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Pakistan Improving on the World Corruption Index

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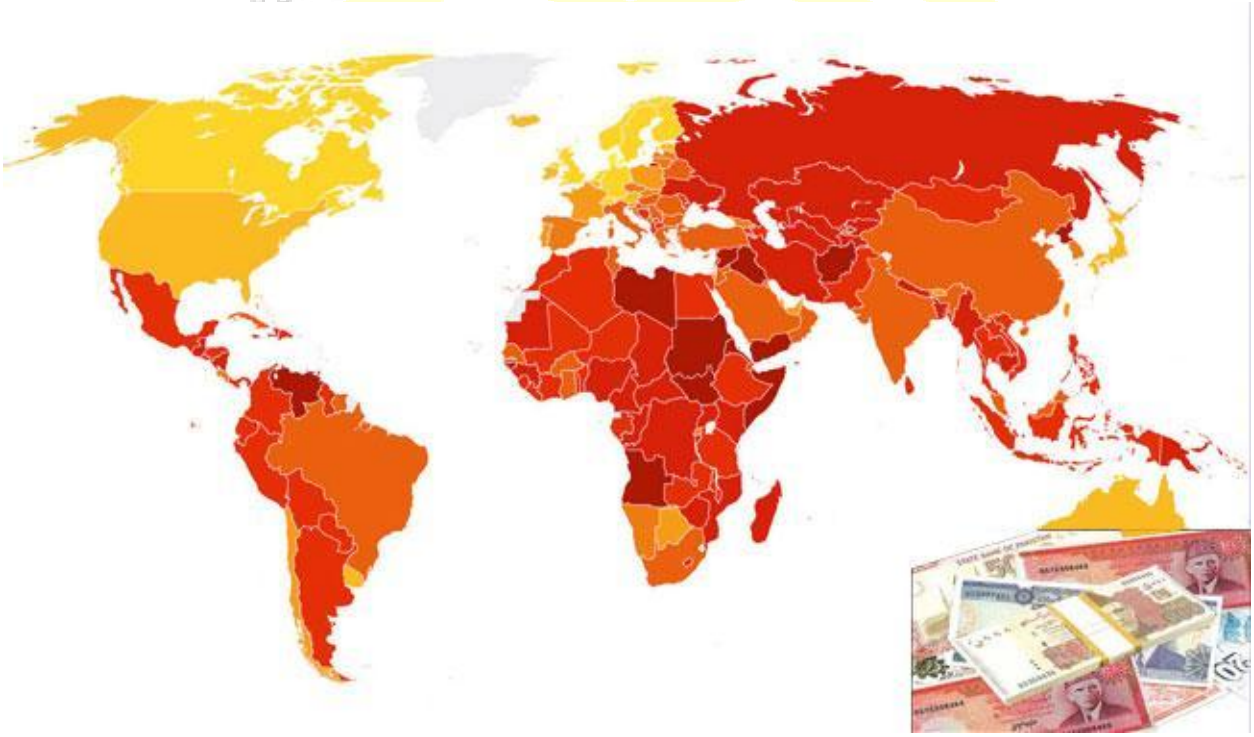

Corruption is an evil which has been endemic in Pakistan. It is a major contributor in creating socio-economic as well as political chaos which is a major hurdle in the development of the country. Transparency International (TI) defines corruption as "the exploitation of entrusted power for private benefits" this means that using one's power

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to gain personal advantages. Unfortunately, Pakistan is a country where corruption has deeply entrenched its roots in the system, no sector in Pakistan is free from the bane of corruption be it executive, legislature, health care, sports, taxation, public utilities, police or law enforcement. According to an estimate made by the World Bank, Pakistan lost approximately 8.5 trillion rupees that are equivalent to 9.4 Billion US dollars in the year 2012 only and more than 1 trillion US dollars is paid as bribe annually. According to another estimate, approximately 3.61 trillion US dollars which are about 3 to 5 percent of the total GDP of the world, flows across the borders due to corruption, and criminal activities like tax evasion. The recent Global Competitiveness Report by the World Economic Forum (WEF) renders Pakistan as the 116th country out of the total 175 countries which were ranked in the Corruption Perception Index of 2016 as compared to the previous years. In accordance with the World Corruption Index, Pakistan stood on 138th position in the year 2007. In the year 2008 and 2009, Pakistan's position varied between 134 and 139. The worst case was in the year 2010 where Pakistan attained the position of 144th least corrupted country in the world which was a clear indication of the high level of corruption prevailing in the country.

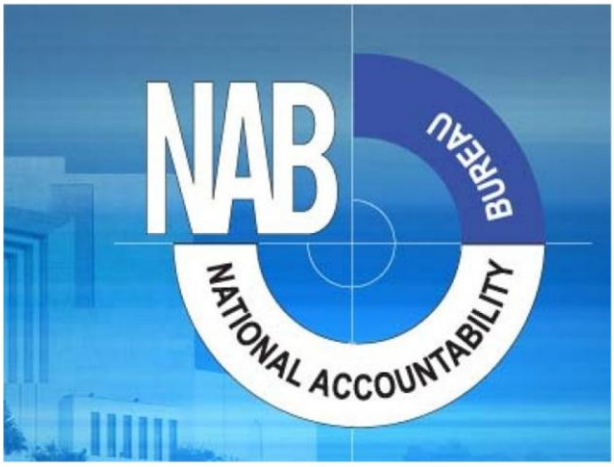
Despite the government's efforts to curtail the growing trends of corruption, Pakistan maintained an average of 108.29 in the corruption index since 1995. Nevertheless, it should also be noted that in 1995 the rate of corruption in Pakistan was at its nadir, which pushed Pakistan's ranking in the corruption index to 39th position.

Several major corruption scams and scandals involving billions of dollars have been exposed and highlighted by the media in which a number of high officials and elite class of the country were involved including; the Rental Power Projects scam in 2006, PMDC's fake registration case in 2010, Hajj Corruption Case, Pakistan Steel Mills scam, OGRA scam, and Mediagate scandal.

Causes of Corruption

Different levels of corruption are found at micro as well as macro levels which are; political and financial in nature and involve misuse of power. The corruption in any society is dependent upon the social and moral values of that society. Pakistan is inept to avert corruption because it does not ensure morality and rightfulness in the state

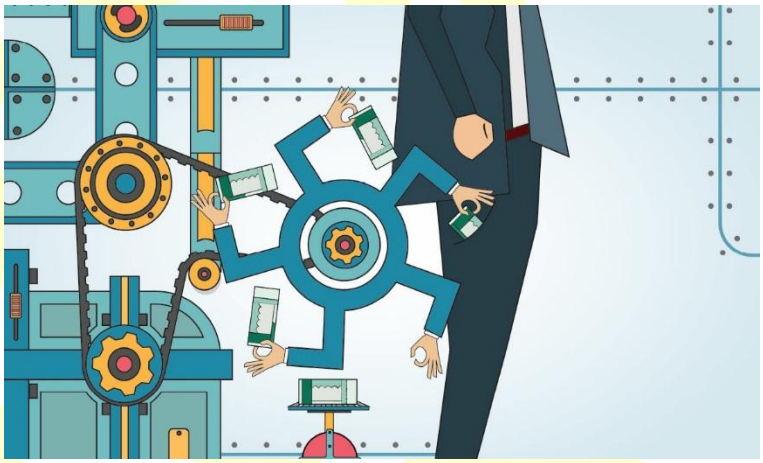
bodies. The institutional and legal frameworks are insufficient and incompetent to overcome the obstacles in settling and eliminating challenges to forge anti-corruption measures. Lack of accountability is a significant reason behind the growing corruption in the country. Our national institutions like provincial anti-corruption departments and National Accountability Bureau (NAB) which are responsible for controlling the menace of corruption and monitoring the check and balance system in the country are not fully independent and the decision making and liability are always influenced by the powerful elites who use these institutions for their personal gains and the political oppression of their adversaries. The other reasons behind the corruption are; the unequal structure of society, unemployment, lack of accountability, weak political institutions, the absence of the rule of law, inequitable distribution of power and resources among different facets of society.



Corruption directly affects an ordinary man; they are the real sufferers because the money which must be used for the welfare of a common man for the provision of necessary facilities are utilized and exploited by the corrupt leaders. Being the Islamic Republic, Pakistan must follow the teachings of Quran which impose the strict teaching of hard earned money, judicial fairness, and simple livelihood. But unfortunately, in the

present world, the people are less guilty about their active part in corruption. Lack of commitment, accountability, transparency and regulation, low remunerations, the power of influential people and materialism are some of the important reasons behind the growing rate of corruption in Pakistan.

One of the root causes of corruption lies in the low per capita income as well as wealth inequality. This creates a lust for money among the deprived ones when they glance on the financially well off fellow citizens. Corruption is the most convenient way to the fulfillment of this desire. Secondly, in a society where an average citizen fails to meet the needs of his family from his meager income, he is left with no other option but to indulge in the menace of corruption. Furthermore, a joint family setup where a handful of bread earners have to feed copious mouths with very limited salaries also provide these individuals with a cushion to wield illicit means to meet their both ends.



Money is not the only reason behind the mounting corruption meme in Pakistan, Lust of power is another prominent motivation behind it. Those who are powerful indulged in corruption and the weak ones have no other options then to join them as they do not have sufficient power to fight them back and they work on the principle of "If you can't beat them join them."

The flagrant violation of laws which lead to a perilously optimum level of corruption is a matter of concern for a striving economy like Pakistan. Now is the time for the government to devise measurable policies and strategies that are essential for curbing the scourge of corruption from the country.

Anti-Corruption Efforts

The acts of extortion, bribery, facilitation payments, and money laundering are defined as illegal and are prohibited by the Pakistan Penal Code, and the individuals held liable to corruption, in both, public as well as private sectors; receives penalty of rigorous imprisonment with fine and conviction of assets acquired through corruption under the Prevention of Corruption Act and the National Accountability Ordinance (NAO). To prevent bribery and corruption, Prevention of Corruption Act, 1947 and 1958 were enacted in Pakistan. National Accountability Bureau (NAB) is the leading anti-corruption institution to address corruption through awareness, prevention, and enforcement. It was established in 1999 under the National Accountability Bureau Ordinance. The primary purpose of this institution was to combat financial crimes, corruption and economic terrorism in Pakistan. NAB has the powers to investigate, inquire and issue an arrest warrant against the suspects of financial management. The organization has recuperated Rupees 4.5 billion in the year 2015 and recovered an aggregate amount of about 265.977 billion Rupees since its inception.

Other regulatory authorities and anti-corruption efforts include; Government Servants (Conduct) Rules, Anti-Money Laundering Ordinance, Competition Act, Freedom of Information Ordinance, Security and Exchange Commission which comprises of Code of Corporate Governance, Business Code of Conduct, and Fraud Investigation Unit. Company Law Division ensures facilitation, monitoring, and compliance with law and regulations. But due to the Provision of scarce funding and a shortage of staff has been causing constraint in the efficiency of the organization.

Pakistan is also a signatory of the Asian Development Bank (ADB), and it is also a part of the Anti-Corruption Initiative by the Organization for Economic Cooperation and Development (OECD), where Pakistan is also a member of the United Nations Convention Against Corruption (UNCAC). China is also cooperating with Pakistan to combat corrupt practices, and their increased cooperation in the anti-corruption effort is beneficial for the strategic relations between the two countries.

Accountability courts are also functional to convict the culprits in Pakistan. Moreover, since 2013 provincial governments are also active in legislations and several efforts have been made in the provinces of Khyber Pakhtunkhwa (KP) and Punjab against corruption and other financial management related cases. Recently the cabinet committee in Punjab suggested remedial measures to remove anomalies and

shortcomings on the anti-corruption establishment to make it work more effectively. The committee is optimistic about the effectiveness of the new draft.

National institutions like Police Services, Auditor General of Pakistan Revenues, National Highways Authority (NHA), Pakistan Railway, Civil Aviation Authority, National Electric Power Regulatory Authority (NEPRA), Higher Education Commission of Pakistan (HEC), State Bank of Pakistan, Pakistan's Customs, Competition Commission of Pakistan, Securities Exchange Commission of Pakistan, and Trade Development Authority had made significant progress in combating corruption. The anticorruption policies and efforts made by the accountability institutions like NAB have helped a lot in uprooting the curse of corruption and also assist the country in achieving better ranking across the world. However, it is essential that NAB should function without political pressure, and should maintain strict neutrality.

Suggestive Measures:

Regarding the efforts in reducing corruption in Pakistan; on the one hand, demands a massive appraisal while on the other hand, it should be kept in mind that systems functioning in Pakistan are still prone to venality. Therefore if Pakistan is to sustain and in turn further improve its standing with respect to corruption in the international community, then following suggestive measures should be adopted:

a. To curtail corruption in Pakistan, there is a need of resilient oversight by the Parliament, a well performing judiciary, independent audit and anti-corruption organizations with proper resources.
b. For the strengthening and facilitation NAB and other Law Enforcement Agencies (LEAs) which are responsible for accountability and transparency, Pakistan is in dire need of introducing Central Monitoring and Evaluation System. Laws should be passed to ensure no political pressure is brought to be on NAB.
c. Staunch punitive actions must be taken against the culprits irrespective of their political standing, social status quo or any other affiliations that can lead to their unlawful vindication.
d. Mass scale restructuring in the system should be carried out in public as well as private sectors and supported by the government to prevent corruption at all hierarchical levels. Increments in the salaries and wages should be on par with the increase in the inflation rate to facilitate the general public, hence, assuring truncated corruption index in Pakistan
e. To curb the bane of corruption, the general public should be encouraged to inform anti-corruption governmental authorities. The government can allocate helpline numbers where people can contact and report any incident of bribery.
f. Instead of adopting the bottom up approach in its effort to eradicate corruption, governmental bodies responsible for controlling corruption must adopt a top to bottom approach. This means that corruption at higher levels must be unveiled

to the entire nation and culprits must be subjected to the highest level of punishment to ensure compliance with the rules at a lower level.

g. Policy alone is not going to be sufficient to control the scourge of corruption. Governmental bodies, non-governmental institutions NGOs, as well as the pertinent wings of United Nations, should make a collaborative effort in devising an implementation plan and conduct training to translate anti-corruption policies in concrete solutions.

h. To ensure on ground implementation and also to evaluate the progress of anti-corruption policies, the government should initiate proper monitoring schemes to regulate the amount of corruption in all the facets of the society.

i. A sense of responsibility and accountability must be inculcated at all facets of government and individuals, and awareness must be disseminated against corruption through educational institutions and organized educational campaigns.

j. In order to endorse transparency, a merit-based approach must be adopted while recruiting the individuals in both public as well as private sectors, and the culture of nepotism based on one's personal interest must be discouraged.

k. The judiciary should be provided with sufficient freedom to ensure impartiality. Justice should be seen to be done.

l. The lower court judges must be given increased pay and allowances, and be provided protection in the relevant cases. They should also be held accountable for their conduct and a system be evolved for the quick disposal of cases.

m. Changes should be made in the syllabus starting from primary school to teach children the importance of honesty and integrity etc.

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