



TRANSPARENCY INTERNATIONAL - PAKISTAN

Strives to make Pakistan a better country to live in

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Bismillah irRehman nirRahim

Your Excellency, Dr. Abdul Hafeez Shaikh, Lt. Gen. Munir Hafeez, Honourable Speakers, guests, ladies and gentlemen. As-salaam Alaikum

There is no need for me to define corruption to this august gathering here today. There are few in the corridors of government or in the Private Sector who can deny the ravages and havoc that corruption leaves behind nor the uneven playing field that it creates in the business community. Unfortunately, and in spite of being aware of its consequences many Private and Public sector Companies and organizations in Pakistan and elsewhere in the world continue to use the tools of Bribery, Collusion, Extortion, Nepotism and red-tapism to further their ends whether it be the company or the individual – the giver or the taker of bribes.

There are undoubtedly many in government who are honest public officials, and this can be said of many Multinational and National companies as well, whose reputations mean more to them than additional profits. Many whom I have met blatantly deny that corruption exists in their organization. One must take them at their word. Many are honest who accept that Corruption exists and want to do something about it. But let us not fool ourselves. A question was put to Multinational Companies as part of questionnaires sent out to them by Transparency International – Pakistan with the cooperation of the ICC, the ABC and the Banking Association giving anonymity to the responder, that asked them **“as to what in your Company’s opinion, is the scale of corruption within the public sector? and whether, it was Rampant, Considerable, Manageable or non-existent.** In most cases the opinion was that it was considerable. A few also said that it was rampant. So as I said, let us not fool ourselves that we do not have a problem, or that the perception of the North with regards the South is manipulated for their own national interests. Gentlemen the problem exists and will not just go away. At this stage I would like to say that the Bribe Paying North is just as much to blame for this rampant corruption as the Bribe taking South.

In the early 1990s, scandals involving extortion and bribery were a significant factor in toppling many governments both in Pakistan and in many other parts of the world. This situation, if allowed to continue would have resulted in a strangle hold on the spread of democracy and on developing market economies.

Again in the 90's both the public and private sector dealings came under scrutiny, many Governments both in the east and the west, including a number of agencies such as the World Bank, the Asian Development Bank, USAID, the FIDIC, the United Nation, the ICC, the Organization of American States, and ultimately the OECD countries decided that enough was enough. That it would no longer "be business as usual". Transparency International was born and an Anti corruption movement took shape.

Fortunately, today, the importance of effectively combating extortion, collusion and bribery in the Public and Private sector is greater than ever. This conference being held today with representatives of nearly all major stakeholders present, is proof that you all mean business. This includes the government of Pakistan who have financially supported the organizing of this conference. It is also proof that you all realize and accept this menace of corruption and are willing to come forward to try and provide an even playing field to all in the Private sector. It must be a joint effort if we are to extricate ourselves from this quagmire. It also means that we must get our act together and carry out both in letter and in spirit the 'Pledge to the People of Pakistan' that you will have given here today.

It has taken Transparency International – Pakistan nearly two years to bring together all the stakeholders i.e. members of the Business community, the Donor Agencies, the International Financial Institutions and members of the Diplomatic Corps on the same platform as the government of Pakistan with a view to pledge to the people of Pakistan to fight corruption in all its manifestations. But I would like to make it clear that this long delay has not been due to the reluctance or hesitance of any one single party to join in this effort. It must be laid at the doorstep of other more seemingly important priorities and mitigating circumstances.

I would also like to make it clear that the past government of President Musharraf and his Ministers such as Mr. Shaukat Aziz, Lt. General Moinuddin Haider, Barrister Shahida Jamil and the others in the cabinet did their duty to the people of Pakistan and the Bureaucracy was not far behind in their support to this effort.

We pray that the Present Government of Prime Minister Jamali with the guidance and support of your Excellency will not hold back in this major battle against corruption. We would like to point out here that Dr. Abdul Hafeez Shaikh under whose chairmanship and Patronage we have organized this Conference has been the binding force since the very inception of this program initiated nearly two years ago. His reforms as Finance Minister of Sindh is known to all and is an example not only to the other provinces of Pakistan but also to other third world countries.

The objectives and aims in organizing this conference has been twofold. One to bring all the stakeholders under one roof to commit and witness the commitment of all parties to support each other in developing programs of awareness,

implementation and monitoring in the difficult task of fighting corruption and the second, to make it known to the National and international Investor that the Public and Private sector mean business and it will no longer be “business as usual” The conference also intends to help the government initiate an image building process to encourage investor confidence.

The stranglehold of this “culture of Corruption” must and will be broken. We have no option but to follow the advise of the Quaid-e-Azam that he gave in his first speech to the Parliament on 11th. August 1947 when he said that **“Corruption is a curse and a poison” and that we must put it down with an Iron Hand.**

Things have not changed and is there anyone here today that can deny this statement made by the Founder of our Nation 56 years ago. The stakeholders present here today and those not present, must take up this challenge. The President and Prime Minister are therefore requested to make sure that this challenge is taken up by the parliamentarians, the bureaucracy and every citizen of Pakistan. Each individual citizen of Pakistan, Rich or Poor, Man or Woman, young or old must be made to feel that he or she is contributing to this great cause. Pakistan has been fighting internally and externally on many fronts but none more harmful than corruption. Corruption destroys the very soul of a nation. It destroys its economy and it destroys its people.

Pakistan is perceived as one of the most corrupt countries of the world, does it mean that only its government is perceived as corrupt. That its people are exempt from this perception?. That the Multinational or National companies are not part of this perception? Have not the Donor Agencies or the IFI’s helping our country not contributed to this perception One may safely ask as to where does the money come from to feed this corruption? We are all part of this culture of corruption whatever one may think or say. The green Pakistani Passport cries out loudly in shame and is as embarrassed as its holder in a foreign land.

It is sad that what is acceptable and allowed in the West as “facilitation and “Grease Money” is the cause of this very “Culture of Corruption” in our country. Their intentions were good when dictating these exemptions, probably applicable in the west, but does it apply to a country like ours, where lack of standard procedures, adequate guidelines and built in discretionary powers have translated these same “Facilitation Payments” as a means of corrupting our Public Official. Poverty and low salaries have often been cited as a cause. Let us not fool ourselves the poor suffer while the rich get richer. And as long as “speed Money” is available the solutions to the problem of low salaries will be deferred indefinitely.

Let the government make transparent the 200 or so Billion Rupees being spent on Development projects. Let the government make transparent the funds received from the donor agencies and IFI’s. Let the government set up transparent procedures in the collection of Sales Tax, Income tax, Customs

duties, Bank transfers and Public Procurement procedures. Let the government set up OPEN systems of Government where the contact between the citizen and the public official is minimized. Let it establish Integrity Pacts in all its Projects and Programs including its Privatization processes. Let the government set up a website declaring the assets of the politicians and the bureaucracy or make the process of obtaining this information simple.. Let it establish a Corporate Code of Conduct for its Parliamentarians and Bureaucracy and see that it is implemented and above all let the government follow the policies dictated by its own National Anti Corruption Strategy.

The Diplomatic Missions must establish awareness programs, and programs for implementation and Monitoring of the Anti-bribery OECD Convention and the US FCPA for their Multinationals working within Pakistan.

The anti-corruption programs launched by the World Bank, the International Monetary Fund, the Asian Development Bank and the United Nations must no longer be just printed words in documents prepared by them.

The Government of Pakistan, the Donor Agencies, the IFI's and the Diplomatic Corps must establish special programs to help civil society help them in its fight against corruption.

The ICC Rules of Conduct clearly prohibit bribery, especially bribery of public officials. The OECD Convention focuses exclusively on bribery of public officials, and in view of the large role played by the private sector in the global economy and the continuing privatization of governmental enterprises and activities, the time has come to make sure that effective measures are taken to control corruption within the private public sector. We therefore request the ICC, the OICCI, the ABC and the FPCCI to announce programs and seek implementation of the ICC Code of Conduct, the OECD Convention and the SECP Code of Corporate Governance.

Corruption is a demon, a menace that can be controlled if not eliminated. It can be tamed if not destroyed. All laws, Rules, Regulations and Procedures must be reviewed immediately and all discretionary clauses eliminated within the next 12-months. This requires the total support of the private sector.

Major responsibility naturally lies with the government and here we request the government to implement and establish suitable monitoring mechanisms of the SECP Code of Corporate Governance, Code of the Institute of Chartered Accountants, the ADB-OECD Anti Corruption Requirements and the National Anti Corruption Strategy..

It is also understood that virtually all countries clearly prohibit extortion and bribery. We recommend therefore that the government review its existing Anti-corruption laws and ordinances so as to ensure that they effectively prohibit, and

at the same time be in conformity with its jurisdictional and other basic legal principles, all aspects of both the giving and the taking of bribes including promises and solicitation of bribes.

I am sure that most stakeholders and guests present here feel, that the recommendations and speeches given today are just words, a waste of time, and that the pledge signed today sounds good but will remain just that a pledge. Cynics among us will be saying to ourselves, so what we have heard all this before. Who is going to bell the cat? Who is going to take up this challenge, and anyway where do we go from here.

My answer to this is simple – only you the stakeholders can make it happen. The leaders must lead by example and who are the leaders one may ask. My answer is that they are all present here today.

Quoting the Almighty may seem inappropriate to a few, but the Almighty is explicit in his injunctions and instructions and is applicable to all religions:

“Those are the people who have passed away. For them is what they earned and for you shall be what you earn.” (2:234)

“Allah does not withdraw his favour from a people until they themselves prove by their conduct that they have proved unworthy of it” ((8:53) and

“Verily, Allah does not change the condition of a people until they change it themselves” (13:11)

With these words of the Beneficent and the Merciful I thank you all to have heard me so patiently.

SHAUKAT OOMARI