

# Rescuing the future of education

By Rudina Khafferri and Khalid Iqbal

**W**ITHOUT affordable and accessible education, Pakistan is closing the door to tomorrow's brightest entrepreneurs, scientists, engineers, doctors, lawyers, computer scientists, bankers, artists and other intellectuals

... Good education is an expensive affair anywhere in the world, but a Rs289,000 (\$3,612) bill for a BA/LLB/MS or BSc (Hons) degree at the Lahore University of Management Sciences (LUMS) for just one of your children is beyond the reach of all except a handful of families that comprise the upper class in Pakistan.

According to the Economic Survey of Pakistan (2008), the average family income is less than \$50 per month and almost a quarter of the population falls below the \$1 per day income poverty line. Thus, it is no surprise that higher education enrollment is less than four per cent (including colleges) among college-age Pakistanis, which compares unfavourably with countries such as India at 11 per cent and Malaysia at 32 per cent.

With less than 10 per cent of the eligible population completing 12 years of school (USAID), the prospects for the country's development are quite grim. Pakistan is locked in a tricky circle of poverty and inadequate access to education. Without affordable and accessible education, Pakistan is closing the door on tomorrow's brightest entrepreneurs, scientists, engineers, doctors, lawyers, computer scientists, bankers, artists and other intellectuals.

Moreover, by not providing education opportunities to students, the government is neglecting a very effective way to alleviate poverty through economic growth and development. The United Nations has projected that by 2050 Pakistan's population will double to about 350 million with the projected workforce at approximately 221 million people. By increasing spending on education by several folds from the current 2.42 per cent of the real GDP, Pakistan has a unique opportunity to invest in its human capital by providing adequate education and skills to this emerging workforce (refer to "Tailor-made education", *Dawn*, Feb 24, 2008).

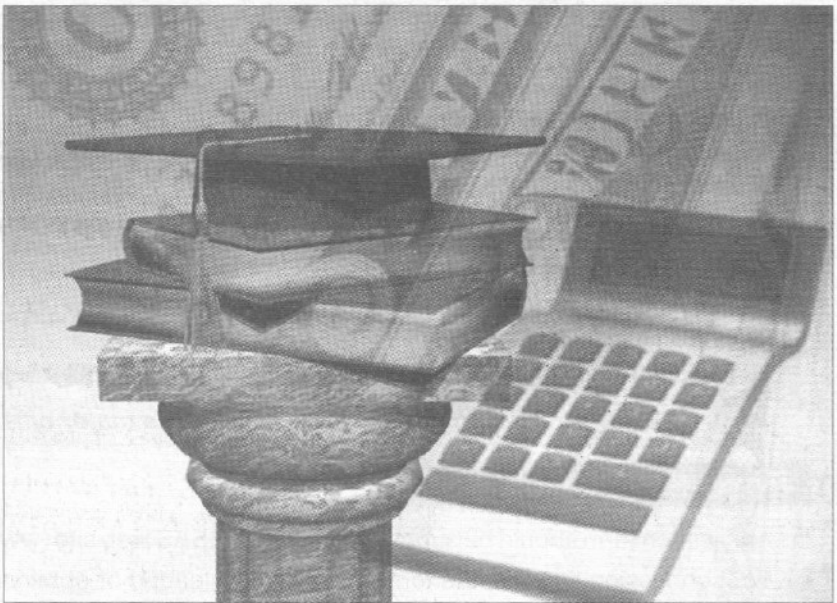
## Support from government

Currently more than 96 per cent young Pakistanis in the 17-24 age group are not enrolled in a college or university. In contrast, more than two thirds of the relevant eligible population is able to enroll and earn a degree in higher education in developed countries. The total public spending on education in Pakistan during the year 2005-2006, a very modest figure of 2.21 per cent of the country's GDP was insufficient to undertake any of the meaningful interventions needed in this sector. With the Higher Education Commission (HEC) limping along under a slashed and meagre budget, the government is running out of op-

tions on saving the education system and the future of the country.

Education financing schemes such as cost-sharing and private student loans are extremely popular in developed countries. As a society realises the high importance of having educated citizens, the burden of financial costs is carried as much by the government as the students themselves. In developed countries, students are given the opportunity to earn college and higher education degrees, which enables them to gain professional employment and pay back their student loans over time. Both student and society profit immensely from such opportunities.

Although imperfect, such financial aid schemes provide students with prospects that they cannot otherwise afford. In the absence of financial aid that enables students from low-income families to attend higher education, only well-off students can afford to pay the increasing fees of educational institutions, thus creating very limited opportunities for social mobility, economic improvement and development. The government, therefore, cannot afford not to support more students and make it easier for students of all fi-



nancial backgrounds to attain higher education.

One effective approach to this problem may be the establishment of a public-private partnership, such as a National Education Trust (NET). The partnership's aim may be to facilitate and encourage access of students from financially deprived backgrounds to education through scholarships, fellowships, grants, and low interest loans. Such a National Education Trust may be made up of accomplished educationists, businesspeople, and other members of civic society with strong interests in the development of education in Pakistan, but with no conflict of interest.

Central and provincial education ministers, finance ministers and science and

technology ministers or their representatives not below the rank of joint secretary and the Chairman of the National Commission on Higher Education may serve as ex officio members of an Advisory Board to the Education Trust. Working in close collaboration with the central and provincial ministries of education, finance, science and technology the Education Trust can thus oversee the marching plan for the promotion of education in Pakistan.

One of the most important goals of the NET may be coordinating and centralising all the existing financial efforts and schemes into a major central organisation. There is a lack of such services currently available in Pakistan. While existing scholarships, fellowships or loans are available from different governmental and private sources or partnerships such as HEC, USAID, National Bank of Pakistan Student Loan Schemes and other philanthropic organisations, there is no central body that makes this information available and accessible to students.

NET may serve as an umbrella for all these resources and efforts. It can assist students and organisations by matching their needs and resources accordingly.

To that end NET would need to implement a frequently updated database of all applicants and organisations. An all-inclusive application similar to the American FAFSA, the "Free Application for Federal Student Aid," may be created to allow donor or loan organisations to have the most inclusive information about applicants. The American FAFSA, created in 1992, is used by the US Department of Education to distribute its \$83 billion in loans and grants to eligible students. The application questions elicit information to estimate how much a family can contribute to a student's college education.

Fourteen million student financial aid applications are processed by FAFSA each year. This federal agency distrib-

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# Education — today

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... provides financial aid to students through schools and works closely with schools, financial institutions and guaranty agencies to prevent fraud, waste and abuse. NET, as a public-private partnership may provide similar services, collaborating with schools, financial organisations, donors, parents and students to offer a platform of much-needed relevant services.

It may provide valuable information to students regarding the availability of grants or loans, assist them with the application process, and help them keep track of deadlines and requirements to fulfill. On the money-giving side, NET can be very helpful in identifying financial resources and donor organisations and facilitating the process of giving scholarships, grants and loans to the most needy students. A database can gather and coordinate the most up to date information on a student's financial status, thereby helping donor organisations to assess need and make better decisions.

## Learn and teach

The Trust must advocate federal and provincial education authorities to make elementary school education mandatory in Pakistan. Following the next five years of achieving this objective, the Trust may advocate to extend mandatory education up to grade six, followed by the next higher grade each succeeding year up to grade 10, thus, i.e. by year 2020 education is made mandatory up to high school (grade 10) throughout Pakistan.

To increase the quality and accessibility of teacher education, the Trust may advocate for additional academic requirements. For example, high school graduation will include teaching five hours/week during the senior year in an elementary school, and a Bachelor's degree (BA/BS) programme graduation will require one academic year of fulltime work (paid or voluntary) as a teaching assistant in a high school or higher secondary school (FA, FSc). A Master's degree (MA/MS) graduation will include one semester of full time work (paid/voluntary) as a teaching assistant to Bachelor degree or higher secondary school students, and a doctoral degree (PhD) will include at least two semesters of full time teaching of Master or Bachelor degree candidates.

## Expanding education funding

A financial crisis tends to most severely impact those programmes that are already handicapped and in dire need of funds. Currently in Pakistan, education and especially higher education is suffering from a serious shortage of cash and support. In this emergency situation all possible efforts from government and public-private partnerships are necessary to assure sustainable growth. On one hand, a powerful partnership such as the proposed National Education Trust can play a very important role in joining

forces and effectively lobbying both the government and private donors to increase funding for education.

On the other hand, the government must get involved and invest in the education of its citizens and the future of the country. One approach that the government may follow is the establishment of an Education Tax by an executive order of the President/Prime Minister, followed if required, by approval of the National Assembly. By this order, every Pakistani national in Pakistan may pay Rs100/year as education tax, which may be collected at the time of issuing/renewing, and by the agency issuing, the national identity card, or any other federal agency.

This tax alone can raise over 16 billion rupees per year. In addition, all fees for a visa to visit Pakistan may include a fee of Rs100 per visa to be collected by Pakistani Consulates and Embassies abroad. By charging all passengers on national and international flights to and from Pakistan an education tax (the equivalent of Rs100 and Rs200, respectively, per passenger), further revenues can be retrieved.

Furthermore, an education tax may be applied to all foreign companies doing business in Pakistan or with the Government of Pakistan. They may pay 0.5 per cent of their total revenues of business (in/with Pakistan) as an education tax. The hotel tax may include an education tax of Rs100 per night per room. At least 10 per cent of all aid from international donor countries for social sector and infrastructure projects may go to the National Education Trust.

The Trust may be allowed to institute and operate an Islamic Lotto where 50 per cent of the total gains are awarded in the form of Government Bonds and the remaining 50 per cent goes to the Trust to be directly used as financial assistance for students from economically disadvantaged families. All education tax collected from various sources may be transferred to the National Education Trust treasury on a six month basis by the Government of Pakistan.

Clearly, there is no quick formula that can work for a complex problem such as the limited accessibility and scarcity of high quality educational institutions in developing countries like Pakistan. However, there is a better chance of achieving success if the government and the people make a real effort to invest in the future by expanding resources of education funding. Only through an easily accessible system of education that is of a high quality, contemporary and at par with that of developed countries, can the national accumulation of knowledge, expertise and economic growth necessary for Pakistan's survival be achieved. ■

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