National Integrity Systems

Transparency International

Country Study Report

Pakistan 2003

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Research Coordination

Transparency International – Pakistan has been involved in coordinating with Barrister Naimur Rahman in compiling this report. This report is draws upon interviews and meetings with senior public officials and major donor agencies and IFIs carried out in April 2002 during a 10-day visit by a three-member Mission of Transparency International. The Government of Pakistan and the World Bank sponsored the visit.

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Abbreviations

ACA  Anti-Corruption Agency
ACE  Anti-Corruption Establishment
ACO  Anti-Corruption Operations
ACR  Annual Confidential Report
ADB  Asian Development Bank
ADR  Alternate Dispute Resolution
AG  Auditor General
AJP  Access to Justice Programme
BoQ  Bill of Quantity
CBO  Community Based Organization
CBR  Central Board of Revenue
CCB  Citizen Community Board
CFAA  Country Financial Accountability Assessment
CGA  Controller General of Accounts
CPLC  Citizen Police Liaison Committee
CRI  Corruption Rating Index
CRR  Committee on Restructuring and Rightsizing
CSO  Civil Society Organization
CSS  Central Superior Services
DFID  Department for International Development
DMG  District Management Group
E&D  Efficiency and Discipline
ECW  Economic Crime Wing
FACC  Federal Anti-Corruption Commission
FCA  Foreign Currency Account
FGR  Financial Governance Rating
FIA  Federal Investigation Agency
FMC  Fiscal Monitoring Committee
FPCCI  Federation of Pakistan Chambers of Commerce and Industry
FPSC  Federal Public Service Commission
FY  Financial Year
GoP  Government of Pakistan
HRM  Human Resource Management
ICAC  Independent Commission Against Corruption
IMF  International Monetary Fund
INTOSAI  International Organization of Supreme Audit Institutions
IT  Information Technology
KESC  Karachi Electric Supply Corporation
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Name</th>
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<tbody>
<tr>
<td>KPMG</td>
<td>Klynveld Peat Marwick Goedeler</td>
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<tr>
<td>KWSB</td>
<td>Karachi Water and Sewerage Board</td>
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<td>LDA</td>
<td>Lahore Development Authority</td>
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<tr>
<td>LC</td>
<td>Letter of Credit</td>
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<td>MLA</td>
<td>Mutual Legal Assistance</td>
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<td>MoF</td>
<td>Ministry of Finance</td>
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<td>MTBF</td>
<td>Medium Term Budgeting Framework</td>
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<td>NAB</td>
<td>National Accountability Bureau</td>
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<td>NACS</td>
<td>National Anti-Corruption Strategy</td>
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<td>NADRA</td>
<td>National Database Registration Authority</td>
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<td>NAFDEC</td>
<td>National Film Development Corporation</td>
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<td>NAM</td>
<td>New Accounting Model</td>
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<td>NEPRA</td>
<td>National Electric Power Regulatory Authority</td>
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<td>NGO</td>
<td>Non-Government Organization</td>
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<td>NRB</td>
<td>National Reconstruction Bureau</td>
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<td>NSC</td>
<td>National Security Council</td>
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<td>NWFP</td>
<td>North Western Frontier Province</td>
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<td>OECD</td>
<td>Organization for Economic Cooperation and Development</td>
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<td>OMG</td>
<td>Office Management Group</td>
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<td>OPEN</td>
<td>Online Procedures Enhancement</td>
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<td>OSD</td>
<td>Officer on Special Duty</td>
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<tr>
<td>PAC</td>
<td>Public Accounts Committee</td>
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<td>PAO</td>
<td>Principal Accounting Officer</td>
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<td>PCA</td>
<td>Prevention of Corruption Act</td>
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<td>PEC</td>
<td>Pakistan Engineering Council</td>
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<tr>
<td>PER</td>
<td>Performance Evaluation Report</td>
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<td>PIFRA</td>
<td>Project to Improve Financial Reporting and Auditing</td>
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<td>PPC</td>
<td>Pakistan Penal Code</td>
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<td>PPRA</td>
<td>Public Procurement Regulatory Authority</td>
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<td>PPSC</td>
<td>Provincial Public Service Commission</td>
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<td>PSC</td>
<td>Public Safety Commission</td>
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<tr>
<td>PSPE</td>
<td>Pakistan Special Police Establishment</td>
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<td>SAP</td>
<td>Social Action Programme</td>
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<td>TI</td>
<td>Transparency International</td>
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<td>TI-PAK</td>
<td>Transparency International - Pakistan</td>
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<tr>
<td>TNA</td>
<td>Training Needs Assessment</td>
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<tr>
<td>WAPDA</td>
<td>Water and Power Development Authority</td>
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<tr>
<td>SSGC</td>
<td>Sui Southern Gas Company</td>
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<tr>
<td>SNGPL</td>
<td>Sui Northern Gas Pipeline Limited</td>
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Pakistan

Executive Summary

In an address to the Constituent Assembly of Pakistan on his election as President of Pakistan on 11th August 1947, the founder of the nation of Pakistan, the Quaid-e-Azam Mohammad Ali Jinnah, told the assembly that,

“One of the biggest curses from which India is suffering...is bribery and corruption. That really is a poison. We must put that 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.”

In an assessment of Pakistan's history of corrupt practices it is noted that corruption is all pervasive and deeply entrenched. Hardly any aspect of life is untouched by some form of corruption, if not by financial corruption then by nepotism or misuse of privileges, and this is largely socially accepted as a norm and deemed inevitable.

It is also a common perception that exists both in civil society and in the corridors of the government that corruption at the top levels of government has very significantly declined – but that at the middle and lower levels of the government apparatus corruption still thrives almost unabated.

Pakistan's ranking in Transparency International's Corruption Perceptions Index (CPI) has consistently hovered during the last ten years of its publication, in the upper 10% of corrupt countries with scores ranging between 2.1 to 2.7. This is not a very enviable position.

General Elections were held in October 2002 under a controversial Legal Framework Order (LFO) promulgated just two months prior to the elections. The LFO was an order issued by the Chief Executive by the powers given to him by the Supreme Court in May 2000 shortly after the Army takeover amending the constitution of 1973 for an orderly transition of government. The order included among other things an announcement for general elections for the Federal and Provincial Assemblies and Senate to be held on October 10 and November 12, 2002 respectively.

The Legal Framework Order consisted of 33 additional clauses to the 1973 Constitution and included:

- The increase of the total number of seats in both the Federal and Provincial Assemblies.
- Increase of the Number of seats for women and minorities.
- Special seats were reserved for technocrats.
- Disqualification on grounds of defection.
- The voting age was reduced from twenty one to eighteen years.
- Each Province shall, by law, establish a local government system and devolve political, administrative and financial responsibility and authority to the elected representatives of the local governments.
- The formation of a National Security Council to serve as a forum for consultation on strategic matters pertaining to the sovereignty, integrity and security of the State; and the matters relating to democracy, governance and inter-provincial harmony. Where the President shall be the Chairman and its other members shall be the Prime Minister, the Chairman of the Senate, the Speaker of the National Assembly, the Leader of the Opposition in the National Assembly, the Chief Ministers of the Provinces, the Chairman Joint Chiefs of
Staff Committee, and the Chiefs of Staff of the Pakistan Army, Pakistan Navy and Pakistan Air Force.

- That all Proclamations, President's Orders, Ordinances, Chief Executive's Orders, laws, regulations, enactments, notifications, rules, orders or bye-laws in force immediately before the date on which this Article comes into force shall continue in force until altered, repealed or amended by competent authority.

After nearly 14 months of negotiations 2002 between the ruling party the Pakistan Muslim League – Quaid-e-Azam (PML-Q) and the main opposition party the Muttahida Majlis-i-Amal – (MMA) a compromise on the 7 controversial points was finally reached on December 24, 2003 with the former agreeing to accept the latter's proposal on all the sticking points for a constitutional amendment package deal in return for its support in getting the LFO passed from parliament in the shape of a bill These main stumbling blocks to a settlement were resolved through a deal in which the government has agreed to (1) withdraw the three-year extension in retirement age offered to superior court judges, (2) keep the local governments under the Sixth Schedule for six years, (3) set up the National Security Council under an act of parliament, (4) the decision to dismiss a government under 58(2)b will be referred to the Supreme Court within 15 days, (5) the president will seek vote of confidence from the electoral college, (6) the president will consult the prime minister on the appointment of armed forces chiefs but will not be bound by the advice of the PM, and (7) the President will give up his uniform by December 2004.

A year earlier in August 2001 under a Devolution Program the Military Government held elections for local government. In which District, Town and Village "Nazims" (mayors) were indirectly elected, with counsellors acting as an electoral college. This plan has run into snags, where the newly elected members of the Provincial and National Assemblies find themselves bereft of the opportunities of development and other funds which have now been devolved to the Local Government.

A judiciary must be independent of the Executive if it is to perform its constitutional role of reviewing actions taken by the government and public officials to determine whether or not they comply with the standards laid down in the Constitution and with the laws enacted by the legislature. At the same time the selection and appointment of judges at all levels, but particularly at the High Court and Supreme Court levels, must be, and must be seen to be, totally professional, rule- and merit-based, and transparent. This unfortunately has not been the case. The judicial system in Pakistan is not held in high esteem. Some call it "the cause of all evil". Many regret that members of the judiciary are expressly exempted from the work of the National Accountability Bureau (NAB). However, in December 2001 GOP announced a US$ 350 million Access to Justice Program funded by the Asian Development Bank aimed at strengthening good governance, the rule of law and ensuring access to justice.

Alongside an independent judiciary, the existence of a free and independent media is one of the twin Integrity Pillars essential for good governance, and neither should be accountable to government or politicians. One can fairly say that the media has been quite independent these past three or four years. Though at times one seems to feel an underlying tug-of-war between the media and the government and how long this independence will last is unknown.

Until less than a year ago, the Auditor General (AG) of Pakistan was also the Accountant General. Corruption was rampant in this department. The recent separation of these two functions was a significant step toward building a strong, independent supreme audit watchdog office. The Auditor General has recently published (and put on its Website) its Annual Report and a Corporate Audit Plan, listing items where the Executive has not yet acted upon recommendations of the AG. This development is laudable but whether it will be implemented we must wait and see.

Subsequent to the General Elections of October 2002 the office of the Auditor General is now to be accountable to the Parliament only. Presently the Auditor General of Pakistan appears to have some degree of independence, but its funding is sanctioned by the
Ministry of Finance. It is highly desirable that the AGs Office be given a fully independent status as soon as the Parliament takes up its responsibilities.

Equally important is the existence of the Public Accounts Committee and the Ombudsman. Unfortunately due to the present turmoil in the National Assembly the Public Accounts Committee is yet to function. On the other hand the Federal and Provincial Ombudsman are quite active and to date have a very clean and efficient record.

The National Accountability Bureau has been in existence for about 4 years and is still in its formative stage. Its action in bringing out the National Anti Corruption Strategy Report (NACS) early this year will go a long way in giving it a sincere direction. Its coming under the authority of the Prime Minister and the Parliament will also provide the necessary checks and balances required for the working of an effective Anti-corruption Agency.

The police are considered by many in Pakistan to be particularly corrupt. The Government of Pakistan by promulgating its Police Reforms Ordinance in 2002 has tried to limit the powers of the Police, and has provided the necessary checks and balances within its reforms to give it a chance of success. It has recommended the establishment of Federal and Provincial Public Safety Commissions, Criminal Justice Coordination Committees and an independent complaints handling authority. The separation of investigation and prosecution functions should also enhance the due process of law and is welcome. The Police Ordinance 2002 has also tried to insulate the police from political pressure. The experience with the newly established motorway police appears to demonstrate that sufficient pay, a well-structured job, effective monitoring and the creation of pride in the job can be effective.

Corruption in the Civil Service was pervasive. One of the essential government departments, the Central Board of Revenue (CBR) reputed to be particularly inefficient and corrupt and suffering from a particularly small tax base (1.2 million taxpayers in a population of 140 million), is being revamped. It is understood that the CBR is going through a complete reformation and it is hoped that it will be able to increase the present Tax base. Fortunately the Government has started a civil service reform, focused on the federal level, i.e. rewarding merit in recruitment and promotions, the pay and pension systems, and right-sizing and restructuring. The Federal Public Services Commission has been given enhanced powers and some degree of autonomy. One can only hope that similar attention will also be given to the Provincial Civil Service.

What one hopes to find included in these reforms is the removal or at least considerable reduction of discretionary powers of the civil servants, the adoption of a Code of Conduct with clear rules on the acceptance of gifts and entertainment expenses, conflict of interest and nepotism - a practice favoured by most political parties when in power.

What is also required and has been sorely neglected by one and all in the past is the need for a “disclosure of assets” program (under which the disclosure forms are actually checked, verified, made publicly accessible, and action is taken, if suspicion of wrongdoing emerges). What is also lacking is a well-functioning complaints mechanism, by which clients/citizens can question the delivery of service to them, citizens or citizens’ organizations can report on wrongdoing they have noticed and civil servants can complain about wrongdoing by their colleagues and superiors without fear of adverse consequences. A good whistleblower protection program is needed to be established, giving assurance to people that their reporting of violations will not get them into trouble. This has been touched upon in the National Anti-Corruption Strategy Report. TI-Pakistan is now trying to establish such a Protection Program with the support of a Donor Agency.

Public Procurement is a major share of where the country resources are being spent but unfortunately this is one sector where there is total corruption. The procurement of services and goods in nearly every public sector organization is totally corrupt and much of the money allocated to development is totally wasted. This situation exists even though every Public Sector Organization is by law required to follow the Guidelines and Standards set out by the Pakistan Engineering Council (PEC), but few follow these guidelines and standards.
TI-Pakistan had recommended changes in the Governments Procurement procedures which are fortunately now part of the National Anti Corruption Strategy. The recommendations included the total implementation of the PEC guidelines and standards and where not possible, or incomplete, to allow for the World Bank Guidelines and standards to be followed.

TI-Pakistan recommendations also included (i) the need for full transparency of the bid evaluation process, (ii) the need to apply particularly strict and transparent procedures to the selection of consultants, and (iii) the desirability of using the TI-developed concept of the Integrity Pact to a few selected major investment projects. We would like to point out that TI-Pakistan applied this Integrity Pact concept to the selection of consultants for the Karachi Water and Sewerage Board K-III Project and has brought highly satisfactory results for the Karachi Water & Sewerage Board (KWSB).

In addition most international donors prescribe their own procurement procedures which at times increases the complexity of procurement activities. One would hope that the donor community could be persuaded to agree and apply the “highest common denominator or standard” and thus help bring about uniform procurement rules and especially in the monitoring of its programs. TI-Pakistan intends to take up this issue with the Donor Agencies operating in Pakistan.

By the same token, donors sometimes are not necessarily part of the solution, but part of the problem. This includes NGOs padding a project with items dear to the respective minister or secretary (cars etc), topping-up the salaries of senior officials involved in executing a donor-supported project, or offering to government civil servants consultancy services (often external), which supposedly are carried out during official vacations. These are unfortunately well-established practices in many developing countries and Pakistan is no exception.

The Private Sector does not lag behind in its support of corrupt practices. There is probably no multinational or national company which does not support the “need and greed” of the public sector official. “Facilitation Payments” for obtaining licenses and setting up appropriate tariffs for their products, especially in the Pharmaceutical Sector. This is one form of corrupt practice – collusion that is very prevalent. TI-Pakistan is now taking up the issue with the Private Sector and the Government of Pakistan, whereby we hope to revamp the existing procedures to eliminate the possibility of discretionary powers of the relevant public official which helps to line the pockets of the public official and at the same time giving enormous profits to the Private Sector at the expense of the common citizen.

Pakistan today has a large number of Civil Society organizations (CSO), who are anxious to play their role of ‘watchdogs’ Unfortunately there is much frustration within the CSO as their efforts are looked upon by the Government with suspicion. In the province of Punjab, the largest province in Pakistan, the government has literally banned any new Non-Governmental Organization for the past few years. This suspicion and negative approach by the government to CSO will unfortunately continue. They have sufficient cause, as there are many fictitious and existing NGOs which are benefiting from the largesse of the donor agencies and at most times not really accountable as one would expect. The CSO must play their part, but under controlled conditions and function under a set of rules and laws laid down by the government which will not only support the activities of the CSO to play a much larger role to benefit both the government and the citizens of the country.

Central to the efforts of the Government should be, in the view of the report authors, a bold Freedom of Information law. Unfortunately the Freedom of Information Ordinance promulgated in 2002 lacks the necessary bite which would have, if permitted given civil society a chance to question many of the corrupt practices of the public sector. Transparency Internationals Corruption Perception Index (CPI) shows a clear correlation between a strong Freedom of Information legislation and very low corruption levels in a country.

Secondly, a broad Civil Service reform should tackle issues like the “living wage”, a clear Code of Conduct for civil servants, clear rules on conflict of interest and nepotism, a significant reduction of discretionary powers, systematic monitoring and enforcement of the rules, promotions on merit, a serious “disclosure of assets” program, removal of
corrupt officials, an easy complaints mechanism (for citizens and colleagues alike) and a whistleblower protection program. Part of this drive should be a further strengthening of the powers and capacity of oversight institutions such as the Auditor General, the ad hoc Public Accounts Committee and the Ombudsman Office, and the assurance of an independent, impartial and well-trained judiciary.

Thirdly, it appears that Pakistan fight against corruption would benefit greatly from a more or less complete overhaul of the country procurement system, institutions and rules. Any improvement in the transparency, predictability, accountability and quality of the procurement process can save the country vast sums of money.
Country Overview

Pakistan is a land of diverse cultures, languages, religions and ethnic groups. The national language is Urdu, but English is the official Media of communication in the Government. English is widely spoken and understood in all major cities of the country.

The Islamic Republic of Pakistan emerged on the map of the world as an independent sovereign state on 14th August 1947, as a result of the division of the former British India. Since the creation of Pakistan in 1947, the country has had to cope with the problem of political instability. This stems in part from the death of Mohammad Ali Jinnah, Pakistan's founding political leader in 1948, just a year after partition, before he was able to install a full constitutional and political foundation. As a result, political leaders since this time have been slow and divided on the appropriate form of government for Pakistan. Their inability to form a consensus on appropriate political institutions and acceptable norms of behaviour underlie the country’s experimentation with parliamentary and presidential forms of government over the years.

The period immediately following independence saw a succession of civilian and military governments, with the first general election for a National Assembly being held in December 1970. These elections saw the division of the country with Zulfiqar Ali Bhutto and his Pakistan People's Party winning a majority of West Pakistan seats in the National Assembly, and Sheikh Mujib's Awami League winning nearly all of East Pakistan's seats. After a brutal military crackdown in 1971, the Bengalis declared an independent state of Bangladesh, eventually achieving independence in January 1972. Pakistan's political history has been no less turbulent since this time, with a number of military coups followed by periods of martial law in 1958, 1969 and 1977. The military has undoubtedly played an important role in politics and the apparent ‘culture of militarism’ has enabled the military profession to establish extensive autonomy and assume a privileged position in society and politics.

Since 1973 when the constitution installed a federal democratic structure, no civilian government has completed its term in office. Between 1988 and 1999, the alternating governments of Benazir Bhutto (PPP) and Nawaz Sharif (PML) have both been dismissed by the President (often at the insistence of the army high command) on charges of corruption and misuse of power. The military coup which took place in October 1999 removed Nawaz Sharif for a second time, again on charges of corruption and misuse of office.

The many changes in leadership since Pakistan’s independence have followed a decidedly cyclical pattern with governance being a delicate balancing act between the elected civilian government and the military. These changes in leadership appear to be little more than a recycling of the elite (military and civilian) and indicative of the political instability which has dogged Pakistan since its formation. How can this ‘recycling of elites’ be explained? Who are they and what forces bring them to positions of power? These questions have important implications for explaining the political development of Pakistan and the answers go a long was toward understanding why corruption has reached such an appalling level in the 1990s. In Pakistan, as in a number of other South Asian countries, four classes are seen to dominate the economic and political landscape: landlords, industrialists, bureaucrats and the military.

History to Date

The Muslims of India had, since the middle of nineteen century, begun the struggle for a separate homeland on the basis of the two Nation theory. The British rulers realized that the Hindus and Muslims of India remained two separate and distinct nations and socio-cultural entities. The British rulers were left with no option but to eventually accept the demand of the Muslims of India.

On 3rd June 1947, Lord Mountbatten, the last Viceroy of India, called the conference of all the leaders of the Sub-continent and communicated to them his Government’s Plan for the
transfer of power. At that time, a notification was issued in the Gazette of India, published on 26th July 1947 in which the first Constituent Assembly of Pakistan was given shape with 69 Members (later on the membership was increased to 79), including one female Member.

The State of Pakistan was created under the Independence Act of 1947. The Act made the existing Constituent Assemblies, the dominion legislatures. These Assemblies were allowed to exercise all the powers which were formerly exercised by the Central Legislature, in addition to the powers regarding the framing of a new Constitution, prior to which all territories were to be governed in accordance with the Government of India Act, 1935.

The first session of the first Constituent Assembly of Pakistan was held on 10th August 1947 at Sindh Assembly Building Karachi. On 11th August 1947 Quaid-i-Azam Muhammad Ali Jinnah was elected unanimously as the President of the Constituent Assembly of Pakistan and the National Flag was formally approved by the Assembly.

On 12th August 1947, a resolution was approved regarding officially addressing Mr. Muhammad Ali Jinnah as "Quaid-i-Azam Muhammad Ali Jinnah". On 14th August 1947, the Transfer of Power took place. Lord Mountbatten, Governor General of India, addressed the Constituent Assembly of Pakistan. On 15th August 1947, Quaid-i-Azam was sworn in as the first Governor General of Pakistan. The Quaid remained in this position till his death on 11th September 1948.

On 7th March 1949, the Objectives Resolution, which now serves as the \textit{grand norm} of Pakistan, was introduced by the first Prime Minister of Pakistan Nawabzada Liaquat Ali Khan. On 16th October 1951, Prime Minister Nawabzada Liaquat Ali Khan, mover of the Objective Resolution, was assassinated and Khawaja Nazimuddin took over as the Prime Minister on 17th October 1951.

The final draft of the Constitution was prepared in 1954 by a Basic Principles Committee comprising 24 members. By that time, Muhammad Ali Bogra had taken over as the Prime Minister.

The second Constituent Assembly of Pakistan was created on 28th May 1955 under Governor General's Order No. 12 of 1955.

On 5th March 1956, Major General Sikandar Mirza became the first elected President of Pakistan. The 1956 constitution provides for Parliamentary form of government with all the executive powers in the hands of Prime Minister. President was Head of the State and was to be elected by all Members of the National and Provincial Assemblies. He was to hold office for 5 years. The President was to act on the advice of Prime Minister, except where he was empowered to act in his discretion.

On 27th October 1958 Pakistan saw its first Martial Law under General Muhammad Ayub Khan who took-over as a second President of Pakistan. One of the first major steps taken by General Ayub Khan was the appointment of a Constitution Commission on 17th February 1960. The objective of this commission was to submit proposals, as to how best democracy can be strengthened and moulded according to the country's socio-political environment and Islamic principles of justice.

General elections under the new Constitution were held on 28th March 1962 and elections to the special seats reserved for women were held on 29th May 1962. The first session of the third National Assembly was held on 8th June 1962 at Ayub Hall, Rawalpindi.

The Constitution of 1962 envisaged a Federal State with Presidential form of government, with National Assembly at the centre and the Provincial Assemblies in the Provinces.

The electoral system was made indirect, and the `Basic Democrats', for both wings were declared Electoral College for the purpose of electing the Assemblies and the President. Basic Democrats were 80,000 in number (40,000 from each East & West Pakistan).

On 25th March 1969 the second Martial law or Military Rule was imposed and General Agha Muhammad Yahya Khan took-over as the President of Pakistan and Chief Martial Law Administrator (CMLA). He later issued a Legal Framework Order (LFO), under which the first ever general elections were held on 7th December 1970.
The first session of the National Assembly, due to the delay caused by the separation of East Pakistan, was held on 14th April 1972 at the State Bank Building, Islamabad, in which all 144 Members from West Pakistan and two from former East Pakistan (Mr. Noor-ul-Amin and Raja Tridev Roy who had chosen to join Pakistan) participated.

On 17th April 1972 an Interim Constitution was adopted by the National Assembly, which provided for a Presidential form of Government.

The Assembly also formed a Constitution Committee on 17th April 1972 to prepare the first draft for framing a Constitution. The report of the Committee was presented with a draft Constitution on 31st December 1972. It was unanimously passed by the Assembly in its session on 10th April 1973 and was authenticated by the President on 12th April 1973. This Constitution, called the Constitution of the Islamic Republic of Pakistan 1973, was promulgated on 14th August 1973. On the same day, Mr. Zulfiqar Ali Bhutto took oath as the Prime Minister, while Mr. Fazal Illahi Choudhary took oath as the President of Pakistan.

From 1947 to 1973, the country had a unicameral system of legislature. Under the 1973 Constitution, Pakistan adopted the bicameral system at the centre, called "The Parliament", composing the President, the National Assembly and The Senate. Originally, the general seats of the National Assembly were 200 with additional 10 seats reserved for women, bringing the total strength to 210.

The newly created Upper House i.e. the Senate had 63 members. Later in 1985 through a Presidential Order (P.O. No. 14 of 1985), seven seats were added to the general seats and ten to the reserved seats for women in the National Assembly. Ten seats were exclusively reserved for minorities to be filled through separate electorate system. Thus the total strength of the lower house reached to 237 members. Similarly the strength of Senate was also increased from 63 to 87.

Under the 1973 Constitution the National Assembly is elected for five years term, unless sooner dissolved. The seats in National Assembly, unlike the Senate, are allocated to each province and other units of the federation, on the basis of population. The Constitutional provision of 20 special seats for women lapsed in 1990, thus decreased the Assembly strength from 237 to 217. Under the Constitution, elections to the 10 seats reserved for minority were held on separate electorate basis.

Despite the tenure of the Assembly being five years, as prescribed in the Constitution, Mr. Z.A.Bhutto, on 7th January 1977 announced the holding of elections before time. Consequently, on 10th January 1977, he advised the President to dissolve the National Assembly. Elections were held on 7th March 1977. The opposition charged the government with rigging the elections to the National Assembly and thereafter boycotted the Provincial Assemblies elections. Since the opposition had not accepted the National Assembly elections result, they did not take oath. This resulted in severe political crisis and Martial Law was imposed by the then Army Chief, General Muhammad Zia-ul-Haq, on 5th July 1977. Thus began the third Military Rule within Pakistan since independence. This lasted about 11 years.

On 24th December 1981, under Presidential Order (P.O. 15 of 1981) a Federal Council (Majlis-e-Shoora) was constituted by the President. Its members were nominated by the President. The first session of this Council was held on 11th January 1982. In this way, limited and controlled political activities were resumed, as a result of which general elections were later held for the National and Provincial Assemblies on 25th February 1985, on non-party basis.

On 2nd March 1985, the revival of Constitution Order (P.O. 14 of 1985) was issued in which a large number of amendments were made in the Constitution. The first session of the National Assembly was held 20th March 1985. Mr. Muhammad Khan Junejo, was nominated as the Prime Minister of Pakistan by the President -General Zia-ul-Haq.

In November 1985, the 8th Constitutional Amendment was adopted by the Parliament. Besides changes in other Articles in the Constitution the significant Article 58(2)(b) was added, according to which the President acquired discretionary powers to dissolve the National Assembly.
On 29th May 1988 the Assembly was dissolved by the President by using the power acquired under Article 58(2)(b).

The General elections for the eighth National Assembly was held on 16th November 1988. Mrs. Benazir Bhutto was nominated as Prime Minister of Pakistan and took the oath of the Office on 2nd December 1988. This Assembly was dissolved on 6th August 1990 by the President - Ghulam Ishaq Khan under Article 58(2)(b) which had not been made part of the 1973 Constitution until 29th May 1988.

The General elections for the ninth National Assembly was held on 24th October 1990. The first session was held on 3rd November 1990. Mian Muhammad Nawaz Sharif took oath as Prime Minister of Pakistan on 11th November, 1993. The Assembly was dissolved by the then President, Ghulam Ishaq Khan, under Article 58(2)(b) on 18th April 1993.

The elections for tenth National Assembly was held on 6th October 1993. The first session was held on 15th October 1993. Mian Muhammad Nawaz Sharif took oath as Prime Minister of Pakistan on October 19th October 1993. In a pre-dawn move on November 5th 1996 the President of Pakistan – Farooq Ahmed Khan Leghari fired Prime Minister Benazir Bhutto, dissolved the National Assembly and four provincial assemblies and appointed a neutral caretaker government.

The elections for eleventh National Assembly was held on 3rd February 1997. The first session was held on 15th February 1997. Mian Muhammad Nawaz Sharif took oath as Prime Minister of Pakistan and Leader of the House on 17th February 1997. The new Assembly came into power with an overwhelming majority. The Article 58(2)(b) which was invoked by two earlier presidents for dissolution of governments was deleted from the Constitution in April 1997 vide the 13th Amendment to the Constitution.

On 12th October 1999 the Government of Nawaz Sharif was overthrown by a military coup led by General Pervez Musharraf.

Chief of Army Staff General Pervez Musharraf, who was also Chairman Joint Staff Committee, took over the government from Prime Minister Nawaz Sharif and declared himself as Chief Executive through a Proclamation of Emergency, on 12th October 1999.

On 20th June 2001, through a notification (C.E. Order No. 1) the Chief Executive assumed the office of the President of Pakistan under President's Succession Order, 2001.

The elections for the twelfth National Assembly were held on 10th October 2002.

**Military Governments in Pakistan**

Pakistan had its first military coup in 1958 when General Mohammad Ayub Khan overthrew the Government of Iskandar Mirza. Pakistan in the past 45 years has seen four military takeovers: General Mohammad Ayub Khan in 1958, General Yahya Khan in 1970, General Ziaul-Haq in 1977 and General Pervez Musharraf in 1999. Each of these military rulers were obliged to hold election under the pressure of the people and of political parties. Elections were held by Ayub in 1962 and 1965, Yahya in 1970, Zia-ul-Haq in 1985 and Pervez Musharraf in 2002.

**Civilian Governments**

Pakistan has had civilian governments during the periods 1947-1958, 1970-1977, 1985-1999, and now from October 2002, when military government were forced due to one reason or another to hold elections under various constitutions including the 1973 Constitution and the Legal Framework Order (LFO) 2002, which made amendments to the 1973 Constitution.

On August 20, 2002 in order that there should be a smooth and orderly transition, the Chief Executive General Pervez Musharraf passed the Legal Framework Order (LFO) 2002 – under which the General Elections to the National and Provincial Assemblies (October 10, 2002) and the Senate (November 12, 2002) were to be held.
Unfortunately the LFO has now come under severe criticism by the opposition parties who at the time felt that expediency required that they participate in the general elections. The opposition party now rejects the LFO, saying that the Military government had no right to change the constitution. The ruling party claims that the very same elections were held under the LFO 2002 and therefore must be accepted as part of the original constitution.

Pakistan today, following the General Elections of October 2002, is a federation of four provinces. It is governed by a parliamentary bicameral form of government with a multi-party system. The President is Head of State and is elected by the joint sitting of the Federal Legislature which consists of a Lower House - the National Assembly comprises 342 Members, which is elected on the first-past-the-post system on the basis of adult franchise (the Provincial Assemblies are also elected in this manner) in over 200 constituencies divided by population distribution. The Upper House consists of the Senate comprising 100 Members, which is elected on the basis of Proportional Representation - Single Transferable Vote (PR-STV) - by the provincial legislatures. Each of the provinces carry an equal number of votes, thus, Balochistan with 5 % of the population and Punjab, with nearly 60 %, are represented in the Senate on par with each other. This pattern of effective overrepresentation of the less populous provinces is meant to constrain the power of Punjab, which currently dominates the National Assembly. The four provinces have their own unicameral legislatures. Pakistan's Provinces are: Punjab, with 60% of the population and the home Province of Nawaz Sharif; Sindh, in the South centred around Karachi and the political base of the Bhutto family; North West Frontier Province and Baluchistan. The Provinces form the focal point for regional and ethnic divisions in the country. Other administrative areas include the Federally Administered Tribal Areas (FATA) and the Federal Capital Area of Islamabad.

The National Assembly (Parliament) consists of 342 elected members, the Provincial Assemblies 728 and the Senate comprises a total of 100 members. In the past it seemed that the Parliamentarians did not have the desire and most times the ability to comprehend legislative content or the oversight role of the Parliament. It is understood that the Legislature are the policy makers but implementation of these policies is done by civil servants represented as Secretaries in the Federal and Provincial governments.

The balance of power between federal, provincial and local levels is weighted in favour of the first which also exercises a significant degree of influence over the other two. For example, the President can dismiss an elected provincial government and nominate, after consultation with the Prime Minister, a governor. Federal law has pre-eminence; provincial governments’ actions must thus fall within their terms while the governments rely on federal government transfer payments to underpin their revenue-raising capacity.

The Prime Minister is Head of Government and is an elected Member of the National Assembly. His or her appointment rests on the size of the party majority in the Assembly. The parliamentary system in Pakistan has proved itself to be, on the whole, weak, given that the Prime Minister rules primarily by presidential decrees. This weakness has also been clearly illustrated in the past by the fact that the National Assembly has been dissolved on three occasions (1990, 1993 and 1996) leading to a loss of parliamentary sovereignty under the constitutional framework. The National Assembly has proved to be unable to legislate, but instead acts as a rubber stamp for the government. Given the importance of patronage, MPs are often willing supplicants of government officials, at the expense of their constituents interests and public debate.

The Constitution of 1973, of the Islamic Republic of Pakistan provides for a Bicameral Federal Parliamentary (Majlis-e-Shoora) System of government where the President is the head of the country and the Prime Minister is the head of government and directly elected leader of the majority party. The Article 58(2)(b) of the constitution did for some time (May 1988 – April 1997) give powers to the President to dissolve government, and is presently one of the main contentious issues of the dispute between the government and the opposition where the LFO 2002, had revived the powers of the president to dissolve Parliament. The Constitution also provides for the President to address the two Houses assembled together at the commencement of the first session after General Elections.
The last Military government of General Pervez Musharraf (1999-2002) promulgated the Local Government Ordinance 2001 which devolved political power and decentralized administrative and financial authority to accountable local governments for good governance, effective delivery of services and transparent decision making through institutionalised participation of the people at grass root level.

One would like to point out that the loss of parliamentary sovereignty shaped the political attitudes of activist groups in and outside political parties. Politicians and political parties emerged as powers in the hands of the power brokers form outside the Parliament. The low power potential of Parliament cost the political parties heavily in terms of their ability to project policy profiles and fully assumes their legislative functions. Important policy decisions were taken from outside the Parliament in the form of Presidential Ordinance-initiated by elected governments themselves and later presented to the legislative for turning them into laws. In other words, laws originated from outside rather than form inside the law making body. From 1988 to 1999, incumbent governments of Ms. Benazir Bhutto and Nawaz Sharif issued 93, 133, 125 and 65 Presidential Ordinances respectively. The Military Government of General Pervez Musharraf had issued 279 ordinances during the period October 1999 to October 2002.

The Cabinet of Ministers nominated by the Prime Minister is taken from elected members of the National Assembly. There are presently 18 Ministers, 7 Ministers of State and 4 Advisors of State. The Executive comprises 34 Ministries and 43 Divisions within these ministries which include the Attorney general, the police, the Auditor General, the Anti-corruption Agencies (NAB, FIA, ACE etc) It also comprises 270 parastatals including the Pakistan Atomic Energy Commission, the Pakistan Water & Power Development Authority, the Pakistan Engineering Council, Pakistan Council for Scientific and Industrial research, Central Board of Revenue, Pakistan Science Foundation, Council of Islamic Ideology, Privatisation Commission, Board of Investment, National Institute for Sustainable development etc [see Annex].

The Government has initiated a civil service reform, focused on the federal level, addressing the rewarding of merit in recruitment and promotions, the pay and pension systems, and right-sizing and restructuring. The Federal Public Services Commission has been given enhanced powers and its autonomy has been defined. One can only hope that early attention will also be given by the Provinces to the provincial civil service system.

In view of the ongoing privatisation of public services, several regulatory bodies have been set up to protect the interests of various stakeholders including the consumers. These regulatory bodies include National Electric Power Regulatory Authority (NEPRA), Pakistan Telecommunications Authority (PTA), the Oil and Gas Regulatory Authority (OGRA) and the Public Procurement Regulatory Authority (PPRA). The relevant Acts and Rules oblige these regulatory bodies to solicit views of all stakeholders including consumers before taking important decisions.

There are 73 political parties registered with the Election Commission of Pakistan of which 16 parties managed to win seats in the National Assembly The majority parties winning seats are – the Pakistan Muslim League (Q) with 119 members, the Peoples Party Parliamentarians with 81 seats and the combined religious party Muttahida Majlis-e-Amal with 60 seats.

The Supreme Court of Pakistan is the apex court in the judicial hierarchy of the country. The Court is comprised of a Chief Justice and 16 Judges. The Constitution contains elaborate provisions on' the composition, jurisdiction, powers and functions of the Court. The qualifications for, and mode of appointment of Judges, age of their retirement, grounds and procedure for removal from office and terms and conditions of service of judges are also specified in the basic document. The Constitution also provides for the independence of Judiciary and, its separation from the Executive. The Supreme Court and High Courts also possess a degree of financial autonomy in as much as the concerned Chief justice is authorized, to expropriate funds within the budgetary allocation. These superior courts are also empowered to make their own rules of, practice/procedure, hire/fire their staff and determine their terms and conditions of service.
The Supreme Court is the court of ultimate jurisdiction in the land. It is the final arbiter of the law and the Constitution. Its orders/decisions are binding on all other courts in the country. The Constitution assigns the Supreme Court a unique responsibility of maintaining harmony and balance between the three pillars of the State namely legislature, executive and judiciary. The Court is also a custodian and upholder of citizens' rights, liberties and freedoms.

No Judge may be removed from office except on the grounds specified by the Constitution namely physical or mental incapacity, or misconduct, to be determined by the Supreme Judicial Council. The Supreme Judicial Council is comprised of the Chief Justice of Pakistan, most senior Judges of the Supreme Court and most senior Chief Justices of High Courts.

The role of media in disseminating information on social and political issues can hardly be over-emphasized. The capacity of media to disseminate independent information in Pakistan is regulated and controlled through several laws. Journalists and media practitioners do not have any legal right to get information except through their informal connections with the bureaucracy and the ruling elite. This partly explains as to why the media is more comfortable with political issues and statements of the political leaders, than social issues that require investigative journalism, accurate data and correct information, which is difficult to obtain in the absence of freedom of information.

Pakistan has two Anti-Corruption Agencies (ACAs) at the Federal and four at the Provincial levels. The organizations at the Federal level are:

- The Federal Investigation Agency (FIA).
- The National Accountability Bureau (NAB).

At the provincial level we have the Anti-Corruption Establishments (ACEs) one in each of the four provinces.

The Anti-Corruption laws applicable within Pakistan are:

- The Pakistan Penal Code (PPC) 1860.
- The Ehtesaab Act (1997).

The National Accountability Bureau (NAB) has been empowered to deal with corruption crimes at the top political and official levels. It has established a strong organization and is generally considered an efficient and effective organization. There is fairly widespread concern that both the military and the judiciary are excluded from the mandate of NAB.

Nationalized Television broadcasting is presently from five major cities of Pakistan and covers nearly 78% of the country. There are two privately owned radio stations, two press agencies and three television stations within Pakistan. The press and the electronic media has been relatively free as compared to the freedom allowed by most of the recent governments.

Public Procurement is a major source of corruption in the country development programs, where it is estimated that more than sixty billion Rupees is lost to the government exchequer. This is based on a conservative assumption that at least 30% of all expenditure on development is lost in the way of Bribes through collusion etc. The World Bank’s Country Procurement Assessment Report of June 2000 paints a grim picture of the situation and presents many suggestions for improvement.

The National Anti-Corruption Strategy (NACS) report 2002 approved by the Cabinet and the President of Pakistan, deals in part with corruption in procurement and contracting. It recommends that the Public Procurement Regulatory Authority should set up standard guidelines for prequalification and award of goods and services. Among other things it also recommends the inclusion of Transparency Internationals Integrity Pact as part of all large contracts.
Corruption Profile

Genesis of Corruption

If corruption is to be tackled effectively, we need to understand how corruption has taken root in Pakistan so perniciously and why anti-corruption drives of the past have failed to address the problem adequately. Two crises played a major role in the genesis of corruption in Pakistan; the Second World War and the mass migration as result of partition and subsequent independence of Pakistan. World war II led to an alarming increase in the procurement related corruption leading to the creation of the first specialized anti corruption agency in the Sub-continent, the Special Police Establishment. The migration and independence resulted in the vacuum in a number of areas creating lasting effects that triggered the initial phase of corruption.

In 1947, Pakistan inherited a weak economy, inexperienced politicians and a professional civil service. Civil servants filled the vacuum created due to the lack of experienced politicians and took over governance of the country, running ministries even assuming the posts of Prime Minister, Governor General and President. The British tradition of pervasive, intrusive, extractive and elitist government was maintained. On independence, the evacuee property distribution created several opportunities for corruption and in the following two decades corruption was facilitated by the over-regulated industrialization policies.

The level of temptation was enhanced by the increased inflow of foreign aid for huge infrastructure projects under military rule from 1958. Dictatorial rule coupled with the Press and Publications Ordinance further diminished the lack of public accountability. This was made worse by the fact that eminent politicians were weeded out through the Elected Bodies (Disqualification) Ordinance 1959 by the military government of Field Marshall Mohammad Khan for reasons of corruption and inefficiency.

Nationalization in the 1970s combined with civil service reforms and a purge of over thirteen hundred civil servants proved a critical trigger point. The weakened and insecure civil servants were asked to take on greater responsibility for running the nationalized units. It was difficult for them to resist demands of political inductions into these corporations as the state took over the role of the primary employer. Devaluation and the oil crises eroded purchasing power. All these factors combined to increase incentives for, and opportunities of, corruption. The remittances from the Gulf and resultant consumption spree had a strong demonstration effect and the desire to become rich overnight spread across the society. However, the worst indulgence was seen in the period 1985-99 when the political elite broke all shackles of law and morality to indulge in rapacious loot and asset building. Four previous governments were dismissed on charges of corruption the first three by sitting Presidents and the last in a coup by Gen Pervez Musharraf during this era with no change in attitudes. Reasons for dismissal of the Benazir Bhutto and Nawaz Sharif governments have been given above.

Causes of Corruption in Modern Day Pakistan

The reforms since 1999 have offered a brief respite from the steady decline in public and economic standards. For the first time in many years, the leadership has set a standard of public morality, which is widely recognized. However, despite important government reforms in a number of governance areas, the underlying conditions for corruption persist.

The feudal society and the colonial legacy have a large part to play in a suppressed and oppressed society. It has created powerful elite, which in turn does not support education of the masses. The civil society as a body has little will to fight corruption. It is only on the individual level that there is some resistance. The local government of the elected people, which could have helped civil society develop the potential for combating corruption has been kept in abeyance, it is only in 2001 that it has been once again been revived.
The Political Elites

Many in Pakistan attribute the causes of corruption in Pakistan to the ruling elite, which comprise:

- The landlords and the existing feudalism
- The industrialist clique
- The incumbent bureaucrats.
- The military’s involvement in politics.

Landlords and Feudalism

Feudalism is clearly a strong social and political force and landlords continue to form a major proportion of both national and provincial assemblies. The most notable feudals who have played a prominent role in Pakistan’s recent politics are the Bhutto family who originate from Sindh. Landlords have not only provided the bulk of parliamentarians in Pakistan since independence, they have also been heavily represented within political parties and other important decision-making bodies, including the military and bureaucracy. Indeed, the boundaries between these groups of elites have become increasingly blurred given that bureaucrats, industrialists and military officers have also accrued substantial landowning interests.

The power of this group is clearly mirrored in the failure of successive governments to carry out land reform. There have been a number of half-hearted attempts at land reform in the past, the first in 1959, then in 1972 and 1977. All have failed to bring about any notable reduction in the size of landholdings or to diminish the social or political power of the landlords. Furthermore, in order to maintain the status quo, feudals have strongly discouraged the education of peasants for fear that this might empower them sufficiently to challenge this state of affairs.

The Industrialists

Businessmen have also assumed a critical role in the economic and political power of the country. The share of businessmen in the National Assembly and Cabinet almost doubled since the 1980s. Industry and its associated wealth has become increasingly concentrated in the hands of a few wealthy families with the industrial assets of the top forty-four business groups are equal to the size of the country’s entire national budget (Rehman, 1998). As Rehman quite aptly puts it, their money was ‘grown on government trees, rooted in bureaucratic corruption and fertilized by tax evasion, bank loans and rebates’.

Many of those who are prominent industrialists today have roots which go back to the founding of Pakistan and the creation of the Pakistan Industrial Development Corporation (PIDC) in 1950, the state creation of some 27 core trading industries (dealing in such business as jute, sugar and rice mills) and their later dis-investment to industrial/financial groups that came to be known in the 1970s as the 22 families. The divestiture process was undertaken without public advertisement or transparency with purchasers being able to take advantage of loans from the Pakistan Industrial Credit and Investment Corporation (PICIC), where, out of PICIC’s 13 Directors, 7 belonged to the leading industrial families who ensured that loans sanctioned by the corporation rotated between the families.

All of the big industrial families at this time backed up their business by owning their own banks. This practice, which assured the dominance of these families in both banking and industry, has been an important factor in the concentration of wealth in the hands of a few wealthy families. This concentration of wealth has hardly diminished since this time and following Z.A. Bhutto’s nationalization of banks in the early 1970s has been accentuated by effectively bureaucratising the banks and allowing bureaucrats and politicians to have a stake in the banking system.

Following Bhutto’s departure from office, General Zia-ul-Haq produced a White Paper in 1979 detailing the extent of bad loans under Bhutto. According to this report, huge sums of money had been advanced which were classified as ‘doubtful or irregular’, and even the
nationalized commercial banks had sanctioned loans worth Rs. 562 million under intense political and bureaucratic pressure between 1974-77, with many political beneficiaries. The situation appears to have worsened since this time and the lists of ‘bad loans’ (often published by the incoming government) have recorded growing amounts from Rs.1,340 million when Bhutto was removed, to Rs. 130 billion in January 1997, which is believed to be underestimated. Bad loans awarded for political patronage without proper collateral represent a major share of total loan defaults and has resulted in enormous difficulties for the banking sector. Major defaulters included many of the big industrial families and also well-connected politicians and bureaucrats with interests in business.

The fact that these people have also played an important role in the political sphere comes as no surprise considering the crucial role of money in politics. The line between industrialists and politicians has blurred and overlapped, a factor that is plainly illustrated in respect of party funding and patronage. Even if a politician or businessman is not straddling the two spheres, a politician will happily write off debts, dole out loans, grant tax exemption or secure lucrative contracts in return for patronage and financial support during elections. The two are mutually supporting and self-sustaining. With businessmen in politics and politicians in business, it is unlikely that the fight against corruption will be ever be anything other than cosmetic.

The Bureaucrats

The bureaucratic system which existed at independence was very much a product of colonial rule. This system functioned in two parts, where policies were formed by the colonial authorities and the implementation was left to the civil servants. This system has blurred considerably since independence with bureaucrats playing an increasingly influential role in politics. This has meant that politicians have either been forced to cooperate with civil servants in order for them to carry out government policy, or have sought to influence the civil service through patronage. It has become a common practice for politicians to influence the appointment of high-level civil service posts, which has politicised the civil service whose integral role within existing patronage-based politics has also made it reluctant to accept external reform.

The 1999 Sustainable Development Policy Institute report, ‘Perspectives on Corruption in Pakistan: a Pilot Study,’ written by Saba Gul Khattak, Shafi ur Rehman and Saeed Shafqat refers to a “growing sense of helplessness in Pakistani society” (1999, p6) and seeks to identify and analyse the cause of corruption in the country’s bureaucracy. Their survey of retiring and serving civil servants confirms that bureaucratic corruption is regarded as one the major challenges they face and is fuelled by the following factors:

- Poor pay structure;
- The importance of culture, i.e. family ties and resultant nepotism;
- The ready availability of speed money;
- An overall lack of respect for the rule of law.

They describe a civil service still structured on the British colonial model where the framework of rules, regulations and procedures assume a high integrity in an individual officer rather than guarantee or even promote such standards. The processes of nationalization have added to the laws since the 1970s but again have failed to address the changing values of civil service recruits. The failure to transform the legal framework has led to a growing gap between discretionary powers and accountability among civil service officers. As a result, the 1999 report noted, “this new breed of civil servants is politicised, pragmatic, adaptable, and conscious of the power and authority vested in the services and thrives upon the social utility of greed.” Many civil servants see their posts as ‘entitling’ them to perks and many have second or private sector jobs, invariably linked to their official positions. It is an operating environment which is protected from change throughout and thus perpetuates attitudes and practices which are entrenched and corrupt.
The Military

The military has played a prominent role in Pakistan’s politics since independence, either in the form of direct rule (around 28 years in total) or through influence over the presiding civilian government. It is arguably the country’s most respected institution, in part due to the political instability post-partition which enabled the military to become an important decision-maker at the national level. Indeed, the military has historically held significant influence over foreign, security and important domestic issues and have often demonstrated their ability to influence the nature and direction of political change. Furthermore, the Army Chief plays a pivotal role in Pakistan’s power structure and constitutes one-third of the ‘Troika’, along with the President and Prime Minister. Any elected government which comes into power has to therefore take into account the requirements of military, and it would be political suicide to ignore or alienate the military leadership whose support is crucial to their survival.

During Benazir Bhutto’s first term in office, her government initially enjoyed favourable relations with the military. However, relations soured mainly because of her government’s political and economic mismanagement and interference in military affairs. Since the government feared that the ruling coalition might collapse, it sought to sustain its partner’s support through political compromises, material rewards and corruption. This, coupled with increasingly apparent levels of self-enrichment, led to her dismissal by the pro-military President in 1990. Her second term in 1993 also began on favourable terms, primarily because her government studiously avoided interfering in internal military affairs. Trouble began in 1996 as a result of the government’s failure to provide an effective and accountable administration and its poor performance in the civilian sector. Consequently, Bhutto was pushed out by President Leghari in 1996, with the support of the military.

Sharif experienced similar problems during his terms in office. Sharif’s first spell in government (1990) was initially endorsed by the President and leading military commanders, mainly because of the considerable resources they allocated to the military and the government’s defiant stance towards the first Bhutto government. Relations worsened because of perceived heavy-handedness on the part of the government against opposition elements and particularly PPP workers. The army increasingly felt that they were being used by the government as a political tool to crackdown on civil unrest in the Sindh province (a PPP dominated region). This situation was exacerbated after General Nawaz Janjua died suddenly in 1993, and a dispute broke out between the President and Sharif as to who should be appointed in his place. Further to this, Sharif sought to hand over control of the Punjab government to a nominee sympathetic to his government (as the former administration had been supporting the President against him). This led to a call for fresh elections by the Army Chief which was rejected by Sharif. Intense pressure from the military eventually led to the President and Sharif quitting in 1993, which paved the way for the elections which brought Bhutto in for her second term. Sharif’s second term which began in 1997, was won with a huge majority, giving his party over two-thirds of the seats in both houses, and allowed the PML-N to assume power in NWFP, the Punjab and Sindh. Sharif had clearly learnt from his previous term in office, and immediately took steps to secure his position in office by taking away the President’s right to dismiss him and his party, and diminishing the power of opposition elements.

Political Business

Pakistan has a history of pervasive government and government involvement in commercial activity. The state initially got involved in enterprises such as Pakistan steel mills, fertilizer and cement plants, and manufacturing of heavy machinery and tractors when the private sector was perceived to lack capacity of investment and management. After nationalization the state also took over areas that were traditionally the domain of private sector such as rice husking mills, ghee mills, printing press and the financial and insurance sectors. The indirect effect is that the reach of the state stifles the expansion of the economy by a healthy private sector, denying the country much needed revenue and source of jobs outside the public sector. The direct effect of government involvement in commercial activity is that it exercises monopoly power through its public sector corporations, shielded from proper oversight and private sector efficiencies. The most
glaring examples in Pakistan are WAPDA and Railways where service delivery has been greatly damaged by corruption resulting from a lack of competition. Other main areas of corruption as, identified by senior management of some of the largest corporations include corruption in recruitment, in procurement and contracting, and in the misappropriation during movement of goods. The governments regulatory and tax collection function is one specific area of service delivery which, right from independence, has been designed in a manner that has allowed the state to be intrusive and to extort rents, particularly from businesses.

The economy continues to be highly regulated, despite greater openness and deregulation in recent years. The regulatory regime can be split into two types of intrusion. First, there is the direct intrusion into individual businesses and households justified by the policing of regulations or by taxation. Secondly, macro level policies allow the state to intervene in the market through the discretionary allocation of subsidies, quotas, price ceilings etc. Both types of intrusion create incentives as well as opportunities for corruption. Macro level regulations like quotas, subsidies and price ceilings do not lead to direct physical intrusion by the government, but nonetheless induce corruption. The players in this case are the senior level managers rather than the ranks. These regulations lead to excess demand through the control of supply or suppression of prices or both. The incentive to pay a bribe is high, given the differential between market price and the controlled one. As a result, goods can be sold for illegal considerations.

The Public and Corruption

The challenge is to understand why, when faced with temptation, officials engage in corruption, and why the public often colludes. At the individual level, corruption results from need or greed combined with opportunity, when there is low fear of detection and/or punishment. The need or greed element of corruption must be understood in its wider context by which the system fails to provide a viable alternative to corruption. Key factors include:

- Economic: Inadequate pay, pensions and public service provision, plus large families;
- Social/cultural: Conflict between demands of modern bureaucracy and demands of family relationships, ethnic and other ties; social pressures for ostentatious demonstration of wealth, dowry and to provide for ones children;
- Developmental: Low rates of literacy, social empowerment and opportunities for self-improvement, inequitable distribution of wealth and economic growth, Political: the feudal power structure at the rural level; low levels of political competition; political instability, and intermittent military rule, has weakened institutions; with poor example set by Politicians;
- Legal and judicial: Justice is inaccessible, slow and selective, encouraging contempt for the law and an attitude of "everyone for himself".

Transparency International–Pakistan carried out a countrywide survey on corruption in July 2002 in which the report showed that the major cause for corruption in the government departments was due to: lack of accountability 31.68%; low salaries 16.54%; and monopoly of power 16.43%. This was also due to lack of access to information and of non-transparent procedures in the departments. These two were the cause of 75% of all bribery and corruption.

Another cause for corruption that the survey showed was "direct dealing with the concerned public official" This amounted 68% of all bribes, either by the public official directly demanding or by the citizen directly offering the bribe to the public official.

The TI-Pakistan survey reveals that in most cases and in all the departments it examined, the demand was made directly by the official rather than through some middleman. Those officials alleged to be eliciting or extorting bribes were those on the frontline of service to the customer: duty police officers, meter readers, tax inspectors, hospital pharmacist, teachers, surveyors and court clerical staff.
Table 1 Causes of Corruption

<table>
<thead>
<tr>
<th>Causes of corruption</th>
<th>Police</th>
<th>Power</th>
<th>Tax</th>
<th>Health</th>
<th>Education</th>
<th>Land Admin</th>
<th>Judiciary</th>
<th>Average in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of accountability - nobody to answer to</td>
<td>29.73</td>
<td>34.31</td>
<td>31.34</td>
<td>31.36</td>
<td>32.20</td>
<td>30.26</td>
<td>32.56</td>
<td>31.68</td>
</tr>
<tr>
<td>Monopoly power - lack of choice/option</td>
<td>14.76</td>
<td>9.80</td>
<td>16.90</td>
<td>32.77</td>
<td>12.07</td>
<td>16.12</td>
<td>12.56</td>
<td>16.43</td>
</tr>
<tr>
<td>Low salaries</td>
<td>23.40</td>
<td>24.67</td>
<td>14.96</td>
<td>7.91</td>
<td>16.41</td>
<td>13.49</td>
<td>7.91</td>
<td>15.54</td>
</tr>
<tr>
<td>Discretionary power - free to take any decision</td>
<td>14.04</td>
<td>9.64</td>
<td>11.80</td>
<td>10.17</td>
<td>11.76</td>
<td>13.16</td>
<td>17.67</td>
<td>12.61</td>
</tr>
<tr>
<td>Lack of transparency - inadequate information</td>
<td>7.92</td>
<td>8.66</td>
<td>12.32</td>
<td>5.65</td>
<td>10.22</td>
<td>11.51</td>
<td>13.49</td>
<td>9.97</td>
</tr>
<tr>
<td>Power of influential people</td>
<td>4.32</td>
<td>5.07</td>
<td>3.87</td>
<td>1.41</td>
<td>5.57</td>
<td>4.93</td>
<td>6.98</td>
<td>4.59</td>
</tr>
<tr>
<td>Red-tapism</td>
<td>3.82</td>
<td>3.10</td>
<td>6.69</td>
<td>4.52</td>
<td>0.93</td>
<td>6.25</td>
<td>4.65</td>
<td>4.28</td>
</tr>
<tr>
<td>Shortages – demand and supply</td>
<td>1.08</td>
<td>2.61</td>
<td>0.35</td>
<td>3.95</td>
<td>5.26</td>
<td>1.64</td>
<td>0.93</td>
<td>2.26</td>
</tr>
<tr>
<td>Others</td>
<td>0.79</td>
<td>0.65</td>
<td>1.58</td>
<td>0.28</td>
<td>4.95</td>
<td>2.30</td>
<td>3.26</td>
<td>1.97</td>
</tr>
<tr>
<td>No answer</td>
<td>0.14</td>
<td>1.47</td>
<td>0.18</td>
<td>1.98</td>
<td>0.62</td>
<td>0.33</td>
<td>0.00</td>
<td>0.67</td>
</tr>
</tbody>
</table>

II Values in Percentages

Source: TI Pakistan’s Corruption Survey Report - 2002

Table 2 Average Bribery Expenditure Per Consumer By Sector

<table>
<thead>
<tr>
<th>Sector</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police</td>
<td>8%</td>
</tr>
<tr>
<td>Power</td>
<td>4%</td>
</tr>
<tr>
<td>Tax Department</td>
<td>14%</td>
</tr>
<tr>
<td>Health</td>
<td>3%</td>
</tr>
<tr>
<td>Education</td>
<td>17%</td>
</tr>
<tr>
<td>Land Admin</td>
<td>21%</td>
</tr>
<tr>
<td>Judiciary</td>
<td>34%</td>
</tr>
</tbody>
</table>

Source: TI Pakistan’s Corruption Survey Report – 2002

Extent of Corruption

First, role and function of the Executive argues that the Executive is all pervasive, it retains monopolistic powers and officials use excessive regulation and red-tapism to
extract rents. Opportunities are created for corruption at all levels with the impact particularly severe on the private sector and on revenue generation. Secondly, public sector management examines how corruption is sustained by failures in leadership, human resource management, competence, ethics management, accountability mechanisms, internal controls and the enforcement of disciplinary procedures. Thirdly, public interface functions analyse the way in which government delivers its services and creates opportunities for petty corruption. The section discusses weaknesses in, or absence of: rules and processes, standardization, automation, misuse of discretionary powers, service orientation, transparency, accountability and complaint redressal. Fourthly, local government seeks to understand the potential impact of devolution on petty corruption and raises areas of concern which must be addressed. Fifthly, development, procurement and contracting examines how opportunities are created for the grand and middling corruption in these areas. Finally, financial management sets out weaknesses in public sector management of its resources which create both the climate and direct opportunities for corruption.

Thus, few aspects of life are untouched by some form of corruption, if not by financial corruption then by misuse of privileges. Corruption is largely socially accepted as a norm and regarded as inevitable. Many people do not understand the damage corruption does to the national economic, social and cultural fabric. Even if they do, they may have no alternative but to engage or collude in corrupt activities. Furthermore, there is little evidence that people feel guilty about their own role in corruption. Many are so deeply entrenched in the web of corruption, either directly or indirectly, that while they are well versed in the vocabulary of reform, resistance to real and lasting change is strong.

The 2002 Transparency International–Pakistan countrywide survey on the prevailing corruption in seven major sectors of the government noted that these included: the Police, Health, Education, Judiciary, Power, Taxation and Land Administration. In the opinion of 3000 respondents contacted, Police was rated by 27.68% as the most corrupt, followed by the Power sector 15.26% and Taxation 12.69% the least ranked were the NGOs, Post Offices and Banks.

The three most utilized services were Police 32% Power 17% and Taxation 13% followed by Health, Education, Land Administration and Judiciary. This is understandable due to the increasing Law and Order situation in the country and the increasing dependence of the ordinary citizen on the police. The most frequent reason given for contacting the Police was to make a “First Investigation Report” (FIR) followed by “violation of traffic rules” and to get a release from a “false arrest”.

The frequency of bribes, on an indicative rather than a representative basis is alarming. The percentages are obviously based on those respondents who had used the service in the past year. For example, 100% of the respondents who had had contact with the police over the previous year faced corruption. 44% of the respondents were able to get electricity connections by corrupt means, the remainder through using influence. Even after getting a connection, 96% of respondents reported corruption, largely during the billing process. Of the 256 respondents who reported having paid tax in the previous year all 254 faced corruption. Corruption in the judicial sector is equally frequent, with 96% of respondents facing corrupt practices, mostly by court officials, sometimes by judges. These frequency rates are not extraordinary; similar patterns were reported in other departments.

According to the survey conducted by CIET/NRB, 59% of the people paid an average of Rs. 28,747 to Police and 79% of them paid Rs. 45,171 for court services. Corruption is 64%, 48%, and 45% in income tax, customs and sales tax respectively. If this perception is taken as true, the amount of revenue loss can go over Rs. 200 billion per annum. Other indicative statistics are equally alarming. World Bank estimate of revenue lost in Pakistan because of smuggling in 1992-93 was US$ 5.08 billion. Ahmad and Ahmad (1995) estimated revenue loss in Pakistan because of black economy at Rs.40-45 billion in 1989-90 and Rs. 104 billion in 1995-96.

The biggest casualty of corruption has been the development process. In particular, the impact of aid received during the last 50 years has been minimal, as grand corruption
distorts key developmental decision-making with choices influenced by private benefits and not by public needs. Pakistan human development indicators such as literacy rates and infant mortality have shown little improvement in the past decade and are amongst the worst in the region. Furthermore, the waste of the development aid has saddled the country with high debt which, at approximately 40% of budgetary expenditure, squeezes out, amongst other things, adequate remuneration for the public sector.

Examples of targeted and successful anti-corruption reforms are rare and most citizens welcomed these reforms whenever undertaken. Examples of these sporadic reforms all during the initial stages of the various governments include; the military rule of Field Marshall Ayub Khan in 1958. Zulfiquar Ali Bhutto in 1973; the Ehtesab Bureau of Nawaz Sherif government and more comprehensively by the National Accountability Bureau since its establishment in 19999. The only reliable and statistically available data is through the two surveys carried out by Transparency International (TI) Pakistan in 2002 of 1724 urban and semi-urban middle class respondents’ experience of public sector Corruption and CIET/NRB survey of 10,472 households in 10 districts including 76,704 people carried out in 2001.

A cause for alarm was the attitude towards corruption of the respondents surveyed. The TI-Pakistan Corruption Survey showed that the citizen

- Had no strong feelings on entitlements.
- Did not want to involve himself.
- Preferred to be a passive bystander.
- Lacked the time & energy to resist.
- Usually lacked resources.
- Was resigned to the rampant corruption.
- Felt that the system could not be improved.

<table>
<thead>
<tr>
<th>Sectors</th>
<th>Percent*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police</td>
<td>27.68</td>
</tr>
<tr>
<td>Power</td>
<td>15.26</td>
</tr>
<tr>
<td>Taxation</td>
<td>12.69</td>
</tr>
<tr>
<td>Judiciary</td>
<td>9.54</td>
</tr>
<tr>
<td>Customs</td>
<td>8.56</td>
</tr>
<tr>
<td>Health</td>
<td>5.41</td>
</tr>
<tr>
<td>Land</td>
<td>5.18</td>
</tr>
<tr>
<td>Education</td>
<td>3.38</td>
</tr>
<tr>
<td>Telephone</td>
<td>2.24</td>
</tr>
</tbody>
</table>
Sectors | Percent*
---|---
Railway | 1.24
NGOs | 0.39
Post office | 0.31
Bank | 0.19
Others** | 7.93
Total | 100.00

Source: Adapted from TI Pakistan’s Corruption Survey Report - 2002

* 3000 persons interviewed.
** Others = Passport office, ID Card, A.G.P.R, Political Parties

Table 4 Expenditure of Consumer on Bribes by Sector (Cumulative)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police</td>
<td>26%</td>
</tr>
<tr>
<td>Power</td>
<td>6%</td>
</tr>
<tr>
<td>Tax Department</td>
<td>18%</td>
</tr>
<tr>
<td>Health</td>
<td>3%</td>
</tr>
<tr>
<td>Education</td>
<td>12%</td>
</tr>
<tr>
<td>Land Admin</td>
<td>16%</td>
</tr>
<tr>
<td>Judiciary</td>
<td>19%</td>
</tr>
</tbody>
</table>

Source: TI Pakistan’s Corruption Survey Report - 2002

Prevalence and Costs of Corruption

Pakistan suffers from major Corruption in its development projects, especially in procurement of Services and goods including defence and public sector organizations. Bank loans and their write off is another major source of corruption but the most harmful form of corruption is that which affects the low and middle income citizen.

It is difficult to determine the value or financial impact of major corruption such as in Procurement and Contracting. Estimates have been made of corruption in the development sector in terms of Rupees and this amounts to a colossal 60 Billion, which is nearly 30% of the value of all the development projects in the country which presently strands at nearly 200 Billion Rupees. The National Accountability Bureau has come up with some figures which is as everyone knows is just a tip of the iceberg and does indicate albeit just a small portion of the corruption that is prevalent within the Public Sector.
Table 5 Cost of Corruption

<table>
<thead>
<tr>
<th>Sectors</th>
<th>No. of Respondents</th>
<th>Amount in Rs.</th>
<th>Average in Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police</td>
<td>614</td>
<td>1430975</td>
<td>2331</td>
</tr>
<tr>
<td></td>
<td></td>
<td>26%</td>
<td>8%</td>
</tr>
<tr>
<td>Power</td>
<td>296</td>
<td>321765</td>
<td>1087</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6%</td>
<td>4%</td>
</tr>
<tr>
<td>Tax Department</td>
<td>256</td>
<td>987695</td>
<td>3858</td>
</tr>
<tr>
<td></td>
<td></td>
<td>18%</td>
<td>14%</td>
</tr>
<tr>
<td>Health</td>
<td>227</td>
<td>176476</td>
<td>777</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Education</td>
<td>132</td>
<td>635023</td>
<td>4811</td>
</tr>
<tr>
<td></td>
<td></td>
<td>12%</td>
<td>17%</td>
</tr>
<tr>
<td>Land Administration</td>
<td>151</td>
<td>907921</td>
<td>6013</td>
</tr>
<tr>
<td></td>
<td></td>
<td>16%</td>
<td>21%</td>
</tr>
<tr>
<td>Judiciary</td>
<td>108</td>
<td>1044368</td>
<td>9670</td>
</tr>
<tr>
<td></td>
<td></td>
<td>19%</td>
<td>34%</td>
</tr>
<tr>
<td>Total</td>
<td>1784</td>
<td>5,504,223</td>
<td>28,547</td>
</tr>
</tbody>
</table>

Source: TI Pakistan’s Corruption Survey Report – 2002

Notes on table 5

1. Total Bribes paid per annum by 1784 totals Rs. 5,504,223
2. The third column shows the percent of total bribes paid by all the persons in one discipline with respect to the individual’s bribes paid in rupees by all the individuals.
3. Similarly the percentage in the fourth column shows the average bribe paid by an individual in a particular discipline with respect to the total bribes paid for all the disciplines per annum.
4. Average bribe per person per year Rs.3,085
5. The following are some figures given out by NAB ending June 2002: Cases filed 560, Cases Decided 329, Convicted 270, Acquitted 51, Withdrawn 7 and In Progress 23. The Types and Levels of those under investigation are as shown in table 6.

Table 6 Types and Levels of Those Under Investigation for Corruption in 2002

<table>
<thead>
<tr>
<th>Bureaucrats/Businessmen Under Investigation</th>
<th>Grade 20 Above</th>
<th>Grade 19 Below</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Businessmen</td>
<td></td>
<td></td>
<td>153</td>
</tr>
<tr>
<td>Bureaucrats</td>
<td>112</td>
<td>440</td>
<td>552</td>
</tr>
</tbody>
</table>

Source: NAB website [www.nab.gov.pk](http://www.nab.gov.pk)
Additional information on category wise investigation includes: Politicians (307), Bureaucrats (617), businessmen (177), armed forces (21) and others (88) as given under the 'Investigations' section on the NAB website: http://www.nab.gov.pk/.

Cases against politicians include: Prime Ministers (5), Chief Ministers (24), Members of the National Assembly (54), Members of the Provincial Assemblies (65), Senators (11) and others (4). Cases prosecuted against Bureaucrats (284), Businessmen (55), the Armed Forces (8), and others (36).

There is hardly an arm of government that does not suffer acutely from corruption. A survey carried out by TI-Pakistan on corruption in Pakistan in March 2002; found that respondents ranked the following institutions in order of experience/perception of corruption, starting with the institutions most at risk from corruption: police, power (WAPDA and KESC), taxation, judiciary, customs, health, land, education, telephone, railway, NGOs, Post Office, and banks.

In all these sectors noted above, bribes are routinely paid or other influence brought to bear – either via coercion or collusion - to be relieved of a traffic fine, get an utilities connection, reduce a tax bill, get a case to be heard by a favoured judge, get access to medical care, settle a land dispute, fix an exam result or be exonerated from an investigation or audit query. The list is almost endless. In a survey carried out by Transparency International – Pakistan on the Corruption in the Public Sector it was discovered that out of 3000 surveyed, 1724 respondents were in one way or another involved in payment of bribes to the Public sector agencies which included the Judiciary, Health, Education, Power, Police and Land Administration. The three most utilized within a one year period were Police 32%, Power 17% & Taxation 13%, followed by Health, Education, and Land Administration & Judiciary. It is unfortunate but it encompasses almost every aspect of government service delivery. Charges or fines are frequently trumped up to provide the opportunity for coercion.

Respondents in the TI survey were reluctant to disclose the average annual value of bribes, however some indicative trends emerged. The three worst ranking departments had some of the lowest rates. However, respondents paid an annual average of Rs.9,670/- in judiciary; Rs.6,013/- in land administration and Rs.4,811/- in education. These are average annual rates, to be seen in the context of an average middle class family annual income which was between Rs. 48,000 to Rs. 192,000. This gives a picture of the oppression faced by the average Pakistani citizen. The Survey showed that of the 1784 persons surveyed, each individually paying bribes to any of one the various seven sector department under survey paid a total of Rs. 5,504,223/= per year at an average of Rs. 28,547 per person.

Assuming that each of these respondents represented one family and estimating that the numbers of lower and middle class families were about 50% of the total number of families in Pakistan The average of 6-per family and a population of 140 million would amount to about 11.67 million families. Therefore the total bribes paid to these seven departments by the lower and middle class families amounted to nearly Rs. 332.58 Billion.

**Impact of Corruption**

The particular deadliness of the disease of corruption lies in its self-perpetuation - any corrupt act sets in motion a vicious cycle in which the impact of corruption becomes the source for further acts of corruption. Direct loss to the public exchequer, in financial terms, is difficult to measure, but is significant. According to NACS Report, estimated revenue lost by corruption is 64%, 48%, and 45% in income tax, customs and sales tax respectively. If this perception is taken as true, the amount of revenue loss can go over Rs. 200 billion per annum. Other indicative statistics are equally alarming. World Bank estimate of revenue lost in Pakistan because of smuggling in 1992-93 was US$ 5.08 billion. Ahmad and Ahmad (1995) estimated revenue loss in Pakistan because of black economy at Rs.40-45 billion in 1989-90 and Rs. 104 billion in 1995-96.
The biggest casualty of corruption has been the development process. In particular, the impact of aid received during the last 50 years has been minimal, as grand corruption distorts key developmental decision-making with choices influenced by private benefits and not by public needs. Pakistan human development indicators such as literacy rates and infant mortality have shown little improvement in the past decade and are amongst the worst in the region. Furthermore, the waste of the development aid has saddled the country with high debt, which, at approximately 40% of budgetary expenditure, squeezes out, amongst other things, adequate remuneration for the public sector.

The private sector and commercial enterprise has been stifled by corruption. Unnecessary, obstructive and, above all, coercive bureaucracy impedes healthy businesses. Business depends crucially on operating in a climate where contracts can be made and enforced, and where risks can be predicted with confidence. The excessively intrusive public sector further reduces incentives for investment. The legal system affords little or no protection to small and medium sized businesses with a crippling effect on private sector development. This reduces revenue for public purposes, encourages massive wastes and increases costs to consumers.

Corruption in the police and judiciary has contributed to the breakdown of law and order. Laws are seen as oppressive and justified solely in the interests of those who abuse them for their selfish interests. In the absence of inexpensive and effective legal remedies, resort to extra-judicial methods has been on the rise. Mafias like land grabbers ‘Qabza Group’, timber smugglers and narcotics dealers work through syndicates, co-opting public officials. Where the police are themselves corrupt, the lawbreaker is rewarded and those who obey the law are marginalized.

The blatant disregard for law and the ostentatious asset accumulation and display by the top public office holders has led to a decline in the moral standards and values of the society. The corrupt are no longer ostracized and they enjoy respect in society on the basis of wealth accumulated through illegal means, while the country remains under developed and poverty stricken.

There has been a loss of legitimacy of state institutions in the eyes of the populace. The concept of performance and meritocracy is subverted: 70% of the respondents who had tried for admission at educational institutions had not achieved this through fair practice. When this statistic is extrapolated it is clear that Pakistan is cheating itself of future potential. Rampant corruption has also led to the dismissal of four successive elected governments, creating political instability.

This political instability has contributed to Pakistan vulnerability and lack of regional security. Finally, corruption, and the lawlessness and inequality it spawns, is also responsible for a negative image of the country internationally.

What is Understood as Corruption: the Legal Context

Penal Code of 1860

The Sub-Continent of Asia, which comprises present day India, and Pakistan, was governed by the Penal Code of 1860. This Penal Code of 1860 adopted by the State of Pakistan did not employ the word “Bribery” to denote the allurement or something given to unduly influence or corrupt the conduct of a person, but instead uses the words “Illegal gratification”. The word “Bribery” being used only in relation to offences in relating to elections. Section 176-B of the Penal Code of 1860 describes the offence thus; whoever:

i) “Gives a gratification to any person with the object of inducing him or any person to exercise any electoral right or of rewarding any person for having exercised any such right, or

ii) Accepts either for himself, or for any other person any gratification as a reward for exercising any such right, or for inducing or attempting to induce any other person to exercise any such right, commits the offence of bribery.”
Illegal Gratification

"Whoever, being or expecting to be a public servant, accepts or obtains or agrees to accept, or attempts to obtain from any person, for himself or for any other person, any gratification whatever, other than legal remuneration, as a motive or reward for doing or forbearing to do any official act or for showing or forbearing to show, in the exercise of his official functions, favour or disfavour to any person, or for rendering or attempting to render any service or dis-service to any person, with the Central or Provincial Government or Legislature or with any Public Servant as such, shall be punished with imprisonment of either description for a term that may extend to three years or , or with fine or with both.”

Prevention of Corruption Act 1947

Unfortunately the Great World War offered very wide opportunities for corrupt practices and the scope for bribery and corruption of public servants had been enormously increased by war conditions. The Provisions of the Penal Code of 1860 were considered to be insufficient to cope with the seriousness of the evil and there was every possibility of its continuance and extension even in the future. In was in these circumstances that it was considered to be desirable to enact a special law to deal with the subject and in the result the Prevention of Corruption Act was passed by the central legislature March 11th 1947. This Act introduced a new offence known as "Criminal Misconduct" which included:

"Not only bribery or taking of illegal gratification but also obtaining any valuable thing for inadequate consideration dishonestly or fraudulently misappropriating or otherwise converting for his own use any property entrusted to him or under his control as a public servant, or allowing any other person to do so, or obtaining either for himself or for any other person any valuable thing or pecuniary advantage by corrupt or illegal means, or by otherwise abusing his position as public servant, or being in possession without any satisfactory explanation of pecuniary resources or of property disproportionate to his known sources of income, either himself or through any of his known dependents.”

The West Pakistan Anti-Corruption Establishment (ACE) Ordinance of September 1961

The Offences punishable under this Ordinance include the offences punishable under the relevant clauses of the Penal Code of 1860 and Prevention of Corruption Act 1947.


The Offences punishable under this Ordinance includes the offences punishable under the relevant clauses of the Penal Code of 1860 and Prevention of Corruption Act 1947. And the West Pakistan Anti-corruption Ordinance of 1961.

Martial Law Order No 7 of 1977

"Whosoever offers or attempts to offer bribe, or illegal gratification in any form or manner and whosoever accepts such bribe or gratification, or whosoever abets, or induces or attempts to induce someone to offer or accept such bribe or illegal gratification in any manner or form with the object that in the course of the transaction of official business some favour or disfavour shall be obtained for anyone, some service or disservice shall be rendered for undue benefit of someone, shall be tried by a Military Court.”

Martial Law Order amended 1978

It defines "Illegal Gratification" as under:
1. "No person shall accept, obtain or agree to accept or attempts to obtain from any person, for himself or for any other person, any gratification whatsoever as a motive or reward for inducing by the exercise of personal influence, any public servant or any employee of a corporation, Association or Body in which the government has any financial interest to do or forbear to do any official act or in the exercise of the official functions of such public servant or employee, to show favour or disfavour to any person, or to render or attempt to render any service or dis-service to any person with the federal or any Provincial government or any Corporation, Association or Body in which the government has any financial interest, or with any public servant or employee of a Corporation, Association or Body in which the government has any financial interest as such.

2. No person being a Public servant, or an employee of any Corporation, Association or Body in which the government has any financial interest, shall accept or obtain or agree to accept or attempts to obtain, for himself or for any other person, any valuable thing without consideration of for a consideration which he knows to be inadequate, from any person whom he knows to have been or to be or likely to be concerned in any proceeding for business to be transacted or about to be transacted by such public servant, employee of any Corporation, Association or Body in which the government has any financial interest, as the case may be, or having any connections with the official functions of himself or of any public servant or employee of any Corporation, Association or Body in which the government has any financial interest, as the case may be, to whom he is subordinate, or from any person whom he knows to be interested in or related to the person so concerned.

3. Any person who gives or attempts to give or causes to be given to a public servant or to any employee of any Corporation, Association or Body in which the government has any financial interest or induces any public servant or to an employee of any Corporation, Association or Body in which the government has any financial interest, or such accept any gratification whatsoever as a motive or reward for inducing such public servant or employee to do or forebear to do any official act or in the exercise of any official functions of such public servant or employee to show favour or disfavour to any person with the Federal or Provincial Governments or with any Corporation, Association or Body in which the government has any financial interest."

The Ehtesaab Ordinance of 1997

This was an ordinance promulgated by the President of Pakistan on February 01, 1997 to eradicate corruption and corrupt practices from public offices. This was issued under clause (1) of article 89 of the constitution of the Islamic Republic of Pakistan.

This ordinance was to apply to the holders of public offices since the 31st day of December 1985. In this Ordinance the holder of public office or any other person is said to commit the offence of corruption and Corrupt practices if:

a) "If he accepts or obtains fro any person any gratification other then legal remuneration, as a motive or reward such as is specific in section 161 of the Pakistan Penal Code (Act XLV of 1860) or for doing or forbearing to do any official act or for showing or forbearing to show, in the exercise of his official functions, favour or disfavour to any person, or for rendering or attempting to render any service or disservice to any person.

b) If he accepts or obtains any valuable thing without consideration which is known to be inadequate from any person whom he knows to have been, or likely to be concerned in any proceeding or business transaction or about to be transacted by him, or having any connection with his official functions, or
from any person whom he knows to be interested in or related to the person so concerned; or

c) If he dishonestly or fraudulently misappropriates or otherwise converts for his own use or for the use of any other person any property entrusted to him or under his control as a holder of public office or wilfully allows any other person to do so; or

d) If he, by corrupt, dishonest, improper or illegal means obtains or seeks for himself or for any other person and property, valuable thing, pecuniary advantage or undue favour; or

e) If he or any of his dependents or Binomials are in possession of any movable or immovable property or pecuniary resources, disproportionate to his known sources of income which he cannot reasonably account for; or

f) If he commits or causes rigging of election.”

For the purpose of this, reference to property acquired by improper, means shall be construed as a reference to property acquired by means which are contrary to law rule, usage or instruction having the force of law or by abuse of official position or by coercion, under influence, fraud or misappropriation within the meaning of the Contract Act 1872 (XX of 1872).

The National Accountability Bureau Ordinance 1999

The ordinance was promulgated to provide for the setting up of a National Accountability Bureau so as to eradicate corruption and corrupt practices and to hold accountable all those persons accused of such practices and matters ancillary thereto:

The provisions of this Ordinance shall have effect notwithstanding anything contained in any other law for the time being in force. It states that a holder of a public office or any other person, is said to commit or to have committed the offence of Corruption and Corrupt practices if:

“The clauses (i) to (v) of the NAB Ordinance is exactly as given in (a) to (e) in the Ehtesaab Ordinance 1997, and includes as given herein if:

vi) He misuses his authority so as to gain any benefit or favour for himself or any other person, or to render or attempt to do so (or wilfully fails to exercise his authority to prevent the grant, or rendition or any undue benefit or favour which he could have prevented by exercising his authority)

vii) If he issued any directive, policy or any Statutory Regulatory Order (SRC) or any other Order which grants or enables any (Undue) concession or benefit in any taxation matter or law or otherwise so as to benefit himself or any relatives or associate or a Benamidar (or any other person); or

viii) If he commits an offence of wilful default, or

ix) If he commits the offence of cheating as defined is Section 415 of the Pakistan Penal Code (1947) and thereby dishonestly induces members of the public at large scale to deliver any property including money or valuable security to any person or he commits the offence of criminal breach of trust as defined in Section 405 of the Pakistan Penal Code with regard to property including money or valuable security entrusted to him by members of the public at larger scale.”
The National Integrity System

Constitutional Change

Before describing the various pillars of the NIS, it is worth noting the constant and evolving process of constitutional change and regime change that has run through Pakistan’s political history since 1947.

The State of Pakistan was created under the Independence Act of 1947. The first session of the first Constituent Assembly of Pakistan was held on 10th August 1947 at Sindh Assembly Building Karachi. On 11th August 1947 Quaid-i-Azam Muhammad Ali Jinnah was elected unanimously as the President of the Constituent Assembly of Pakistan and the National Flag was formally approved by the Assembly.

On 12th August 1947, a resolution was approved regarding officially addressing Mr. Muhammad Ali Jinnah as "Quaid-i-Azam Muhammad Ali Jinnah". On the same day, a special committee called the “Committee on Fundamental Rights of Citizens and Minorities of Pakistan” was appointed to look into and advise the Assembly on matters relating to fundamental rights of the citizens, particularly the minorities, with the aim to legislate on these issues appropriately. On 14th August 1947, the Transfer of Power took place. Lord Mountbatten, Governor General of India, addressed the Constituent Assembly of Pakistan. The Quaid gave a reply to the address in the House, on which the principles of the State of Pakistan were laided. On 15th August 1947, Quaid-i-Azam was sworn in as the first Governor General of Pakistan. Mian Sir Abdur Rashid, Chief Justice of Pakistan, administered oath of office from him. The Quaid remained in this position till his death i.e. 11th September 1948.

The foremost task before the first Constituent Assembly is of framing the Constitution for the nation. On 7th March 1949, the Objectives Resolution, which now serves as the grand norm of Pakistan, was introduced by the first Prime Minister of Pakistan Nawabzada Liaquat Ali Khan, and later adopted by the Constituent Assembly on 12th March 1949. On the same day, a Basic Principles Committee comprising of 24 Members was formed to prepare a draft Constitution on the basis of the Objectives Resolution. On 16th October 1951, Prime Minister Nawabzada Liaquat Ali Khan, mover of the Objective Resolution, was assassinated and Khawaja Nazimuddin took over as the Prime Minister on 17th October 1951.

The final draft of the Constitution was prepared in 1954. By that time, Muhammad Ali Bogra had taken over as the Prime Minister. However, just before the draft could be placed in the House for approval, the Assembly was dissolved by the then Governor General Ghulam Muhammad on 24th October 1954. The Prime Minister was, however, not dismissed and was asked to run the administration, with a reconstituted Cabinet, until such time as the elections were held.

Maulvi Tamizuddin, President of the Assembly, challenged the dissolution in the Sindh Chief Court, and won the case. The Government in return, went to the Federal Court, where a famous judgment was given by the then Chief Justice Muhammad Munir, according to which Maulvi Tamizuddin lost the case.

The second Constituent Assembly of Pakistan was created on 28th May 1955 under Governor Generals Order No. 12 of 1955. The Electoral College for this Assembly was the Provincial Assemblies of respective Provinces. The strength of this Assembly was 80 Members, half each from East Pakistan and West Pakistan. One of the major decisions taken by this Assembly was the establishment of West Pakistan (One Unit), with the aim to create parity between the two wings (East and West Pakistan). This Assembly also achieved its target by giving the first Constitution to the nation i.e. the Constitution of Pakistan 1956. Choudhary Muhammad Ali was the Prime Minister at that time. The draft of this Constitution was introduced in the Assembly on 9th January 1956 and was passed by
the Assembly on 29th February 1956. The assent was given on it by the Governor General on 2nd March 1956. This Constitution was enforced with effect from 23rd March 1956. Under this Constitution, Pakistan became an Islamic Republic.

On 5th March 1956, Major General Sikandar Mirza became the first elected President of Pakistan. The 1956 constitution provided for Parliamentary form of government with all the executive powers in the hands of Prime Minister. The President was Head of the State and was to be elected by all Members of the National and Provincial Assemblies. He was to hold office for 5 years. The President was to act on the advice of Prime Minister, except where he was empowered to act in his discretion.

Under 1956 Constitution, Parliament was unicameral. Legislative powers vested in the Parliament, which consisted of the President and the National Assembly comprising 300 Members divided equally between East and West Pakistan. In addition to these 300 seats, five seats were reserved for women for each of the two wings, for a period of ten years: thus bringing the total membership of the House to 310. However, in the absence of any law to control the political parties and the problem of floor crossing, political instability perpetually ensued. Although the first general election were scheduled for early 1959, President Sikandar Mirza abrogated the Constitution, dissolved the National and Provincial Assemblies, and declared Martial Law, on 7th October 1958. He appointed General Muhammad Ayub Khan, Commander-in-Chief of the Army, as the Chief Martial Law Administrator. This was the beginning of the first military rule ending on March 25th, 1969.

On 27th October 1958 General Muhammad Ayub Khan took-over as a second President of Pakistan. One of the first major steps taken by General Ayub Khan was the appointment of a Constitution Commission on 17th February 1960. The objective of this Commission was to submit proposals, as to how best democracy can be strengthened and moulded according to the country’s socio-political environment and Islamic principles of justice. The Commission submitted its report to the government on 29th April 1961. On the basis of this report a new Constitution was framed and given to the nation on 1st March 1962.

General elections under the new Constitution were held on 28th March 1962 and elections to the special seats reserved for women were held on 29th May 1962. The first session of the third National Assembly was held on 8th June 1962 at Ayub Hall, Rawalpindi.

The Constitution of 1962 envisaged a Federal State with Presidential form of government, with National Assembly at the centre and the Provincial Assemblies in the Provinces. The Legislatures, both at centre and in provinces were unicameral. The Federal system had been curtailed by allowing the Provincial Governors to be appointed directly by the President. All executive authority of the Republic of Pakistan, under the Constitution, vested in the office of the President. President appointed his Cabinet members who were directly responsible to him.

The electoral system was made indirect, and the ’Basic Democrats’, were declared Electoral College for the purpose of electing the Assemblies and the President. Basic Democrats were 80,000 in number (40,000 from each East & West Pakistan). The total membership of the National Assembly was 156, one half of whom were to be elected from East Pakistan and other half from West Pakistan, also three seats were reserved for women from each province. The term of this Assembly was three years. The norm was established that if the President was from West Pakistan, the Speaker was to be from East Pakistan and vice versa. One of the major achievements of this Assembly was the passage of Political Parities Act, 1962.

On 25th March 1969 the second Martial law or Military Rule was imposed and General Agha Muhammad Yahya Khan took-over as the President of Pakistan and Chief Martial Law Administrator (CMLA). He later issued a Legal Framework Order (LFO), under which the first ever general elections were held on 7th December 1970. This was the first Assembly elected on the adult franchise and population basis. It consisted of 313 members, 169 from East Pakistan and 144 from West Pakistan including 13 reserved seats for women (6 were from West Pakistan and 7 from East Pakistan). Soon after the elections, due to grave political differences, the Province of East Pakistan seceded from West Pakistan and became Bangladesh. This second Military rule ended on 20th December 1971 when Mr. Zulfiqar Ali
Bhutto took over as the President of Pakistan as well as the first civil Chief Martial Law Administrator.

The first session of the National Assembly, due to the delay caused by the separation of East Pakistan, was held on 14th April 1972 at the State Bank Building, Islamabad, in which all 144 Members from West Pakistan and two from former East Pakistan (Mr. Noor-ul-Amin and Raja Tridev Roy who had chosen to join Pakistan) participated. On 17th April 1972 an Interim Constitution was adopted by the National Assembly, which provided for a Presidential form of Government. Under this Constitution, the National Assembly was not to be dissolved earlier than 14th August 1973. The Interim Constitution dealt in detail with the distribution of powers between the Centre and the Provinces.

The Assembly also formed a Constitution Committee on 17th April 1972 to prepare the first draft for framing a Constitution. The report of the Committee was presented with a draft Constitution on 31st December 1972. It was unanimously passed by the Assembly in its session on 10th April 1973 and was authenticated by the President on 12th April 1973. This Constitution, called the Constitution of the Islamic Republic of Pakistan 1973, was promulgated on 14th August 1973. On the same day, Mr. Zulfiqar Ali Bhutto took oath as the Prime Minister, while Mr. Fazal Illahi Choudhary took oath as the President of Pakistan.

The 1973 Constitution provides for a Parliamentary form of government where the executive authority of the state was vested with the Prime Minister. The President, according to the Constitution, was at the apex, representing the unity of the Republic.

From 1947 to 1973, the country had a unicameral system of legislature. Under the 1973 Constitution, Pakistan adopted the bicameral system at the centre, called “The Parliament”, composing the President, the National Assembly and The Senate. Originally, the general seats of the National Assembly were 200 with additional 10 seats reserved for women, bringing the total strength to 210. The newly created Upper House i.e. the Senate had 63 members. Later in 1985 through a Presidential Order (P.O. No. 14 of 1985), seven seats were added to the general seats and ten to the reserved seats for women in the National Assembly. Ten seats were exclusively reserved for minorities to be filled through separate electorate system. Thus the total strength of the lower house reached to 237 members. Similarly the strength of Senate was also increased from 63 to 87.

Under the 1973 Constitution the National Assembly is elected for five years term, unless sooner dissolved. The seats in National Assembly, unlike the Senate, are allocated to each province and other units of the federation, on the basis of population. The Constitutional provision of 20 special seats for women lapsed in 1990, thus decreased the Assembly strength from 237 to 217. Under the Constitution, elections to the 10 seats reserved for minority were held on separate electorate basis.

Despite the tenure of the Assembly being five years, as prescribed in the Constitution, Mr. Z.A. Bhutto, on 7th January 1977 announced the holding of elections before time. Consequently, on 10th January 1977, he advised the President to dissolve the National Assembly. Elections were held on 7th March 1977. The opposition charged the government with rigging the elections to the National Assembly and thereafter boycotted the Provincial Assemblies elections. Since the opposition had not accepted the National Assembly elections result, they did not take oath. This resulted in severe political crisis and Martial Law was imposed by the Army Chief, General Muhammad Zia-ul-Haq, on 5th July 1977. Thus began the third Military Rule within Pakistan since independence. This lasted about 11-years.

On 24th December 1981, under Presidential Order (P.O. 15 of 1981) a Federal Council (Majlis-e-Shoora) was constituted by the President. Its members were nominated by the President. The first session of this Council was held on 11th January 1982. In this way, limited and controlled political activities were resumed, as a result of which general elections were later held for the National and Provincial Assemblies on 25th February 1985, on non-party basis.

On 2nd March 1985, the revival of Constitution Order (P.O. 14 of 1985) was issued in which a large number of amendments were made in the Constitution. The first session of the National Assembly was held 20th March 1985. Mr. Muhammad Khan Junejo, was nominated
as the Prime Minister of Pakistan by the President (General Zia-ul-Haq). He received a vote of confidence on 24th March 1985.

In November 1985, the 8th Constitutional Amendment was adopted by the Parliament. Besides changes in other Articles in the Constitution the significant Article 58(2)(b) was added, according to which the President acquired discretionary powers to dissolve the National Assembly. On 29th May 1988 the Assembly was dissolved by the President by using the power acquired under Article 58(2)(b).

The general elections for the eighth National Assembly was held on 16th November 1988. The first session was convened by the President on 30th November 1988. Mr. Miraj Khalid was elected as a Speaker National Assembly on 3rd December 1988. Mrs. Benazir Bhutto was nominated as Prime Minister of Pakistan and took the oath of the Office on 2nd December 1988. This Assembly was dissolved on 6th, August 1990 by the President – Ghulam Ishaq Khan under Article 58(2)(b) which had been made part of the 1973 Constitution as recently as 29th, May 1988.

The General elections for the ninth National Assembly was held on 24th October 1990. The first session was held on 3rd November 1990. Mr. Gohar Ayub Khan elected as Speaker National Assembly and he took oath on 4th November 1990. Mian Muhammad Nawaz Sharif took oath as Prime Minister of Pakistan on 11th November, 1993. The Assembly was dissolved by the then President, Ghulam Ishaq Khan, under Article 58(2)(b) on 18th April 1993. The dissolution of the National Assembly was challenged in the Supreme Court of Pakistan and after hearing the case the Assembly was restored by the apex court on 26th May 1993. The Assembly was dissolved on the advice of the Prime Minister on 18th July 1993.

The reasons given by President Ghulam Ishaq Khan for dissolving the government of Nawaz Sharif included among others’...maladministration, corruption and nepotism have reached such proportions in the federal government, its various bodies, authorities and other corporations including banks supervised and controlled by the federal government, the lack of transparency in the process of privatisation in the disposal of public government properties, that they violate the requirements of the oath(s) of the public representatives together with the prime minister, the ministers, and ministers of state prescribed in the constitution and prevent the government from functioning in accordance with the provision of the constitution...' (1993: part of Dissolution Order against Nawaz Sharif).

The elections for tenth National Assembly was held on 6th October 1993. The first session was held on 15th October 1993. Syed Yousaf Raza Gillani took oath of the office as Speaker of the National Assembly on 17th October 1993. Mrs. Benazir Bhutto administered the oath as Prime Minister of Pakistan on October 19th October 1993. In a pre-dawn move on November 5th 1996 the President of Pakistan – Farooq Ahmed Khan Leghari - fired Prime Minister Benazir Bhutto, dissolved the National Assembly and four provincial assemblies and appointed a neutral caretaker government. Reasons given for the dissolution of her government by the President Farooq Ahmed Khan Leghari were’...corruption, nepotism and violation of rules in the administration of the affairs of the government and its various bodies, authorities and corporations has become so extensive and widespread the orderly functioning of the government in accordance with the provisions of the constitution and the laws has become impossible and in some cases national security has been endangered. Public faith and honesty of the government has disappeared...' (1996: part of Dissolution Order against Benazir Bhutto).

President Farooq Leghari, a former ally, then named a former stalwart of Bhutto’s party, Miraj Khalid, as interim Prime Minister.

The elections for eleventh National Assembly was held on 3rd February 1997. The first session was held on 15th February 1997. Mr. Illahi Bukhsh Soomro took oath of the office of the Speaker National Assembly on 16th February 1997. Mian Muhammad Nawaz Sharif took oath as Prime Minister of Pakistan and Leader of the House on 17th February 1997. The new Assembly came into power with an overwhelming majority. The Article 58(2)(b) which was invoked by two earlier presidents for dissolution of governments was deleted from the Constitution in April 1997 as the 13th Amendment to the Constitution.
It may be pertinent to note at this point that while, ostensibly, sixteen amendments have been made in the Constitution so far. The ninth and the eleventh Constitutional Amendments were, however, passed by the Senate alone and fifteenth by the National Assembly alone, hence these amendments lapsed. The fourteenth Amendment in the Constitution empowered a check on floor crossing of legislators.

On 12th October 1999 the Government of Nawaz Sharif was overthrown by a military coup led by General Pervez Musharraf. The military coup would have come as little surprise to those who had been following events in Pakistan since Nawaz Sharif came to power in 1997. The coup was an inevitable occurrence following a rapidly declining economic situation and the overt manoeuvres of Sharif to strengthen his political position.

Chief of Army Staff General Pervez Musharraf, who was also Chairman of the Joint Staff Committee, took over the government from Prime Minister Nawaz Sharif and declared himself as Chief Executive through a Proclamation of Emergency, on 12th October 1999. Through Provisional Constitutional Order (PCO) issued on October 14th 1999, he held the Constitution in abeyance, suspended the Senate, National and Provincial Assemblies, Chairman and Deputy Chairman Senate, Speaker, Deputy Speaker National and Provincial Assemblies and dismissed the Federal and Provincial governments. The President Mr. Muhammad Rafiq Tarar was, however allowed to continue in his office. Under PCO (order No. 6) 29th October 1999, (as amended by C.E. Order No. 5, 4th July 2001), the National Security Council was established for the purpose to tender advice to the Chief Executive (later on President), on matters relating to Islamic ideology, national security, sovereignty, integrity and solidarity of Pakistan so as to achieve the aims and objective as enshrined in the Objectives Resolution 1949.

Syed Zafar Ali Shah, MNA and Ilahi Bukhsh Soomro, Speaker National Assembly, challenged the suspension orders in the Supreme Court. The Court in its judgment on 12th May 2000 validated the military takeover by giving three years timeframe to the government, starting from 12th October 1999. The Court in its judgment asked the government to complete its agenda and then hand over powers to the elected government. The court also allowed the military government to bring necessary Constitutional Amendments, provided that those should not change the basic feature of Federal Parliamentary democracy, independence of judiciary and Islamic provisions in the Constitution. The court reserved the right of Judicial Review and power of validity of any act or any action of the government, if challenged, in the light of State necessity.

On 20th June 2001, through a notification (C.E. Order No. 1) the Chief Executive assumed the office of the President of Pakistan under President’s Succession Order, 2001. On the same day, through another Order (C.E. Order No. 2, 2001), the President converted the orders of suspension of legislative bodies and their presiding officers, in to dissolution. The elections for twelfth National Assembly was held on 10th October 2002.

On August 20, 2002 in order that there should be a smooth and orderly transition, the Chief Executive General Pervez Musharraf passed the Legal Framework Order (LFO) 2002, (detailed above) under which the General Elections to the National and Provincial Assemblies (October 10, 2002) and the Senate (November 12, 2002) were to be held.

Unfortunately the LFO has now come under severe criticism by the opposition parties who at the time felt that expediency required that they participate in the general elections. It is unfortunate that the present Legislative Assemblies, both in the Federal and Provincial governments, are at a complete standstill since the past nine months. The Opposition does not accept the LFO, but ironically many owe their very presence in the Assemblies to the LFO, as not only has there been a large increase in the women seats in the Assemblies but also the total number of seats in the National Assembly have been increased from 237, to 342.

The opposition party now rejects the LFO, saying that the Military government had no right to change the Constitution. The ruling party claims that the very same elections were held under the LFO 2002 and therefore must be accepted as part of the original constitution.

Out of the 29 (and now) 33 articles which comprise the LFO, the opposition seems to have agreed to nearly all of them except those related to the role of the President to...
simultaneously hold the office of the Chief of Army Staff. The opposition rejects the holding of the military post and it also rejects the formation of the National Security Council which they say gives the armed forces excessive powers of control over the workings of the government. The opposition also wants the removal of the powers of the President to dissolve governments under 58(2)(b) which was previously made a part of the 1973 Constitution by General Ziaul Haq in 1988 and later abrogated by Prime Minister Nawaz Sharif by a Constitutional Amendment in 1997. This was again made a part of the Constitution by General Pervez Musharraf through the LFO 2002.

Executive

Pakistan in the past 50 or more years, ever since its independence in 1947, and due to the very colonial powers that governed it before that, has maintained the status quo, i.e. the powers have nearly always remained with the Executive. Even though nearly every government has promised two things it has never done so. One, that powers must be given to the Parliament through its elected representatives and second, that there must be independence of the Judiciary, both of them enshrined in the Constitution. Unfortunately, neither of the two promises has been kept by any government in the past 50 years or so.

The 1973 Constitution of Pakistan states that there shall be a President who shall be the Head of State and shall represent the unity of the Republic, and shall be elected by the members of an electoral college consisting of: a) the members of both Houses (the National Assembly and the Senate) and (b) the members of the Provincial Assemblies. Some of the major powers, duties and responsibilities include:

- The President shall be elected by the members of an electoral college consisting of:
  - the members of both Houses; and
  - the members of the Provincial Assemblies.

- The President shall hold office for a term of five years but not exceeding two terms and may resign by writing to the speaker of the national Assembly. The President has the powers to remit, suspend or commute any sentence passed by any court, tribunal or other authority.

- The President has the power to summon or prorogue either or both houses of Parliament.

- The Prime Minister must communicate to the President all decisions of the Cabinet and proposals for legislation.

- The President must act in accordance with the advice of the Cabinet or the Prime Minister and he can dissolve the National Assembly on the advice of the Prime Minister and must announce the date of holding new elections within ninety days. The President also has the powers to call for a referendum on a matter of national importance.

- The President may be removed from office on the basis of physical or mental incapacity or by one-half of the total membership of either house giving the Speaker of the National Assembly notice of its intentions in writing or by two-thirds of the total membership of the Parliament.

There are many in Pakistan who feel that Presidents in the past have tended to abuse their powers, but it must be accepted as a fact that whenever any president of Pakistan has assumed power to remove the existing Government and dissolve Parliament as was the case of the Benazir Bhutto and Nawaz Sharif’s government it had been welcomed very warmly by a majority of the citizens of Pakistan. Thus whether there was a legal, moral or personal reason for removal by the President, it was invariably with the general approval of the people of Pakistan that it was the right action that was taken.
The Last President (1999-2002) General Pervez Musharraf was sworn in as the 11th President of Pakistan and concurrently held with it the office of Chief Executive till 23rd November, 2002: After fulfilling his commitment to the people of Pakistan to hold general elections in the country on 10th October 2002, he transferred the powers of Chief Executive to the newly elected Prime Minister. On restoration of Constitution, he was administered fresh oath of office of President on 31st October 2002.

After taking over power from the previously democratically elected government of Nawaz Sheriff and giving reasons of rampant corruption in the government, the Chief Executive as he titled himself, articulated the following seven-point national agenda:

- Rebuild national confidence and morale.
- Strengthen the Federation, remove inter-provincial disharmony and restore national cohesion.
- Revive the economy and restore investor confidence.
- Ensure law and order and dispense speedy justice.
- Depoliticise state institutions.
- Devolution of power to the grass-roots level.
- Ensure swift and across the board accountability.

During the three years of General Pervez Musharraf as the Chief Executive of Pakistan, the country saw quite a number of structural reforms, ranging from economic and social sector reforms to administrative and political restructuring - improvements were carried out in almost every conceivable facet of national life.

The Prime Minister and the Cabinet

The 1973 Constitution provides for a parliamentary form of government where the executive authority of the state vests with the Prime Minister. The President, according to the Constitution, is at the apex, representing the unity of the Republic. There are presently 32 Ministries within the Executive having 18 Ministers oversee the Ministries. There are 7 Ministers of State and 4 Advisors of State. The number of Divisions within the Ministries are 43. [See Annex 1 for the size of the Pakistan state.]

There is a Cabinet of Ministers, with the Prime Minister at its head, to aid and advise the President in the exercise of his functions.

The President shall in his discretion appoint from amongst the members of the National Assembly a Prime Minister who, in his opinion, is most likely to command the confidence of the majority of the members of the National Assembly. As ascertained in a session of the Assembly summoned for the purpose in accordance with the provisions of the Constitution and shall within a period of sixty days thereof obtain a vote of confidence from the National Assembly.

The Cabinet, together with the Ministers of State, is collectively responsible to the National Assembly.

The President cannot remove the Prime Minister unless he is satisfied that the Prime Minister does not command the confidence of the majority of the members of the National Assembly, in which case he shall summon the National Assembly and require the Prime Minister to obtain a vote of confidence from the Assembly.

The President shall appoint Federal Ministers and Ministers of State from amongst the members of Majlis-e-Shoora (Parliament) on the advice of the Prime Minister, Provided that the number of Federal Ministers and Ministers of State who are members of the Senate shall not at any time exceed one-fourth of the number of Federal Ministers.

A Minister who for any period of six consecutive months is not a member of the National Assembly shall, at the expiration of that period, cease to be a Minister and shall not before
the dissolution of that Assembly be again appointed a Minister unless he is elected a member of that Assembly.

A Federal Minister or Minister of State may, by writing under his hand addressed to the President, resign his office or may be removed from office by the President on the advice of the Prime Minister.

The President may, on the advice of the Prime Minister, appoint not more than five Advisers.

A resolution for a vote of no-confidence moved by not less than twenty percent of the total membership of the National Assembly may be passed against the Prime Minister by the National Assembly. If the resolution is passed by a majority of the total membership of the National Assembly, the Prime Minister shall cease to hold office.

Conflict of Interest

A conflict of interest arises when the private interests of a public official clash or coincide with the public interest and potentially inhibit the official’s objectivity in the exercise of his or her tasks and duties. With regards conflict of interest and the conduct of Ministers, clause 63 of the Constitution stipulates among other things:

That a person shall be disqualified from being elected or chosen as, and from being, a member of the Majlis-e-Shoora (Parliament), if:

- He holds an office of profit in the service of Pakistan other than an office declared by law not to disqualify its holder; or
- He is in the service of any statutory body of any body which is owned or controlled by the Government or in which the Government has a controlling share or interest;
- He has been in the service of Pakistan or of any statutory body or any body which is owned or controlled by the Government or in which the Government has a controlling share or interest, unless a period of two years has elapsed since he ceased to be in such service; or
- He, whether by himself or by any person or body of persons in trust for him or for his benefit or on his account or as a member of a Hindu undivided family, has any share or interest in a contract, not being a contract between a cooperative society and Government, for the supply of goods to, or for the execution of any contract or for the performance of any service undertaken by, Government: Provided that the disqualification under this paragraph shall not apply to a person:
  - Where the share or interest in the contract devolves on him by inheritance or succession or as a legatee, executor or administrator, until the expiration of six months after it has so devolved on him;
  - Where the contract has been entered into by or on behalf of a public company as defined in the Companies Ordinance, of which he is a share-holder but is not a director holding an office of profit under the company; or
  - Where he is a member of a Hindu undivided family and the contract has been entered into by any other member of that family in the course of carrying on a separate business in which he has no share or interest.
- He holds any office of profit in the service of Pakistan other than the following offices, namely i) an office which is not whole time office remunerated either by salary or by fee; ii) The office of Lumbardar, (Registrar of properties) iii) the Qaumi Razakars (National Guard);
- If any question arises whether a member of the Majlis-e-Shoora (Parliament) has become disqualified from being a member, the Speaker or, as the case
may be, the Chairman shall refer the question to the Chief Election Commissioner and, if the Chief Election Commissioner is of the opinion that the member has become disqualified, he shall cease to be a member and his seat shall become vacant;

- He has been dismissed from the service of Pakistan on the ground of misconduct, unless a period of five years has elapsed since his dismissal; or
- He has been removed or compulsorily retired from the service of Pakistan on the ground of misconduct unless a period of three years has elapsed since his removal or compulsory retirement; or
- He is found guilty of a corrupt or illegal practice under any law for the time being in force, unless a period of five years has elapsed from the date on which that order takes effect; or
- He has been convicted under section 7 of the Political Parties Act, 1962 (III of 1962), unless a period of five years has elapsed from the date of such conviction.

Declaration of Gifts

There is no specific rule that govern gifts given to Ministers but the Civil Establishment Code does have the following to say about gifts etc to civil servants and would morally be applicable to Ministers and members of parliament.

‘No government servant shall except with the previous sanction of the government accept or permit any member of his family to accept from any person, or head or representative of a state, or from diplomats, Consular or other foreign government representatives or their employees who are stationed in Pakistan any gift the receipt of which will place him under any form of obligation to the donor. If, however, a gift cannot be refused, the same may under intimation to the cabinet Division, be kept for official use in the department or organization in which he is working.

If a gift is offered by the head or representative of a foreign state, the government servant should attempt to avoid the acceptance of such a gift, if he can do so without giving offence. If however, he cannot do so, he shall accept the gift and report its receipt to the Cabinet division for its disposal.

The responsibility of reporting the receipt of a gift devolves on the individual recipient.

No government servant shall except with the approval of the President accept a foreign award, title or decoration.’

Declaration of Property and Assets

Every government servant, at the time of entering Government service, should make a declaration to the government of all movable and immovable properties, including shares, certificates, securities, insurance policies and jewellery and his liquid assets having a total value of 20,000 Rupees or more belonging to or held by him or a member of his family.

Every government officer is supposed to submit to the government an annual return of assets in the month of December showing any increase or decrease of property as shown in his last declaration or annual return.

Relations with the President

Following the Elections in October 2002 and the nomination of Mr. Zafarullah Khan Jamali as the Prime Minister of Pakistan a Cabinet was sworn in. It is true that the President – General Pervez Musharraf - has a say or probably approved every member of the Cabinet of Ministers, but they as per the constitution of Pakistan work for and are responsible to the Prime Minister. Many, if not most of the Ministers, are political appointees from one or
the other political party which has supported the government in forming the government. Only two Ministers – Mr. Shaukat Aziz, Minister of Finance and Mrs. Zubeida Jalal, Minister of Education - continue to hold the same portfolios as they held in the previous Military Government. The Portfolio of Minister of Defence continues to be under the jurisdiction of the President.

It may be mentioned here that the relationship between the President and the Prime Minister who is the Head of Government is very cordial, the Prime Minister’s election being part of the give and take for the formation of government supportive of the President.

**Corruption and the Executive**

There is a NAB Case against former Prime Minister Benazir Bhutto for appointment of over 1000 officials in Pakistan International Airlines, against the rules, and exercising extra constitutional powers. Another case is Mr. Anwar Saifullah Khan, ex Federal Minister for showing favouritism and nepotism ordered recruitment and appointment of 145 persons in OGDC in violation of laid down procedure, rule and law. This was disposed of in 2000 with the defendant convicted and sentenced to 1 year R.I. and a fine of Rs.5 million, in default of fine one year R.I. more. Another case involved Shafi M. Sehwani, Chairman of the Capital Development Authority for misuse of authority in allotment of CDA plots to the relatives & close associates. In 2002, he was sentenced for 4 years R.I.

Sadly, the flagrant abuses of power in the past by so many public office holders, even when these office holders espoused anti-corruption and accountability, has actually undermined any future attempts at tackling corruption. The proof of the flagrant abuse of power is evidenced by the great number of cases of corruption that were processed by the Ehtesaab Bureau of Nawaz Sheriffs government against Ms. Benazir Bhutto’s government and subsequently by the National Accountability Bureau against previous politicians and public servants. There is thus a fear of the present process of accountability taken up by the military government and the National Accountability Bureau falling apart, unless the present politicians elected in October 2002 follow a serious program of combating corruption. In a convention organized by Transparency International–Pakistan in collaboration with TI-UK in September of 2002, a month prior to the scheduled elections for the National and Provincial Assemblies a pledge was taken from the representatives of major political parties, that those elected would continue to give top priority to combating corruption, and that they would continue with the implementation of the National Anti-corruption strategy.

**Legislature**

The inherent weaknesses in the present Legislature caused largely by the underlying political systems as described earlier have undermined Parliaments’ achievement of its goals, and transformed it into a bastion of corruption. As a result, the Executive has been able to act without accountability, and increasingly against the public interest.

The National Assembly is one of the two Houses of Parliament, with a total membership of 342 elected through universal adult suffrage. There are 272 general seats, 60 seats for women and 10 minorities seats. The break up of the Members of the Upper House or the Senate consist of 100 members - 66 are for general seats, 17 for women and 17 for technocrats.

The current party distribution in the National Assembly is:

<table>
<thead>
<tr>
<th>Name of party</th>
<th>Number of seats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pakistan Muslim League (Q)</td>
<td>119</td>
</tr>
<tr>
<td>Peoples Party Parliamentarian</td>
<td>81</td>
</tr>
<tr>
<td>Muttahida Majlis-e-Amal Pakistan</td>
<td>60</td>
</tr>
<tr>
<td>Pakistan Muslim League (N)</td>
<td>19</td>
</tr>
<tr>
<td>Name of party</td>
<td>Number of seats</td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>Muttahida Qaumi Movement</td>
<td>17</td>
</tr>
<tr>
<td>National Alliance</td>
<td>16</td>
</tr>
<tr>
<td>Pakistan Muslim League (F)</td>
<td>05</td>
</tr>
<tr>
<td>Pakistan Muslim League (J)</td>
<td>03</td>
</tr>
<tr>
<td>Pakistan Peoples Party (Sherpao)</td>
<td>02</td>
</tr>
<tr>
<td>Balochistan National Party</td>
<td>01</td>
</tr>
<tr>
<td>Jamhoori Watan Party</td>
<td>01</td>
</tr>
<tr>
<td>Pakistan Awami Tehreek</td>
<td>01</td>
</tr>
<tr>
<td>Pakistan Muslim League (Z)</td>
<td>01</td>
</tr>
<tr>
<td>Pakistan Tehrik-i-Insaf</td>
<td>01</td>
</tr>
<tr>
<td>Muhajir Qaumi Movement Pakistan</td>
<td>01</td>
</tr>
<tr>
<td>Independents (including 12 from Fata)</td>
<td>14</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>342</strong></td>
</tr>
</tbody>
</table>

### Legislative Powers

Subject to the Constitution, the Majlis-e-Shoora (Parliament) may make laws (including laws having extra-territorial operation) for the whole or any part of Pakistan, and a Provincial Assembly may make laws for the Province or any part thereof.

Subject to the Constitution, the Majlis-e-Shoora (Parliament) shall have exclusive power to make laws with respect to any matter in the Federal Legislative List.

The Majlis-e-Shoora (Parliament), and a Provincial Assembly also, shall have power to make laws with respect to any matter in the Concurrent Legislative List.

The Provincial Assembly shall, and Majlis-e-Shoora (Parliament) shall not, have power to make laws with respect to any matter not enumerated in either the Federal Legislative List or the Concurrent Legislative List.

### Functions

The most hectic session coincides with the passage of the Federal Budget in May/June, every year. The National Assembly enjoys exclusive powers to consider money bills including the annual budget. The National Assembly also provides a minimum of three-fourth of the Cabinet strength and the member who enjoys the confidence of the majority in this august House is invited by the President to be the Prime Minister and form the Government. The Prime Minister is, therefore, a member of the National Assembly who enjoys the support of the majority of the members in the House. The Cabinet is also collectively responsible to the Assembly alone.

There is no law governing conflict of interest. There is a law for declaration of assets, whereby all assets and properties movable or immovable must be declared to the Election Commission. This was made law prior to the last elections of October 2002, and was incumbent upon all those standing for elections. Asset declaration by all Members of the Federal and Provincial Assemblies and Senate have to be and were again submitted last month to the Election commission on completion of 12-months in office. Annual declaration of assets is now a requirement, although its monitoring and accountability program may still remain wanting. All assets of Parliamentarians and Senators is now available in a Notified Government gazette which can be purchased from the Government Printing Press. There has been no effective asset declaration and monitoring system, but this may be rectified by "Representation of People Ordinance 2002" which provides, for annual
declaration of Assets to the Election Commission, although its monitoring program may still remain ineffective.

The political leadership of any state sets the country ethical standards. In Pakistan case, it has been the elected governments, which have set such poor examples. It has exploited public office as an opportunity for self-enrichments, looted the public coffers and there has been massive incompetence and betrayal of public trust. This has been evidenced by the dissolution of at least four democratically elected civilian governments from 1992 to 1999. Examples are always asked for, but due to lack of proof remains an elusive perception. Prime Minister Benazir Bhutto’s Husband Asif Zardari who was elected as Senator and then Minister for Environment has been in jail for the past seven years with dozens of cases against him. None of which to date have been proved. Many of them have yet to be finalized. In time witnesses disappear, change their statements, or former governments return to power only to have the accused released. It is unfortunate for Asif Zardari, that the Peoples Party of Benazir Bhutto has not returned to power these past seven years.

Parliamentarians do not have the desire or the ability to comprehend legislative content or the oversight role of the Parliament. As a result important amendments more often than not have been passed without much consideration and sometimes in less than an hour and sometimes even without debate.

**Standing Committees of the National Assembly**

After more than a year following the establishment of the National Assembly, 39 Standing committees were approved even though there was a walk out of the combined opposition. These included: Cabinet Secretariat; Commerce; Communications; Minorities; Industries; Defence; Economic Affairs and Statistics; Education; Environment; Finance & Revenue; Food, Agriculture & Livestock; Foreign Affairs; Health; Housing & Works; Production; Information & Broadcasting; Information Technology & Telecommunications; Interior; Kashmir Affairs; Labour Manpower & Overseas Pakistanis; Law, Justice & Human Rights; Local Government & Rural Development; Narcotics Control; Parliamentary Affairs; Petroleum & Natural Resources; Planning & Development; Population Welfare; Privatisation; Railways; Religious Affairs, Zakat and Ushr; Scientific & technological Research; Water & Power; Women Development, Social Welfare & Special Education; Public Accounts; Rules of Procedures & Privileges; House & Library; Government Assurances; Finance Committee of the National Assembly.

Parliament’s role in Pakistan has been fundamentally weakened by legislators with low integrity, reflecting the overall political culture, where the desire for power at all costs meant political expediency. There has been for a long time no bar on legislators crossing the floor without having to resign first and fight a by-election. It is well known that many legislators tended to usurp executive functions and indulged in practices like nepotistic recruitment and transfers and postings of the ‘right’ kind of officials to places of their choice. While civil servants are banned from approaching legislators for favours, there is no enforceable code of ethics prohibiting MPs from interference in executive functions. As in many countries, members of parliament have tended to advance the cause of individual constituents, when they should represent the population as a whole by demanding fair distribution of quality public services and accountability of the government. There exists a system of “bending the rules” and patronage between politician and bureaucrat and between politician and constituent. Parliamentarians of the past had neither the desire nor the ability to comprehend legislative content or the oversight role of the Parliament. Privileges and perks for parliamentarians have been passed without debate. The plethora of parliamentary committees to monitor the Executive’s work remained either inoperative or ineffective due to the disinterest of legislators.

**Electoral Commission**

Prior to the General Elections of October 2002, the Chief Executive General Pervez Musharraf in his discretion by an Executive Order No. 1 of 2002 promulgated the Election Commission Order 2002 in which a Chief Election Commissioner Justice (Retired) was
appointed as Chief Election Commissioner for a period of three years. The Order stated that:

- There shall be a Chief Election Commissioner, hereinafter referred to as the Commissioner, who shall be appointed by the President, in his discretion, for a term of three years.
- As provided in clause (2) of Article 213 of the Constitution of the Islamic Republic of Pakistan, 1973, no person shall be appointed to be Commissioner unless he is, or has been, a Judge of the Supreme Court or is, or has been, a Judge of High Court and is qualified under paragraph (a) of clause (2) of Article 177 of the Constitution to be appointed a Judge of the Supreme Court.
- The Commissioner shall have such powers and functions as are conferred on him by this Order and the law.

The 1973 Constitution states:

- That there shall be a Chief Election Commissioner (in this Part referred to as the Commissioner), who shall be appointed by the President in his discretion.
- That no person shall be appointed to be Commissioner unless he is, or has been, a Judge of the Supreme Court or is, or has been, a Judge of a High Court and is qualified under paragraph to be appointed a Judge of the Supreme Court.
- That, the Commissioner shall have such powers and functions as are conferred on him by the Constitution and law.
- That before entering upon office, the Commissioner shall make before the Chief Justice of Pakistan oath.
- That the Commissioner shall, subject to this Article, hold office for a term of three years from the day he enters upon his office: Provided that the National Assembly may by resolution extend the term of the Commissioner by a period not exceeding one year.
- That the Commissioner shall not be removed from office except in the manner prescribed for the removal from office of a Judge.
- That the Commissioner may, by writing under his hand addressed to the President, resign his office.
- The Commissioner shall not, (a) hold any other office of profit in the service of Pakistan; or (b) occupy any other position carrying the right to remuneration for the rendering of services.

The role of the Commission concerns (a) Preparing electoral rolls for election to the National Assembly and the Provincial Assemblies, and revising such rolls annually, (b) organizing and conducting election to the Senate or to fill casual vacancies in a House or a Provincial Assembly; and (c) appointing Election Tribunals.

Following the promulgation of the Election Commission Order 2002, former Chief Justice of the Supreme Court – Justice Irshad Hassan Khan - was appointed as Chief Election Commissioner by the Chief Executive General Pervez Musharraf and the preparations for elections were underway.

The Chief Election Commissioner with the approval of the President then announced the following Orders which not only governed the conduct of the political parties during elections but the duties and responsibilities of the Election Commission with respect to implementation of the dictates of the Orders. The Orders Promulgated by the Election Commission through the authority given to it by the President through the Election Commission Order 2002 were:

The Political Parties Rules 2002.
The Political Parties Order 2002.

In consequence of the announcement of the Elections scheduled for October 2002, an EU Observers Mission came to Pakistan with the approval of the government. Within a very short period they announced an Interim report which gave the reality of the exercise, the contentious issues and the prevailing concerns of the Political Parties. Some of the major issues discussed by the observers included:

• The legal aspect of the election process including the controversial LFO.
• Implementation of the election process and its fairness.
• The limitations of the media.
• Cooperation with Pakistani authorities, political parties and media.
• Law and order and security concerns.
• Deployment of observers and logistical problems.

In particular the report noted areas where a conflict of interest or a tilt toward the incumbent President was noticeable, including:

• The restoration of Art. 58, 2(b), allowing the President to dismiss the Prime Minister and his cabinet as well as to dissolve the entire Parliament at his personal discretion;
• The creation of a National Security Council (NSC) as a constitutional body is seen as yet another tool in the hands of the President, which, furthermore, institutionalises the presence of the military in the government of Pakistan;
• The insertion of a number of qualification and disqualification requirements for candidates for Parliament (Art. 62 and 63, respectively) effectively pre-empting the electoral legislation prior to the adoption of the constitutional amendments by Parliament.

There are serious concerns regarding a number of issues (including qualification/disqualification requirements for candidates which do not seem to match international standards such the required university degree contradicts the low literacy level of Pakistan and may seriously affect the representative nature of Parliament and which in practice disqualifies the vast majority of Pakistani citizens due to the high level of illiteracy in the country). Further, Several of the financial eligibility criteria are not only applicable to the potential candidates themselves, but also their spouses, dependents and business associates. Introducing eligibility criteria that expand beyond the prospective individual is quite unusual.

The Election Commission is currently facing a confidence problem due to its actions during the presidential referendum earlier this year, but also because the Chief Election Commissioner legitimised Musharraf’s coup when he was Chief justice at the Supreme Court in May 2000.

Political Parties

Political Party System

Pakistan political system is highly elitist, with candidates and political leaders largely drawn from the feudal classes and, in recent years, the affluent business classes. Politics became increasingly attractive after the non-party elections of 1985 when the absence of party allegiance meant that the majority of a new breed of politicians had to be kept together by giving incentives like allocation of development funds, plots of land, lucrative licenses etc. This particular reason for corruption has been emphasized in the National Anti Corruption Strategy Report but it seems that no heed was paid to this when the present government
National Integrity Systems 2003

has allocated Rupees ten million to every member of the National Assembly and Rupees Five million to the member of the provincial assemblies for development purposes within their constituencies with the cooperation of the local government. This gave great impetus to corruption. The reasons are clear as to why the middle classes and others are excluded. Elitist circles exclude them. Moreover, fighting elections has required the upfront investment of considerable sums of money, which is beyond the means of an average, even a middle class citizen.

The political party system is thus dictatorial and undemocratic. Most political parties are personality-driven, with virtually no alternative leadership. Elections for party posts are unopposed. Party funding is non-transparent. Party accounts are seldom audited despite the Political Parties Order 2002 which stipulates in Article 13:

1. Every political party shall, in such manner and in such form as may be prescribed or specified by the Chief Election Commissioner, submit to the Election Commission, within sixty days from the close of each financial year, a consolidated statement of accounts of the party audited by a Chartered Accountant containing (a) annual income and expenses; (b) sources of its funds; and (c) assets and liabilities.

2. The statement referred to in clause (1), shall be accompanied by a certificate signed by the party leader stating that (a) no funds from any source prohibited under this Order were received by the party; and (b) the statement contains an accurate financial position of the party.

It is unfortunate that even though even though the Election Commission is empowered to see implementation of the same, this rarely happens in practice. This provides opportunities for unscrupulous elements to further their interests using the party platform.

At the independence of Pakistan in 1947, power was transferred from a non-elected colonial government to an elected constituent assembly. Voting, party organization, adult franchise through registration of voters as well as demarcation of electoral constituencies was the stuff out of which the political imagination of the general public had been shaped. Procedural aspects of an election system have occupied the heart and mind of the political community in Pakistan for half a century.

In Pakistan politics of coalitions within or between political parties as a standing arrangement outside the parliament is more of an exception than the rule. Political parties in Pakistan have suffered form a low level of institutionalism. Political parties in Pakistan tend to depend on electoral candidates for mobilizing people in their favour, instead of the other way round, mainly because the organizational outreach of the political parties is limited. When a party is elected into government, it is obliged to look towards the Establishment rather than its constituency to survive in office. Extra-parliamentary forces continue to exercise constitutional or extra-constitutional powers to make elected assemblies subservient to the writ of the state elites. Political parties tend to eschew populist trends and co-opt elites of various categories in their organizational matrix. This is a mechanism for security, whereby a party in government normally seeks to establish links with the powerful elements within and outside the state apparatus.

Political parties in Pakistan unlike other established democracies do not play an active role in a non-electoral context, such as mobilizing people on shared policies to influence the process of decision making on top in order to save guard their interests. They do not play an active role outside the electoral context. Political Parties ranging from mainstream parties such as the Awami National Party (ANP) and Muttahida Quami Movement (MQM) and even Islamic Parties such as Jamat-e-Islami (JI) and Jamiat-e-Ulima-e-Islam (JUI) have been operating essentially as electoral parties per se. They indulge in public activity either as patronage structures in Student and Labour Unions or as somewhat rigid ideological blocks. The relative absence of public mobilization in pursuit of issue formation or crystallization of public policy outside the elected assemblies only ensured a lack of communication between the electors and the elected, once elections were over. It is thus natural in this scenario to have a pattern of party behaviour on the floor of the assembly, which lacks responsibility to the electoral constituency in their pursuit of an opportunistic exercise in coalition building.
Not surprisingly, performance of the political parties has been severely criticized by all and sundry. Apart from en-masse defections as has happened in the elections of October 2002, lack of inter-party democracy has often made the headlines. Among the leading issues is the absence of elections for party office holders, lack of accountability through an intra-organizational system of censure and non-participation of party cadres and workers in the party deliberations on issues and policies.

A major reform in the party system is the 14th Constitutional Amendment concerning the issue of party defections. This amendment gives tremendous powers to the party leaders to become chief arbiters in cases of party defection. This is counter productive for the cause of freedom of expression of individual legislators. This amendment was suspended by the Legal Framework Order 2002, prior to the elections of October 2002.

The multiplicity of political parties which emerged out of the political process in the past, contributed to multi-pronged electoral contests in which miniscule parties fielded candidates for purposes other than seriously fighting to win. As many as 79% of electoral candidates for the national assemblies in 1997 belonged to the category of non-serious contestants in so far as they forfeited their security deposit for securing less than 12.5% votes polled in their constituency.

People generally do not become members of parties and do not pay membership fee even if they do become members. Most political parties are personality driven, with virtually no alternative leadership. Election for party posts are unopposed. Two main parties have life presidencies, any difference of opinion among leaders often results in a party sub-dividing into factions. Ethics management within the party is non-existent. No kind of action against any party member has ever been taken. There are few donations from the corporate sector, because the business elite tend to deal directly with the bureaucracy. Some parties even draw their money clandestinely from foreign sources. Not surprisingly political parties do not keep accounts, which could be independently audited by the Election Commission. This was rectified by the Elections Commissions Political Parties Order 2002 was quite explicit in its requirements, Article 6 states:

- A member of a political party shall be required to pay a membership fee as provided in the party’s constitution and may, in addition, make voluntary contributions towards the party’s funds.
- The contribution made by members or supporters of any party shall be duly recorded by the political parties.
- Any contribution made, directly or indirectly, by any foreign government, multi-national or domestically incorporated public or private company, firm, trade or professional association shall be prohibited and the parties may accept contributions and donations only from individuals.
- Any contribution or donation which is prohibited under this Order shall be confiscated in favour of the State in the manner as may be prescribed.

Indeed, the wider guidance for parties is covered by the Code of Conduct for General Elections 2002 and previously by the Political Parties Act 1962 and followed by successive amendments of the same in 1975, 1979, 1988 and 1997 which qualifies:

- Registration modalities of parties.
- The party to publish a formal manifesto.
- To hold elections of its office bearers.
- Restriction of and financial or otherwise from foreign governments or political parties or foreign nationals.
- Restriction on Defection – lifted for the October 2002 elections.
- Maximum limit of expenses by the candidate.
- Disclosure of amount and source of funding.
There have been quite a number of elections since the independence of Pakistan as a separate state since 1950 to date, where there have been ten elections to the National Assembly and nearly 41 elections to Provincial Assemblies. Out of the ten National Assembly elections three were conducted (1962, 1970, and 1985) under direct military rule, and two (1965 and 2002) under indirect military rule. Out of the remaining five elections two (1968 and 1990) were held by military supported civilian President and three (1977, 1993 and 1997) by civilian governments. The last five Assembly elections were held within a democratic constitutional framework that guaranteed full franchise, though it can be fairly said that the elections of 2002 could fall under this same category. However, as caretakers conducting these elections were partisan in varying degrees, except the one organized in 1993, elections, they all ensured the victory of their own party or the one that they preferred, often disregarding the norms and rules of free and fair elections.

Thus from the chequered history of unfair and rigged elections it can be safely said that political parties have not only been a part of unfair and rigged elections but have also been a cause for the unstable politics of our parliamentary system and of the institution of democracy remaining unsecured.

With regard to voting itself, there are always wide spread suspicions and allegations, that the democratic system is frequently abused or manipulated and that voting is heavily influenced by influences or Biradari (Brotherhood) and familial ties. Votes are put out for sale and purchased at exorbitant sums, although preventative steps are quite often taken by the government in power to prohibit such buying and selling. Unfortunately in most cases it is the government in power itself, which breaks its own rules and initiates such trafficking. Abuse of women votes are prevalent. Harassment and coercion are also used for securing votes.

The campaign funding rules also aggravate the situation. As most often than not, candidates and parties carry out self-funded campaigns. Party funding and election expenditure lacks transparency and seldom is there an independent audit of the expenses of either the individual or the party. This has supposedly been rectified in the previous elections of October 2002, but one is yet to know if the rules of conduct for usage of campaign funds has been implemented fairly. The Election Commission and related monitoring procedures are weak, even through the election procedures have been regularly amended in 1993, 1995, 1996 and in 2002 in an effort to make the entire process more stringent and transparent, by ordering political parties to hold Intra-party elections, listing membership, by submitting audited accounts giving membership fees and contributions collected etc. Unfortunately, the Election Commissioner does not seem to have any powers to enforce the requirements; expediency and compromise limits the power available to them through the various Orders issued by them.

Supreme Audit Institutions

There are presently two bodies acting within the system which act as watchdogs and which play a major part in maintaining an environment of robust public sector accountability. These are:

- The Auditor General’s Office (AGs).
- The Public Accounts Committee (PAC).

Auditor General’s (AGs) Office

The Auditor General’s Office is understandably the supreme body in the accountability process, along with the Public Accounts Committee (PAC). These two agencies form the bulwark of public accountability. These two bodies must protect the concerns of the people. Unfortunately both these bodies equally have been unable effectively to check corruption within Pakistan.

The Auditor General (SAI Pakistan) is established under the constitution. The Head of State appoints the Head of the SAI. The Head of the SAI can be removed by the
recommendations of the Supreme Judicial Council in the same manner as a judge of the Supreme or High Court. The Head of SAI does not require any specific qualifications. There is a fixed tenure of 5 years or 65 years of age whichever is earlier.

The various conditions of service of the Head of the SAI to secure independence are:

• Special procedure for removal.
• Fixed tenure.
• Control over resources/budget.
• Immunity/protection from actions by others in its performance of duties.
• Independence to frame work plans.

The SAI is independent of all other agencies. The SAI is fully financially independent. The budget proposed by the SAI is allocated by the Ministry of Finance. The Auditor General has full control over the approved Budget. There is no mechanism to secure accountability of the SAI. However the Auditor General gets an assurance on this account through audit of the expenditure of this office from senior officers of the Military Accounts department or Railway Accounts Department.

The SAI jurisdiction extends to following and there are no limitations imposed on this jurisdiction:

• Federal Government.
• Provincial and local governments.
• Bodies not owned but substantially funded by the government.
• Banks whose capital forms part of the federal, provincial and local government and autonomous bodies substantially funded by the government.
• Entities owned or controlled by federal, provincial and local governments and other entities owned or controlled by such government owned or controlled entities.
• Audit of receipts of the governments.
• Aid or grants provided by Foreign Government.

SAI also has jurisdiction over the following if government-owned:

• Public utility/agencies providing public services even if they are privately funded and managed.
• Regulatory bodies (e.g. Privatisation, Environment, Pollution Control, Telecom etc.).

The SAI has powers of requisitioning all records of the auditee departments/organizations to discharge its mandate as per section 14 of the Auditor Generals (Functions, Powers and Terms and Condition of Service) Ordinance, 2001. The SAI has powers to enforce or initiate enforcement action to secure access to needed records which are not produced as per section 14 of the Ordinance. The SAI does not have power to seal, search and seize documents and other related items considered necessary for audit and inspection. It has no power to seek testimonials of the persons concerned and it can not seek co-operation of persons other than agencies subject to audit and inspection.

The SAI does not have powers to instruct government investigating agencies to perform activities considered necessary. The SAI does not have powers to decide on claims of interested persons in connection with official actions, duties and behaviour of persons subject to audit and inspection. The SAI has the authority to dispense with, in whole or part, the audit of Federal, Provincial and local Governments accounts and other related matters.

The SAI does not have powers to take punitive action and/or impose surcharges. The SAI does not have the powers to access the computer systems of the auditees and download.
and use electronic data either in site or off site. The SAI does not have powers to review the development of computer systems by the auditees and suggest controls. The SAI has no role in the appointment and supervision of the other external auditors engaged by auditees for meeting the statutory requirements.

The SAI prescribes Financial, Compliance, Performance and EDP Audits in its scope of Audit. The Law does not limit the definition of audit to any specific type of audit. The SAI conducts Special Audits. The SAI follows the international best practices in conduct of audits. The SAI is required to follow specific standards, practices and guidelines in conducting audit and reporting. The SAI can consult and/or collaborate with other countries/SAIs and international organizations on matters relating to audit. The SAI can engage consultants and/or obtain professional services in conducting audit.

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The audit findings are examined by the Public Accounts Committees of the Federal and Provincial Governments and the Executive departments are responsible for enforcement of directions of the Public Accounts Committee. SAI reports to the PAC on follow up actions. The SAI can share audit reports with public and media after formal reporting. It does not have powers to amend accounts in case of financial statements.

The SAI is constituted as an audit office with monocratic status i.e. with an Auditor General or equivalent as head. The Regional audit offices are directly under the Auditor General. The SAI can expend resources budgeted independently as per section 19 of the Auditor Generals Ordinance, 2001, and it has full independence in forming its work plan. The staff in basic scale 1 to 15 is recruited by SAI and in BPS-16 and 17 by Federal Public Service Commission. Standard terms and conditions fixed by the government are followed by the SAI. The SAI is not subject to an independent audit. The SAI is not required to submit a report on its activities.

It is understood that the present staffing levels nation wide is about 34,000 but the inspectors who are supposed to actually carry out auditing are only about 1700. It has been announced that this is to be rectified in addition to computerizing the whole system in order to limit the contact between its inspectors and the tax payer.

Auditor General has an audit office in every disbursement department, which carries out post audit of all payments.

**Present Limitations**

The duty of the Auditor General’s Office is to have control over the financial integrity of both government agencies and public officials and to detect cases of corruption. It has failed miserably in both instances, and for a number of reasons:

- It lacks modern technologies and techniques to uncover corruption. The poor state of financial controls, outdated and complex rules and procedures limits its audit to minor and petty issues often and in most cases overlooking the “grand corruption” present in the system.
- It does not have the technical ability to uncover or follow up on corrupt cases. It lacks sufficient financial controls and its outdated financial procedures limits it to follow up on minor cases. Major issues of grand corruption is often if not always missed. Its record in following up on cases of fraud and corruption is poor.
- Allegations have been made of collusion between the auditors and bureaucrats. The issue of low pay, as in other government agencies seems sufficient reason for this collusion. It can also be fairly said that the importance of the Auditor General’s Office in fighting corruption is not given due recognition by the Parliament or the people.

The Auditor Generals Office has the necessary powers to punish offenders and errant inspectors but due to corruption through collusion rarely is the effective institution that it should be. As part of its transparency it has now started releasing its reports through its website. It is also developing an e-governance program to eliminate contact between the Inspector and the tax payer. The Auditor Generals office has also sent cases to the NAB. In 2003 it sent 32 cases of serious financial irregularities of various ministries and divisions.
(64 cases of misappropriation and irregularities were sent to NAB by the ad-hoc Federal Public Accounts Committee).

There is an Audit and Accounts institute, but it is unable to impart the right training to personnel of the Auditor General Office in uncovering corruption. Reasons given include lack of resources and inadequately qualified teaching staff.

The Auditor Generals Office works within the Ministry of Finance and the general complaint by the AGs staff is interference by the senior officials of the Ministry, of which it is a part, despite the constitutional provision for the AG’s department to be an independent entity reporting directly to the President. Unfortunately allegations of collusion between auditors and bureaucrats to cover up still persist. The same issues as in other public organizations such as low pay, poor working conditions, high responsibility and lack of professionalism are also found in this department. Another major problem leading to allowance of corrupt practices is that seldom are the reports to the PAC checked in time for any action to be taken.

**Attempt at Reforms**

The Department is presently trying to reform itself. It is presently following the “International Organization of Supreme Audit Institutions” best practice as part of its reform agenda. Since the past two years there seems to be some progress in reorganizing the department with a view to adopting modern techniques of audit, reporting formats. It is understood that it is now following the " International Organization of Supreme Audit Institutions (INTOSA)" best practice. It has initiated a capacity building program under a project to improve Financial Reporting and Auditing (PIFRA) and has at the same time introduced compulsory certification by an independent professional entity as the basis for departmental promotion. It is also revamping the training syllabus for interdepartmental training officers.

The following reforms have also been initiated with a view not only of improving the efficiency of the department but he increase the limit of reporting and reduce to a great extent the prevailing corruption within the department.

- It has designed a "Corruption Rating Index (CRI)" and a "Financial Government Rating Index (FGRI)" and an "Internal Quality Rating (IQR) for its departments.
- 162 Officers have obtained professional qualifications and employed through direct entry, professionally qualified officers.
- The two functions of Accounting and Auditing have been separated.
- It proposes to amend the “Rules of Business” to give itself administrative and financial independence.
- It is planning to out source a small proportion of its audits.
- It has produced its first annual report and corporate strategic audit plan.

In 2003 the Auditor General launched a full audit report across the public sector, covering year 2000-2001, and an audit of a total of Rs 1048 billion pertaining to revenue receipts and expenditure of the federal and provincial governments with a total of 836 reports issued during the year.

**Public Accounts Committee (PAC)**

In terms of formal parliamentary accountability, the Public Accounts Committee (PAC) is composed of members of the National Assembly, taking in all political forces and chaired by a member of the Opposition (although this is not currently the case - Nawaz Sharif’s landslide victory in 1997 meant that the National Assembly was overwhelmingly dominated by PML members). There are PACs at Federal and Provincial level, whose role is to examine the government’s accounts and report back to Parliament. Although the work of the PAC has been increasingly publicized in the press through press releases and interim reports, meetings are not open to the public at the risk of press sensationalism.
The secrecy of debates raises obvious questions about the selectivity of the information provided and the transparency of the process. The PAC has been notorious for its inefficiency and ineffectiveness.

The history of the PAC is thus dismal. It has seldom acted as an effective check on the Executive. The opposition members in Parliament have never been given the opportunity to control the PAC. The chairman of the PAC has most times been nominated from the party in power, contrary to best practice. Thus it has suffered from partiality and its effectiveness has been limited. The PAC has not been reported to have regularly in the past which had resulted in a backlog of cases extending from 6 to 10 years, thus always failing in its responsibilities as a watchdog, and literally unable to redress serving bureaucrats who at this point in time have been transferred many times to many different ministries and government agencies. It is understood that presently there are nearly 23,000 audit cases from the Auditor General that is still awaiting disposal by the PAC. Another problem with the PAC is that its members most always comprises of politicians, who neither have the sustained will, the time, or the technical capacity needed to tackle either the backlog of cases or its complicity.

Above all and most crucial to its capacity to be an effective institution is that it lacks the necessary powers of enforcement or implementation. It has become a recommendatory body and its dependence on the executive for implementation has taken away the very independence that is required of such a body. Its helplessness in the past due to the very same reason has been a counter productive factor in its capabilities to perform, thus viewed very negatively by the executive, the media or Civil Society.

Since the Parliamentary Elections of October 2002, and the setting up of the Parliament the Members have not been able to convene a meeting to set up the standing committees that are required by the Constitution including the Public Accounts Committee. The Government and the Opposition Members of Parliament are presently wrangling over the Legal Framework Order 2002 as described previously over the acceptance or rejection of some contentious issues, with the Opposition not allowing the Parliament to take up normal duties including establishing the Public Accounts Committee.

Since 2001 and up to 2002 the PAC continued to work under the Chief Executive Order as no Parliament existed between 1999 and 2002 under the previous military government. The Ad-hoc Public Accounts Committee formed comprised of retired government servants and was appointed by the President of Pakistan.

It was a recommendatory body and depended upon the Executive for the implementation of its recommendations. Previously, the Federal PAC had recommended a number of reforms aiming at improving the efficiency and transparency but has yet to be implemented. The recommendations included:

- Sub Committee being formed to expedite disposal of audit queries.
- It is also recommended by the present government that the chairman of the PAC should be appointed form the opposition.
- It is also recommended to increase transparency within the Public Accounts Committee.
- It is proposed that the "yet to be formed" PAC should establish in advance an annual time table to ensure clearance within specified time frames, thus avoiding the inevitable backlog.
- That the proceedings of the Federal PAC should be open to the media.

In December of 2003, the Standing Committee on Public Accounts was finally established comprising about 18 members including the present Minister for Finance (ex-officio).
Judiciary

The Supreme Court of Pakistan

The Supreme Court of Pakistan is the apex court in the judicial hierarchy of the country. The Court is comprised of a Chief Justice and 16 Judges. The Constitution contains elaborate provisions on the composition, jurisdiction, powers and functions of the Court. The qualifications for, and mode of appointment of Judges, age of their retirement, grounds and procedure for removal from office and terms and conditions of service of judges are also specified in the basic document. The Constitution also provides for the independence of judiciary, and, its separation from the Executive. Consequently, in principle, there prevails in the country, full institutional and decisional judicial independence. The Supreme Court and High Courts also possess a degree of financial autonomy in as much as the concerned Chief justice is authorized, to expropriate funds within the budgetary allocation. These superior courts are also empowered to make their own rules of, practice/procedure, hire/fire their staff and determine their terms and conditions of service.

The Supreme Court is the court of ultimate jurisdiction in the land. It is the final arbiter of the law and the Constitution. Its orders/decisions are binding on all other courts in the country. All executive and judicial authorities are bound to act in aid of the Supreme Court.

The Constitution assigns the Supreme Court a unique responsibility of maintaining harmony and balance between the three pillars of the State namely legislature, executive and judiciary. The purpose is to ensure that the state organs perform their respective functions under the stipulated limits and constraints. As guardian of the Constitution, the Court is required to ‘preserve, protect and defend’ this document. Its multiple roles include resolving conflicts and disputes, be they among governments (Federal/provincial) or between government and individual or individuals inter se. The Court is also a custodian and upholder of citizens’ rights, liberties and freedoms. Seen in this context, the Court indeed occupies a pivotal status and crucial position in the Constitutional dispensation, by playing the role of unifying and integrating the nation, its regions, institutions and communities.

The Supreme Court of Pakistan is comprised of the Chief Justice and 16 Judges. The permanent seat is at Islamabad, but the court also sits, from time to time, at the provincial headquarters namely Karachi, Lahore, Peshawar and Quetta. The Constitution stipulates the qualifications of Judges of the Supreme Court. Such qualifications are: to be a citizen of Pakistan and having 5 years experience as Judge of a High Court or 15 years experience as a practicing advocate of a High Court. The President appoints the Chief Justice of Pakistan and the other Judges are also appointed by the President but after consultation with the Chief Justice of Pakistan. The most senior Judge, in the absence of ‘solid and strong reasons’, to be recorded by the President, is appointed as the Chief Justice of Pakistan. As regards other Judges, the recommendations of the Chief Justice, except for sound reasons, to be recorded by the President, are binding on the President. A Judge holds office until attaining the age of 65 years, unless resigns earlier or is removed from office, in accordance with the Constitution. No Judge may be removed from service except on the grounds specified by the Constitution namely physical or mental incapacity, or misconduct, to be determined by the Supreme Judicial Council.

The Supreme Judicial Council is comprised of the Chief Justice of Pakistan, most senior Judges of the Supreme Court and most senior Chief Justices of High Courts. On a reference received from the President, the Supreme Judicial Council investigates the matter and presents its finding to the President. If the council decides that the judge is incapable of performing the duties of office or is guilty of misconduct, and therefore should be removed from office, the President may order the removal of such judge. A judge may not be removed from service except on the specified grounds and subject to the prescribed procedure. The Supreme Court exercises original, appellate and review jurisdiction. It possesses exclusive original jurisdiction for settlement of intergovernmental (federal/provincial) disputes. Under this jurisdiction, the Court pronounces declaratory
judgments. The Supreme Court can also exercise original jurisdiction, with respect to the 
enforcement of fundamental rights, if the case involves a question of public importance. The Court also exercises advisory jurisdiction where under the President may obtain its 
opinion on a question of law. Under its appellate jurisdiction, the Court entertains appeals 
against orders and decisions of High Courts and other special tribunals and courts. Under 
the Constitution, the Court is invested with authority to make its rules of practice and 
procedure. Under the rules, the Chief Justice, as the head of the Institution, may nominate 
Judges for hearing cases and exercise other administrative powers, and functions. The Court, with the approval of the President, may also make rules providing for 
appointment of its staff and determining their terms and conditions of service. Such rules 
empower the Chief Justice to exercise the same powers, in respect of officers and servants 
of the Court, as the President may exercise in respect of the Federal Government 
employees. Corruption in Pakistan legal and judicial system plays a major role in the spread of this 
malaise in society. The Judiciary in general fails to provide real justice and remedy for 
wrongs, which only increases corruption across society. As late as 1998, the prestige of the 
Supreme Court was lowered tremendously when the Chief Justice Sajjad Ali Shah was 
removed from his post by a bench consisting of other Supreme Court Judges. The reasons 
for this was given in the following BBC news item: “Government officials in Pakistan say a new Chief Justice has been sworn in, 
following the Supreme Court ruling that the appointment in 1994 of Sajjad Ali 
Shah to the post was unconstitutional. The new Chief Justice, Ajmal Mian, has 
been acting in the post since the suspension last month of his predecessor, who 
had been involved in a prolonged confrontation with the Prime Minister, Nawaz 
Sharif. They said he was no longer the Chief Justice because his appointment three 
years ago was invalid and unconstitutional. He says the decision is illegal 
because moves to suspend him from office, which started a month ago, were 
themselves illegal. That the Pakistani government has been wanting to get Mr. 
Ali Shah out of office because it says he wanted to bring down Mr. Sharif. 
During a recent confrontation with the government, Mr. Ali Shah took up a 
number of corruption cases involving Mr. Sharif and summoned him for 
contempt of court where he faced possible disqualification.” The problem of corruption is also acute in the subordinate judiciary where money has to be 
paid at virtually every step of the judicial process in order to make it move forward. The 
publics perception is of corruption at all levels of the judiciary. In a TI–Pakistan’s survey 
60% of respondents interacting with the courts had faced corrupt practices on the part of 
court officials and clerks. The major example of Judicial dishonesty has been highlighted by Pakistan Bar Council. 
The published report on a white paper issued by the Bar Council (which is not available nor 
published in news papers, for fear of contempt of court action) a former Judge of Supreme 
Court of Pakistan, Wajeehuddin Ahmed, announced the report which was necessary 
because some ‘hidden actions’ of the Judges of superior courts should be brought to light 
for public awareness with reference to the role of judiciary in power politics of Pakistan. He 
said that the Judges are declaring ‘unlawful acts’ as lawful acts, had not shown any 
resentment when President Musharraf took over, when they should not be showing any 
leniency on such acts because such actions always encouraged the dictators – 
unfortunately, judges gave their verdict in favour of martial law governments with a view 
that the dictator would induct persons of his liking as judges. The Supreme Judicial 
Commission has comprehensively failed to take notice of widespread corruption in the 
superior judiciary and, being beholden to the military, the judiciary is acting under the 
dictates of the military ruler, in defiance of the constitutional provisions, and it is difficult 
to understand under what constitutional dispensation, the judges are performing their 
function. The judiciary due to its role and performance for the last more than three years 
has relegated itself to the position of subservience to the military ruler. The judiciary has
thus reduced itself to the position of being protector, preserver and defender of unconstitutional acts and orders of the military. The Bar, therefore, observed that we have to come to a stage in Pakistan where certain questions have to be settled once and for all if the country is to be administered as a civilized state under a constitution: according to the Bar, the questions include: whether the will of the people or the whims of the military, aided by its intelligence agencies and its surrogates in judiciary would prevail?

Unfortunately there is a backlog of civil and criminal cases at the level of subordinate judiciary in all provinces. In the Province of the Punjab, the number of cases presently pending is 111839 Sessions cases, 343732 criminal cases and 439460 civil cases. In the Province of Sindh, the number of pending cases comes to 109833, in NWFP, the figure is 96332 whereas in Balochistan, it is 5454.

The situation in other provinces is not different. Punjab perhaps presents the worst scenario, but the other provinces particularly Sindh and NWFP are also complaining of huge arrears.

This phenomenon is caused partly because of the inadequate budgetary allocation towards the judiciary. Unfortunately the administration of justice, so far has been regarded merely as a welfare service to the community rather than a social responsibility. As a result, the judiciary is suffering from the problem of under-staffing (both judicial and ministerial), lack of courtrooms, lack of equipment, lack of residential accommodation and lack of library material, etc. Obviously these and other problems shall have to be addressed and resolved if the administration of justice is to improve and become efficient. Needless to say, a sound and effective judicial system is a sine qua non for keeping peace in the society and maintaining growth and developed.

**Table 7  Strength of Judges and Ministerial Staff**

<table>
<thead>
<tr>
<th></th>
<th>Supreme Court of Pakistan</th>
<th>Lahore High Court</th>
<th>High Court of Sindh</th>
<th>Peshawar High Court</th>
<th>High Court of Balochistan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Justice &amp; Judges</td>
<td>17</td>
<td>50</td>
<td>28</td>
<td>15</td>
<td>6</td>
</tr>
<tr>
<td>Administrative Staff of</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supreme Court and High</td>
<td>507</td>
<td>1199</td>
<td>865</td>
<td>344</td>
<td>249</td>
</tr>
<tr>
<td>Court</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Districts &amp; Sessions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Judges/Senior Civil Judges &amp; Civil Judges, under each High Court</td>
<td>-</td>
<td>649</td>
<td>390</td>
<td>177</td>
<td>123</td>
</tr>
<tr>
<td>Administrative Staff of</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>the District Courts under Administrative Control of High Courts</td>
<td>-</td>
<td>6376</td>
<td>3940</td>
<td>1725</td>
<td>663</td>
</tr>
</tbody>
</table>

**Source:** Supreme Court Website [www.supremecourt.gov.pk](http://www.supremecourt.gov.pk)

**Access to Justice Program**

There is presently underway the Asian Development Banks-funded "Access to Justice Program (AJP)" which is designed to cover many of the present weaknesses in the system if these reforms are implemented. The weaknesses include:

- **Independence of Judiciary.** The Judiciary is not independent and every political party prior to its winning the parliamentary elections promises to separate the Judiciary from the executive and give it complete independence. To date this has not happened, even though this dictate is enshrined within the
final constitution of Pakistan as far back as 1973. It is only on paper are the judges are independent.

- **Judicial Accountability.** There is a general perception of inadequacy of the accountability of the judges. This is true of the higher judiciary where the Supreme Court is considered to be completely ineffective and seems to do the bidding of the executive. Executive interference has often been attributed to the gradual decline of professionalism in the judiciary.

- **Judicial Salaries and Facilities.** In the lower judiciary salaries are poor. A civil Judge is paid about Rs. 6,000/= (US $100/=) per month. Senior Judicial Officers are paid about Rs. 12,000/= to 15,000/= (US $200/= to 250/=). Compared to the importance of the office and the functions these judges perform and the powers they exercise these salaries are wholly inadequate. This, along with poor working conditions, a poor career structure, and an enormous workload not only is a cause for inefficiency in the judicial system (average 80 cases per day) but also creates a potent recipe for corruption.

- **Judicial Appointments.** There is a definite concern on the lack of transparency and merit in the selection procedures of judges. Appointment into the lower judiciary was politicised until 1998. Presently appointments are made through a High Court Committee. Appointments to the High Court are made by the President of Pakistan in consultation with the Chief Justice of the relevant High Court.

- **Judicial Training.** The Federal Judicial Academy was set up in 1988, but it is not fully operational due to lack of financial resources. There is therefore no formal system of training judges.

- **Judicial Support Functions.** Case management is in the hands of the clerical staff. Records are poorly maintained. There is no automation in the lower courts. This allows the judicial support staff avenues for taking bribes basically as "speed money" to schedule the cases at their whims and fancies. Here again a cause for corruption is the low pay, poor facilities, inadequate monitoring and lack of computerization of records.

- **The Legal Framework.** Laws are added at regular intervals by successive governments to exercise controls over an already over regulated society. Laws are confusing, contradictory, and overlapping and serve very little useful function. In many cases there is more than one law applicable to a given subject. The regulatory body – the Pakistan Law Commission does not have the manpower or financial resources to carry out an in depth research.

### Federal Shariat Courts

In 1980 the military government of Zia-ul-Haq amended the Constitution and established a Federal Shariat Court with the jurisdiction to review the existing legislation and to decide whether or not a law contravenes the injunctions of Islam. This reduced the power of the courts inasmuch as it took Islamic injunctions away from their purview, and adversely affected the spirit of constitutionalism as a whole. The introduction of the Federal Shariat Court super-imposed an additional layer in the judicial process. This has raised some concern regarding overlap and supremacy of civil and religious laws.

The independence of the judiciary in terms of a clear separation of powers between the judiciary and executive is recognized as a basic institutional requirement. However, although the 1973 Constitution provides for an independent judiciary, it has proved to be subject to significant political influence, with governments taking pains to try and keep it under their control. Attempts to assert itself have, at times, led to extensive power struggles between the judiciary and executive. It was hoped that separation of powers would come in the wake of the 1973 Constitution. However, deviations from the constitutional framework hampered the development of law in accordance with the principles enshrined in the Constitution. Steps which were initiated in 1996 are still continuing and have so far not been completed. Given this state of affairs, the judicial
system is still undermined by the power of the executive. The supremacy of the Federal Shariat Court and the fact that the President enjoys unfettered powers to appoint its judges is a case in point. Concern over judicial independence is not, however, limited to the Federal Shariat Court and appointment of judges to superior courts has also become a contentious issue.

**Accountability Courts: A New Development**

**Courts and Criminal Procedure**

Pakistan has an extensive penal code of some 511 articles, based on the Indian Penal Code of 1860, extensively amended during both the pre-independence and the post-independence eras, and an equally extensive Code of Criminal Procedure. Numerous other laws relating to criminal behaviour have also been enacted. Much of Pakistan’s code deals with crimes against persons and properties – including the crime of dacoity (robbery by armed gangs) and the misappropriation of property.

Pakistani courts can, and do impose the death sentence, as well as imprisonment, forfeiture of property, and fines. Imprisonment is either “rigorous” – the equivalent of hard labour for up to fourteen years – or “simple” – confinement without hard labour. Another form is “banishment,” which involves serving in a maximum security prison for periods of seven years to life. In February 1979, Zia ul-Haq issued new laws that punished rape, adultery, and the “carnal knowledge of a virgin” by stoning; first time theft by amputation of the right hand; and consumption of alcohol by eighty lashes. Stoning and amputation, it should be noted, had not been carried out as of early 1994 – at least not outside of the tribal area where tribal custom, rather than the Pakistani penal code, is the law of the land.

Article 45 of the constitution bestows on the President the right to grant a pardon or to remit, suspend, or commute any sentence passed by any court. There are also legal provisions for parole.

In principle, Articles 9 through 13 of the constitution and provisions of the codes guarantee most of the same protections that are found in British and United States law. These rights include, for example, the right to bail and to counsel, the right of habeas corpus, the right of cross-examination, the right of representation, the right of being informed of charges, the right of appeal, and the right of the prevention of double jeopardy.

The code contains copious provisions for punishment of crimes against the state or against public tranquility. These crimes extend to conspiracy against the government, incitement of hatred, contempt or disaffection toward a lawfully constituted authority, unlawful assembly, and public disturbances. Punishments range from terms of imprisonment to life in prison or death.

In most instances, a person apprehended appears before a magistrate or assistant commissioner, who decides on bail; the magistrate may also try less serious cases. Serious cases are tried before the sessions courts, which can award punishments up to death. The provincial high court hears appeals and automatically reviews any conviction involving the death penalty. The highest level of appeal for criminal cases is the federal Supreme Court.

Under the Suppression of Terrorist Activities (Special Courts) Act of 1975, the government established special courts to try cases involving crimes of a “terrorist” nature (for example, murder and sabotage).

In 1987 another ordinance was passed establishing Speedy Trial Courts, which were empowered to hand down a death penalty after a three-day trial in which almost no adjournments were permitted.

The jurisdictional authority of both kinds of courts was amended in 1988, but they have continued to operate. In 1991 the Speedy Trial Courts were given new jurisdictional authority to try particularly heinous crimes under the constitution’s Twelfth Amendment. These courts handle cases that attract widespread public attention, especially those dealing with murder and drug offences and in which the government believes that justice
must be meted out rapidly. Only one appeal is permitted. In 1990 special “accountability” courts were set up to try individuals from Benazir’s first administration who were charged with corruption. In late 1993, Benazir announced that her government would stop referring new cases to the special courts and would allow the constitutional authority for these courts to lapse in 1994.

The court system and the provisions of criminal law do not extend into the tribal areas along the Afghan border. These areas are administered by political agents who work with tribal leaders to maintain law and order according to tribal

In 1999 following the coup by General Pervez Musharraf once again set up “Accountability Courts” throughout country to decide cases under amended National Accountability Bureau Ordinance. These Accountability Courts were established for speedy disposal of cases involving corruption and corrupt practices, misuse, abuse of power, misappropriation of property, kickbacks, commissions and the matters connected and ancillary or incidental thereto. The very purpose of constitution of these Courts is to effectively deal with the corrupt officials and persons and to recover outstanding amounts from those persons who have committed default in the repayment of loans of Banks, financial institutions, Government and other agencies.

The Judges appointed to these courts are taken from normal judicial courts but they were supposed to take a fresh oath of allegiance to the military administration of Pakistan. In a Press Release issued by the US State Department on January 27, 2000 stated that: “The government’s move undermines the integrity and independence of the judiciary. By forcing judges to pledge to uphold the Order—which places Pakistan’s Constitution in abeyance—General Musharraf has removed his actions from judicial review. The military-backed government can now act without facing such review.”

Detainees under the National Accountability Ordinance need not be produced in court within 24 hours, as otherwise required by Pakistan’s Criminal Procedure Code, and bail is prohibited. The ordinance also allows for expedited trials to be conducted within thirty days. Convicted persons are automatically barred from holding political office for twenty-one years.

The Accountability Courts have so far announced judgments in several high profile corruption cases which include Asif Zardari – the spouse of the former Prime Minister Benazir Bhutto in the Steel Mills corruption case, ex-Air Marshal Waqar Azim, Nawab of Kalabagh Malik Asad, former mayor of Faisalabad Chaudhry Sher Ali, Nawaz Khokhar, former Deputy Speaker National Assembly, former MPA Chaudhry Tanvir, Saeed Mehdi, former principal secretary to Nawaz Sharif, former director IB Brigadier (retd) Imtiaz, Shafi Sehwani, former chairman Capital Development Authority Islamabad and others (see below).

**Civil Service**

The civil servant in Pakistan is controlled by the Establishment Division – Chief Executive Secretariat Government of Pakistan. There are two Divisions that deal with the civil servant, these are:

- Establishment Division.
- Pakistan Public Service Commission.

**The Establishment Division**

The Establishment Division comprises the following Departments:

- National Institute of Public Administration.
- Pakistan Administration Staff College Lahore.
- Pakistan Academy of Rural Developments.
The National Institute of Public Administration is one of four in-service training institutions established by Government of Pakistan as a consequence of its decision to expand its mid-management training facilities. The institute programs are designed to familiarize the participants with theory and practice of Management and Public Administration.

The Establishment Division, Government of Pakistan has the overall administrative control of the institution. However for functional convenience, it has created a board of governors comprising representatives of the federal and provincial governments. The Director of the NIPA is the administrative head of institution, and guides the academic programs with the help of faculty members. The Institute started functioning in 1985. Two advanced courses in Public Administration and Development are conducted every year along with one course every year on specialized themes such as Environmental, Urban and Metropolitan Management.

The National Institute of Public Administration is one of four in-service training institutions established by Government of Pakistan as a consequence of its decision to expand its mid-management training facilities.

The Public Service Commission

The Constitution of the Islamic Republic of Pakistan in article 242 relates to the establishment of the Public Services Commission and states that:

- The Parliament in relation to the affairs of the Federation, and the Provincial Assembly in relation to the affairs of the Province, may by law provide for the establishment and constitution of a Public Service Commission.
- The Chairman of the Public Service Commission constituted in relation to the affairs of the Federation shall be appointed by the President in his discretion.
- A Public Service Commission shall perform such functions as may be prescribed by law.

Under the constitution the Federal and Provincial Public Service Commission has been established. It acts independently and impartially, but in the past there have been complaints of partiality with regards to selection of civil servants. All governments seek to influence the civil servant once he has been appointed to his post. The Peoples Party government of Zulfiquar Ali Bhutto was excessively harsh on civil servants who have since been dominated by politicians in successive governments.

The Public Sector: Corruption and Misconduct

There is a crisis of competence in the civil service, linked to low pay. Difficulties in recruiting high quality candidates and low incentives to display skills are exacerbated by the generalist tradition. There is no discernable systematic transition towards functional specialization, as the few individuals selected from the private sector do not reflect a systematic trend, and there is lot of resentment against the pay and perks enjoyed by them. Civil servants collude with Ministers in manipulation of laws. They are mostly inefficient, unsympathetic to public problems, decisions are not taken promptly but only when necessary and where necessary to suit the circumstances. It is said that every civil servant prepares two different files, recommendations and plans in case the Minister is in favour of one or the other. With one government it could be one recommendation while with a successive government the other. Many government departments are filled with “relatives” and ad-hoc appointees of Ministers who have either had to pay for their appointment or promised to “render services” after appointment. Government departments, Corporations and authorities such as the Pakistan International Airlines, the
Karachi Electric Supply Corporations, the Karachi Water and Sewerage Board, the Water and Power Development Authority, Nationalized Banks etc were filled with illegal appointees by various governments in the past. In fact “Golden Handshakes” became a serious and oft repeated process. One such “Golden Handshake” process in the Karachi Water and Sewerage Board removed nearly 4,500 employees.

Furthermore, many civil servants have entered public service for the opportunities available. Lucrative postings, gained via bribes and influence, have been a well trodden route to supplementing poor remuneration. Transfers and postings are a massive source and cause of corruption. Transfers and postings can be made on an arbitrary basis, by one individual’s decision, and bureaucrats exploit the weak systems in place to reward or punish officials. Honest officials use their influence to avoid working in areas prone to corruption and they find themselves transferred when they resist corruption within new postings.

Stakeholders were clear in their unanimous vision of the motivated, meritocratic, performance driven, professional civil service with pride in its job that Pakistan must develop in order to eliminate corruption. Unfortunately, it was equally clear that failure to modernize its public sector management practices over recent years has led to an atrophy of the civil service and corruption is rife. Whilst limited civil service reforms have been started at federal level, and there are isolated initiatives in the Punjab and Sindh, the service needs root and branch reform if corruption is to be eradicated. Another clear conclusion of the consultation with stakeholders was that, not only is the government involved in too many commercial activities but that, even in terms of its non-commercial activities, it is simply too large (see Annex 1), which facilitates corruption.

Senior Officials of the government operate in a political environment. They rely upon the patronage of politicians and/or other influential contacts. They are therefore insulated from the need to demonstrate improved institutional performance. At no level is the Senior Official held responsible for failure. Senior management has become so weakened that they themselves at times are “hostage to” and at the “mercy” of crafty subordinates who manipulate the knowledge” of rules and regulations.

Senior officials of government have become subject to this politicisation for the following reasons:

- The advance of job security is a major reason why senior bureaucrats fall pray to the political and corrupt influences of their ministers. The civil service reforms of 1973 removed constitutional protection given to civil servants, including the arbitrary retirement of officials with 25 years or more service. The 1998 amendment in the Rules of business at least allows senior civil servants to appeal to the Prime Minister on the event of a dispute with a Minister.
- The civil service tradition of generalists filling specialized past has also been identified as a cause for their poor control and general inefficiency.
- In the past there has also been the possibility of limited lateral entry for senior bureaucratic posts, which therefore limits the number of leaders with experience of running performance driven institutions. Senior officials have been brought in from outside. Merit and transparency being neglected, personal interests and cronyism having had a greater role.
- In the absence of clearly defined job specifications, their time is spent on minor matters. In addition the inadequately trained subordinates do not allow them to tackle problems such as inefficiency, mismanagement or corruption.

Examples of Public Officials investigated and prosecuted are many. The total number of civil servants presently under investigation by the NAB for corruption are 552. Civil servants of Grade 20 and above are 112 and those below grade 19 are 440.

Civil servants prosecuted to date are 204. Estimated Direct recoveries is approximately Rupees 93 Billion and indirect recoveries is estimated at about Rupees 67 Billion. Reasons given for the rampant corruption include:
• **Inadequate Recruitment Policies.** Unqualified officials are recruited based on patronage and nepotism this being is a cause of further corruption, when it engenders cronyism.

• **Insufficient Remuneration.** Civil servants are inadequately remunerated but have high levels of discretionary powers. This lies at the heart of corruption which is fount at all levels but more so at the lower and middle levels of government. Unfortunately there is no mechanism for linking public sector pay to inflation. The Pay and Pension Committee of the Finance Division has made only two incremental changes in the Public Sector within the last ten years. Whereas during the last 30 years, the private sector pays have increased from Rs. 4,000.00 to an average of 300,000.00 for the most senior position whereas, understanding that the basic pay of a senior most officer (BPS-22-Secretary) has increased from Rs. 3,000.00 to Rs. 17,000.00 only. Fortunately though, the Senior Public Officer does get sufficient allowance and in-kind benefits but even then this does not allow him to lead the standard of life as might be expected from such an officer. Nor does it provide him the cash to ensure an adequate standard of retirement security. This lack of retirement security is often quoted as a major cause of corruption at senior levels.

• **Transfers and Postings.** Lucrative postings gained by bribes and influence, have been a well-trodden route to supplementing poor remuneration. This is a massive source, and cause of corruption. Transfers and Postings can be made on an arbitrary basis, by a single individuals decision. Bureaucrats exploit this weak system to reward or punish officials.

• **Promotion.** Merit is also lacking in the promotion system. Career progression is not based on professionalism, professional skills, objectives measurement of performance contributions to the institutional set up and performance in various training courses. Although the Federal Public Service Commission examination does tend to support promotional advancement on merit, however the whole system in practice is dependent on the criteria of seniority cum fitness’.

• **Competence and Training.** There is presently a crisis of competence in the Civil Service, which is linked to low salaries. The selection process of the Civil Service is not based on specialization. Unfortunately given the paucity of quality human resource primarily due to the low pay scales in government, initial selection without specifying the field of education is possibly the best option possible. Unfortunately inadequate competence and training sustains corruption.

• **Ethics and Integrity.** The Government Service (Conduct rules of 1964) has failed to develop the high levels of integrity needed to serve the country. Officials regularly breach professional standards and conflict of interest provision and in fact are flagrantly violated. For example the rules of acceptance of gifts, or from approaching a member of the National or Provincial Assembly or Ministers for interesting on his behalf in official matters is generally ignored. Public officials unabashedly approach political mentors for transfers and postings. The present system of disclosure of assets does not operate effectively as a deterrent against enrichment by corrupt means, as there is no effective monitoring or transparent procedures available for such checking. The declaration of Assets of a public officials are not available to anyone and are only opened in the event of a query or investigation into an officials conduct. There is literally no training of public officials in ethics and integrity in the workplace.

• **Organizational and Management Structures.** There exist in most organizations a blame and victimization culture. This creates a breeding ground for corruption. There is poor leadership, low pay, low meritocracy, low morale and lack of accountability in nearly all organizations of the government. As they owe their appointment to patronage they therefore, also have to serve
their masters and seek to enrich them and themselves. Power and authority tends to be retained at high levels, with minimal delegation of responsibility but maximum transfer of nominal accountability down the management line.

- **Accountability Mechanisms.** There are no modern management accountability techniques. There are no output oriented job descriptions linked to institutions outputs. The performance evaluation system does not operate effectively thus the process is largely subjective. The whole system is presently non-transparent as it is kept confidential. Personal relationships get in the way of objective assessment. Annual Personal Reports are usually not written in time. Low levels of transparency makes it difficult for officials to hold each other accountable. There is no forum at which senior officials and Ministries are required to report publicly on the performance of their institutions.

- **Internal Controls.** As internal controls have not been a priority of governments, corruption has become a high gain/low risk phenomenon. There is no formal risk assessment or strategies to tackle the problem. Senior officials tend to deal with corruption on a reactive rather than on a proactive basic. There is no monitoring or reporting mechanism available to inform senior officials about corruption in their jurisdiction. There are internal audits in government organizations but monitoring of the same by the Auditor General has been lax in the past.

- **Detection and Discipline.** There is no recourse for employees of Public Sector Organizations to “Whistle Blow” about corruption in their institutions or complain to anyone about pressures exerted on them usually by their superiors. There is no protection for whistle blowers. The present position is governed by the "Efficiency and Disciplinary Rules 1973" and the "Removal from Service Special Powers Ordinance 2000" under which the service of more than 2,500 federal employees were terminated. Officials lack competence in how to process disciplinary proceedings. There are no safeguards against enquiry officials being pressured or extorting bribes to influence the outcome of the enquiry or hearing and as the evidence brought against the employee must be proved "beyond a reasonable doubt". This in most cases makes it extremely difficult to find an employee guilty.

**Public Sector Financial Management**

As part of the previous military governments reform in the public sector has been the World Banks Country Financial Accountability Assessment (CFAA) study. However, the reforms suggested in it have yet to be implemented by the four provincial governments of the country. There are number of basic weakness in the accounting and reporting system of our country, including the lack of an automated, integrated financial management system. Many of the weakness may be addressed by the government’s "Project to Improve Financial Reporting and Auditing" (PIFRA). The World Bank has also proposed a new 5-year project for Pakistan, called the "Project for Strengthening Accountability and Reporting" (PSTAR). If approved this project may remove many of the weakness in the present financial system.

**Public Service Delivery**

The government’s customers are forced to withstand a relentless tide of petty corruption when they access government services, whether it is health, education, police or utilities. Unfortunately they will continue to pay bribes unless the existing complex laws, rules and procedures are changed.

Processes are complex and tend to support the needs of the department rather than the public. Forms are multiple, complex and confusing. Records tend to be maintained manually in an antiquated and non-transparent manner. The lack of standardization provides opportunities for discretion. Indeed by design or by default, discretionary powers are the norm, without proper guidance or supervision over the exercising of those powers.
Customer facilities tend to be deficient, so that customers are motivated to pay in order to escape the discomfort. Corrupt officials are able to extort bribes from the public just to find a “speedy route”.

Government is able to maintain the abuse of power by running its business in a highly non-transparent and dis-empowering manner. Minimal information is provided to the public on how to access government services, about rules, procedures, about their rights, officials responsibilities and how they may complain or seek redress. Some departments are now putting such information on their websites following the promulgation of the “Access to Information Ordinance of 2002”.

This attitude to transparency also reflects the fact that government is unused to treating the public as its customers who have a basic right to information. This attitude is deep rooted in the history of the civil service. There are no mechanisms to allow customers to hold institutions directly accountable. There are no routes for public participation in the monitoring of governments service delivery.

A citizens right to complaint is one area where government responsiveness to its customers is particularly weak, due to which the activities of corrupt officials often go unchecked.

**Ethics and Management**

The existing ethics management system established within the civil service has failed in achieving high levels of integrity. The Government Servants (Conduct) Rules 1964, which cover some ground, are not only inadequate but also little known and understood and scarcely complied with and enforced. Officials regularly breach professional standards and conflict of interest provisions. A number of provisions are now flagrantly violated e.g. the rules on acceptance of gifts are generally ignored. The most flagrant violation has been of Rule 19 that prevents a government servant from approaching a member of the Assembly for intervening on his behalf in any official matter. Hordes of public servants have been approaching political mentors for transfers and postings. One further key area of conflict of interest is in the professionals’ delivery of services in their field. Numerous examples were provided by stakeholders, of doctors and teachers deliberately providing poor services so that clients buy their private clinic and tutorial services.

**Conflict of Interest**

The regulations governing civil servants are as follows:

- No civil servant shall, except with the previous sanction of the government take part in the promotion, Registration or management of any bank or company other than a Cooperative Society registered under the Co-operative Societies Act 1912.
- No civil servant shall, except with the previous sanction of the government engage in any trade or any employment or work other than his official duties other than undertaking honorary work of a religious, social or charitable nature or work of a literary artistic character.
- No civil servant shall associate himself with any private trust, Foundation or similar institution which is not sponsored by the government.
- No civil servant shall own wholly or in part, or conduct or participate in the editing or management of, any newspaper or periodical publication.

**Declaration of Gifts**

There is no specific rule that govern gifts given to Ministers but the Civil Establishment Code does have the following to say about gifts etc to civil servants and would morally be applicable to Ministers and members of parliament:

- No government servant shall except with the previous sanction of the government accept or permit any member of his family to accept from any
person, or head or representative of a state, or from diplomats, Consular or other foreign government representatives or their employees who are stationed in Pakistan any gift the receipt of which will place him under any form of obligation to the donor. If, however, a gift cannot be refused, the same may under intimation to the cabinet Division, be kept for official use in the department or organization in which he is working.

- If a gift is offered by the head or representative of a foreign state, the government servant should attempt to avoid the acceptance of such a gift, if he can do so without giving offence. If however, he cannot do so, he shall accept the gift and report its receipt to the Cabinet division for its disposal.
- The responsibility of reporting the receipt of a gift devolves on the individual recipient.
- No government servant shall except with the approval of the President accept a foreign award, title or decoration.

**Declaration of Property and Assets**

Finally the Code states that:

- Every government servant shall, at the time of entering Government service, make a declaration to the government of all movable and immovable properties, including shares, certificates, securities, insurance policies and jewellery and his liquid assets having a total value of Rupees Twenty Thousand or more belonging to or held by him or a member of his family.
- Every government officer shall submit to the government an Annual return of assets in the month of December showing any increase or decrease of property as shown in his last declaration or annual return.

As an example of the nature of civil service activity and the potential for corruption, the governments regulatory and tax collection functions is one area of service delivery which, right from the country’s independence and even more so due to its colonial past which necessitated such a control, has been designed in a manner that has allowed the state to be intrusive and thus able to extort rents particularly from businessmen.

The bulk of the more directly intrusive regulation lies with provincial and local governments. These have been identified as taxation, labour, health and environmental controls. Areas of regulation, where state functionaries visit business premises include minimum wage inspection, weights and measures, boiler inspection etc.

Businesses are required to pay at every juncture and for every facility that it uses, such as power, water etc. There is definitely some degree of collusion but in many cases it is simple extortion. In fact it seems at times, that most government procedures are engineered so as to provide opportunities for rent seeking.

The Ministry of Finance government of Sindh in a study carried out in 2000-2001 revealed that an average manufacturing concern was visited by twenty-seven officials from various government departments. A similar study was carried out in 2000 by the Board of Investment on the difficulties facing the business community in dealing with the government departments A World Bank study of 200 firms in 1995 showed similar findings. The powers of these officials lie in their excessive discretionary powers in the context of loosely defined complicated laws and procedures.

There is a general consensus that the regulatory system, while allowing corruption to flourish, has hardly improved the economy, the industrial standards or labour conditions. It is clear that failure to modernize its public sector management practices is the cause of rampant corruption within the government. Most institutions have functions, which are redundant, and exist only to serve corrupt purpose, i.e. allows for rent seeking. The government of Sindh has admitted that the Department of Weights and Measures existed for precisely this purpose and was subsequently disbanded.
Many of the grand corruptions of the past have been through the connivance of Ministers and senior officials. Details of these have already been given in cases investigated and prosecuted by the National Accountability Bureau. Abuses of power have come in every conceivable form, but mainly achieved through the discretionary powers available to the senior officials and politicians. Examples include the discretionary quotas of the Chief Executives of the provinces and even the Prime Ministers for admission to professional colleges, the discretionary funds given to them and most of all in the allotment of plots of land. It has been the practice in the past for Chief Ministers of the four provinces in connivance with the Development Authorities such as the Karachi Development Authority (KDA) the Lahore Development Authority (LDA) and the Capital Development Authority (CDA) etc to allot expensive and choice plots of land to builders and developers at throwaway prices. Even though there are Building Codes and Rules, but these are flaunted with impunity. In Karachi alone there are more than 200 High Rise buildings constructed on illegally obtained plots of land.

The National Accountability Ordinance 1999 is specific with relation to the offences (detailed above) that a civil servant cannot commit and to which he will be held accountable. It states that a holder of a public office (or any other person) is said to commit or to have committed the offence of corruption and corrupt practices (among other things):

- If he accept or obtains from any person (or offers any) gratification directly or indirectly other than legal remuneration, as a motive of award as specified in section 161 of the Pakistan Penal Code 1860.
- If he accepts obtains or offers any valuable thing without consideration which he known to be inadequate.
- If he dishonestly or fraudulently misappropriates or otherwise converts to his own use or for the use of any other person any property entrusted to him.
- If he by corrupt, dishonest, or illegal means obtains or seeks to obtain for himself or for his spouse and/or dependents or any other person any property, valuable thing or pecuniary advantage.
- If he or any of his dependent ions, possesses or has any right or title in movable or immovable property or pecuniary resources disproportionate to his known sources of income, which he cannot reasonably account for.
- If he misuses his authority so as to gain any benefit or favour for himself or any other person.
- If he commits the offence of cheating as defined in section 415 of the Pakistan Penal Code.

The civil servants Disciplinary Rules 1973 lays down the following for grounds of penalties: Where a Government servant, in the opinion of the authority:

- Is inefficient or has ceased to be efficient; or
- Is guilty of misconduct; or
- Is corrupt, or may reasonably be considered corrupt because:
  - He is, or any of his dependents or any other person through him or on his behalf is, in possession (for which he cannot reasonably account) of pecuniary resources or of property disproportionate to his known sources of income; or
  - He has assumed a style of living beyond his ostensible means; or
  - He has persistent reputation of being corrupt; or
- Is engaged , or is reasonably suspected of being engaged, in subversive activities, or is reasonably suspected of being associated with others engaged in subversive activities or is guilty of disclosure of official secrets to any
unauthorized person and his retention in service is, therefore, prejudicial to national security, the authority may impose on him one or more penalties.
The following are the minor and major penalties, namely:

- Minor Penalties, censure:
  - Withholding, for a specific period, promotion or increment, otherwise than for unfitness for promotion or financial advancement in accordance with the rules or orders pertaining to the service or post;
  - Stoppage, for a specific period, at an efficiency bar in the time scale, otherwise than for unfitness to cross such bar;
  - Recovery from pay of the whole or any part of any pecuniary loss cause to Government by negligence or breach of orders;

- Major Penalties:
  - Reduction to a lower post or time-scale, or to a lower stage in a time scale;
  - Compulsory retirement;
  - Removal from service; and
  - Dismissal from service.

Removal from service does not, but dismissal from service does, disqualify for future employment. In this rule removal or dismissal from service does not include the discharge of a person:

- Appointed on probation, during the period of probation, or in accordance with the probation or training rules applicable to him, or
- Appointed, otherwise than under a contract, to hold a temporary appointment, on the expiration of the period of appointment, or
- Engaged under a contract in accordance with the terms of the contract.

The previous Military Government was quite serious in forming policies and procedures to the quality and integrity of the Civil Service. The first step taken was appointing honest, knowledgeable and dedicated Ministers. This definitely helped improve the image of the Ministry but in turn helped improve the image of the civil servant. The transparency in decisions also helped this image. Corruption at the senior levels had definitely shown a marked decrease.

The Parastatals and the Public Sector: Growth, Privatisation and Reform

Pakistan has a history of pervasive government and government involvement in commercial activity. Ultimately, following the election of 1970, the Government of Zulifiqar Ali Bhutto decided on a course of nationalization. Irrespective of the type of government, this continues.

The Executive constitutes the largest single provider of employment, resulting in massive abuse of powers and unchecked criminality. It is the cause of most, if not all corruption. It vies with the Judiciary in its claim as being most corrupt.

The direct effect of the governments involvement in commercial activity is that it exercises monopolistic powers through its public sector corporations and agencies especially, as it is shielded from proper oversight and private sector influences of good and efficient management. During that particular government there had been a nationalization of nearly all private sector institutions including included health, education, banking, major industries such as steel, cement, sugar, fertilizers and nearly all manufacturing of heavy machinery. Unfortunately even after the overthrow of the Bhutto Government successive governments have been unable to once again privatise them, solely because they had within a few years were no longer revenue earners and were regularly incurring heavy losses requiring government backing and subsidies to shore them up.
Corruption in the nationalized organizations extended to recruitment in personnel, in procurement etc. These nationalized organizations from their very inception were intended to be providers of employment. Massive political involvement in induction of labour produced an unsustainable large workforce that was highly politicised and unprofessional. Trade Union leaders ran these organizations unscrupulously and basically for financial profit and political influence. This extended to nearly all Public Agencies and Corporations such as the Karachi Electric Supply Corporation, the Karachi Water and Sewerage Board, the Karachi Metropolitan Corporation, the Karachi Development Authority and the Pakistan International Airlines to name a few.

The early 1990s saw an accelerated effort in privatisation of loss-ridden organizations, where 109 industrial units and four nationalized banks were identified for privatisation. Soon however even the integrity of the privatisation process was challenged as it was being used for private gain. One of the cases instituted in 1996 by the Nawaz Sheriff Government was against Naveed Qamar – Chairman Privatisation Commission for his alleged involvement in corrupt practices while serving as chairman of Privatisation Commission during the Benazir Bhutto government. He was jailed for his involvement in the alleged corrupt deals and for being the cause of Rs Ten Billion to the Government.

Khawaja Asif the Chief of Privatisation during the second term of Nawaz Sharif government (1996-99) had managed to extricate himself out of the clutches of the government in spite of corrupt practices in privatisation during his tenure as Chairman of the Privatisation Commission. In 1996 the first Chairman of Privatisation Commission Lt. Gen. Saeed Qadir had also been found guilty of corrupt practices in privatisation deals. The Privatisation has been consistently criticized for lack of transparency, inconsistent bid evaluation procedures and favoritism.

**Police and Prosecutors**

**Police**

The Military government of President General Pervez Musharraf issued the Police Order of 2002, which defined the Federal Law Enforcement Agencies as including:

- The Pakistan Railways Police established under the Act of 1977.
- The Police Anti-Narcotics Force.
- The Pakistan Motorway and Highway Police.
- The Airport Security Force established under the Act of 1975.
- The Pakistan Special Police established issuance of Ordinance 1948.

The Police Order of 2002 is comprehensive and has to a great extent repealed by Order the Police Act of 1861. The attitude and responsibilities of the Police has been generalized as follows; where the duty of every police officer will be to:

- Behave with the members of the public with due decorum and courtesy.
- Promote unity.
- Guide and assist members of the public particularly the poor, disabled or physically incapacitated and children who are either lost or find themselves helpless on the streets or other public places.
- Aid individuals who are in danger of physical harm particularly women and children.

In addition to the responsibilities it also defines clearly the duties assigned to police, which include the following:

- To protect life, property and liberty of citizens.
• To ensure that the rights and privileges under the law of a person taken in custody, are protected.
• Keep order and prevent obstruction on public roads and in the public streets and thoroughfares – and in the neighbourhood and at places of worship.
• Assist in preventing members of public from exploitation by any person or organized group.

The reason that the above responsibilities and duties have been mentioned is not that this is not found in Police Acts of other countries or that this is not known to a common citizen. It is that these very duties and responsibilities are actually used as a means of accumulating wealth through accepting bribery, practicing extortion and colluding with mafias and groups to harass Citizens. It is as if the Police Order lays out for the police ways and means of how one can benefit financially by enforcing the duties outlined above.

The Police are known to threaten life and torture if necessary to extort money from any hapless person who ventures into a police station for a legitimate complaint. It colludes with vendors, groups and mafias in encroachment of public places, roads and streets taking bribes for protection and security of the encroachers. The poor victim taken into custody is not always legitimate, in case of a theft or even a traffic accident, the first ones to pay for this is the servants, employees and the driver of the accident. They are incarcerated, beaten up at most times and let loose only after palms have been greased. Only then do they proceed to look for the culprit, he is now a much bigger fish and a continuous “provider”. The traffic police seldom carry out its responsibilities or duties except when money is “needed” Then they are seen for stopping hapless motorcyclists, public vehicles trucks and tankers, penalized on the spot, fines being “unaccounted for” and not reaching the coffers of the government. The fines usually pocketed by the police. This “check” is most times carried out in the late hours of the night.

It is hoped that the reorganization outlined by the new Police Order of 2002 and the “Police Complaints department” will improve the functions of the police and provide relief to the citizens. One of the first steps taken in the reorganization is that the police force has now been separated into various branches, divisions, bureaus and sections. On paper it is supposed to help improve the efficiency but that is left to be seen. This break-up into various divisions, sections etc. in fact may lead to more corruption and less efficiency due to non-co-operation or a lack of coordination.

The Public Safety Commissions

The Police Order of 2002 has also outlined a format of setting up district Public Safety Commissions (PSC) and shall include members elected to local governments.

The functions of the PSC are:
• To approve an annual Local Policing Plan setting out arrangements for policing during the year, giving performance targets for the year and their delivery mechanisms.
• Is to evaluate the delivery of performance targets contained in the Policing Plans.
• Encourage public-police participation.
• To check the possibility of collusion between the Police and the Local Government Head (the Mayor).
• To checks Police Stations in case of unjustifiably refusing or avoiding Registering “First Information Reports” (FIR) of the public under section 154 of the code.
• To investigate reports on excesses by police officers.
• To enquire into complaints of neglect against police officers.
These Public Safety Commissions shall be set up (to date they have not been finalized) within the Federal and Provincial Government and the District and Town Local Governments. There shall also be set up a National Public Safety Commission.

The Federal and Provincial Police Complaints Authority

The Police Order 2002 has also set out the format for the establishment of Federal and Provincial Police Complaints Authority for enquiring into serious complaints against the members of Federal Law Enforcement Agencies.

The functions of these authorities shall include among its other duties:

- To receive from the Public Safety Commission or from an aggrieved person in writing or an affidavit complaint of neglect, excess or misconduct against any Police Officer or any member of a Law Enforcement Agency.
- To receive from the Public Safety Commissions or any Police Officer or head of a Law Enforcement Agency any report of death, rape or serious injury to any person in police custody and take steps to pressure evidence relating to such incident.
- Following action taken, to inform the complainant of the outcome of the enquiry in writing as soon as possible.
- To recommend disciplinary action against an enquiry officer in case of wilful neglect or mishandling of an enquiry.

The Criminal Justice Coordination Committee

The Police Order of 2002 has set out the format of a Criminal Justice Coordination Committee in each district of Pakistan.

The function of this committee among its other duties shall:

- Keep under review the operation of the criminal justice system and work towards the improvement of the system as a whole.
- Formulate and coordinate priorities and plans to give effect to locally agreed policies.
- Promote the spread of good practices.

Code of Conduct

Another important role of the Federal or Provincial Police Officers is to issue a Code of Conduct to regulate police practices in respect of and among other things:

- Statutory powers of stop and search.
- The searching of premises by police officers and the seizure of property found by police officers on persons or premises.
- The detention, treatment and questioning of persons by police officers.
- The identification of persons by police officers subject to rules, a police officer contravening the Code of Conduct may be awarded one or more punishments.

The National Police Management Board

The Police Order 2002 also sets out a format for the establishment of a National Police Management Board, the functions of which include among other duties.

- To advise the Federal and Provincial Governments on matters concerning general planning, development and standardization of administration, education and training, gender sensitisation, communication, criminal identification facilities, criminal statistics and equipment of police and other law enforcement agencies.
• Identify and arrange research in the areas of criminology, terrorism, sectarian and ethnic violence, drug trafficking, organized crime, inter-provincial crime, crime having international dimension etc.

• Recommend to the Federal and Provincial Governments standards of recruitment, appointment, promotions, transfers, tenure and discipline etc.

In addition to the above reforms it intends to established “Citizens Police Liaison Committees” as voluntary, self-financed and autonomies bodies, in consultation with the National and Provincial Public Safety Commission specifically for:

• Training and capacity building of Public Safety Commission.

• Developing mechanism for liaison between aggrieved citizens and the police for providing relief.

• Giving assistance to the Public Safety Commission, the Police Complaints Authority and the Police for the expeditious and judicious discharge of their duties.

Attorney-General

Federal Government

The Attorney General of Pakistan is appointed by the President under Article 100 of the Constitution, which states:

• The President shall appoint a person, being a person qualified to be appointed a Judge of the Supreme Court, to be the Attorney-General for Pakistan.

• The Attorney-General shall hold office during the pleasure of the President.

• It shall be the duty of the Attorney-General to give advice to the Federal Government upon such legal matters, and to perform such other duties of a legal character, as may be referred or assigned to him by the Federal Government, and in the performance of his duties he shall have the right of audience in all courts and tribunals in Pakistan.

• The Attorney-General may, by writing under his hand addressed to the President, resign his office.

The Attorney-General’s Office is based in 10 cities and towns of Pakistan.

Provincial Government

• The Governor of each Province shall appoint a person, being a person qualified to be appointed a Judge of the High Court, to be the Advocate-General for the Province.

• It shall be the duty of the Advocate-General to give advice to the Provincial Government upon such legal matters, and to perform such other duties of a legal character, as may be referred or assigned to him by the Provincial Government.

• The Advocate-General shall hold office during the pleasure of the Governor.

• The Advocate-General may, by writing under his hand addressed to the Governor, resign his office.

Public Procurement

One of the causes of this “grand corruption” within our public sector is the various public organizations that carries out works of procurement of goods and services under procurement procedures put out by their own organizations.
The various government organizations that have their own procedures for award of Contracts:

- The Military Engineering Services (MES).
- The Pakistan Public Works Department (PWD).
- Individual Federal and Provincial Ministries and Government Departments.
- The Planning Commission, which is the authority on allocation of funding for government procurement has its own standard procurement procedures.
- The Pakistan Engineering Council has developed Standard Procedures for Procurement for Contractors, Consultants and Purchase of materials and goods, which are under its ordinance to be applicable to all Federal and Provincial governments, corporations, authorities and agencies.
- The International Donors such as the World Bank, the Asian Development Bank also have their own Guidelines and Standard Procedures for Procurement which to a great extent has to be followed by the borrower agencies within the Federal and Provincial governments.

Unfortunately there are very few Government Agencies and procurement departments which follow either the Planning Commission or the Pakistan Engineering Councils Procedures. As a matter of formality a number of corrupt agencies including the Water and Power Development Authority (WAPDA) in its announcements requires registration with PEC and says that it will follow procedures laid down by the PEC for pre-qualification, short listing and award, but to date these guidelines seldom are. The National Highway Authority is another such organization whose procurement procedures have come under criticism but little is done about it; they continue to negotiate and let out contracts at their own discretion. One can commend the Karachi Port Trust as one of those organizations, which to all intents and purpose adheres to the PEC procedures to a great extent.

**The Public Procurement Regulatory Authority (PPRA)**

In the World Bank’s Country Procurement Assessment Report (CPAR) of 1997, it was recommended that a Regulatory Authority should be established under the title of the Public Procurement Regulatory Authority. In April of 2002 following a Mission of Transparency International to Pakistan at the invitation of the World Bank and the Ministry of Finance, a recommendation was made by the TI Mission to establish the PPRA. This was then taken up seriously by the Ministry which then pursued the establishment of the same which had been under consideration for nearly 5 years.

In June 2002, the PPRA was promulgated by the President for regulating procurement of goods, services and works in the public sector and for matters connected therewith or ancillary thereto; and extended to the whole of Pakistan.

The PPRA, which comprises the Secretary, Finance Division (chair), and the Secretaries of Ministry of Industries &Production, Defence Production Division, Ministry of Water and Power, Ministry of Housing and Works Ministry of Communications and three Members from private sector nominated by the Federal Government, can take such measures and exercise such powers as may be necessary for improving governance, management, transparency, accountability and quality of public procurement of goods, services and works in the public sector. It may:

- Monitor application of the laws, rules, regulations, policies and procedures in respect of, or relating to, procurement;
- Monitor the implementation of and evaluate laws, rules, regulations, policies and procedures in respect of, or relating to, inspection or quality of goods, services and works and recommend reformulation thereof or revisions therein as it deems necessary;
- Recommend to the Federal Government revisions in or formulation of new laws, rules and policies in respect of or related to public procurement;
• Make regulations and lay down codes of ethics and procedures for public procurement, inspection or quality of goods, services and works;
• Monitor public procurement practices and make recommendations to improve governance, transparency, accountability and quality of public procurement;
• Monitor overall performance of procuring agencies and make recommendations for improvements in their institutional set up;
• Provide and coordinate assistance to procuring agencies for developing and improving their institutional framework and public procurement activities;
• Submit reports to the Government in respect of public procurement activities of procuring agencies;
• Call any functionary of procuring agencies to provide assistance in its functions and call for any information from such agencies in pursuance of its objectives and functions; and
• perform any other function assigned to it by the Federal Government or that is incidental or consequential to any of the aforesaid functions.

Procurement and Contracting
There is large-scale corruption both in government-funded projects both in development and through procurement and contracting. The worst offenders have been the public sector corporations, particularly those in the power/utilities, infrastructure and public works. Various estimates in recent years have put the value of kickbacks in the awards of public works at approximately 25%. Examples of the same have been given where the National Accountability Bureau has taken action in nearly 550 cases.

A famous case investigated by the NAB involving retired Admiral Mansour-ul-Haq, who negotiated a surrender of US Dollars 7.5 million to the government after he acknowledged that he had accepted as commissions and kickbacks in various defence deals. He was forthwith stripped off his rank and was revoked his post retirement service privileges on account of his conduct unbecoming an officer and a gentleman; he was prematurely retired from service on 29 April 1997. The former admiral was arrested by US authorities on 17 April 2001.

The Integrity Pact
A very important part of the recommendations of the National Anti-Corruption Strategy (NACS) and now approved by the President of Pakistan is the incorporation of the TI “Integrity Pacts” in all Contracts for goods and services where the estimated cost of the project is over Rupees 5 million for consultancy and over Rupees 50 million for Construction Contracts.

This has been a major breakthrough in the efforts of TI-Pakistan whereby all major contracts will not only provide for the “Integrity Pact” but also include all other recommendations, which have been put out in the NACS Document. These recommendations were approved through a resolution of over 50 stakeholders at a workshop organized by NAB in preparation of the NACS.

Development Procurement
In the past 50 or more years Pakistan has borrowed nearly US $40 billion from international Funding Agencies, such as the World Bank and Asian Development Banks etc. A cursory investigation of our existing development clearly indicates that we have nothing to show for these excessive borrowings. This does not to include the many hundreds of millions of Dollars given to Pakistan in grants by International Donor Agencies, nor the Billions of rupees provided for development purposes by the Government of Pakistan itself. This has been a source of massive corruption. Large segments of the population remains deprived of basic necessities such as health care, education, roads or electricity. Since the
1980s Foreign Aid has mostly been used to pay off foreign debt as a contingency for balance of payment. Very few development projects have been completed. Funds have instead been used to buy political loyalties and to reward the ruling party parliamentarians.

Ombudsman

The office of the Ombudsman (Wafaqi Mohtasib) was established through an Order of the President in 1983. This Order has now been repealed by the Establishment of the Office of Wafaqi Mohtasib (Ombudsman) (Amendment) Ordinance, 2002. The office of Federal Ombudsman was created to deal with maladministration and corruption. The Ombudsman is appointed for a term of 5 years by the President and his/her role is to diagnose, investigate, redress and rectify any injustice done to a person through maladministration.

Either the President, the National Assembly or the Ombudsman himself has the right to initiate an inquiry into a matter. The office was initially set up at federal level with regional offices at Lahore, Karachi, Peshawar and Quetta. It does not have jurisdiction to take up complaints against the Defence Division, Defence Production Division, land, sea and air forces and any other department, section, authority or organization which directly or indirectly deals with the defence establishment.

The role of the Ombudsman is to check maladministration in the public sector organizations in order to provide relief and to redress public complaints. The Ombudsman is presently functioning in both the Federal and Provincial Capitals, and is also being formed at the District levels in accordance with the Devolution Plan initiated by the military government in August 2001.

The term “maladministration” has been defined in the law governing the office of Mohtasib, to cover a very wide spectrum, encompassing every conceivable form of administrative practice. It includes a decision, process, recommendation, an act of omission or commission, which:

- Is contrary to law, rules or regulations or is a departure from established practice or procedure;
- Is perverse, arbitrary or unreasonable, unjust, biased, oppressive or discriminatory or is based on irrelevant grounds: or I involves the exercise of powers, or the failure, or refusal to do so, for corrupt or improper motives.

It also includes neglect, inattention, delay, incompetence, inefficiency, ineptitude in the administration, or in the discharge of duties and responsibilities. The term “Agency” has been defined as a Ministry, Division, Department, commission, or Office of the Federal Government, or a Statutory corporation, or any other institution established or controlled by the Federal Government. Not included in this term are the Supreme Court, the Supreme Judicial Council, the Federal Shariat Court or a High Court. Currently, the number of Agencies falling within the Ombudsman’s functional ambit is 300. The Mohtasib’s jurisdiction is excluded from matters which are sub-judice in courts, relate to the foreign affairs of Pakistan, or connected with the defence of Pakistan or with the laws governing the Army, Navy and Air Force, or are concerned with the personal grievance or service matters of a public servant or functionary. Anonymous or pseudonymous complaints also cannot be entertained by him under the law.

Powers

If the Mohtasib finds an element of maladministration in a matter, he can, after investigating the matter, ask the Agency concerned to consider the matter further, to modify or cancel its decision, to take disciplinary action against any public servant, to dispose of the cases within a specified time, or to improve the working of the Agency, or to take any other specified steps. Failure on the part of an Agency to comply with the Ombudsman’s recommendation is treated as “Defiance of Recommendations” which may lead to reference of the matter to the President of Pakistan, who, at his discretion, may direct the Agency to implement the recommendations. The Mohtasib is empowered to
award compensation to an aggrieved person for any loss or damage suffered by that person on account of maladministration. But if the complaint is found to be false, or frivolous, he can also award compensation to the Agency or the functionary against whom the complaint was made. The Mohtasib has the same powers as a civil court under the Civil Procedure Code for summoning and enforcing the attendance of any person, compelling production of documents and receiving evidence on affidavits. He has also powers identical to that of the Supreme Court of Pakistan to punish any person for contempt.

The most significant feature of the Ombudsman’s powers is that where the superior courts cannot take notice of orders of administrators which are in conformity with the law and rules - whosoever oppressive or unjust or arbitrary they may otherwise be - the Ombudsman can go into their equity aspect without any inhibition and recommend their withdrawal or modification if he so finds. Similarly, where the law or rules empower an authority to exercise his discretion in deciding matter, no court can question that discretion except the Ombudsman who, if he is satisfied that the discretion has not been exercised judiciously, may upset the decision or have it amended in the manner he sees fit. This gives him extensive leverage to do good and to undo injustice and arbitrariness arising out of orders lawfully made.

To summarize the Ombudsman has the following powers to:

- Summon and enforce the attendance of any person and to examine him under oath.
- Compel the production of documents.
- Issue commission for the examining of witnesses.
- Require any person to furnish relevant information.
- Take disciplinary action against persons who disregard the orders of the ombudsman.
- Refer to relevant authorities for disciplinary action in case the public servant or other functionary acts in a manner warranting criminal or disciplinary proceedings.
- Enter and search any premises.
- Punish for contempt.
- Delegate his powers.
- Award costs, compensation, and refund or recover arrears, etc.

The functions, jurisdiction and powers of the Ombudsman includes among other things that the Ombudsman may on a complaint by an aggrieved person undertake any investigation into any allegation of maladministration or the part of any agency or any of its officers or employees, but:

- No anonymous complaints shall be entertained.
- A complaint shall be made not later than three months from the day on which the person aggrieved first had the notice of the matter alleged in the complaint.
- Every investigation shall be conducted in private.
- A person shall be entitled to appear in person.
- For the purpose of an investigation, the ombudsman may order any officer or a member of the agency concerned to furnish any information or to produce any document which is in the opinion of the ombudsman relevant and helpful in the conduct of the investigation, and there shall be no obligation to maintain secrecy in respect of disclosure of any information or document for the purpose of such investigation.
Performance

Since the inception of this office on 8th August, 1983 up to 31st December, 1993 the number of complaints dealt with were 4,01,897. Out of these 66 per cent were the matters relating to Federal Agencies and remaining 34 per cent were the provincial matters and they were not in purview of the Ombudsman.

The office of the Ombudsman has been in the past and in recent years one of the most successful instruments of the government in serving the people. It is understood that a very high percentage of its decisions have gone against the government agencies and public officials. During the year 2002, the Wafaqi Mohtasib Secretariat has received 31,613 complaints against 37 government ministries and departments. The Ombudsman has filed a record number of complaints against WAPDA, PTCL and banks. Out of 31,613 complaints, 20,977 were accepted for hearing with 13,567 redressed and 4477 rejected.

One complaint made by the Wafaqi Mohtasib to the President was that the bureaucrats are taking decision on their “biased and discriminatory” approach, adding that within five years about 60,000 complainants approached the Ombudsman to seek justice on these two grounds. Another complaint was that the cases of favouritism are also on the rise, in addition to administration excesses, delay etc.

In 2002 the ombudsman office received 15,257 against WAPDA of which 13,167 complaints were admitted for investigation, followed by PTCL 1957, banks 714, SNGPL-SSGPL 1394, Estate Office 185, Allama Iqbal Open University 415 and SLIC 401.

PTCL was accused of excessive, wrong, and inflated billing, delay in providing connections to consumers, and disconnections of phones. Similar complaints were received against the Sui gas companies.

It is understood that arbitrary decisions and corrupt motives had led to increase in complaints against the ministries and division. An analysis indicates that during the first seven years of Ombudsman office, majority of the complaints belonged to delay and inattention but thereafter maximum complaints are against delay and biased or discrimination.

The figures in 2002 show that maximum complaints are still against delay, followed by unjust and biased decisions by the government authorities and that this figure has been constantly rising since 1994 (there were 3267 complaints against this cause in 1994, 3872 in 1997, 6269 in 1998, 7171 in 1999, 15560 in 2000, 13886 in 2001 and 13045 in 2002). In 2002, the complaints were received against the following ministries and divisions:

- Cabinet Division 20, Commerce Division 537, Communication Division 724, minorities, culture, sports and tourism 30, Defence Division 436, Defence Production Division 5, Economic Affairs Division 3, Education Division 703, Election Commission of Pakistan 28, environment, local government and rural development 22, Establishment Division 92, Finance Division 2607, Food and Agriculture and Livestock 46, Foreign Affairs Division 25, Health Division 125, Housing and Works 384, Industries and Production Division 146, Information and Media Development 45, Information Technology and Telecom 2742, Interior Division 846, Kashmir Affairs, Northern Areas 56, Labour Manpower and Overseas Pakistanis 200, Law and Justice Division 11, Petroleum and Natural Resources 1792, Planning and Development Division 1, Population Welfare Division 20, Railways Division 650, Religious Affairs, Zakat 258, Scientific and Technological Research Division 30, Statistic Division 5, Water and Power Division 9, Prime Minister/Chief Executive Secretariat 26, President Secretariat 0, Senate and National Assembly 0, Non federal and provincial/private 3707.

Out of total workload of 40,263 for investigation and disposal, including the backlog of previous year, 18044 cases were fully finalized so that findings were made and issued in all these cases. At the end of 2002, 22,219 cases could not be finally disposed off. This delay is not unusual as 4149 cases were received and admitted in the last quarter of the year.

The report stated that over the past four years, a steady decrease is observed in the admitted numbers of cases largely because of the setting up of provincial ombudsman...
National Integrity Systems 2003

offices. In 1999, 28,653 complaints were admitted for investigation while in the year 2000, 2001, 2002 this figures declined to 26942, 22851 and 20977 respectively. Similarly, there has also been a decrease in the number of cases disposed of i.e. from 23721 in 1999, the number has steadily come down to 22743, 19557 and 18044 in 2000, 2001 and 2002 respectively.

Achievements

Apart from the pains taken to investigate and redress complaints, the Ombudsman’s Secretariat makes it a point to acknowledge each and every complaint, and to inform those members of the public whose complaints cannot be legally entertained. In any case, each and every complaint has to be read and examined from all points of view even if it has to be rejected at the very outset for any of the prescribed reasons. Only the Mohtasib can dismiss or reject a complaint, even in limine, and only he can pass the final orders on it after investigation.

Justice

An important aspect of the Office of Mohtasib, in addition to dealing with individual complaints, is to initiate studies and research regarding maladministration in Agencies having extensive dealing with the public, so that systems and procedures can be improved for the benefit of the people dealing with these Agencies. So far, seven in-depth studies have been conducted in Departments/Corporations of vital concern to the general public, while in numerous cases procedures and processes have been got simplified to obviate complaints form the public.

Since its establishment, the most significant impact of this institution is that it has revived the concept of administrative accountability in Pakistan, which is both an Islamic tenet and a democratic obligation. The public servant has become more cautious while exercising his powers. He knows that there is an authority who can question him about his acts of omission and commission, while the citizen has the assurance that if an agency or an officer continues to be obdurate and inaccessible, he can go to the Mohtasib with his problem and get relief. The Mohtasib’s institution has emerged as a poor man's court and an effective check on the excesses of the bureaucracy. It has made the bureaucracy responsive to popular aspirations, thereby helping to bridge the yawning gap which had earlier characterized the relationship between the administrator and the citizen. As a democratic instrument of Federal Government, it has helped improve administrative processes and procedures in line with modern day’s requirements, which have gone a long way in reducing red-tapism and misuse of discretionary powers by the bureaucracy. The all out support extended to the institution by the press and the general public and the decision in principle to extend the scope of accountability at the provincial level, testifies the success story of the institution and the increasing confidence reposed in it.

The perception and record of the Ombudsman has been good in the recent past, even though there is no centralized database or networking among the various offices. There seems to be some independence in their workings, in that the public has been quite satisfied with many or most of their judgments, but unfortunately like the PAC has to rely on the executive wing to carry out or implement its orders. In this, one can safely say that it has not been very successful. There is no time frame for disposal of appeals against ombudsmans’s decision which is a serous drawback and negates the principles of speedy justice. It is understood by one and all that the department is not only transparent but that it is probably the least corrupt of any of the government regulatory or accountability bodies. Although its decision as mentioned above is not at most times implemented by the executive.

Investigative/Watchdog Agencies

Pakistan has two Anti-Corruption Agencies (ACAs) at the Federal and four at the Provincial levels. The organizations at the Federal level are:
The Federal Investigation Agency (FIA), and
The National Accountability Bureau (NAB).

At the provincial level there are the Anti-Corruption Establishments (ACEs).

The Anti-Corruption laws applicable within Pakistan are:

- The Pakistan Penal Code (PPC) 1860.
- The Ehtesaab Act (1997).

The present weaknesses in the agencies themselves are that:

- No agency has responsibility for program on awareness of corruption nor programs on prevention.
- The Agencies are entirely enforcement based.
- There are a number of overlapping responsibilities, particularly between NAB and the FIA.

Unfortunately, in the past records of conviction by the agencies has been very poor. The FIA in the last twenty years of its existence has failed to convict any senior officer even though corruption has been widespread. The NAB has a much better record as is shown in the table given below: the NAB in the past three years has obtained convictions against 221 Senior Public Officials. It also claims that its actions against corrupt officials has been fair and across the board. Since its inception in 1999 it has a conviction rate of 82% where as that of the FIA has been only 28% over the years. It also claims that the average time taken from investigation to conviction has been 10 months as compared to the FIA 4 to 5 years.

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Source: Adapted from www.nab.gov.pk

Unfortunately all the ACAs share the same problems:

- No shared database.
- Absence of skills in investigation and prevention.
- No centralized source of training.

The Federal Investigation Agency (FIA)

The FIA is a specialist police agency which was created in 1975 with the aim of investigating cases of corruption. The FIA falls under the jurisdiction of the Ministry of Interior and is answerable and accountable to that Ministry. It is charged with the task of aiding the banking sector and other financial institutions to recover outstanding loans from defaulters (a role it has clearly not fulfilled to any significant degree). The FIA investigates cases which directly affect the federal government – its jurisdiction does not cover provincial governments. A major area of investigation is to follow up allegations of corruption, malpractice and illegal reward by civil servants and functionaries of
governments (including banks). It can follow up a case independently or act upon a complaint received directly from the public. The organization is entitled to all records and documents needed to conduct a thorough investigation.

The FIA is active in the areas of investigation of economic crime and corruption by public servants in the Federal government and corporations. Under the current mandate it is responsible for 43 offences under the Pakistan Penal Code and 19 special laws. Its Economic Crime wing takes care of offences regulating Nationalized Scheduled Banks and Development Finance Institutions (DFI) along with offences under the Foreign Exchange Act of 1947.

Unfortunately the FIA is perceived to be corrupt with a strong element of collusion and harassment. The FIA has to take the approval of the Federal Anti-Corruption Committee (FACC) for any action that it has to take against gazetted offices. The FACC is unfortunately manned by civil servants whose interests instinctively are in protecting their colleagues from investigation. In addition the FIA itself has been filled with political appointees by previous governments. In the past twenty-seven years of its existence twenty-two Director Generals have headed it.

**Anti-Corruption Establishments (ACE)**

This agency operates on the same basis as the FIA but for investigating crimes of public servants working in the four provincial governments. The ACE is controlled by the Services and General Administration Departments of the provinces. Its capacity to investigate white-collar crime and corruption in poor. There has been a lack of political will to make it an effective organization. Poor salaries have exposed its officials to the temptations and like the FIA has the perception of being corrupt.

**Ehtesaab (Accountability) Ordinance and Bureau**

In 1996, the PPP under Benazir Bhutto presented an Accountability Bill requiring accountability of elected officials and aimed to establish the supremacy of Parliament in controlling corruption. However, the PPP was removed from power later that year and the Bill was never ratified. Under the caretaker government of 1997, the Ehtesaab (Accountability) Ordinance was brought into effect which established the office of the Chief Ehtesaab Commissioner (CEC).

The Ordinance stipulated that the CEC fulfil a number of criteria: that the CEC shall be appointed for a term of four years by the President after consultation with the leader of Opposition in the National Assembly and the Chief Justice of Pakistan; that the CEC shall be a former Judge of the Supreme Court and shall not be eligible for extension of tenure or reappointment; the CEC is unable to hold any office of profit in the service of Pakistan, or to stand for election as a member of Parliament or Provincial Assembly during or two years after tenure of office. Furthermore, the CEC could not be removed through executive order and his office was given extensive powers in order to fulfil its role. The CEC was the only person through which cases could be referred to the Ehtesaab Court – a court comprising 3 judges within the High Court set up to deal solely with cases relating to issues of accountability (corrupt practices relating to public office, and including fraud, vote rigging, bribes, etc.). A case could be called by the CEC on a reference received from the government, receipt of a complaint, or of his own accord. He could initiate proceedings against a holder of a public office and could order proof and attendance from any person or authority. Following receipt of the complaint, the CEC could carry out an inquiry and investigation as he sees fit and was able to refer or reject cases. With these powers, the office would make up the cornerstone of the governments anti-corruption efforts.

However, these powers were quelled by the incoming Sharif government by the imposition of an Ehtesaab Act in May 1997. The amended Ordinance virtually stripped away whatever semblance of neutrality which had been maintained in the original law. Not only did the Act revoke the period between 1985-90 from the purview of the Ordinance, which meant that the ruling party would have been effectively exempted from accountability, it also enacted an Ehtesaab Bureau (sometimes referred to as the Ehtesaab Cell) which had taken away many of the powers enjoyed by the formerly independent CEC and which is established
within the Prime Minister’s Secretariat. This had clearly compromised the impartiality and fairness which had originally characterized the Ordinance and had been a major cause for controversy ever since. The amendment had reduced the role of the CEC to that of a mere post office for complaints, as the revisions have meant that all cases should be referred to the Ehtesaab Bureau for inquiry and investigation. According to the amended Act:

'Responsibility for inquiring into, or investigating an offence alleged to have been committed under the Act shall rest on the Ehtesaab Cell, to the exclusion of any other agency or authority, and the said Cell shall be required to examine all material, evidence and proof and for this purpose may cause the attendance of any person' (Act No. IX of 1997 Ehtesaab Act, Section 15 (4)).

On the removal of the Sharif Government by the Army in October 1999 and General Pervez Musharraf establishing himself as Chief Executive, a new National Accountability Ordinance 1999 was promulgated in which the National Accountability Bureau was established and the Ehtesaab Bureau forthwith dissolved.

**National Accountability Bureau (NAB)**

The NAB established in 1999 is the most recent of the existing Anti-Corruption Agencies. Its performance in terms of convictions and recoveries for exceeds the other two organizations, i.e. the FIA and the ACE. The NAB organization comprises of about 800 Technical, Financial and Administrative personnel.

The reasons for NAB relative success is that it enjoys exceptionally high levels of autonomy and political support with the chairman reporting directly to the President. After the establishment of the newly elected government in October 2002, it now reports directly to the Prime Minister.

Its success is also due to its recruitment policy whereby it has taken or borrowed its officers from various government departments in addition it has employed professional bankers and accountants from the Private sector.

The NAB like the other ACA has also been criticized by the opposition parties and some journalists for various reasons including:

- Being selective in its investigation and accountability process.
- Having excessive and unlimited powers.
- Its plea bargaining role is not trusted and considered as conniving with the corrupt and was an easy option to avoid punishment and imprisonment.
- That its mandate does not include investigating the military, even though retired armed forces officers working elsewhere in government do come under its preview and mandate for investigation.
- The exclusion of the judiciary from its investigation.
- The criminalization of Loan default.
- That it limits itself to investigation and has a limited role in “prevention”.
- Its unbridled power allowing for the comment by many as the “who checks the checker”. Its present over-watch is limited to the President and now the Prime Minister.
- That if there is any decrease in corruption it is only temporary and will resume when the newness of NAB wears off.
- The power to freeze property and other assets.

In all of the above, the answer is simple, there must be a strong over-watch, and until such time that this does not happen the above perceptions and views will remain in the minds of the average unknowing citizen.

Also given below is a summary of some of the major cases investigated and prosecuted by the NAB during the year 2002.
Summary of Major Investigations and Prosecutions Carried Out During Year 2002

employees Old-Age Benefit Institution (EOBI)

The Ex-Chairman EOBI, Ex-General Manager (Finance) of Prudential Commercial Bank and other co-accused persons, in fraudulent connivance misappropriated Federal Investment Bonds (FIB) of Rupees 1040 million belonging to EOBI, an institution working for the welfare and betterment of industrial workers. The consequential loss to EOBI inclusive of the lost profit on these FIB works out to Rs. 1,618 million. With the help of expert forensic trailing of the looted amounts, the Bureau was successful in identification and consequent freezing of assets worth over Rs. 400 million while efforts are still underway for the remaining amounts. Moreover, some of the accused persons in the case returned assets of almost Rs. 40 million. A Reference has been filed against the accused persons in the Accountability Court Karachi, which is under trial.

Asif Ali Zardari - Assets Case

A case against Asif Ali Zardari husband of the Benazir Bhutto-Ex-Prime Minister, is under trial. The accused has been charged with the ownership of property/assets running into million of dollars, both in and outside Pakistan, which he cannot reasonably account for in light of his known, declared and legal sources of income. The Bureau was successful in obtaining incriminating ownership evidence of Asif Ali Zardari assets in shape of properties and bank accounts under the Mutual Legal Assistance platform. Foreign jurisdictions which include the Home Office UK, Attorney General of Switzerland, Attorney General of Isle of Man, on the request of the Bureau, collected and transmitted documents and witness statements to the Government of Pakistan, which are admissible as evidence in the Pakistani courts. The evidence so received has been filed in the court where the trial is underway. The evidence, inter-alia, pertains to the Rockwood Estate, commonly known as “Surrey Palace” owned by Zardari. The property comprises of approximately 355 acres of prime farm land in the County of Surrey. The property also has a huge mansion and other ancillary buildings. The Swiss Authorities have also provided the banking record of the accounts opened in the name of off-shore companies beneficially owned by Asif Ali Zardari in which millions of dollars have been deposited.

Workers Welfare Fund (WWF)

During 1999, WWF sold Federal Investment Bonds (FIB) having face value of Rs.2,856.509 million by way of 11 deals to different financial institutions/brokerage houses. The investigation of these transactions revealed that these FIB were fraudulently sold at rates less than the then prevalent market rate. In doing so, the accused persons inclusive of the then Secretary of the Fund in connivance with each other, deprived WWF of its rightful income of Rs. 85.667 million. During the course of investigation, the major beneficiaries of the criminal proceeds confessed their guilt and accordingly agreed to make good the loss caused by them. In this way NAB has been able to secure Rs. 75,911,452. For the remaining amount a reference has been filed against the accused persons.

Emirates Bank International (EBI) Fraud Case

A group of swindlers obtained loans from Ex-Emirates Bank International against fake/forged guarantees valuing Rs. 288 Million purportedly issued by two different commercial banks. Based on the two FIR’s, a team comprising of Police, FIA and CIA officials initiated the investigations. Since it was a complex white collar crime and at the request of the Police authorities, forensic technical expertise of NAB was made available to the investigation team. Successful money trailing led to the recovery of almost Rs.100 million. Two of the main accused that had absconded were extradited from abroad through the efforts of NAB and are facing charges in the court. This case was subsequently transferred to the Accountability Court for prosecution under the NA Ordinance.
CDA Chairman Indulges in Gross Misuse of Public Office Towards Personal Real Estate Benefits.

These cases of Shafi M. Sehwani Ex-Chairman CDA Islamabad speak volumes about misuse of public office, criminal breach of trust in running the affairs of a civic development body. The accused misused his senior management position towards causing financial and real estate benefits to his relatives and friends in three different cases. The investigations revealed that the accused Shafi M. Sehwani committed illegal practices during his stay (1981-96) in CDA. A number of cases were reported wherein the accused misused his authority by awarding various contracts in violation of the existing procedures and rules by allotment of residential, commercial, industrial and agricultural plots to his relatives and others. Two more cases of corruption are under investigation. The list of allegations based on corroborative evidence and facts in aforesaid three references revealed that the accused as Member Planning CDA and Chairman Industrial Allotment Committee during year 1986 misused his authority and obtained for himself, his spouse and a close relative three plots bearing numbers 90, 91 and 92 in Industrial Area Sector I-9/1 Islamabad. In one of these case, the accused got approved one plot measuring 5000 Sq. yards in contravention of rules and later dishonestly changed its allotment from one plot to three plots measuring 7333 Sq. yards and allotted it to the co-accused, Abdul Rehman Khan who was not eligible for allotment of industrial plot. Mrs. Roohi Farzana abetted in furtherance of commission of this offence by becoming a paper owner of the said plot and the building constructed over it. In the second case, the accused illegally allotted 70 other industrial plots to the co-accused, a close relative of the accused, who acted as a front person for her sister and real beneficiary, the mother-in-law of Mr. Shafi M. Sehwani. The present market value of plot and building constructed on it is around Rupees Twenty million. Nevertheless, the entire transactions for the acquisition of this plot were made by the accused, the real beneficiary. In the third case the accused, as Chairman Allotment Committee of CDA, allotted an industrial plot to another co-accused Muhammad Riaz, who was neither an industrialist nor an established businessman but was merely a petty contractor. A building was constructed on the said plot, which was then sold to the second co-accused Alizaz Ahmed Khan for a meagre sum of Rs.18 Lac against the reserve price of said plot of over Rs.26 Lac. The investigations in the case proved that this whole arrangement was only a paper transaction for the illegal benefit to the accused. He has been sentenced to 4 years of RI in each of three references along with disqualification from holding any public office for 10 years.

Land Revenue Official Involved In Corrupt Practices And Accumulation Of Illegal Assets

Mr. Shahnawaz, a resident of Taunsa Sharif, District Dera Ghazi Khan, joined service in April 1981 as Patwari in the settlement office of Kalat Division. He hailed from a modest family and had no inheritance to his credit. He was posted in Kalat Division from April 1981 to December 1990. Thereafter, he worked in Settlement Office, Quetta Division from January 1991 to May 1997. He also served in Pishin on land settlement assignments. During his aforesaid posting tenures, the accused indulged in gross corrupt practices leading to accumulation of assets worth Rs.10.15 million, including residential house, plots in Quetta District, 400 kanals of agricultural land in Taunsa Sharif, District Dera Ghazi Khan and 10 acres of government land got allotted in the name of his cousin (Lal Muhammad) in Hazar Ganji, District Quetta. The accused, as government employee in various settlement offices of Balochistan, misused his official position and accumulated personal assets using his relatives as front men. Finally, the accused got netted as a result of NAB investigations and faced due process of law, leading to his convictions by Accountability Court. He has been sentenced to 5 years of RI and a fine of Rs.11.058 million.

Case of Ch. Sher Ali Ex-MPA/Mayor, Faisalabad Municipal Corporation.

properties/assets worth Millions of rupees during his tenure of public office, which were disproportionate to his known sources of income. Before entering politics, Ch. Sher Ali lived in a 3000 Square feet house owned by his father. He held 1/6th share of the only family enterprise, M/S Kashmir Sizing. Other shareholders were his mother, brother, brothers-in-law, wife and two other persons. Thereafter, he established his own project, M/S Amir Weaving Factory. Ch. Sher Ali started accumulating wealth through corruption by receiving illegal gratification with the connivance of officials/contractors of Municipal Corporation, Faisalabad and by illegally disposing off state land. He caused a loss to the Corporation and obtained personal benefit worth Rs. 20 million. He also granted lease of Shalimar Restaurant, the property of Municipal Corporation, to his close relatives, allotted illegally Wagon Stand to his close associates/relatives. He was also found guilty of malpractices and acts of bribery in awarding octroi contract. Through these corrupt practices, he accumulated huge property worth Rs.543.98 million while his total declared income from 1984 to 1995 was Rs.1.38 million. As a result of thorough investigations and successful prosecution, he was convicted to 5 years of RI with fine of Rs .100 million. He was earlier convicted by the same Court in another case to 10 years of RI with fine of Rs.20 million.

### Table 9  Summary of Some Other Major Cases Investigated and Prosecuted by the National Accountability Bureau

<table>
<thead>
<tr>
<th>Date</th>
<th>Case</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nov 2001</td>
<td>Javed Iqbal Abbassi, ex-senator and chairman district council Abbottabad sentenced to 5 years of rib. and a fine of Rs.21.52 million</td>
</tr>
<tr>
<td>Dec 2001</td>
<td>Ch. Muhammad Munawar, Ex-chairman NDFC sentenced to 6 years of R.I. in two references and fine of Rs. 10 million each in both cases</td>
</tr>
<tr>
<td>Mar 2002</td>
<td>Ali Hasan Shahwani, Hafeezur Rehman (ex-secretaries workers welfare board and labour department Balochistan) along with co-accused Muhammad Ashfaq convicted to 3 years R.I., 2 years R.I. and 1 year of R.I. fine of Rs. 2.5 million, 1.5 million &amp; 0.4 million respectively</td>
</tr>
<tr>
<td>Apr 2002</td>
<td>Abdul Hamid khan, member board of revenue, NWFP sentenced to 10 years R.I. &amp; fined Rs. 45.45 million</td>
</tr>
<tr>
<td>May 2002</td>
<td>Shafi m. Sehwan ex-chairman CDA convicted for 4 years of R.I. each in 03 different references along with disqualification for 10 years</td>
</tr>
<tr>
<td>July 2002</td>
<td>Ghazi Brotha hydel power project – a national development project – falls prey to organized financial crime wrought by govt officials in collusion with land mafia causing a loss of Rs. 4 billion to national exchequer</td>
</tr>
<tr>
<td>Sep 2002</td>
<td>Muhammad Zaman, ex-director, agriculture Rawalpindi sentenced to 5 years of R.I. and a fine of Rs. Half million along with forfeiture of ill-gotten property worth Rs. 10 million</td>
</tr>
</tbody>
</table>

**Source:** and further case details: [www.nab.gov.pk](http://www.nab.gov.pk)

### Media

The Media in Pakistan until recently, as in most other countries was state owned. Radio and Television was controlled through state owned corporations. Privatisation of Television and Radio has been on the cards for some time now and private transmission of both Radio and Television has been allowed. Pakistan has at least two privately owned Television networks and Radio station transmitting in the FM band.

The Print Media though completely in the hands of private publishing companies is controlled through various Acts and Ordinance put out by the government from time to time in the past.
Both private and government controlled print and electronic media exist in Pakistan. Broadly speaking, the Constitution of Pakistan provides for freedom of speech and of the press. However, there are a number of legal restrictions which have affected freedom of the media both past and present, and official policies which have been imposed by the Ministry of Information in the past, have also impeded free expression. The electronic broadcast media is almost completely monopolized by the government, and the major wire service is also under government authority. The government owns and operates the bulk of radio and television stations through its two official broadcast bureaucracies, the Pakistan Broadcasting Corporation (PBC) and Pakistan Television (PTV). Domestic news coverage and public affairs programming on through this media is closely controlled by the government and have traditionally reflected the views of the party in power. All official channels of communication are required to conform strictly to political and social views which are acceptable to the government of the day. Strict codes are prescribed to deal with political and social issues and all those connected to the broadcast media have to conform to these codes.

The private media enjoys a relative level of freedom since the notorious Press and Publications Ordinance of 1963 was repealed in 1988, although restrictions are still visible. The Registration of Printing Presses and Newspapers Ordinance was re-promulgated in 1995 and remained in force until the middle of 1997. The Ordinance contained a number of restrictions encompassing the publishing of material relating to the criticism of government and its policies. This provided the government with a tool for selective harassment as it was open to interpretation and could therefore be misused. All print media require a license for publication which is issued by the Ministry of Information. It is not uncommon for licenses to be cancelled by the government under the pretext of procedural irregularities. Publications can be banned on the grounds of religious objections, perceived threats to national security and sovereignty and for non-conformity with the ideology of Pakistan. The Constitution prohibits the ridicule of Islam, the armed forces or of the judiciary and can take action against any publication of statements which go against the spirit of the Constitution. Due to the prohibitions enshrined in the Constitution, the press have traditionally avoided negative coverage of the armed forces. The Office of Inter-Services Public Relations (ISPR) has served to hold press coverage of the military under close restraint and controls the release of military news and access to military sources.

There are numerous other means by which the media was and sometimes, is kept in line. It is widely known that journalists, who are routinely underpaid, are in some cases on the official payroll of many competing interests and individuals. This is even more so at the higher levels within the media profession such as editors and newspaper owners, who have been encouraged to toe the line with the inducement of not having to pay taxes. If that person ever stepped out of line, the fact would be made public and their personal integrity would be discredited and the reputation of the newspaper would be in doubt. Journalists have also experienced violence, intimidation and harassment, a problem which is nationwide. There are frequent examples of journalists getting attacked by police or being arrested on trumped up charges. An example of this occurred in May 1999, when Najam Sethi, editor of the Friday Times in Lahore, was arrested by uniformed Punjab police. As Sethi had appeared in a BBC programme documenting allegations of corruption against the Prime Minister, his arrest was regarded as a warning to critics of the Sharif government.

There are 2 TV Stations in the Private sector and 5 TV Stations in the government sector. All Major News papers are owned by the private sector.

<table>
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<tr>
<th>Table 10 The Press and Electronic Media</th>
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<tbody>
<tr>
<td>Dailies</td>
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<tr>
<td>Weeklies</td>
</tr>
<tr>
<td>Fortnightlies</td>
</tr>
<tr>
<td>Monthlies</td>
</tr>
</tbody>
</table>
Press and media agencies | APP, PPI, NNI
---|---
Nationalized television stations | Five cities: Islamabad, Lahore, Peshawar, Quetta and Karachi which cover 87% population
Viewers | 115 million
Radio stations | 23
Languages | Home services in 21 languages dialects
External services cover | 70 countries in 15 languages
Private radio stations | 3
Private TV transmitter channels | 2
Private news agencies | 2

**Politics and the Media**

Even though the present government has given the Print Media a substantial amount of freedom, but the media still has to work within the following Ordinances promulgated in 2002.


The first of the above ordinances established the Press Council, which among other things has the following basic functions:

- Maintain the highest professional and ethical standards of newspapers and news agencies with a view to making them more responsive to the issues and concerns of the society in Pakistan.
- Help newspapers and news agencies to maintain their independence.
- Keep under review any development likely to restrict the dissemination of news of public interest and importance.
- Revise, update, enforce and implement the Ethical Code of Practice for the newspapers, news agencies editors, journalists and publishers.
- Appoint Inquiry Commissions to decide complaints.

The second Ordinance states in part:

- That no newspaper shall be published except in conformity with the provision of this Ordinance. Every copy of every newspaper shall contain the name of the owner and editor thereof printed clearly on each copy and also the date of its publication.
- The printer and publisher of every newspaper or an owner of the news agency shall appear in person or by authorized agent before the District Co-ordination Officer within whose Jurisdiction such newspaper shall be printed or published.

The third Ordinance issued by President states that the Associated Press of Pakistan is reconstituted and shall be a corporation to be called the Associated Press of Pakistan Corporation. Its main functions among others are:

- To undertake the work of a news agency in any part of the world in particular to collect, transmit; circulate in Pakistan and abroad such news, features, photographs, videos or any such material, for distribution.
Even though it is clear that the role of the media is to be free, but unfortunately governments in the past have kept a tight reign on the media, including using them for their own purpose in favouring policies of each government in turn. It can be fairly said that even though the media is now understood to be quite independent but it still carries a perception of lacking the integrity and professionalism required of it.

Another major problem that effects the print media and its independence, is its low distribution rate owing to low literacy rates, thus making it dependent on the advertising revenues obtained from government notifications, advertisements etc. The government allocates this on a quota basis and these quotas can be changed at the whims and fancies of each government.

Newspapers run on small profit margins and corruption in the media is of many kinds:

- Kick backs from advertising and production agencies.
- Selling airtime (Television and Radio) to selected customers.
- Purchase of Television licenses and programs.
- Payments made to Journalists and newspapers by the government through such funds and allocation of Quotas to publish or even print articles and cover stories with a certain angle or policy in mind.

Many newspapers publish articles and stories, the authenticity of which cannot be verified. In addition, the accuracy of such articles and stories written or brought in by a reporter is seldom checked by the owner or editor. News reports or stories often lack accuracy. Unfortunately intellectual corruption is and was never at a very high premium. At the same time this manipulation of information was used very effectively by various governments in the past.

The Freedom of Information Ordinance, promulgated in 2002 by the President along with the other Ordinances mentioned earlier will go along way in directing the policies of the Press and Media. It has its deficiencies but at least Pakistan after quite some time has a “Freedom of Information” Ordinance, which is a base document upon which Civil Society Organizations if it so wishes can work on. The Ordinance orders:

- The maintenance and inducing of all records.
- Computerization of records.
- It also allows for declaration of the following records:
  - Policies and guidelines.
  - Transactions involving acquisition and disposal of property and expenditures undertaken by a public body in performance of its duties.
  - Information regarding grants of licenses, allotments and other benefits and privileges and contracts and agreements made by a public body.
  - Final orders and decisions, including decisions relating to members of public.
  - Any other record, which may be notified by the Federal government as public record for the purpose of this ordinance.

The exclusions or exceptions are questionable, but at least Pakistan now has a Freedom of Information Ordinance, which allows for the possibility of further reform.

**Civil Society**

It is unfortunate, but in the past the levels of cooperation between various governments and civil society has been minimal. One does not have to go far to look for reasons. It is
basically one of mistrust. Civil Society is fully aware of the corruption in government. It is not left to perception, but knows it to be a fact, understandably so, with its daily interaction with functionaries of the government, be it the police, the educational and health institutions, the Judiciary or the Tax Department.

This mistrust and knowledge of corrupt officials have kept Civil Society from working with governments, for a better government. Non-Governmental Organizations (NGOs) and civil society organizations (CSOs) are kept at arms length. These organizations are perceived to be “enemies of the state”; often requesting accountability and challenging the authority and decisions of state functionaries in the Government and Public Sector Corporation. It is sad, but even with agitation at most times it gets them nowhere.

On the other hand, collusion of Civil Society with government is widespread. The close contact between Civil Society and the public official is one reason for the excessive corruption within Pakistan. Lack of information as to procedures, non-availability of forms, uncertain and vague description of responsibilities of a public official only allows for greater contact and far more opportunities for corruption.

One cannot wholly blame the government functionaries for this corruption. Civil Society has realized that it can also get away with not paying taxes, having illegal connections of electricity and water and above all do not feel accountable for anything. There is no cooperation within Civil Society, its everyman for himself. The scale of corruption and failure of anti-corruption initiatives have had a devastating impact on the very fabric of our society. Children are being brought up in a corrupt society knowing fully well that their fathers, relatives, neighbours are corrupt, but at the same time realize that corruption is an acceptable norm, and the corrupt are accepted by society. Being corrupt is no longer a stigma. The customer and the client mix in the same social circles, none are ashamed of being the giver or the taker of bribes. It is as they say “business as usual”.

Islamic Education and teaching of the Quran and the conduct of the Prophet does not seem to influence Civil Society. It is no longer considered as a means of inculcating within the young the values that are necessary for civil society to veer away from the direction it is taking. It has now become imperative that the propagation of Quranic education be imparted to our young in its true spirit. We have unfortunately learnt to tolerate and accept corruption and taken it for granted that it a part of our society and that we must learn to live with it.

Civil Society Organizations, which are established to promote certain causes are very few and are seldom allowed to take root and play its part. The critical role of reform by Civil Society Organizations has been kept at arms length. These organizations when established are rarely supported by the government. The government is not interested in understanding the value of Civil Society in combating corruption. The alliance of the two have either not been understood by past governments or understood ‘very well’. As mentioned earlier, civil society itself is not in an ideal position to ask or seek for reform due basically to its own limited integrity. In addition its lack of support by the Government or the Private sector has limited its role and its capabilities to organize itself in to a force to reckon with.

It is encouraging to note, that the present government for the first time, is not only supporting the Civil Society and Non-Governmental Organizations but is involving them very intimately in its own corporations and departments as members of Managing and Executive committees and as members of their Boards. Professional and Welfare Organization have now been incorporated within government committees, Task Forces and as advisors. This augurs well for Pakistan. The Local Government which under the devolution plan has given back to the citizen through elections what is rightfully his. The Local Government is now required to establish various Public Safety and Citizen Community Boards as part of its program for monitoring the workings of the administration. These are non-elected bodies, members of which are nominated or selected to be its members. There are primarily four departments which will act as “watchdogs” and contribute towards the fight against corruption, these are to be set up in each town where citizens will take part in the direct monitoring of the Police, Judiciary and the District Government itself comprising of Citizens or civil society, these include:
• The District Public Safety Commission. This will prevent unlawful or motivated use of police by the District Nazim.

• A Police Complaints Authority which will address serious complaints against police.

• Citizens Community Boards for energizing the community for development and improvement in service delivery through voluntary and self help initiatives.

• Justice Committees" which will monitor the Judiciary.

• Reconciliation (Maslahat) Committees Ombudsman (Zila Mohtasib) who shall, on a complaint by any aggrieved person or of his own motion, undertake any investigation into any allegation of mal-administration on the part of any office or local government or any of its officers or employees. The Zila Mohtasib shall, on a complaint by an official employed at any level of local government, under take investigation into allegation of an unlawful or motivated order passed by a Nazim, Naib Nazim or any superior or supervisory officer.

As mentioned else where, the promulgation of the "Freedom of Information Ordinance 2002" is a further tool for civil society to play its part in combating corruption. There are many other ordinances promulgated by the President within the past two or three years which will also go a long way in reinforcing the hand of civil society. There include the Press Council and Press, Newspapers, News Agencies and Books Registration Ordinance of 2002.

**Provincial Government and Local Government**

**Provincial Government**

There are four provincial governments, one in each of the four provinces of Punjab, Sindh, NWFP and Baluchistan. These provincial governments are governed by Chief Ministers with a Provincial Assembly. The total numbers of Members of the Provincial Assembly in all the four provinces of Pakistan are 728 The provincial or regional Government headed by the Chief Minister who is nominated by the majority political party and is run by Ministers nominated by the Chief Minister or with the consensus of the majority party and its partners.

Other than the Ministry of Defence, the Ministry of Interior, Ministry of Communications which is run by the Federal government all other matters relating to governance were under the jurisdiction of the Provincial Governments. Most of the official powers with regards to city, town and village administration has now devolved to the Local government and this includes all Municipal services and tax collection given below except that the local governments established under Local Government Ordinance 2001, shall function within the Provincial framework and adhere to the Federal and Provincial laws. The responsibilities of the Local Government now include but is not limited to:

  Intra-city or intra or inter-town or tehsil network of water supply, sanitation, conservancy, removal and disposal of refuse, garbage, sewer or storm water, solid or liquid waste, drainage, public toilets, express-ways, bridges, flyovers, public roads, streets, footpaths, traffic signals, pavements and lighting thereof, public parks, gardens, arboriculture, landscaping, billboards, hoardings, fire fighting, land use control, zoning, master planning, classification, declassification or reclassification of commercial or residential areas, markets, housing, urban or rural infrastructure, environment and construction, maintenance or development thereof and enforcement of any law or rule relating thereto.
The Authority

The executive authority of the Province is vested in the Governor. Each province will have a Cabinet of Ministers, with the Chief Minister at its head, to aid and advise the Governor in the exercise of his functions. The Governor shall appoint from amongst the members of the Provincial Assembly a Chief Minister who, in his opinion, is likely to command the confidence of the majority of the members of the Provincial Assembly. The Governor shall invite the member of the Provincial Assembly to be the Chief Minister who commands the confidence of the majority of the members of the Provincial Assembly, as ascertained in a session of the Assembly summoned for the purpose in accordance with the provisions of the Constitution:

- The Chief Minister appointed shall, before entering upon the office, make before the Governor oath in the form set out in the Third Schedule of the Constitution and shall within a period of sixty days thereof obtain a vote of confidence from the Provincial Assembly.
- The Cabinet shall be collectively responsible to the Provincial Assembly.
- The Chief Minister shall hold office during the pleasure of the Governor, but the Governor shall not exercise his powers under this clause unless he is satisfied that the Chief Minister does not command the confidence of the majority of the members of the Provincial Assembly, in which case he shall summon the Provincial Assembly and require the Chief Minister to obtain a vote of confidence from the Assembly.

Duties of Chief Minister in Relation to Governor

It shall be the duty of the Chief Minister:

- To communicate to the Governor all decisions of the Cabinet relating to the administration of the affairs of the Province and proposals for legislation;
- To furnish such information relating to the administration of the affairs of the Province and proposals for legislation as the Governor may call for; and
- If the Governor so requires, to submit for consideration of the Cabinet any matter on which a decision has been taken by the Chief Minister or a Minister but which has not been considered by the Cabinet.

Extent of Executive Authority of Province

Subject to the Constitution, the executive authority of the Province shall extend to the matters with respect to which the Provincial Assembly has power to make laws: Provided that, in any matter with respect to which both Majlis-e-Shoora (Parliament) and the Provincial Assembly of a Province have power to make laws, the executive authority of the Province shall be subject to, and limited by, the executive authority expressly conferred by the Constitution or by law made by Majlis-e-Shoora (Parliament) upon the Federal Government.

Conduct of Business of Provincial Government

- All executive actions of the Provincial Government shall be expressed to be taken in the name of the Governor.
- The Governor shall by rules specify the manner in which orders and other instruments made and executed in his name shall be authenticated, and the validity of any order or instrument so authenticated shall not be questioned in any court on the ground that it was not made or executed by the Governor.
- The Governor shall also make rules for the allocation and transaction of the business of the Provincial Government.
Relations Between the Federation and the Provinces

- Subject to the Constitution the Majlis-e-Shoora (Parliament) may make laws (including laws having extra-territorial operation) for the whole or any part of Pakistan, and a Provincial Assembly may make laws for the Province or any part thereof.

- The Majlis-e-Shoora (Parliament) shall have exclusive power to make laws with respect to any matter in the Federal Legislative List; and a Provincial Assembly also, shall have power to make laws with respect to any matter in the Concurrent Legislative List.

- A Provincial Assembly shall, and the Majlis-e-Shoora (Parliament) shall not, have power to make laws with respect to any matter not enumerated in either the Federal Legislative List or the Concurrent Legislative List.

- If two or more Provincial Assemblies pass resolutions to the effect that the Majlis-e-Shoora (Parliament) may by law regulate any matter not enumerated in either List in the Fourth Schedule of the Constitution, it shall be lawful for the Majlis-e-Shoora (Parliament) to pass an Act for regulating that matter accordingly, but any act so passed may, as respects any Province to which it applies, be amended or repealed by Act of the Assembly of that Province.

Directions to Provinces in Certain Cases

The executive authority of every Province shall be so exercised as not to impede or prejudice the exercise of the executive authority of the Federation. The authority of the Federation shall also extend to the giving of directions to a Province as to the carrying into execution therein of any Federal law.

The authority of the Federation shall also extend to the giving of directions to a Province as to the construction and maintenance of means of communication declared in the direction to be of national or strategic importance. It shall also extend to the giving of directions to a Province as to the manner in which the executive authority thereof is to be exercised for the purpose of preventing any grave menace to the peace or tranquillity or economic life of Pakistan or any part thereof.

Local Government

Each Province shall, by law, establish a local government system and devolve political, administrative and financial responsibility and authority to the elected representatives of the local governments.

After the era of Basic Democracies in the mid 1960s the governments of the early 1970s failed to establish local government. In 1979 and 1983 local government elections were held under the military government, unfortunately the legitimacy of being a formal organ of the state was never granted to local government institutions. Although these local governments were created under legal authority, the provincial government through the department of local government made the rules and procedures related to the functioning of the local government.

Provincial governments created instruments for exercising stringent control over the management and financial functions of the local governments. When local leadership was elected, it was expected to solve the problems of common concern to the public. However, provincially controlled governments dealt with the majority of problems that the people faced. Consequently, local governments were beggars at best and local leadership was forced to maintain a character and culture reminiscent of colonial times.

Money became the motivating factor for the provincial departments responsiveness to needs sought after by the political leadership to service public demands. Once the route to financial gain was open, all systems began to get affected and all stakeholders including the political leadership took part in extracting rent in one form or another, with one excuse or another. What used to be considered as favours translated into percentages of money accruing to respective departments and their local brokers. In periods when the local
governments were dissolved, this system provided continuity to the leadership as well as the service delivery structure.

Corruption in planning, contracting and political expediency combined with a lack of resources to manage any development efficiently, had contributed to the breakdown of the local government system. Most rural and urban delivery systems had broken down. Towns and cities were flooded with solid waste, traffic, encroachments, law and order problems and people suffered this breakdown and lack of health, educational and other facilities without hope. It is expected that the new local “self government” with the issues traditionally mitigated by the administration through “highest bidder wins” type strategies will no longer be possible.

In the previous system of governance at the local level, the province governed the districts and tehsils directly through the bureaucracy at the division, district and tehsil levels. The local government for towns and cities existed separately from those of the rural areas. The provincial bureaucratic set-ups were the designated ‘controlling authorities’ of the local governments, and used to undermine and over-ride them, which caused a colonial relationship of ‘ruler’ and subject’. The separate local government structures engender rural-urban antagonism, while the administrations role as ‘controlling authorities’ accentuated the rural-urban divide.

The two structural and systemic disjoints coupled with the absence of horizontal integration and the consequent inadequacy of functional coordination between the line departments at the division, district, and tehsil levels, lead to inefficiency and corruption, and are the root causes of the crisis of governance at the grass root level. This crisis appeared to have been addressed through over-concentration of authority, particularly in the office of the Deputy Commissioner/District Magistrate & Sub Divisional Magistrates, which besides creating the potential for abuse of authority, diffuses operational focus and results in the expedient handling of routine functions through crisis management.

The Existing Form of Local Government

The military government, which assumed power in October 1999, through a coup, devolved responsibility and powers to the Union Council, Town and at District levels. It was promised that devolution would result in empowerment of the people at grass roots level. Civil Society groups contend that this devolution would merely strengthen the existing landed power structure as the district administration, police and judiciary would formally report to the district Nazim (Mayor). They argue that even when the district administration had a separate line of authority they did the bidding of the feudal lords in collaboration with the police and courts. Thus, instead of serving the ordinary people; they will oppress them. The landed gentry, such as members of the Farmers Association of Pakistan argued that this perception was misplaced.

The present Process of Devolution and the election of Local Government were carried out by the National Reconstruction Bureau. It promised that the new local government system would ensure the introduction of Democracy at the grassroots level to serve as the foundation on which will be built the edifice of genuine Democracy. Power will be transferred to the peoples representatives at all levels along with responsibility and administrative authority coupled with checks and balances to preclude the abuse of power or authority.

Following the Devolution of powers to the local government through an Ordinance in 2001 promulgated by the President, the country has high hopes for the emergency of genuine Democracy and providing local accountability, but it is left to be seen if the Federal and Provincial governments will allow it to succeed. The local government consisting of the Union Council, Tehsil and District Councils will be administered through elected Nazims (Mayors) and Naib Nazims (Deputy Mayors) and Council Members, but unfortunately the recent elections on 2001 of the local government has retained traces of pollution of the old political environment, where a large majority of those elected have close ties with political parties that have been involved in large scale corruption in the past.

Without proper accountability and control, devolved powers can play havoc if resting in the wrong hands. The Chief Executives of the province has been given powers to keep a check
on Nazims (Mayors), and has the power to recall, suspend, or on the recommendation of the Local Government Commission, to set aside an order of the Nazim (Mayor). Unfortunately with the existing culture of corruption, this power could in fact increase the possibility of collusion and in turn in the end be counterproductive, only time will tell.

The Local Government Plan

The Local Government Plan provides for devolution of power and responsibility from provinces to districts within the framework of the provincial governments and autonomy. It will enable the provincial governments manage their districts more efficiently and achieve the objectives of empowering the people at the grass root; providing affordable and speedy justice near the doorstep; ensuring financial autonomy and equitable opportunities of livelihood; and enabling the people to have a meaningful role in shaping their own destiny. Based on new electoral rolls, local government elections will be held in five phases between December 2000 and July 2001, after which local governments will be installed in all the districts on August 14, 2001.

The basic administrative tier of governance in Pakistan has long been local, that is, a district. But the prevailing system has inherent disjoints and the management structures are irrational. For example, there is no integrated local government in the district. Rural areas have union councils and an indirectly elected district council, both under the control of the deputy commissioner. The urban parts of the district have town committees or municipal committees/corporations under the control of the commissioner of the division. The local political bodies thus divided on rural-urban basis and under the control of the administrative officers, are marginalized, and rendered ineffective. Real authority and power remains directly in the hands of the government functionaries in the district. The unparalleled concentration of authority and functions in the office of the deputy commissioner and the superintendent of police of the district remain, as originally intended, instruments of rule and not service of the people.

An objective review of these flaws suggests integration of the rural and urban local bodies into a district local government and making district bureaucracy responsible to it to create only one line of authority in the district. In essence, this is what the devolution plan seeks to achieve.

Thus in the Local Government Plan 2000, there is an integrated three-tier government structure. At the bottom tier, the unions cover the rural as well as urban areas across the whole district. Unions have directly elected Nazims, Naib Nazims, and union councils. Union Nazims are also members of Zila councils and similarly, Naib Union Nazims are also members of Tehsil councils. This provides vertical linkages between the three tiers of local governments of the union, tehsil, and district.

The middle tier, the Tehsils, have Tehsil Nazims and directly elected Tehsil councils with Tehsil municipal offices/bodies working under the control of the Tehsil Nazims.

At the top tier, the district, there is a single integrated local government. The district government has a District Nazim and directly elected District Council. The district administration is responsible to the District Nazim. There is just one line of authority from the district down to unions, but with adequate checks and balances to ensure that it serves the people and not rule them.

The plan effectively addresses the specific needs and problems of large cities. When a Tehsil in any district becomes largely urbanized it would be carved out of the district as a separate city district with self-contained infrastructure of services including police. In the first phase four provincial and the federal capital cities will be treated as city districts.

At every tier of local government, women have guaranteed representation of at least 33%. Adequate representation has also been given to the workers/peasants and minorities. The plan thus provides an enabling environment for the empowerment of the traditionally marginalized sections of society.
The plan enables proactive citizens to participate in community development/service through creating voluntary organizations called citizens’ community boards. Villages/wards will have a local political structure of a village/ward council that will provide direct interface between the people at the grass-root and the local governance for changing attitudes and promoting community drives.

Union councils, Tehsil councils, and District councils have committees to monitor the performance of the district government at respective levels. The multi-layered and un-intrusive monitoring of the government performance by the elected representatives and citizens’ community boards is expected to trigger improved governance and delivery of services throughout the district.

A grade 20 officer of the civil service will coordinate the functioning and performance of all the district offices. District offices of the line departments have been grouped for synergy into about twelve offices headed by executive district officers. The division, a purely administrative tier between the province and the districts will be wound up and most of the administrative authority of the divisional departments devolved to the local level of the district. For efficient and transparent administration, functions and authority of the office of the deputy commissioner have been de-concentrated into the offices of administration, revenue, and magistracy. The office of a district Ombudsman has been established for redress of grievances of the people against the district administration including its executive head, the District Nazim.

Local Government financial system envisages formula-based fiscal transfers to the districts through provincial finance awards. In addition, the districts will be allowed local taxation from a specified list of taxes but to promote trade and commerce in the country there will be no import or export tax or tax on movement of goods through a district. Planning in the district will travel up from unions to districts and equitable resource distribution flow down from districts to unions. The system of transparency will provide an easy access to information held in public offices. A system of incentives will provide a mechanism of reward/retribution for the government functionaries based on monitoring by citizens’ bodies and elected representatives.

District police has been objectively restructured. An academy-trained officer of the rank of Assistant Superintendent of Police will head the police station. The District Police Officer will be responsible to District Nazim for law and order. The District Public Safety Commission will prevent unlawful or motivated use of police by the District Nazim. A Police Complaints Authority will address serious complaints against police. To bring transparency, prosecution has been separated from the police. Similarly, investigation has been functionally separated from the law and order part of the district police.

An important aspect of the plan is the provision of justice at the doorstep. Multiple types of courts are proposed as part of judicial reforms to ensure speedy and affordable justice through the district judiciary. Conciliation courts have been introduced in every union for resolution of disputes at the community level.

Following the bottom-up approach, the government is now working on devolution of power and responsibility from the Federation to the provinces. The establishment of effective local governments in districts and strengthening the autonomy of provinces will provide a strong base for genuine and durable democracy in the country.

Prior to the setting up of local government on August 14, 2001. All political parties, organizations in the private sector, government institutions as well as the public had clearly voiced the demand for reform.

Donor organizations as well as the international community had introduced reform modalities in economics assistance and had constantly reminded governments of the dangers of not instituting comprehensive institutional reforms.

A number of political parties had advocated local government reforms publicly in their manifestos. However efforts to reform the core institutional structures delivering
government services, though intensely debated by many governments in the past had not been forthcoming. The political will to undertake far reaching institutional reforms had been glaringly absent.

All groups and organizations advocating reform had without exception agreed that decentralization was the fundamental pre-requisite to secure meaningful reform.

The military government in setting up the local government had a clearly defined and articulated devolution strategy, a logical extension of best practices in local governance enshrined in the concepts of being subsidiary and of decentralization.

The Local Government Plan thus integrates the rural with the urban local governments on the one hand, and the bureaucracy with the local governments on the other, into one coherent structure in which the district administration and police are answerable to the elected chief executive of the district. Citizen monitoring by elected representatives, the civil society’s involvement with development, and a system of effective checks and balances, completes the hard core of the political structure and system of the Local Government.

The Local Government design is based on five fundamentals: devolution of political power, decentralization of administrative authority, de-concentration of management functions, diffusion of the power-authority nexus, and distribution of resources to the district level. It is designed to ensure that the genuine interests of the people are served and their rights safeguarded. The new system will create an enabling environment in which the people can start participating in community welfare and be the masters of their own destiny.
Anti-corruption Activities

National Strategy for Combating Corruption

The strategy has been pursued through a number of initiatives and institutions:

National Accountability Bureau and the National Anti-Corruption Strategy (NACS)

Pakistan has been, unfortunately, a typical case. In the last fifty-five years we have seen an exponential upsurge in the scourge of corruption with perhaps the steepest rise coming in the period 1985 -1999.

Over many years anti-corruption policy makers have considered it to be a function of enforcement only. The result has been a series of laws and agencies coming up over the years that concentrated on penal action only. Public demand has also advocated an enforcement based approach, hence the slogan of Ehtesaab (accountability). However, our experience and that of similar states in the world has revealed that unless the causes of corruption are addressed, the society is empowered to stand up for its rights, and the Political Will to take unpalatable decisions is created, corruption will continue unabated. Unless a comprehensive approach is used, efforts to resurrect the pillars of national integrity system will fail. National Anti-corruption Strategy proposes exactly this approach.

In the beginning of 2001 it was decided by the National Accountability Bureau that it was not sufficient that it carry out duties of investigating and prosecuting the corrupt. That a strategy had to be prepared along which the future governments could take up the task of fighting corruption.

The National Anti Corruption Strategy report was intended to:

- Undertake a review and assessment of the causes, nature, extent and impact of corruption from a broad perspective.
- Develop a broad based, high level and integrated strategic framework for tackling corruption, focusing on prevention as well as monitoring and combating corruption, ensuring consistency with the good governance reforms.
- Create an implementation plan based on the strategic framework to tackle corruption.
- Create a broad coalition of stakeholders committed to implementing the strategy and rooting out corruption.

This report had an input not only by Transparency International–Pakistan but nearly 50- other stakeholders which put forward recommendations at a International Workshop organized by the NAB This Report has now been approved by the Cabinet of Ministers and the President on October, 2002.

The report is quite illustrative and comprehensive in its detail of the genesis, causes, extent and impact of corruption and has at the same time made recommendations that if implemented will go a long way in combating corruption within the country.

It recognizes that when corruption becomes endemic, the singular enforcement approach fails to make an effective and sustainable impact. Countries that have successfully managed to counter the problem have used a three pronged approach of “enforcement”, “prevention” and “education/awareness”. National Accountability Bureau recognizing the problems and hoping to support its own recommendation in the NACS, is the first anti-corruption agency in the Country to have recognized the futility of fighting corruption through accountability only, and as a result of intensive surveys conducted across all sections in the country as well as protracted studies, NAB has taken the initiatives to
transform itself from being simply an accountability body to a truly anti-corruption agency, armed with the tools of “prevention”, “awareness” along with an “enforcement” mandate. This initiative has resulted in part due to the acceptance of the National Anti Corruption Strategy as giving a direction.

The National Anti-corruption Strategy Project was launched on February 11, 2002 with the assistance of Government of Pakistan and the Department for International Development (DFID) of the United Kingdom, who financed the consultants for the project. The strategy was formulated by a team of young officers drawn from Accounts, Income Tax, Police and the Office Management Groups of the Federal Government. The general direction was provided by the Steering Committee consisting of key stakeholders from the public and the private sectors as well as civil society. Federal Secretaries of Finance, Interior, Information, Law, Justice and Human Rights, Revenue Division and representatives of the office of Auditor General, Federal Ombudsman and Chairman Securities and Exchange Commission, represented the public sector. Vice President Federation of Pakistan Chambers of Commerce and Industries sat on the Committee from the private sector, while one member each was nominated by the provinces from the civil society.

The Project was divided into two main phases: Diagnostic and Strategy Development. An Implementation Action Plan was developed from the Strategy. The Federal Cabinet approved the strategy in principle on 5th October 2002. A committee has been formed to guide the implementation process.

Methodology

Both Diagnosis and Strategy Development were undertaken through a consultative methodology. The Project team met over three thousand stakeholders officially and even a larger number informally. The stakeholders varied from ministers to the slum dwellers, women groups, and public servants at different levels, clerks, traders, businessmen, NGOs and many others. The process involved interviews, focused group discussions and workshops. In all, eight workshops were held. These included four in the provincial capitals, one each in the districts of Mardan, Kohat and Hyderabad and one in Islamabad. The President of Pakistan inaugurated the last workshop.

The NACS report has endeavoured to bring out the Strategy, its ‘raison d’ etre’ and a very comprehensive time-specific implementation schedule for the Country. These recommendations, which are in the initial phase of implementation, have been thoroughly deliberated at various official and non-official ‘forums’ before final acceptance.

Strategy Objectives

The short run objective of the strategy is to set in motion, systemic improvements that will strengthen the national integrity systems. Long run objective is to eliminate corruption by engaging all stakeholders through a programme, which is holistic, inclusive, participative and progressive.

The Diagnosis

Most stakeholders identified similar problems i.e. an oversized, intrusive and opaque government, poor pay structures, weak civil society and absence of political will to combat the menace. Overall consensus was that, both need-based and greed-induced, corruption exists in the Country. In addition, to these general findings, specific issues in each pillar of the National Integrity System were identified. The areas studied were:

- Legislature and political system.
- Executive.
- Judiciary.
- Public Accountability Bodies.
- Anti-corruption Framework.
- Media and Civil Society.
Private Sector.
The strategy primarily concentrated on the public sector but some basic issues in the private sector were also identified. Two main problems were lack of documentation and absence of consumer protection.

In this Report the NACS has directed that in the short term, the PEC or the World Bank guidelines for procurement of goods and services and its recommendations be incorporated and implemented immediately and across the board in all Federal and Provincial government departments and agencies, till such time as the recently set up Public Procurement Regulatory Authority (PPRA) can prepare its own standard Procurement Procedures.

Major features of the Strategy Report which forms the future vision of anti-corruption in Pakistan are as under:

**Political Will**
No governance reform, more so an anti-corruption agenda, can be implemented without political will. The support from the top political leadership is vital.

**Public Service Remuneration**
Unless adequate living wages are paid, the best of reforms will have a temporary, reversible impact. It is a necessity, though not a sufficient condition to effectively reduce corruption.

**Role of Managers**
Another important theme taken up by the Strategy is the role of senior managers, who have to take responsibility for the problems in their organizations.

**Internal Accountability Mechanisms**
Poor or non-existent, these provide the weakest link in the accountability chain in the Country. It has put pressure on organizations like NAB. These need to be created and strengthened.

**Access to Information and Transparency**
Corruption is bred in obscurity. The government must not only conduct its work transparently but also seen to be doing so.

**Integrity Pacts**
Procurement is one of the major areas of leakages and corruption in the public sector. An important tool discovered by Transparency International to counter corruption in procurement and contracting is an integrity pact. Both the parties, the awarder and the contractor, agree to keep the business clean by promising neither to bribe nor to accept one. Normally a third party becomes the observer and guarantor.

**Participatory Governance**
There is a need to develop the concept and tradition of participatory governance, where people who are affected by a specific decision are consulted and brought on board.

**Deregulation**
De-regulation would reduce governments involvement beyond the essential. NACS recommends specific attention to micro level regulations that are highly intrusive.
Training
Civil service over the years has not developed its training systems in accordance with requirements of modern governance. While some training is provided to the officers, especially the cadres that come through the Central Superior Services or CSS examination, the remaining are neglected.

Accountability
Accountability is not just about anti-corruption organizations, each institution has its own accountability mechanism and there are other agencies responsible for accountability. Unless all of these are strengthened, accountability in the real terms will not take place.

Local Government
The Devolution process of handing over Local Government to the people has also progressed satisfactorily, although we now seem to have some misgivings by the elected members as nearly all powers except that of legislation seems to have remained with them. The Nazims (Mayors of Cities, Towns and Villages) seem to be doing a god job, this is evident by the dissatisfaction of the elected members of the National and Provincial Assemblies and the bureaucracy, who were enjoying their previous powers, and more often than not were in collusion. The Nazims are more supportive of Transparent and Clean government than previous Provincial governments.

Independent and Impartial Judicial System
The Access to Justice Program initiated by the previous government is in progress and is supposed to be completed by the year 2004; this program we understand is having hiccups and may not be completed within the time frame allotted to it.

Independent and Free Media
The President of Pakistan promulgated two ordinances in the year 2002 in support of the freedom of the press, these include:


The Media itself is not entirely satisfied with the above ordinances, but TI-Pakistan feels that it is a basis upon which the media can work. The various debatable issues can now be taken up by the media with the newly elected Parliament.

Supreme Audit and other Oversight Bodies
The Auditor General's Office is presently following up with a number of reforms including establishing a Corruption Rating Index (CRI) it is also designing a Financial Governance Rating (FGR) and an Accountability Index and an Internal Quality rating for its different departments. The Auditor General has introduced a program to strengthen the Auditor General's Office through a program through 2003-2004.

Independent Anti-Corruption Agency
The Government of Pakistan has undertaken a number of steps to strengthen the Anti-Corruption Agencies, and has especially concentrated on the National Accountability Bureau for its reforms, the reforms include:

- The creation of NAB as the sole Anti Corruption Agency at the Federal level with transfer of functions of the Federal Investigation Agency of Anti-corruption and Economic crime to the NAB [the FIA's Crime Fighting Department has now been merged with the NAB]. It will now have the power to transfer cases being
investigated by the Anti-Corruption Establishments (ACE) and have exclusive jurisdiction over the provincial legislators. The NAB will now provide guidelines on awareness and prevention of crimes. NAB will undertake the functions of prevention through research and monitoring, creating awareness maintaining and sharing information by forming a coalition with society, the Media, Public and private sectors. The NAB and ACE will have financial and functional autonomies.

- The heads of the Anti-Corruption Agencies will be appointed from the elected opposition members.
- There will be a security of tenure of Key office bearers of the ACA
- The ACA over-watch to be formed to strike a balance of over-watch with minimum of intrusion.
- ACA will now publish Annual reports of performance. They will also hold regular workshops with various interest groups such as the private sector business leaders; small traders; different sections of society to answer general concerns. The ACA will have their own public relations unit charged with liaising with media and civil society ensuring proper dissemination of information.
- A committee has been formed to revamp the structure of the ACA.

A Strong Civil Service

There is now a serious effort on the part of the government to reform the Federal and Provincial Public service commissions, with regards to strengthening the training program etc. In addition the government has tried to improve the officer cadre in which the exams run by the FPSC for promotion to all groups from 18-to 19-area welcome development. The National Anti-Corruption Strategy if allowed to be implemented by the new civilian government will go a long way in supporting the civil servant in carrying out his duties in a responsible manner whether he likes it or not. The transparent procedures being put in place would assist the civil servant to work more efficiently and honestly. Such reforms should address the following:

- Ministers most often then not, do not respect the independence and professionalism of their civil servants but in fact tend to collude with them to the benefit of both parties.
- It has only been in the past two on three years that any effort has really been made to streamline bureaucracy, unfortunately nearly every new government in the past has claimed to want to do so in its initial years but have never really seriously attempted or carried out their promises. This status quo served both parties. The public sector has never been a citizen friendly entity, on the contrary all information was at a premium and had to be paid for including for purchase of simple forms. Procedures were never made public and departments worked under an Umbrella of the less information is available “the more lucrative was the post. This is now seriously being rectified by most Ministries and departments under the policy of transparency and good governance advocated by the previous military/civilian government of General Pervez Musharraf, in which it became mandatory for all Ministries and government department to put such information on their websites. The Setting up of Websites was also made mandatory. Transparency to a great extent has improved.
- There are still no Citizens Charters, but this is now a recommendation in the National Anti-Corruption Strategy approved by the President.
- A few Service Delivery Surveys are expected to be carried out. Though there are no surveys to assess levels of satisfaction to date. TI – Pakistan is
preparing a proposal for the same for the Civic Agencies working in the City of Karachi.

- Civil servants have seldom been held accountable until quite recently under the NAB Ordinance of 1999, but there is still a long way to go. Decisions are normally left to committees “Under guidance” thus protecting the civil servant, leaving grey areas thus not allowing for satisfactory prosecution.

- Ministers understand it to be their right to involve themselves in the running of the day-to-day business of their departments. In fact nothing is ever done without their consent most always with a view to collusion for corruption other matters not involving funds are normally left to the lower cadre to deal with.

- Government Departments have never been accessible to the Media, but the Media is quite often “his masters voice” with regards to “leaks” and what the public wants to be told. Information is made available but selectively and only to portray a publish something that the Minister or department has achieved.

- Public seldom if ever is able to meet the desired civil servant – he is inaccessible” in fact most times, the public is not allowed to meet except to intentionally be pushed through subordinates only to grease their palms. The sub-ordinates in most cases act as “go betweens” for the senior public officials.

- Managers have never been accountable either for themselves or for the corruption or for the inadequate performance of their subordinates.

- There are outdated complaint mechanisms which unfortunately can only be made to his immediate seniors, which in most cases is either shelved or just not dealt with. There are no complaint procedures for Whistle Blowers or for their protection. TI – Pakistan is taking up this program within the coming month and is preparing a proposal for the government and the Donor agencies for support. The National Anti-Corruption Strategy has made recommendation for such a program on a long-term basis.

- In principle, senior public servants and Ministers are supposed to account for and give to the government any or all gifts received during the performance of their duties, but the practice has fallen into disuse and frankly no such hospitality registers are any longer kept.

- There is the practice of regular rotation of employees in vulnerable positions, but the practice itself has been counter productive as decision made by public servants in one department is never traced back, allowing for corruption. The Auditor General by the time he gets to the case is nearly 5 – 8 years after the event. This practice of postings and transfers is also understood to be a "Lucrative Business”.

- There are definitely no awareness campaigns for informing citizens of the procedures and processes for obtaining licenses, permits, loans, building plans, tax assessment etc.

Procurement

The immediate establishment of the Public Procurement regulatory Authority (PPRA) in May 2002, one of the major recommendations also made in the World Banks Country Procurement Assessment Report (CPAR) – 1997. In 2002, the National Accountability as a part of its study in preparing a National Anti-Corruption Strategy (NACDS) organized an International workshop, resulting in the stakeholders adopting a resolution which TI– Pakistan feels will have long lasting benefits in providing the necessary Transparency in Public Procurement in Pakistan. The recommendations was adopted and passed as a resolution by the stakeholders. This resolution was incorporated in the National Anti-Corruption Strategy Report and was approved by the Ministerial Cabinet and the President of Pakistan in October 2002. The recommendations are as follows:
• The Standard Procedures for Procurement of Works, Goods and Consultants should be revised by the Public Procurement Regulatory Authority. Either the World Bank or PEC Bylaws should be uniformly implemented in all government and semi government departments till such time the PPRA prepares its own Guidelines.

• For ensuring Transparency and Public Participation, the Transparency International-Pakistan Tool ‘Integrity Pact” should be made an integral part of all tenders.

• For every new project, Public Hearings should be made mandatory for necessity of the project and environmental assessment, prior to concept clearance approval.

• All Consultancy Contracts except Single Source Selection of the Engineering Expert should be processed on the Two Envelop System, evaluated on the basis of Technical competence with minimum passing marks of 75%. The Financial Proposals of firms lower than 75% should be returned unopened, the remaining financial proposals should be publicly opened, and the contract awarded to the lowest bidder.

• Clients must declare their evaluation reports ten (10) days prior to actual award of the Contract. All objections received from any sector including the competitors shall be examined and a Re-Evaluation if required is carried out and the Contract awarded to the lowest bidder.

• Evaluation Committees for Pre-qualification and Award of Contracts must include at least two departmental members, and a minimum of three independent experts, (One each from the Pakistan Engineering Council, Institute of Chartered Accountants and FPCCI).

Freedom of Information

The President of Pakistan promulgated the Freedom of Information Ordinance in 2002. Again this Ordinance is not what was expected by the people, who have been fighting for many years for an Act or Ordinance to be promulgated, but it was a document upon which civil society can now work. Its exceptions and reservations are quite encompassing and have to be once again looked into. It is not what was put forward by Former Governor Fakhruddin G. Ebrahim, which was allowed to lapse by the government, nor was it what the Consumer Rights Commission of Pakistan and the Human Rights Commission of Pakistan had put forward in their recommendations, but it was something at long last.

Civil Society

The role of the civil society has been given a great fillip in that the National Reconstruction Bureau in its devolution Plan 2000 and its transfer its power to the people in 2001, has instituted a number of organizations in which the civil society can now play a major part. One of the main civil society bodies to be established under the Devolution is the Citizens Community Boards, the members of which are wholly from civil society. It is also a watchdog organization on the activities of the Local government and in its administrative and financial functions.

Websites

The military government embarked upon a program of transparency and good governance with a vengeance, its first effort was to allocate large funds to the Ministry of Science and Technology and was instructed to set up websites for every Ministry and government department as part of their program. This led to information being placed on the websites never before accessible to the common citizen or for that matter to the business community. Policies, forms, procedures and official publications. Feedback and Complaints in the websites was a special feature of all websites. Contract mechanism and procedures for applying, Links were established to allow one to connect to any Ministry or Department.
The Official Website for the Pakistan Government www.pakistan.gov.pk gave comprehensive information in all areas of information. The Major Anti-corruption Agency the National Accountability Bureau www.nab.gov.pk was one of the most transparent of all sites in which details of prosecutions etc. was quite detailed. The Board of Investment (to the investor), Chief Election Commission (prior to and during elections), Pakistan Law Commission (all relevant laws, Ordinances etc), Local Government, the National Reconstruction Bureau (on devolution) was made freely available to the public all relevant information. This we hope will continue to provide information to the Citizen and the business community all information which was previously never accessible except through “speed Money”

The Devolution of Government

The Devolution Plan through fair elections gave back most of the powers previously with the Federal and Provincial Governments except for Foreign Affair, National Security etc. City District, Town, Union Councils and even Village Councils were given the powers that were rightfully theirs. This important task of carrying out elections and Devolution of Powers to the people was accomplished by the National Reconstruction Bureau (NRB) in a very short period of time. This devolution of power to the people to all intents and purpose should reduce corruption appreciably. The people themselves are now responsible to look after their own affairs. There are still some hiccups including the dissatisfaction of the Provincial and Federal bureaucracy in the powers that have been taken away form them. We can only hope that the newly formed Parliament formed through elections in October 2002, does not undo this great program; which not only allows the elected to govern but has provided within the system many checks and balances which will allow for increased transparency, good governance and a continued monitoring of the Local Government by “Citizens Community Boards, Local Ombudsman, Public Safety Commissions etc.”

The International Donors

International Donors for whatever reasons seem to be climbing over each other to give loans for various development and other plans. The ADB seems to be leading in the effort to “help” Pakistan in its time of need. Pakistan support in the fight against terrorism may be one reason, but a lot of loans are being given for plans initiated by the previous Military government in its fight against corruption and in good governance programs, whether this will ultimately prove beneficial is yet to be seen.

TI–Pakistan has written to the ADB to place all its loans under strict conditions of transparency but since we have not heard from them, we can only hope that they will heed the call. The ADB has approved US $ 300 million for the decentralization support program and US $ 50 million towards the Sindh Rural Development Program. Both there programs being non-sustainable with practically no means of being repaid by the project. The first is to bear medium term costs of implementing fiscal decentralization, which is claimed to be vital for sustaining and entrenching decentralizations. The intentions are good, but the potential for success is really very limited. The US $ 50 million relates to promoting effective and sustainable province – local intergovernmental relations. What its essentials are, are still not publicly known.

The ADB has approved US $ 150 million for development of Road Projects in the Punjab. It is for up gradation and rehabilitation of provincial highways and road networks. It is supposed to alleviate poverty by enabling the poor to benefit from the economic opportunities and enhancing their access to social services and stimulating economic growth (vague description and vague benefits for an allocation of US $ 150 million on roads that will be washed away following the next summer rains).

- The ADB has promised US $ 2.4 billion assistance for three years and will disburse US $ 800 billion in 2003, beside the projects mentioned above US $ 150 million will be provided to the Baluchistan Road Sector Development including farm to market roads (also to be washed away by rains within a year) US $ 100 million for structure adjustment credit US $ 100 for the Industrial efficiency and Environmental Management Program (a decided no-earner) US $ 30 million and US $ 40 million for the early childhood
development and FATA development program respectively etc, and a US$ 350 Million Access to Justice Program.

Anti Corruption Efforts for Reform.

In last ten years, beside in house efforts to eradicate corruption i.e. Ehtesaab Ordinance 1996, NAB Ordinance 1999 which has put fear in the corrupt public servant, legislators, World Bank and ADB has also pushed their anticorruption reform polices in Pakistan. World Bank has carried out CPAR Study 1996-2002, with Grant of about US $ 2 million for making uniform procurement procedures. ADB has funded US$404 Million Access to Justice Programme, for clean and transparent Judiciary and Police.

The efforts of donor agencies however are compromised many times according to their need. For example the geo-political considerations rather than the nature of the political regime or the policy performance of governments still determine who gets how much donor money. For instance, the European Union admits rather frankly in its Pakistan Country Strategy 2002-2006: “...there has been a major re-orientation by the donor community towards Pakistan in view of its support to the coalition against terrorism.” Such policy readjustments, and compromises on transparent governance has caused harm to the donor agencies image in Pakistan.

Overview of Major Donor Anti-corruption Activities.

In the last few years there has been a great emphasis by the government of Pakistan towards reform. It must be said that this will and effort of the government towards reform and fighting corruption has been amply supported by most Major Donor Agencies and IFI’s.

There have been many reports compiled by the Donor Agencies and the IFI’s including the UNDP, the Asian Development and World Banks, the International Monetary Fund of the prevailing conditions within the country and have made recommendations supported by funding which the government has used sagaciously in most cases in implementing their recommendations. Most of the recommendations made by these agencies are being implemented. A summary of the recommendations of those projects that are being implemented by the government are given below:


Islamabad Accounts and Audit Academy

It was recommended that assistance be provided to the Government of Pakistan for the feasibility study for the construction of an Accounts and Audit Academy at Islamabad, that technical assistance be provided for the purchase of equipment and training aids necessary to establish the Academy. This feasibility is presently under study.

Security and Control of Non-current Assets

It was recommended that the Government of Pakistan consider the undertaking of a total stock-take of all Government Non-current Assets, over a period to be determined by the Government, in order to facilitate proper recording, monitoring, security and financial control of these assets. Technical assistance is now being provided to the government for the same.

Review of Commercial Laws

It was recommended that the commercial laws of Pakistan be reviewed and amended to reflect best present day practices after taking account of local requirements and ideologies and that technical assistance be provided for this purpose. It was further recommended that the laws of Pakistan be administratively reviewed and updated and consolidated for ease of reference. This is presently under study by the Ministry of Law and justice.
Separation of the Accounts and Audit Functions
It was recommended that the Accounts and Audit functions of the Government of Pakistan be clearly separated and be established as two distinct departments. This recommendation has now been implemented by the Ministry of Finance.

Amalgamation of Accounting Bodies
It was recommended that amalgamation of ICAP, ICMA and PIPFA be considered by the governing councils of the three organizations and, if considered appropriate, a steering committee be formed consisting of an equal number of members from the three accounting bodies to study and report on the feasibility of amalgamation. This recommendation is now under consideration.

Public Relations – National Accounting Bodies
It was recommended that the accounting profession mount a public relations campaign, directed mainly at the small businessperson, and advise the public of the professional services available. This recommendation has resulted in the finalization of the Code of Conduct of Chartered Accountants.

Independent Pakistan Accounting Standards Board
It was recommended that a steering committee be formed consisting of members of the corporate sector, ICAP, and the Auditor-General of Pakistan to review and report on the establishment of an independent Pakistan Accounting Standards Board. This is presently under consideration.

Application of IAS for Unlisted Companies
It was recommended that the procedures adopted for directing mandatory compliance with IAS for listed companies should also be applicable to unlisted companies, where the paid-up capital or the asset base is in excess of Rupees 50 million. This is also under consideration by the SECP.

Public Accounts Committees (PACs)
It was recommended that the duties and responsibilities of PACs be legally constituted and that the PACs in the provinces be reactivated and be required to meet on a more regular basis as prescribed by legislation. The Public Accounts Committees has now been instituted by the National Assembly.

Additional Recommendation by a Senior Staff member of Auditor-General's Department
Because of the lack of examination of audit reports by PACs, serious concern has been expressed regarding the lack of attention given to audit findings of a serious nature that may require immediate attention. This is now under serious consideration by the Auditor General’s department and should be implemented in the near future if the PAC remains inactive.

Establishment of Internal Audit Function
It was recommended that the establishment of an internal audit function be considered for implementation in certain Government departments/ministries. The audit function should include internal control and risk management functions. This has now been recommended by the government for implementation.

ADB Anti-Corruption Policy
The ADB’s anti-corruption policy centres on three objectives:
• Supporting competitive markets, and efficient, effective, accountable, and transparent public administration, as part of the Bank’s broader work in governance and capacity building;
• Supporting promising anti-corruption efforts on a case-to-case basis and improving the quality of ADB’s dialogue with its developing member countries on a range of governance issues, including corruption; and
• Ensuring that ADB’s projects and staff adhere to the highest ethical standards.

In order to combat corruption in the public service the following procedures should be considered:

• Adequate accountability measures should be in place within the public service. These measures should be transparent to the individuals concerned and should be covered in position descriptions or included in finance instructions.
• Procedures should be in place for the detection and investigation of corruption. This may be achieved by strengthening internal control procedures or broadening the scope of the internal audit.
• The employment and training of accountants should be enhanced within the public service. All accounting bodies have a stringent code of ethics and deviations from this code could lead to dismissal from the accounting society. The employment of people committed to these ethical codes of behaviour will enhance the overall integrity of public servants. Employees should be encouraged to further their careers by taking up additional training, which will lead to obtaining professional qualifications. The Government should undertake retraining and training in government procedures.
• Effective internal controls with properly constructed transparent guidelines should be established and adherence to these guidelines should be monitored. This monitoring process could be achieved by inclusion in the mandate for internal audit.

Most of the above recommendations have now been incorporated in the national Anti Corruption Strategy which has been approved by the Cabinet and the President of Pakistan for implementation. The following Code of Conducts and Regulatory Authority in Procurement has now been announced by the government:

• The Institute of Chartered Accountants – Code of Corporate Governance.
• The Securities & Exchange Commission – Code of Corporate Governance.
• The Public Procurement Regulatory Authority.
• The Central Board of revenue Reforms package.

The World Bank Assistance and Recommendations

The main goal of the World Bank Group’s Country Assistance Strategy (CAS) is to support Pakistan’s fundamental reform through a program of analytical services, institutional capacity building, and lending. The CAS provides the roadmap for Bank assistance to Pakistan and was prepared following extensive consultations with members of the Pakistani civil society. The Bank Group’s assistance strategy focuses intently on supporting the government’s development strategy and is divided into three main sections:

• **Strengthening Macroeconomic Stability and Government Effectiveness.**
  The Bank is supporting the government’s efforts to restore fiscal sustainability, reduce internal and external debt, and improve the competitiveness of the economy. At the heart of the Bank’s strategy is a focus on governance reform to improve effectiveness at the federal, provincial, and district levels. To this end, the Bank supports furthering transparency and accountability at different state and federal agencies, as well as institutional capacity building to create
the political, economic, and institutional setting for entrepreneurship and markets to flourish. This program is underway with the Ministry of Finance.

- **Strengthening and Enabling the Investment Climate.** The Bank Group’s assistance to strengthen the investment climate in Pakistan includes a combination of analytical work and financial assistance targeted at key sectors. These include support for deregulation, trade liberalization, tariff reduction, and privatization. In addition, support to those provincial and district governments committed to reforms will target improvements in social services delivery and basic infrastructure. The World Bank is working in cooperation with the International Finance Corporation (IFC), its private sector lending arm, to consider the development of new products to better meet the needs of the private sector, such as long-term finance options for infrastructure and expanded access to financial services to undeserved small and medium enterprise. This again is being implemented through the Small and Medium Enterprise Development Authority SMEDA and the Ministry of Investment and Privatisation.

- **Supporting Pro-poor and Pro-gender Equity Policies.** This section of the CAS focuses on promoting education and health, supporting pro-poor rural development and community infrastructure, and supporting targeted alleviation programs. This program has been underway for a number of years and has been reported by the World Bank as a successful program. In education, special emphasis is placed on improving the quality of education and giving priority to the poor and disadvantaged, particularly girls and children in rural areas. In health, Bank assistance is supporting the government’s priority of strengthening public health programs in immunization, communicable diseases, and maternal and child health. To this end, the Bank provides analytical work, technical assistance, policy dialogue, and lending as appropriate. One example of the World Bank’s engagement in the health sector is a project to prevent the spread of HIV/AIDS to vulnerable populations in the country, which is expected to be considered by the Bank’s board during this fiscal year. This program is also being funded by the World Bank and the recipient of this fund is the Ministry of Education and the Ministry of Health.

The Bank’s assistance for rural sector development emphasizes community-driven projects, such as The Poverty Alleviation Fund (PPAF). This project aims to empower rural and urban poor by providing them with access to resources and services, such as micro-credit and grants for community-driven infrastructure and capacity building. The Bank will continue to pilot new approaches to rural development, particularly through projects that develop access to safe water and sanitation (see box) and through micro-credit initiatives to reduce and mitigate risks for Pakistan’s poor.

Emphasizing pro-gender equity policies in Pakistan, future Bank assistance highlights expanded access to quality education and health services for women and children. The Bank Group’s assistance follows the overall framework of the Education Sector Reform (ESR), which was launched by the Government of Pakistan in 2001. The ESR foresees the adoption of mechanisms, such as school vouchers, and other subsidies to increase girls’ enrolment in school. Some other gender-specific projects may include micro-credit and rural employment schemes, as well as water supply and female literacy programs. The above program is now being implemented and is substantially supported by the World Bank through the Ministry of Health and the Ministry of Women Development.

**Lending**

Pakistan joined the World Bank in July of 1950. Since then, the Bank has approved 242 loans, amounting to $13 billion, of which 146 are interest free IDA Credits.
The UNDP Assistance and Recommendations

The first country cooperation framework (CCF) for Pakistan contained the following goals and strategies of the Government for its development cooperation with UNDP for the period 1998 – 2003.

The CCF signified an important step in addressing the issues of poverty in the country. At the initiation of the programme it was stated that the CCF is fully in tune with the priorities of the people of Pakistan and with those of the UNDP.

The Development Objectives and priorities were:

- Reducing the trade deficit and re-invigoration of private investment. Macro-economic stability and an export-led growth strategy will continue to need attention.
- Redressing macro-economic imbalances. Where there was a need to prioritise external borrowing rather than relying on domestic resource mobilization; the continuous pressure on the development budget needed to be addressed vigorously.
- Improving human development indicators. Where Pakistan was determined to change its human development indicators, at the time (in 1996) it was 134th in the international human development index (HDI) ranking despite having a per capita gross national product (GNP) of $420.
- Reducing the gender gap. The paper that Pakistan presented to the Fourth World Conference on Women revealed that, in all measures of human development, women are worse off than men, with adult literacy half that of men, and life-expectancy unusually lower than that of men.
- Reducing the high rate of population growth. An important element of the Government’s SHD policy is to reduce the population growth rate which was 2.8 percent, which, if unchecked would mean that the present population of 140 million would grow to 250 million by 2020.
- Establish a concerted programme to reduce level of poverty. Where in 1996 suggested that one third of Pakistan’s total population, or 47 million people, live in absolute poverty.
- Expanding employment opportunities. Unemployment/underemployment have been estimated at 16 percent of the population of working age, or 5.8 million, increasing by an annual average of at least 500,000.
- Reversing environmental deterioration. Pakistan faces a wide range of green and brown environmental problems, from deforestation, soil erosion and soil salinity, to industrial pollution and problems of solid waste disposal. These have become major factors in the incidence of poverty.
- Improving governance. This need represents a common feature in almost all development problems that the country faces.

This programme has been successfully completed and it is expected that it will be further supported

Poverty Eradication

Poverty eradication is the over arching objective of the CCF. Each programme will be directed towards improving the living standards of the poorest segments of society and to take account of the increasing incidence of urban poverty will also include an urban dimension. Individual and community empowerment will be a common thread throughout the CCF. Another common thread will be support to the Social Action Programme, on the premise that basic education and health are essential pre-requisites for poverty eradication, SHD and, indeed, for economic growth and employment-creation. Finally,
close links will be maintained with the UNDP regional poverty programme, undertaken under the aegis of the South Asian Association for Regional Cooperation (SAARC).

**Governance**

A priority of the Government is the creation of an enabling environment within which the people of Pakistan can influence the direction and conduct of their governing institutions. The UNDP programme will seek to strengthen Pakistan’s capacity in areas such as democratic processes, development policy development, development management, strengthening of civil society, and public-private linkages. In all areas, special emphasis will be placed on provincial and local processes and on community empowerment.

Expected outcomes. The Governance Programme is intended to produce the following specific outcomes: (a) a capacity for strategic thinking, planning and advocacy at the federal and provincial levels, involving all components of Pakistan society; (b) strategic framework for national and provincial governance programmes; (c) enhanced capacity for participatory development management at provincial and selected district levels; (d) strengthened NGOs and CBOs, as deliverers of development services as well as an expression of a vigorous civil society; (e) enhanced capacity for the management of the electoral process through the Election Commission; (f) initiation of the reform of legislative and legal processes; (g) improved access to development information for citizens; (h) a programme of collaboration between the Government and the private sector in the field of investment promotion and technology transfer. This programme is now underway in many sectors especially in the Devolution of Government and in support of e-governance in the Province of NWFP.

**Gender**

The Government firmly believes in the need to advance the cause of women and therefore adopted the Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW). UNDP will assist the process of preparing a national programme for the implementation of CEDAW while developing specific interventions intended to make an identifiable difference to the lives of women – particularly poor women – in Pakistan. This program is now underway and the UNDP is supporting the government in its gender programme through various ministries.

**Sustainable Livelihoods**

The issue of poverty and the environment must be addressed in Pakistan at two levels: (a) interventions that address the poverty/environment nexus in a given geographical area of Pakistan, defined principally by the needs of the local community, especially its disadvantaged members; and (b) interventions that address global environmental concerns in the context of Pakistan. UNDP efforts will be directed to adding the human dimension to environmental issues, as well as in contributing to Pakistan’s technical capacity. This programme is now being supported by the Poverty Alleviation programmes being instituted by the government under the guidelines of the UNDP.

As we can see above from the above activities, assistance and recommendation by the three major International Financial Institutions that much was proposed for the development of Pakistan both for its social and infrastructural needs. The financial and technical assistance was literally for the asking and at times whatever the form of government existed. There had been an initial reluctance in their support at the initial stages of the military takeover in October 1999, but this did not last long. The Policies of the Military government towards reform fell in line and was approved whole heartedly by the IFI’s. Funding was not lacking and not limited to the above major IFI’s but nearly every International agency was more than willing to help Pakistan in its reform. This was more so when it became evident that the Military government was determined to go for elections. The September 11th. Attack and Pakistan’s support in fighting terrorism sealed the deal.

It is difficult to assess as to how much the programmes and support of the IFI’s helped Pakistan in its fight against Corruption, but one can safely say that the reforms undertaken
by the previous Military government was fully supported by the IFI’s and Donor Agencies, and that the IFI’s realized that the military government was serious in its effort. Its support to the government will need a few years to show results.

In the end the present report will give a fairly good idea as to the direction that is to be taken by the government of Pakistan if it is to achieve its goal of combating corruption successfully. Whether it is restructuring of the government’s administration, its education or gender program all will help in fighting corruption. It will take some time, but it seems that there is no turning back in the continuous support being given whether the composition of the government is Civilian or Military in nature.
Endnote

1 In this Article "goods" does not include agricultural produce or commodity grown or produced by him or such goods as he is, under any directive of Government or any law for the time being in force, under a duty or obligation to supply.
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USAID – A Handbook on Fighting Corruption.

World Bank – Helping Countries combat corruption – Progress at the World Bank since 1997

World Bank – Helping Countries combat corruption – The ole of the World Bank

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World Bank Institute – Governance and Anti-Corruption.
Officials Interviewed

Mr. Mueen Afzal, Secretary General, Ministry of Finance.
Mr. Justice Mansoor Ahmed, Secretary, Ministry of Law, Justice & Parliamentary Affairs.
Mr. Tasneem Noorani, Secretary, Ministry of Interior.
Mr. Manzur Hussain, Auditor General of Pakistan.
Mr. Javed Zafar, Secretary, Ministry of Environment, Local Government & Rural Development.
Mr. Mirza Hamid Hassan, Secretary, Ministry of Water & Power.
Mr. Wasim Haqqi, Chairman, Board of Investments.
Lt. Gen. Munir Hafeez, Chairman, National Accountability Bureau (NAB).
Lt. Gen. (Retd.) S. Tanwir Hussain Naqvi, Chairman, National Reconstruction Bureau (NRB).
Dr. Waqar Masood, Additional Secretary Finance.
Mr. Ahmed Jawad, Joint Secretary (Banks), Economic Affairs Division.
Mr. Abid Hasan, Acting Country Director, World Bank.
Mr. Farhan Sabih, United Nations Development Program (UNDP).
Mr. Tariq Saeed Haroon, Secretary, Establishment Division.
Mr. Amir Mahmood, District Nazim.
Mr. I.A. Rehman, Director, Human Rights Commission of Pakistan (HRCP).
Mr. Salman Humayun, Consumer Rights Commission of Pakistan (CRCP).
Dr. Khalid Javed Chaudhry, President, the Lahore Chamber of Commerce & Industry.
Mr. Mohammad Khalid Jawed, Director General Public Procurement Regulatory Authority (PPRA).
Mr. Riaz Ahmed Malik, Chairman, Board of Revenues.
Mr. Makhdoom Ali Khan, Attorney General of Pakistan. Islamabad, Tel: 9214742
Barrister Shahida Jamil, Minister Law, Parliamentary Affairs, Human Rights and Environment.
Dr Abdul Hafeez Shaikh, Provincial Minister for Finance.
Also held:
- A Joint meeting with Media representatives of leading Newspapers.
- A Joint meeting with Donor Assistance Group & Selected Embassies: ADB, DFID, CIDA, JICA, EC; and U.S., Swiss, Norwegian, German, Netherlands.
Annex 1: The Pakistan State

LIST OF EXECUTIVE DIVISIONS

President Secretariat

Personal

Public

Prime Minister Secretariat

Prime Minister's Secretariat

Intelligence Bureau

National Accountability Bureau

National Reconstruction Bureau

Pakistan Atomic Energy Commission

Cabinet Division

Statuary/autonomous Bodies

Board of Trustees for Abandoned Properties Organization, Islamabad

National commission for Human Development

Abandoned Properties Organization

Department of Communications Security

Department of Stationery and Forms (Karachi)

Federal Land Commission

National Archives of Pakistan
National Language Authority

National Electric Power Regulatory Authority

Oil & Gas Regularity Authority

Printing Corporation of Pakistan

Shaik Zayed Postgraduate Medical Institute

**Commerce Division**

Export Promotion Bureau

State Life Insurance Corporation of Pakistan

Trade Marks Registry

Foreign Trade Institute of Pakistan

National Tariff Commission

National Insurance Company

Pakistan Re-Insurance

Pakistan Tobacco Board

State Life Insurance Corporation

Trading Corporation of Pakistan

**Communications Division**

Directorate of Pakistan Post Office Department

Karachi Port Trust

National Highway Authority

National Highway & Motorway Police

National Transport Research Centre
Office of the Custodian of Enemy Property for Pakistan

Pakistan National Shipping Corporation

Pakistan Port Office Department

Port Qasim Authority

Pakistan Railways

Defense Division

Airport Security Forces Islamabad

Defense Export Promotion Organization

Engineering-in-Chief Branch

Federal Government Education Institutions Directorate

Military Accounts Department

Military Lands & Cantt Department

Pakistan Armed Services Board

Pakistan Meteorological Department

Pakistan Space and Upper Atmosphere Research Commission

Survey of Pakistan

Civil Aviation Authority

Pakistan Shipyard & Eng. Work

Maritime Security Agency

Pakistan International Airline

Defense Production Division

Armament Research and Development Est.
Defense Science & Technology Organization

Directorate of Works & Chief Engineer

Directorate General Defense Division

Directorate General Ammunitions Production

Heavy Industries Textile Board

Institute of Optronics

Military Vehicles Research & Development Establishment

Pakistan Aeronautical Complex Board, Kamra

Pakistan Ordinance Factories Board

Project Directorate Margella Electronics

**Affairs**

**Education Division**

Academy of Educational Planning & Management

Allama Iqbal Open University

Department of Libraries

Federal Board of Intermediate & Secondary Education

Federal College of Education

Federal Directorate of Education

Inter Board Committee of Chairman

International Islamic University

National Book Foundation

National Institute of Science and Technical Education
National University of Modern Language

Pakistan Academy of Letters

Pakistan Commission for UNESCO

Pakistan Literacy Commission

Polytechnic Institute for Women

Quaid-i-Azam University

University Grants Commission

Worldwide Education Net By CCOL

**Election Commission of Pakistan**

**Environment, Local Government and Rural Development Division**

National Centre for Rural Development and Municipal Administration

National Conservation Strategy

National Council for Conservation of Wildlife

National Energy Conservation Centre

Pakistan Environmental Protection Agency

**Establishment Division**

Directorate General Staff Welfare Organization

Federal Employees Benevolent & Group Insurance Funds

Federal Public Service Commission

Secretariat Training Institute

**Finance Division**

Accountant General of Pakistan Revenues
Auditor General of Pakistan

Central Directorate of National Savings

Commission for Islamization of Economy

Monopoly Control Authority

Securities & Exchange Commission of Pakistan

**Food, Agriculture and Livestock Division**

Agriculture Price and Policy Commission

Department of Agriculture & Livestock Products Marketing & Grading Dep’t.

Department of Plant Protection

Federal Seed Certification and Registration Department

Federal Water Management Cell

Pakistan Agriculture & Storage Services Corporation

Pakistan Agriculture Research Council

Agriculture Livestock and Fisheries Department (Government of Sindh)

Balochistan District Database

Central Cotton Research Institute Pakistan

Pakistan Agriculture Market Information Service

Punjab Agriculture Department

University of Agriculture Faisalabad

Pakistan Oil Seed Development Board

Agricultural Portal

**Foreign Affairs Division**
Foreign Services Academy

Institute of Strategic Studies

**Health Division**

Directorate of Malaria Control

Federal Government Services Hospital

Health Services Academy

National Council for Homoeopathy

National Council for Tibb

National Institute for Handicapped

National Institute of Health

National T.B Control Program, Rawalpindi

Pakistan Institute of Medical Science

**College of Physicians and Surgeons Pakistan**

**The National Institute of Cardiovascular Diseases (Pakistan)**

Pakistan Medical Research Council

**World Health Organization**

Pakistan Medical & Dental Council

Primary Health Care

Pakistan Medical Research Council

**Housing And Works Division**

Estate Office Islamabad/Rawalpindi

Federal Government Employees Housing Foundation
National Construction Limited

National Housing Authority

Pakistan Housing Authority

Pakistan Public Works Department

**Industries & Production Division**

Board Of Investment

Department of Explosives

Department of Supplies

Experts Advisory Cell

Engineering Developing Board

Pakistan Industrial Technical Assistance Centre (PITAC)

National Productivity Organization

Textile Commissioner's Organization (TCO)

**Small and Medium Enterprise Development Authority**

Pakistan Institute of Management

Textile Commissioner's Office

Department of Patent and Design

Export Processing Zone Authority (EPZA)

**National Fertilizer Corporation**

**Pakistan Steel**

Pakistan Industrial Development Corporation

Pakistan Automobile Corporation
State Engineering Corporation

Utility Stores Corporation of Pakistan

Threadline Gallery of Pakistan

CORPORATIONS

Ministry of industries and production
- Pakistan Steel Mills (PS)
- National Fertilizer Corporation of Pakistan (NFC)
- Federal Chemicals & Ceramics Corporation (FCCCL)
- Ghee Corporation of Pakistan (GCP)
- Pakistan Industrial Development Corporation (PIDC)
- State Cement Corporation of Pakistan (SCCP)
- Iran Pak Industries (IPI)
- State Engineering Corporation of Pakistan (SEC)
- Pakistan Automobile Corporation (PACO)
- Utility Stores Corporation (USC)

Information & Media Development Division

Associated Press of Pakistan

Directorate of Films and Publications

External Publicity Wing

Institute of Regional Studies

Information Services Academy

Pakistan Broadcasting Corporation

Pakistan Television Corporation

Pakistan Electronic Media Regulatory Authority

Press Information Department

Shalimar Recording & Broadcasting Company Limited

IT & Telecommunication Division

Carrier Telephone Industries

Frequency Allocation Board
Islamabad Telecommunication Corporation

IT Commission

National Telecommunication Corporation

Pakistan Computer Bureau

Pakistan Software Export Board

Pakistan Telecommunication Authority

Pakistan Telecommunication Company Ltd.

Telephone Industries of Pakistan

**Interior Division**

Bureau of Policy Research and Development

Capital Development Authority

Directorate General Civil Defense

Directorate General of Immigrations and Passport

Directorate General Federal Investigation Agency

Islamabad Capital Territory

National Police Academy

National Database & Registration Authority

NADRA

Pakistan Rangers

National Police Foundation

Narcotics Division

**Kashmir Affairs & Northern Areas and States & Frontier Regions Division**
Azad Jammu & Kashmir Council Secretariat

Chief commissioner for Afghan Refugees

**Labour, Manpower & Overseas Pakistanis Division**

Bureau of Emigration & Overseas Employment (BE & OE)

Central Inspectorate of Mines (CIM)

Directorate of Workers Education (DWE)

Employees Old-Age Benefits Institution (EOBI)

Implementation Tribunal for Newspaper Employee

National Industrial Relation Commission

National Training Bureau (NTB)

National Talent Pool (NTP)

Overseas Employment Corporation (OEC)

Overseas Pakistanis Foundation (OPF)

Pakistan Manpower Institute (PMI)

Workers Welfare Fund (WWF)

**Law, Justice & Human Rights Division**

Attorney General's Office

The Federal Service Tribunal

Pakistan Law Commission

**Minorities, Culture, Sports, Tourism & Youth Affairs Division**

Central Board of Film Censors

Department of Tourist Services
Lok Versa

Minorities Affairs Wing

National Film Development Corporation Limited

National Institute of Historical & Culture Research

Pakistan Sports Board

Pakistan Tourism Development Corporation

Quaid-i-Azam Papers Project

Youth Affairs Wing

Narcotics Control Division

Anti-Narcotics Force

Parliamentary Affairs Division

Petroleum & Natural Resources Division

Department of Petroleum & Energy Resources

Directorate General of Gas

Directorate General of Oil

Directorate General of Petroleum Concession

Geological Survey of Pakistan

Hydrocarbon Development Institute of Pakistan (HDIP)

Oil & Gas Development Company Ltd

Pakistan Minerals Development Corporation

Planning And Development Division

Mechanized Construction Pakistan Limited
National Integrity Systems 2003

National Construction Company Pakistan Ltd.

National Fertilizer Development Centre

National Logistic Cell

The Small and Medium Enterprise Dev.

National Strategy for Sustainable Dev.

Pakistan Institute of Development Economics

Population Welfare Division

Directorate of Clinical Training

District Population Welfare Office

Regional Training Institute

Privatization Division

Privatization Commission

Railway Division

Religious Affairs & Zakat & Ushr Division

Council of Islamic Ideology

Directorate of Hajj

Revenue Division

Central Board of Revenue

Scientific & Technological Research Division

National Institute of Electronics (NIE)

National University of Science & Technology

Pakistan Council for Renewable Energy Technologies
Pakistan Council of Research in Water Resources

Pakistan Council of Scientific & Industrial Research

Pakistan Museum of Natural History

Pakistan National Accreditation Council

Pakistan Science Foundation

Pakistan Scientific & Technological Information Centre

**Water & Power Division**

Indus River System Authority

Office of the Chief Engineering Advisor/Chairman Federal Flood Commission

Pakistan Engineering Council

Pakistan Power and Infrastructure Board

**Water and Power Development Authority**

National Engineering Services Pakistan (Pvt.) Ltd. (NESPAK) Lahore.

**Karachi Electricity Supply Corporation (KESC) Karachi**

**National Power Construction Corporation (NPCC)**

National Tube well Construction Corporation

**Women Development, Social Welfare & Special Education Division**

**Federal Shariat Court**

**Federal Tax Ombudsman Secretariat**

**National Assembly Secretariat**

**Senate Secretariat**
Supreme Court of Pakistan

Wafaqi Mohtasib (ombudsman) Secretariat

Major Government Websites

Links of Pakistan Government Websites

Government of Pakistan Portal
http://www.pakistan.gov.pk/
Islamic Republic of Pakistan
http://www.pak.gov.pk/
Pakistan Tourist's Paradise
http://www.tourism.gov.pk/
Ministry of Finance
http://www.finance.gov.pk/
Central Board of Revenue
http://www.cbr.gov.pk/
Privatization Commission
http://www.privatisation.gov.pk/
Pakistan Post
http://www.pakpost.gov.pk/
Pakistan Telecommunication Authority
http://www.pta.gov.pk/
Radio Pakistan
http://www.radio.gov.pk/
Government of Punjab
http://www.punjab.gov.pk/
Pakistan Computer Bureau
http://www.pcb.gov.pk/
Pakistan Meteorological Department
http://www.pakmet.com/
Board of Investment
http://www.pakboi.gov.pk/
Overseas Pakistan Foundation
http://www.opf.gov.pk/
Ministry of Environment Local Government and Rural Department
http://www.environment.gov.pk/
National Fund for Cultural Heritage
http://www.heritage.gov.pk/
Securities and Exchange Commission of Pakistan
http://www.secp.gov.pk/
Ministry of Petroleum
http://www.mpnr.gov.pk/
National Accountability Bureau
http://www.nab.gov.pk/
Lahore High Court
http://www.lhc.gov.pk/
Government of Sindh
http://www.sindh.gov.pk/
Pakistan Sports Board
http://www.sports.gov.pk/
Statistics Division
http://www.statpak.gov.pk/
Election Commission of Pakistan
http://www.ecp.gov.pk/
Ministry of Religious Affairs
http://www.mra.gov.pk/
National Reconstruction Bureau
http://www.nrb.gov.pk/
Geological Survey of Pakistan
http://www.gsp.gov.pk/
Pakistan Agricultural Research Council
http://www.parc.gov.pk/
State Bank of Pakistan
http://www.sbp.gov.pk/
Sindh Police
http://www.sindhpolice.gov.pk/
Pakistan Housing Authority
http://www.pha.gov.pk/
Pakistan Air Force
http://www.pakistanairforce.gov.pk/
Overseas Employment Corporation
http://www.oec.gov.pk/
Pakistan Space & Upper Atmosphere Research Commission
http://www.suparco.gov.pk/
State Engineering Corporation
http://www.sec.gov.pk/
Private Power and Infrastructure Board
http://www.ppib.gov.pk/
National Savings Organization
http://www.savings.gov.pk/
National Database & Registration Authority NADRA
http://www.nadra.gov.pk/
National Library of Pakistan
http://www.nlp.gov.pk/
Supreme Court of Pakistan
http://www.supremecourt.gov.pk/
National Tariff Commission
http://www.ntc.gov.pk/
Pakistan Science Foundation
http://www.psf.gov.pk/
Pakistan Army
http://www.pakarmy.gov.pk/
National Language Authority
http://www.nla.gov.pk/
Pakistan Navy
http://www.paknavy.gov.pk/
Pakistan Software Export Board
http://www.pseb.gov.pk/
Islamabad Police
http://www.idpol.gov.pk/
Karachi: Business Capital of Pakistan
http://www.karachicity.gov.pk/
Kashmir Education Foundation
http://www.kef.org.pk/
Global Environment Facility Programme in Pakistan
http://www.gefpak.gov.pk/
Islamabad Website
http://www.islamabad.net/
National Productivity Organization of Pakistan
http://www.npo.gov.pk/
Pak Avenue
http://www.pakavenue.com/
Karachi Port Trust
http://www.kpt.gov.pk/
Pakistan Television
http://www.ptv.gov.pk/
Punjab Information Technology Board
http://www.pitb.gov.pk/
Pakistan Online
http://www.pol.com.pk/
National Commission on Status of Women
http://www.ncsw.gov.pk/
Armed Forces Institute of Cardiology
http://www.afic.gov.pk/
Pakistan Telecommunication Company Limited
http://www.ptcl.com.pk/
Pakistan Medical Research Council
http://www.pmrc.gov.pk/
Ministry of Interior
http://www.interior.gov.pk/
Steering Committee on Higher Education
www.sche.gov.pk

Note For further websites for Ministries and Divisions within the government of Pakistan please use: www.pakistan.gov.pk