schools are one of the largest sources of employment for Pakistan’s women. Private schools also boast lower teacher absenteeism than public schools, which minimizes wastage and increases time spent learning. They also use their compensation structures effectively to reward better teachers and punish those who don’t perform well.⁴⁰

Figure 3. Teacher Absenteeism (Government and Private Schools)



Source: Tahir Andrabi, Jishnu Das, C. Christine Fair, Asim Ijaz Khwaja, "The Madrassah Myth," *Foreign Policy Web Exclusive*, June 2009. <http://www.cfr.org/publication/19568/fp.html>.

Critically for U.S. and Pakistani interests alike, these private schools are not on the main affiliated with any religious group or movement. (Some private schools are affiliated with religious institutions providing some combination of religious and worldly education, but these remain the minority.) Private schools generally use a curriculum that is similar to the government schools, but with a greater emphasis on teaching English. The vast majority of these private schools are coeducational at the primary level, compared to government schools which are mainly single-sex.⁴¹

Focusing further resources on these sectors impose opportunity costs for the U.S. government. Resources should instead be directed towards developing and expanding Pakistan's most dynamic educational sector. Unlike previous programs which are "supply-driven" (e.g. determined by U.S. policy priorities foisted upon a recalcitrant partner), such initiatives would be demand-driven and would reflect the interests of those personalities and institutions that want to make a difference.

Small scale studies are already showing that innovative programs that take account of the private sector can lead to large gains. In an experimental study by Andrabi et al., the research term distributed school and child report cards in treatment and control villages. They found that greater test-score information led to a drop in private school fees, an increase in test-scores for both private and public schools and importantly an increase in public school enrolment. These types of experiments show that the private school presence can be used to increase efficiency in public schooling at the local level and help policy makers understand and even contend with the numerous challenges of public school reform. An aid program based on "bold, persistent experimentation" can create a true public-private partnership model that allows this low cost private sector to grow even further and at the same time pull the public sector along with it.

This information-led behavioral modification approach may well comprise an important force-multiplier in USAID programming. In my view, there is considerable effort spent upon supplying a service or program with little or no attention paid to generating demand for such interventions among the public. For example, anti-corruption initiatives that focus upon those parts of the government responsible for corruption are unlikely to yield results because they only treat part of the problem. Arguably, corruption will continue to exist as long as Pakistan's citizenry believe it is appropriate and expedient to pay bribes to obtain relief of punishment or to obtain goods, services and preferential treatment. Thus USAID may want to consider formulating appropriate public information campaigns to support programming efforts.

Does Securitized Development Assistance Work?

There is inadequate evidence that instrumentalized and securitized aid programming effectively advances the various U.S. goals that are repeatedly expressed in successive budget justifications such as persuading Pakistanis to embrace moderation and abjure violent extremism. This is due in large measure to a lack of serious empirical study of development aid and other relief measures upon participation in violent extremism, especially Islamist extremism. Two important studies stand out offering empirical methods for assessment and also insights about relief activities upon violence and the relationship between unemployment and violence.

First, using district-level data on violence and unemployment in Iraq and in the Philippines, Berman, Shapiro and Felter find a robust *negative* correlation between unemployment and attacks against the government and allied forces. They find no significant influence between unemployment and attacks that kill civilians.⁴²

In a second study, Berman, Shapiro and Felter explore the impact of reconstruction spending in Iraq upon violence. While Washington spent at least \$29 billion on various reconstruction programs in Iraq between March 2003 and December 2007, these outlays were plagued by graft and other problems that made those data unsuitable for their analysis.⁴³ Instead, they focused upon funds allocated through the Commander's Emergency Response Program (CERP). They argued that CERP offered two major advantages for their analysis: 1) CERP funds are allocated in small amounts without layers of subcontractors that obfuscate the relationship between dollars spent and work done; 2) CERP is explicitly designed to provide military commanders with resources to pursue small-scale projects that accord with the specific needs of local communities with the intention of improving security and protecting U.S. forces.⁴⁴

In that study, the authors found that once you control for the fact that CERP projects tend to be funded in areas with higher levels violence than in pacified areas, the authors *do* find that greater service provision results in a reduction in violence with every CERP dollar predicting 1.6 fewer violent events per 100,000 persons. While this impact is modest, the salutary effects of CERP are stronger as units operate in ways that give them enhanced local knowledge of communities. Equally important, the positive effects of CERP were evidence in those districts with weak governance.⁴⁵

There have been no comparably robust studies of USAID efforts in Pakistan. Yet, there is an urgent need to better understand the impacts of USAID programs particularly if there are unexpected and unintended adverse outcomes of those interventions.

Conclusions

In summary, while the concerns associated with institutional contractors are well-known, the foregoing discussion suggests that obvious alternatives may not be an improvement without serious dedication of resources to enhanced data collection and analyses.

A review of the literature suggests that there is no magic bullet and no substitute for experimentation and rigorous evaluation. Indeed, there is a strong argument to be made for *experimenting* with different forms of aid delivery, involvement of local communities, and oversight mechanisms and subjecting those pilot programs to robust assessment—preferably with some degree of randomization—to determine the impact of the intervention on the treatment group. Effective programs should be retained and applied to other areas (with appropriate analyses and reoptimization) and ineffective programs eliminated unless they can be implemented successfully elsewhere in the country with suitable modification.

Admittedly, this may be difficult for USAID given the pressure that the mission is under to execute programs per mission priorities and potential ethical concerns about risks inherent in fielding different experimental programs in different areas. (However, there is no a priori way to know that the non-randomized approaches offer any more salutary outcomes.)

Given the frustration that Pakistanis have expressed about U.S. intentions and the explicit securitization of U.S. aid, it is important to assess whether the benefits of USAID interventions in mitigating violence and anti-Americanism are sufficiently significant in size and scope relative to the public relations problems such securitized aid appears to pose.

References

¹ See Kwesi Aning, “Security, the War on Terror and Official Development Assistance,” Theme Paper prepared for the project on Southern Perspectives on Reform of the International Development Architecture, September 2007. www.nsi-ins.ca/english/pdf/Theme_Paper_Three.pdf.

² U.S. Government Interagency Counterinsurgency Initiative, *Counterinsurgency Guide*, January 2009, p. 52. <http://www.state.gov/documents/organization/119629.pdf>.

³ The Symington Amendment prohibits most forms of U.S. assistance to countries that are found to be trafficking in nuclear enrichment equipment or technology outside of international safeguards.

⁴ See Sharon Squassoni, “Closing Pandora's Box: Pakistan's Role in Nuclear Proliferation,” Arms Control Association, April 2004. http://www.armscontrol.org/act/2004_04/Squassoni#bio. See also Paul Leventhal,

President, Nuclear Control Institute, On Pakistan and U.S. Nuclear Non-Proliferation Policy before the House Foreign Affairs Committee Thursday, October 22, 1987. <http://www.nci.org/t/t102287.htm>.

⁵ Richard P. Cronin et al., “Pakistan’s Nuclear Proliferation Activities and the Recommendations of the 9/11 Commission: U.S. Policy Constraints and Options,” CRS Report for Congress, RL32734, May 24, 2005, <http://www.fas.org/sgp/crs/nuke/RL32745.pdf>.

⁶ Husain Haqqani, “Pakistan Crisis and U.S. Policy Options” (speech, Heritage Foundation, Washington, D.C., November 27, 2007), http://www.heritage.org/Press/Events/archive.cfm?startdate_12/31/2007&days_364.

⁷ The Glenn Amendment prohibits U.S. foreign assistance to non-nuclear weapon states. The nuclear Non-Proliferation Treaty defines the legal status of “nuclear weapon state.”

⁸ Under Section 508 of the 1999 Foreign Operations Appropriations Act, no U.S. assistance may be given to any country “whose duly elected head of government is deposed by military coup or decree.” Text available at http://www.fas.org/man/docs/fy98/appendix/fy98_app_0113b.htm.

⁹ See U.S. Department of State, “North Korea–Pakistan: Missile-Related Sanctions and Executive Order 12938 Penalties,” April 1, 2003. <http://www.america.gov/st/washfile-english/2003/April/20030401162104esrom0.924206.html>.

¹⁰ While the sanctions were lifted in October 2001, there had been an extensive interagency process throughout the summer of 2001 which evaluated lifting sanctions on *India*. As India began the tit-for-tat rounds of testing, individuals within the U.S. government argued that it would be unfair to remove the test-related sanctions for India but not Pakistan. Moreover, they reasoned that many of the sanctions against Pakistan were redundant. Thus there would be diplomatic gains in relieving test-related sanctions on Pakistan without diminishing the constraints upon the state. See C. Christine Fair. *The Counterterrorism Coalitions: Cooperation with Pakistan and India* (Santa Monica: RAND, 2004).

¹¹ Alex Wagner, “Bush Waives Nuclear-Related Sanctions on India, Pakistan,” Arms Control Association, October 2001. http://www.armscontrol.org/act/2001_10/sanctionsoct01

¹² Alan K. Kronstadt, *Pakistan-U.S. Relations*, CRS Report for Congress, August 24, 2007.

¹³ C. Christine Fair, Clay Ramsay, Steve Kull “Pakistani Public Opinion on Democracy, Islamist Militancy, and Relations with the U.S.” (Washington D.C.: USIP/PIPA, January 7, 2008).

¹⁴ Pakistanis have consistency evidenced support for democracy. See data provided through the World Values Survey. According to surveys fielded in 1997 and 2001, majorities of Pakistanis believed that “having a democratic political system” was very good

¹⁵ For more detail, see C. Christine Fair, *The Madrassah Challenge: Militancy and Religious Education in Pakistan* (Washington D.C.: USIP, 2008).

¹⁶ U.S. Department of State, Congressional Budget Justifications for Foreign Operations Fiscal Year 2008, May 2007. <http://www.state.gov/documents/organization/84462.pdf>.

¹⁷ Fair et al. “Pakistani Public Opinion on Democracy, Islamist Militancy, and Relations with the U.S.”

¹⁸ Fair et al. “Pakistani Public Opinion on Democracy, Islamist Militancy, and Relations with the U.S.”

¹⁹ WorldPublicOpinion.org, *Pakistani Public Opinion on the Swat Conflict, Afghanistan, and the US*. July 1, 2009. http://www.worldpublicopinion.org/pipa/pdf/jul09/WPO_Pakistan_Jul09_quaire.pdf.

²⁰ Transparency International, *Corruption Perception Index 2009*, 2009.

http://www.transparency.org/policy_research/surveys_indices/cpi/2009/cpi_2009_table.

²¹ Transparency International Pakistan, *National Corruption Perception Survey 2006*, August 2006. <http://www.transparency.org.pk/documents/National%20Corruption%20Perception%20Survey%202006.pdf>.

²² See various polls from Terror Free Tomorrow on Pakistan, including Terror Free tomorrow, “Results of a New Nationwide Public Opinion Survey of Pakistan before the February 18th Elections,” January 2008, <http://www.terrorfreetomorrow.org/upimagestft/TFT%20Pakistan%20Poll%20Report.pdf>; “Results of a New Nationwide Public Opinion Survey of Pakistan before the June 2008 Pakistani By-Elections,” June 2008, <http://www.terrorfreetomorrow.org/upimagestft/PakistanPollReportJune08.pdf>; C. Christine Fair, Clay Ramsay, Steve Kull, “Pakistani Public Opinion on Democracy, Islamist Militancy, and Relations with the U.S.” (Washington D.C.: USIP/PIPA, January 7, 2008).

²³ C. Christine Fair, Neil Malhotra, Jacob N. Shapiro, “Islam, Militancy and Politics in Pakistan: Insights from a National Sample,” Working Draft, November 2009.

-
- ²⁴ Mathew J. Nelson, "Muslims, Markets, and the Meaning of a Good Education," *Asian Survey*, Vol. XLVI, No. September/October 2006, pp. 709-710.
- ²⁵ Nelson, "Muslims, Markets, and the Meaning of a Good Education," p. 719-720.
- ²⁶ Ghazala Mansuri and Vijayendra Rao, "Update Note on Community-Based and –Driven Development," 2007. siteresources.worldbank.org/INTIE/Resources/update_note_CDD.pdf. Ghazala Mansuri and Vijayendra Rao, "Community-Based and-Driven Development: A Critical Review," *World Bank Research Observer*, Vol. 19, No. 1, 2004. http://papers.ssrn.com/sol3/papers.cfm?abstract_id=873725.
- ²⁷ Ghazala Mansuri and Vijayendra Rao, "Update Note on Community-Based and –Driven Development," 2007. siteresources.worldbank.org/INTIE/Resources/update_note_CDD.pdf. Ghazala Mansuri and Vijayendra Rao, "Community-Based and-Driven Development: A Critical Review," *World Bank Research Observer*, Vol. 19, No. 1, 2004. http://papers.ssrn.com/sol3/papers.cfm?abstract_id=873725.
- ²⁸ Mansuri and Rao, 2007; Mansuri and Rao, 2004.
- ²⁹ Mansuri and Rao, 2007; Mansuri and Rao, 2004.
- ³⁰ Mansuri and Rao, 2007, p. 4.
- ³¹ Masooda Bano, "Dangerous Correlations: Aid's Impact on NGO's Performance and Ability to Mobilize Members in Pakistan," *World Development*, Vol. 36, No. 1, 2008, pp. 2297-2313.
- ³² This section draws from Tahir Andrabi, Jishnu Das, C. Christine Fair, Asim Ijaz Khwaja, "The Madrassah Myth," *Foreign Policy Web Exclusive*, June 2009. http://www.foreignpolicy.com/story/cms.php?story_id=4958.
- ³³ Andrabi, Das, Fair, and Khwaja, 2009.
- ³⁴ Andrabi, Das, Fair, and Khwaja, 2009.
- ³⁵ Andrabi, Das, Fair, and Khwaja, 2009.
- ³⁶ Andrabi, Das, Fair, and Khwaja, 2009.
- ³⁷ Data from Tahir Andrabi, Jishnu Das, Asim Ijaz Khwaja, Tara Vishwanath, Tristan Zajonc. *Pakistan: The Learning and Educational Achievement in Punjab Schools (LEAPS)*. February 2007. http://leapsproject.org/assets/publications/LEAPS_report.pdf, forthcoming Oxford University Press, 2009.
- ³⁸ Andrabi, Das, Fair, and Khwaja, 2009.
- ³⁹ Andrabi, Das, Fair, and Khwaja, 2009.
- ⁴⁰ Andrabi, Das, Fair, and Khwaja, 2009.
- ⁴¹ Andrabi, Das, Fair, and Khwaja, 2009.
- ⁴² Eli Berman, Jacob N. Shapiro, Joseph Felner, "Do Working Men Rebel? Insurgency and Unemployment in Iraq and the Philippines," NBER Working Paper 15547, November 2009.
- ⁴³ Special Inspector General for Iraq Reconstruction. *Iraq Reconstruction: Lessons in Program and Project Management*. (Washington, D.C.: Government Printing Office, 2007). http://usiraq.procon.org/sourcefiles/Lessons_Learned_Mar-07.pdf.
- ⁴⁴ Eli Berman, Jacob N. Shapiro, Joseph Felner, "Can Hearts and Minds Be Bought? The Economics of Counterinsurgency in Iraq," March 2009, Working Draft.
- ⁴⁵ Eli Berman, Jacob N. Shapiro, Joseph Felner, "Can Hearts and Minds Be Bought? The Economics of Counterinsurgency in Iraq," March 2009, Working Draft.