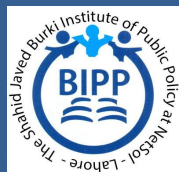


# BIPP

Policy Brief 34/2016

## Corruption and Need for a Strengthened Integrity System in Pakistan

**Shahid Najam**  
*Vice Chairman*



**The Shahid Javed Burki  
Institute of Public Policy at NetSol**

It has been widely recognized that corruption hurts human development, diverting public resources to private gain and reducing access to public services. Transparency International, a non-governmental organization which monitors corporate and political corruption, defines corruption as the abuse of entrusted power for private gains which eventually hurts everyone who depends on the integrity of people in a position of authority<sup>1</sup>.

Corruption has an impact on the various aspects of human development, which is “a process of enlarging people’s choices by expanding human capabilities and functioning”<sup>2</sup>. At all levels of development, the essentials for human development are for people to lead long and healthy lives, to be knowledgeable and to have a decent standard of living. Since corruption has serious consequences on economic growth, poverty and inequality, governance, gender equality and empowerment, anti-corruption is a cross-cutting human development issue that requires a comprehensive and coordinated approach. Corruption can lower the level of human development by reducing economic growth, increasing poverty and inequality, raising the costs and reducing the quality of service such as health and education. It is likely to lead to further human rights violations and disproportionately affect all, yet with a severe impact particularly on socially vulnerable and marginalized groups including women. It also worsens environmental governance by reducing the stringency of environmental regulations, and hence impedes sustainable development by threatening environmental sustainability.

Pakistan, over the years, has been plagued by widespread corruption in all its forms and manifestations. The successive governments whether authoritarian, dictatorial or democratic seem to have fomented corruption and corrupt practices thereby creating or strengthening the corrupt elite that particularly permeates in the higher echelons of political hierarchy, army establishment, senior civil bureaucracy and across all categories of the private sector and businesses. Just to indicate the scale and size of corruption, Transparency International estimated that Pakistan lost more than US\$94 billion in corruption, taxes and bad governance during 2008 to 2013.

---

<sup>1</sup> "Transparency International what we do" *transparency.org*

<sup>2</sup> UNDP

Despite a series of legal and institutional measures in the shape of Prevention of Corruption Acts 1947, 1950 and 1950 and the subsequent reforms to restructure and empower anti-corruption establishments, National Accountability Bureau Ordinance 1999, and provincial legislations aimed at increasing transparency and endowing upon the people the right to information, corruption – and the perception of corruption – however, remain critical issues in Pakistan. Pakistan's recent placement in the world on the corruption perception index for 2014 published by the Transparency International speaks eloquently of the magnitude of the problem. With a score of 29/100, Pakistan ranks 126 much below India and Sri Lanka which rank 85 (both) in a total of 174 countries.

There is therefore a dire need to bring about a transformative improvement through introducing and revamping the existing policy and legal frameworks and institutional and operational mechanisms. The national integrity systems can be effective in fighting corruption if they are well structured and grounded on sound principles of good governance, transparency and accountability. Transparency and strengthening the fight against corruption will augment the institutional capacity; lead to a unified coordination and monitoring mechanism to maximize the impact; and create a more conducive environment for a consensus-oriented policy making and implementation

In this connection, there are five key, interrelated elements, which constitute the quintessence for effective functioning of the national integrity systems:

1. The wider ownership of the anti-corruption strategies by all stakeholders is an absolute imperative. Corruption is status, wealth and power free; it impacts everyone in a society, either directly or indirectly. Governments as well as civil society organizations, the media and public at large need to take effective part in fight against corruption and, for that to happen, must contribute to both the design and the implementation of the strategies.
2. An effective coordination and communication mechanism is the second critically vital element in eradicating the incidence of corruption, for, the absence of such a mechanism weakens the effectiveness of effort; dilutes the focus; and leads to a wastage of valuable resources.

3. The need to monitor progress in achieving the results forms the third element for establishing fully functional and efficient integrity system. Clear tangible results including quantitative targets and indicators needs to be clearly spelled out to measure the progress. A major obstacle to the success of anti-corruption systems has been the absence of tangible benchmarks and tracking mechanism to demonstrate if the targets and objectives have been realized.

4. The fourth key area of strategic focus has to be good governance (participatory, inclusive, responsive, transparent, open, accountable, ensuring rule of law, pursuing development with equity, operating efficiently and effectively, having strategic visions) in combating corruption including its social, economic and political dimensions.

5. The global knowledge, best practices and expertise in the field of anti-corruption is the fifth element for establishing effective national integrity system, for, benefiting from these could help improve policy and legislative frameworks, strengthen institutional capacity and promote accountability and transparency.

Indeed, sustainable human development in Pakistan, a priori, entails putting in place a well functioning, effective and efficient national integrity system through collective effort at all levels to eradicate and minimize corruption and to bequeath a just, peaceful, orderly and prosperous country to the posterity.