

## **Address by the Chairman NAB on the occasion of the Plenary session of the International workshop organized on the national Anti-corruption Strategy - meet the stakeholders.**

### **Bismillah Hir Rehman Rahim**

Mr. President honorable members of the judiciary, governors, Excellencies, ladies and gentlemen, I welcome you all to the federal workshop of the national anti corruption strategy project, I am especially grateful to the President of Pakistan General Pervez Musharaf whose presence ,and continued support , is a matter of encouragement and of utmost importance to the objectives of tackling corruption. I am also indebted to foreign expects who have come to participate despite an adverse travel advice.

Ladies and Gentlemen.

Corruption is misuse of institutions meant to administer the relationship of citizen and the state, for personal gains. It is symptomatic of mismanagement and Pakistan is a case in point.

However, genesis of the scourge in the country can be traced to the sub continent's legacy and the country's birth time crises. Misguided policies. Political instability and certain exogenous factors further aggravated the problem.

The nation was warned against this legacy by the Quaid - e - Azam in the first ever speech to the constituent assembly in the following words.

“One of the biggest curses from which India is suffering - I do not say that other countries are free from it, but I which our condition is much worse - is bribery and corruption. That really is a poison. We must put it down with an iron hand and I hope that you will take adequate measures as soon as it is possible for this assembly to do so.”

Unfortunately, the warning and the advice went unheeded.

Historically, the “claims system “established in the early years to settle the refugees started the slide that continues to date. An over regulated economic management system of the country in the fifties and sixties, developed a culture of licensees, quotas and an overly intrusive government.

Nationalization of the seventies not only led to a manifold increase in the opportunities of corruption but also permanently damaged the investor's senses of security. The eighties failed to slow down the trend as “demonstration effect” induced ostentatious lifestyles, which suddenly emerged as a result of

remittances from the gulf. Coupled with a decrease in real wages of government servants, it proved a major compelling factor for both horizontal and vertical spread of corruption.

Easy availability of foreign funds throughout these years not only added to the opportunities but also to the complacency of successive government.

The last phase of political control of the country from 1985 to 1999, saw the worst excesses of corruption .triggered by the policy of allocating development funds to the legislators, governance was converted into a commercial enterprise for personal enrichment. Successive governments were dismissed on charges of corruption. The public at large came to recognize unchecked widespread corruption in the government as a major social evil and the biggest impediment to social and economic uplift.

As a result of a complete loss of faith in the political elite, the military's takeover in October 1999 was greeted with public approval.

Ladies and Gentlemen:

The present regime is committed to a good governance model, based on the rule of law, effective government and control over corruption. Therefore, one of the first acts of the president and his government was creation of the national accountability bureau. NAB made an impact almost immediately, as hitherto sacrosanct individuals were investigated, prosecuted and convicted. The myth of elusiveness of the privileged has been broken. NAB has sought to ensure that blatancy of corruption would never revert to the pre October 1999 levels.

Criticism of an organization that in targeting powerful elite is natural. it is interesting that it varies from one extreme of those who consider it harsh to the other of being slow and lenient. It is also blamed for stunting the bureaucracy into indecision. I feel that there is more folklore than reality in it, and the detractors are those who either are, or consider themselves to be targets of NAB's accountability drive. Let me assure you that harassment is not part of NAB's culture. The decision on critical an issue like reference filing, arrest and closure are transparent and involves a large set of official's including legal consultants and other experts. It is professional organization that is objective in its approach, and clear in its goals.

In fact, it was the commitment of the bureau to its aim of eradication of corruption that resulted in the inception of the national anti corruption strategy (NACS) project. NAB's experience of handling the largest set of corruption cases, in the country's history, revealed the existence of systemic corruption that could not be reduced through enforcement alone. The need for

a holistic strategy encompassing prevention, monitoring and enforcement was identified.

The National Anti Corruption Strategy Project was launched in February 2002, with the first phase reviewing the nature, extent, causes and impact of corruption in the country. The second phase, currently under progress, is that of strategy development .the methodology is highly consultative and participative as the involvement of key stakeholders from the government; civil society and private sector will be critical to the strategy's successful implementation. The project team has undertaken consultations with several thousand people, from government, civil society and the private sector, at federal, provincial and district level.

Mr. President.

An intrusive and over sized public sector, an over regulated economy, excessive discretionary powers often incompatible with the level of the official , and an absolute lack of transparency , provide the optimal environment for opportunities of corruption. Combination of these factors with weak accountability ensures that corruptions get entrenched into the entire fabric of state and society.

***Therefore, it is not surprising that most studies and reports on governance in Pakistan reveal prevalence of high levels of corruption. Transparency international declared Pakistan as the second most corrupt nations out of 58 surveyed in 1996. in 1998 it improved to 7<sup>th</sup> position and in year 2001 , it still stands 11<sup>th</sup> from bottom. As per a general estimate, in past years almost 20% of the GDP has been lost through corruption and corrupt practices annually.***

In addition to siphoning of financial resources, the impact of this massive corruption has been underdevelopment, loss of international image legitimacy of state institutions.

Good governance and consequently prevention of corruption, is about rationalization of discretionary powers, transparency, access to information and public participation, additionally, simplification of laws and procedures and effective public sector management are factors that assist the process. The institutional and legal frameworks governing the public sector in Pakistan are weak on all counts.

Contrary to best practices, the culture of bureaucracy, shaped by inward looking rules of business, is secretive, processes are veiled, complicated and vague. Public participation is abhorred by an insular public sector. However, it is a critical part of the district governance structure designed in the devolution plan.

***Participatory mechanisms, especially in identifications of development projects and procurement, can prove to be effective against corrupt practices. Involvement of the people in decisions affecting them not only increases transparency but also rationalize resources allocating. Integrity pacts, effective tools in this regard, have already established their efficacy in some important development projects in Karachi.***

Simplification of laws and procedures is essential but they have to be implemented through the civil servants. The loss of professionalism of the public servants has rendered government systems dysfunctional .however, this loss has not entirely been due to endogenous factors. A sense of insecurity has engulfed the civil services as a result of purges, pursued by successive regimes. A weakened civil service finds it difficult to resist political masters with dubious credentials.

Accountability is the lynchpin of a good governance structure. However, it is effective only if all entities responsible for it, whether internal or external, are operational .dilution of the internal accountability in the public sector has resulted in NAB being the only effective accountability forum in the country. Ideally, the bulk of action must be in the public sector organization themselves, each organizations must ensure to implement its disciplinary rules without fear or favor.

Ultimately, one would hope that the country is run through democratic a system that is clean and efficient. Unless distortions within the political party systems are removed, the process will fail to attain direction. There is a requirement of transparency in financial and other matters of political parties. Only if they are democratic from within can their sincerity with the process be manifested.

In the final analysis, only an aware and enlightened public, a representative and clean parliament, a strong and responsible media, can ensure that the corrupt fail to sustain themselves in the corridors of power.

Ladies and Gentlemen:

However , no one should delude himself into believing that eradicating corruption will be a straight forward task efforts at fighting corruption in Pakistan is far more entrenched than in many other countries and NACS is but a first step. Nonetheless, the fact that corruption has become a “way of life” neither excuses its continuation, nor makes it acceptable to the many whose lives are impoverished by its persistence. Despite the pervasive pessimism that is undoubtedly felt, we have come across many who would willingly embrace new practices if only the scourge of corruption could be lifted from their lives.

It is imperative for NACS to show that change is possible. It not only can, but will succeed if the implementation phase is sustained with vigour and commitment by those who have participated, and are participating in the project, particularly through this workshop. That commitment has to start at the highest level, and form a central plank of the future government's domestic policies .sustaining the commitment may not be easy; there will be pain and criticism as the reforms start to take effect. But the ultimate reward is political legitimacy, as the economic and social fruits of a society progressively liberated from corruption emerge.

Your support is critical to plan, realize and publicize the benefits of the anti corruption strategy .I request your continued involvement in the project and beyond.

I would request all of you to join me today in an integrity pact pledging that all of us present here will endeavor to abstain from acts that are directly or indirectly acts of corruption; including nepotism, jobbery and conflict of interest situations.

I once again thank all of you for your presence . I am especially grateful to the president for his support , which is absolutely critical to the success of the project just as it was vital for its imitations, Sir , we at NAB look forward to more of the same from you and assure yourself and the nation that the Bureau will never be found wanting in it commitment to the task of making Pakistan a Corruption free nation.

Thank you.