

## CORRUPTION: CAUSES AND CURE

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### Abstract

*Corruption is a “poison” which squanders government resources, deters investment and is detrimental to economic growth and political development. It flourishes if people in authority are dishonest and corrupt, the state institutions are weak, and there is political instability, lack of transparency in governance and disregard of the rule of law. It can be curbed if there is honest leadership, meritocracy, financial control, decentralization, vibrant civil society and media, transparency and rule of law.*

**Key Words:** Corruption, leadership, bureaucracy, judiciary, accountability.

### Introduction

Corruption in Pakistan, apart from sliding economy and security, is the main challenge faced by the country. Corruption means “dishonest or illegal behaviour, especially of people in authority.”<sup>1</sup> A common definition of corruption is “the use of public office for private gain.”<sup>2</sup> The Transparency International ranks Pakistan as 49<sup>th</sup> most corrupt nation in the world in its annual Corruption Perception Index 2011. It stands at 134<sup>th</sup> position out of 183 countries having scored 2.5 marks out of 10. Pakistan’s position is worse than almost all its immediate neighbours: India on its East has scored 3.5 marks and ranks 95, Sri Lanka with 3.3 score is 86, Iran on its West scoring 2.7 is 126, and Bangladesh with 2.7 score is 120.<sup>3</sup> There is a general perception that departments most affected by the corruption are: Police and law enforcement agencies, judiciary and legal profession, power sector, tax and customs, health and education, land administration, and wherever public dealing is involved. It seems that corruption is pervasive in most government departments.

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<sup>1</sup> Oxford Advanced Learner’s Dictionary, Sixth Edition.

<sup>2</sup> Kimberly Ann Elliot, ed., *Corruption in the Global Economy* (Washington: Institute of International Economy, 1997), 177; “Transparency International 1995,” 57-58.

<sup>3</sup> “Transparency International 2011,” *New York Times* online, November 30, 2011.

## History

Corruption is not something new. There have been periods in the subcontinent when corruption was rampant such as under British East India Company (1757-1857) when there was almost anarchy in the northeast of the subcontinent. Soon after the revolt of 1857, when the authority was transferred from the East India Company to the British Crown, corruption decreased because the British government concentrated on better governance by building institutions, such as executive and legislative councils, an efficient judiciary, bureaucracy and military. But after independence in 1947, these institutions suffered a decline in efficiency and accountability causing an increase in corruption.

Quaid-i-Azam Muhammad Ali Jinnah, in his first address to the Constituent Assembly on August 11, 1947, had warned that bribery and corruption is a “poison” and “we must put that down with an iron hand.”<sup>4</sup> Unfortunately, the corrupt practices have increased to an intolerable proportion and have assumed the gravity of a cancer. Dr Ilhan Niaz, in his work *The Culture of Power and Governance of Pakistan 1947-2008* has dealt with the subject. As early as 1950, the Lahore High Court found the Chief Minister of the Punjab “guilty of corruption, abuse of power and obstruction of justice” because he had illegally acquired evacuee land for himself.<sup>5</sup> After the demise of the first Prime Minister of Pakistan Liaquat Ali Khan (1947-51) in 1951, a period of week governments followed. As many as six prime ministers were changed during the next seven years (1951-58), followed by military dominated government (1958-71).<sup>6</sup>

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<sup>4</sup> *Quaid-i-Azam Mahomed Ali Jinnah Speeches as Governor-General of Pakistan 1947-1948* (Karachi: Pakistan Publications, n.d.), 7.

<sup>5</sup> Ilhan Niaz, *The Culture of Power and Governance of Pakistan 1947-2008* (Islamabad: Oxford University Press, 2010), 246.

<sup>6</sup> After the murder of the first Prime Minister of Pakistan four years after independence in 1951, as many as six prime ministers were changed during seven years (1951-58). This, for the first time, resulted in the establishment of military dominated government, which ended with the break-up of the country in 1971. The next democratic government lasted for six years (1972-78) followed by a military government (1978-88). Thereafter during a decade of civilian rule (1988-99) as many as four prime ministers have been alternating and little attention was paid to the improvement of system of governance. They devoted their energy on one-sided accountability of the leaders from the opposition party. Presently, there is a civilian democratic government since 2008 which has replaced the military dominated government (1999-2008) and there are charges of corruption against government ministers and functionaries.

## Causes

The basic ingredients of corruption are summarized by Kitgaard in a formula:<sup>7</sup>

“Corruption = Monopoly + Discretion — Accountability”

It means that an official, who has control over something of public value and has the discretion to use it and has no fear of accountability from his bosses or other agencies, will have the temptation to engage in corrupt practices. The corruption in Pakistan was made possible owing to corrupt leadership, undue political interference for personal or party interests in the working of bureaucracy and judiciary. This led to corrupting the government officials, especially those who are in direct contact with the people. After the separation of East Pakistan and break-up of the country in 1972, the political interference increased to an extent that the political leaders came to regard the bureaucrats as their personal employees. If they try to assert their independence, they are punished, transferred and made Officers on Special Duty (OSD) which signifies that they are without any appointment. In addition, there were “arbitrary dismissals, appointments and transfers” as well as lateral induction and destruction of service guarantees, which “reduced the higher bureaucracy to a quasi-mediaeval instrument.”<sup>8</sup>

Thereafter, during anti-Soviet war (1978-88) in Afghanistan resources from home and abroad were recklessly spent on religious seminaries, security forces, training and launching legions of Islamic militants into Afghanistan.<sup>9</sup> This provided an opportunity to misappropriate unaccounted for moneys. Before Zulfikar Ali Bhutto corruption was a problem. By the time he was overthrown, it had become a way of life, which flourished under later rulers: “so great was the level of corruption that it would be declared an industry,” says Dr Niaz.<sup>10</sup> The efficiency and integrity of public servants was compromised in following the rules and regulations, the principles of justice and fair play and in acting without partiality and favouritism.

In a nutshell, the basic causes of corruption are (a) inept and corrupt leadership (b) weakening of state institutions (i.e., legislature, executive, judiciary, and bureaucracy), (c) political instability, (d) political interference and abuse of power, (e) weak and inefficient governments, lack of transparency, and (f) disregard of the rule of law.

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<sup>7</sup> Robert Kitgaard, *Controlling Corruption* (Berkeley: University of California Press, 1988), 75.

<sup>8</sup> Ilhan, *The Culture of Power and Governance of Pakistan*, 114.

<sup>9</sup> *Ibid.*, 190.

<sup>10</sup> *Ibid.*, 255-261.

## Impact

Corruption has direct relevance with the standard of governance. Corruption and “Bribery often undermines political legitimacy, squanders government revenues, and distorts international trade and investment flows. Where it is pervasive, corruption can deter investment, thereby lowering growth,” and is “detrimental to economic and political development,” says Kimberly Ann Elliott.<sup>11</sup> Corruption contributes to “capital flight because of the desire to hide illicit wealth from scrutiny”, and “most damaging of all, however, is corruption that is pervasive at all levels. Given the difficulties in controlling corruption, it is not likely to be compatible with sustainable long-term economic growth, as it is not compatible with sustainable democracy.”<sup>12</sup>

It has been reported that during the last four years (2008-11) there was corruption and liabilities to the tune of Rupees 8500 billion. The estimated corruption was Rupees 390 billion in 2008, Rs 450 billion in 2009, Rupees 825 billion in 2010 and Rupees 1100 billion in 2011.<sup>13</sup> It is due to the prevalent corruption that the country’s economy has deteriorated to an extent that the International Monetary Fund (IMF) has rated Pakistan as “highly vulnerable”, and, besides mounting external debts, “for the first time in country’s history, the domestic debts and liabilities cross Rupees 7 trillion mark.”<sup>14</sup>

The economy suffers and corruption flourishes when the expenses excel the income, there is bypassing of law and money-laundering, getting the work done through *sifarish*, bribe and political patronage, tax evasion, smuggling, kick-backs in awarding contracts, misappropriation of public funds by government functionaries. For instance, while utilizing development funds and awarding contracts, there are kick-backs in purchases and contracts for various works, at various stages and at various levels. Recently certain corrupt scandals have been highlighted in the media, such as Hajj scandal in which the Minister for Haj has been arrested and put behind bars.

The general public suffers because it is difficult for the people, who do not enjoy political patronage or contact with high authorities, to get their genuine work done. Those who can bribe or have political support and contacts with higher authorities are the main beneficiaries in the prevalent system of governance. As for judiciary and legal profession, except for superior courts, “There is widespread lack of public confidence in the justice

<sup>11</sup> Kimberly Ann Elliott, ed., *Corruption and the Global Economy* (Washington: Institute for International Economics, 1997), back cover page, 186.

<sup>12</sup> Elliot, *Corruption and the Global Economy*, 192, 196.

<sup>13</sup> Mushir Adil Gilani, “Transparency International Pakistan,” *Jang* (Rawalpindi), February 5, 2012.

<sup>14</sup> *Dawn* (Islamabad), February 7, 2012.

system. Access to justice and the rule of law are undermined by corruption.”<sup>15</sup> It can, therefore, be assumed that the bureaucracy as well as judiciary is not above board and needs to improve their standards.

### Remedies

- *Honest Leadership.* Miss Fatima Jinnah had once said that corruption is like a snow which melts from the top. “Corruption cannot exist without the connivance of political leadership, even if passive,” says Elliot.<sup>16</sup> Thus the foremost need is that the top executive authority should be men of integrity who should not be corrupt and should not permit others to indulge in corruption.
- *Meritocracy.* As for government officials and functionaries, meritocracy must be implemented. The professional standards for the cadre law enforcement agencies should be improved, their induction made strictly on merit, they are reasonably well paid, there are improvement in the conduct of their training, they have service security, and are free from political interference. The judiciary both at higher and lower levels should be strong, independent, honest and corruption-free. Greater transparency and effective accountability should be ensured, so that there is easy accessibility of poor people to police stations, judicial courts and other public service departments.
- *Rule of Law.* There should be rule of law so that “thieves” are caught. The people should have fear of the strong arm of law and severe punishment to be given to those found guilty of corruption.
- *Proportional Representation.* There is a tendency that candidates for legislative assemblies spend a large amount in their election campaign and in bribing the voters with a hope that they would be able to earn more. If elected, they resort to corrupt practices to amass wealth to compensate for the amount spent as well as for expenses to be spent in the next elections. If the alternative system of proportional representation, as practised in Brazil, Indonesia, Russia, Sri Lanka, etc., is introduced it will be a check on individual corruption. And only those persons, who have impeccable record of honesty, should be eligible for election to legislatures.
- *Financial Control.* For financial oversight, the Public Accounts Committee and the Ministry of Finance with its Auditor General’s Office should work with efficiency and honesty. Their need to

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<sup>15</sup>“Corruption in Pakistan,” *CSS Forum*, <http://www.cssforum.com.pk/css-compulsory-subjects/current-affairs/current-affairs-notes/1967-corruption-pakistan.html> (accessed January 28, 2011).

<sup>16</sup> Elliot, *Corruption and the Global Economy*, 215.

continue reforming and overhauling themselves for improvement. Their working should be computerized so as to adopt best international procedures and practices, for audit and scrutiny. In addition, with a view to improving government revenues, they should ensure that the Central Board of Revenue (CBR) makes every eligible tax payer to pay taxes to the government honestly.

- *Local Government.* The local government system introduced in 2001 should be re-introduced and reformed wherever necessary. The system implies handing over local governance to the local people through decentralization of administrative authority, de-concentration of management functions, and distribution of resources and public-private partnership in implementing and execution of works. This decentralization will eliminate corruption at provincial and higher levels, because local works would be carried out locally.
- *Civil Society.* The civil society and non-governmental organisations (NGOs) should be associated with government agencies and committees, in advisory and oversight roles. The civil society may act as "watchdogs" in fighting against corruption. The public private partnership should be ensured, especially at district, tehsil and village level. Only those citizens should be co-opted who can take part in the direct monitoring of the Police, Judiciary, the district government officials and others. Complaint cells be established which should be controlled by committees composed of senior district officers and responsible citizens. In addition, there should be freedom of information in offices especially those having control over public works.
- *Education and Media.* As a long term measure, intensive efforts need to be made to raise Pakistan's literacy rate, which is only 56 percent at present. There should be increased emphasis on character building and inculcating qualities such as honesty, justice, love of humanity, modesty, dignity, fair play, and etcetera, in our educational institutions. Besides, it should be the theme, which electronic and print media should focus on.
- *National Accountability Bureau.* The National Accountability Bureau (NAB) at the federal, provincial and local levels should effectively resort to monitoring through public awareness and in cooperation and collaboration with civil society. The setting up Public Safety Commissions (PSC) in each district will be helpful. It would ensure greater private-public partnership and participation. It will be of assistance in the investigation of grievances. The anti-corruption process will be effective if the functionaries of NAB are paid well and have security of tenure. The NAB should have adequate staff and

the requisite capability and capacity to perform its functions effectively “for improving governance, management, transparency, and accountability and quality of public procurement of goods, services and works in the public sector.”<sup>17</sup>

- *Anti-corruption Ombudsmen.* Perhaps, Pakistan also needs to have the office of an anti-corruption Ombudsman as proposed by Anna Hazare in India to deal with complaints against the conduct of other government officials and agencies dealing with the public. There may be anti-corruption ombudsmen at federal, provincial and local levels for prompt and speedy disposal of corruption cases involving abuse of power, illegal gratification, and misappropriation of property, kickbacks and commissions. However, accountability must not be selective and it should be across the board. The anti-corruption ombudsman should not only be independent but have vast powers. He should work without discrimination and the privileged people should not be treated differently. Ultimately, it would be the implementation of anti-corruption measures which would matter, as the taste of the pudding lies in its eating.

## Conclusion

There should be a multi-pronged approach to fighting against corruption. The measures already taken to check corruption, such as the promulgation of the National Accountability Ordinance 1999, Freedom of Information Ordinance and creation of National Accountability Bureau, have not so far produced the desired results. NAB, anti-corruption ombudsmen, fear of law, decentralization of administration, participation of civil society and NGOs should control and contain corruption. An honest and capable leadership and good governance can reduce corruption. The state institutions need to be strengthened and should be able to function effectively. Bureaucracy and judiciary should be inducted on merit, should be well paid, have pride in their work, and enjoy service security.

It is encouraging that there is a growing consciousness among the masses, intelligentsia and others to eliminate this evil. Almost all political parties denounce corruption. Already, the leader of an opposition political party (PML-N), in his 10-point agenda, had asked for the elimination of “corruption and those Ministers and Government officials who are accused in corruption.”<sup>18</sup> The leader of an emerging political party (PTI) claims to get rid

<sup>17</sup> “Corruption in Pakistan.”

<sup>18</sup> “Nawaz Sharif, Regional Leader and 10 points Agenda,” *The Pakistani Spectator*, <http://www.pakspectator.com/nawaz-sharif-regional-leader-and-10-points-agenda/> (accessed February 1, 2011).

of corruption within ninety days if he comes to power. But, on the other hand, Prime Minister Yousaf Raza Gilani has said, “It was difficult to balance development activities, resolve national issues and check corruption simultaneously.”<sup>19</sup>■

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<sup>19</sup> *Daily Times* (Lahore), January 14, 2011.