

Anti-corruption reform

Dr. Sania Nishtar

The release of Transparency International's National Corruption Perception Survey, 2009, which assessed citizens' perceptions as to the level of corruption in the four provinces of Pakistan, has sparked a debate about the prevalence of corruption in the country and the inter-provincial variations in the reported pattern.

First of all, it is important to appreciate that corruption assessment is a challenging area in governance diagnostics because of definitional ambiguities, complexities in categorisation, overlap of forms and its linkage with the cultural and social milieu, within which activities are perceived as being corruptive. Most of the commonly used methods for corruption assessment globally—of which perception surveys, expert opinions and measurements of indices of corruption, are the commonest—have their limitations. Perception surveys can be influenced by actual events surrounding data collection, whereas expert evaluations can be biased. There are other more robust methods for corruption assessment such as forensic investigations, economically modelled estimates and expenditure tracking surveys. However, these are usually not regarded appropriate for broad-based countrywide assessments owing to cost and time constraints. Perception surveys and expert opinions therefore, remain the globally accepted assessment tools.

Transparency International conventionally employs perception surveys. For its cross country comparative assessments, the World Bank utilises a composite indicator, which draws on data from perception surveys and expert opinions, whereas country rankings of the World Economic Forum are based on competitiveness reports from the respective countries. All of these data sources yield information on Pakistan regularly and consistently underscore the magnitude of the problem, as in many other developing countries.

Perception surveys from Pakistan-based organisations, such as the Pakistan Institute of Development Economics (PIDE) and Gallup, reinforce these trends. From time to time there is a tendency, particularly with incoming governments, to engage in forensic investigations of corruption charges against individuals as part of an effort to compel accountability and counter corruption. In many cases these have ended in long drawn judicial scuffles. What is more important is to take stock of broadly representative evidence, and recognise the magnitude of the problem as a first step towards building corrective and pre-emptive measures.

Corruption can be prevalent in any domain—in the political, state, business and NGO systems. Anti-corruption reform, therefore, is a complicated animal with many inter-related attributes, designed to address the determinants of corruption at various levels—frail governance structures of state institutions, weak political systems, thriving black markets and institutionalised patterns of collusion that sustain procurement graft. The list can go on. In an ideal world three requirements should be met in order for anti-corruption reform to be implemented.

The NEWS International | Saturday, August 15, 2009

Anti-corruption reform

Governance
Dr Sania Nishtar

The release of Transparency International's National Corruption Perception Survey, 2009, which assessed citizens' perceptions as to the level of corruption in the four provinces of Pakistan, has sparked a debate about the prevalence of corruption in the country and the inter-provincial variations in the reported pattern.

First of all, it is important to appreciate that corruption assessment is a challenging area in governance diagnostics because of definitional ambiguities, complexities in categorisation, overlap of forms and its linkage with the cultural and social milieu, within which activities are perceived as being corruptive. Most of the commonly used methods for corruption assessment globally—of which perception surveys, expert opinions and measurements of indices of corruption, are the commonest—have their limitations. Perception surveys can be influenced by actual events surrounding data collection, whereas expert evaluations can be biased. There are other more robust methods for corruption assessment such as forensic investigations, economically modelled estimates and expenditure tracking surveys. However, these are usually not regarded appropriate for broad-based countrywide assessments owing to cost and time constraints. Perception surveys and expert opinions therefore, remain the globally accepted assessment tools.

Transparency International conventionally employs perception surveys. For its cross country comparative assessments, the World Bank utilises a composite indicator, which draws on data from perception surveys and expert opinions, whereas country rankings of the World Economic Forum are based on competitiveness reports from the respective countries. All of these data sources yield information on Pakistan regularly and consistently underscore the magnitude of the problem, as in many other developing countries.

Perception surveys from Pakistan-based organisations, such as the Pakistan Institute of Development Economics (PIDE) and Gallup, reinforce these trends. From time to time there is a tendency, particularly with incoming governments, to engage in forensic investigations of corruption charges against individuals as part of an effort to compel accountability and counter corruption. In many cases these have ended in long drawn judicial scuffles. What is more important is to take stock of broadly representative evidence, and recognise the magnitude of the problem as a first step towards building corrective and pre-emptive measures.

Corruption can be prevalent in any domain—in the political, state, business and NGO systems. Anti-corruption reform, therefore, is a complicated animal with many inter-related attributes, designed to address the determinants of corruption at various levels—frail governance structures of state institutions, weak political systems, thriving black markets and institutionalised patterns of collusion that sustain procurement graft. The list can go on. In an ideal world three requirements should be met in order for anti-corruption reform to be implemented.

One, a truly democratic dispensation, not just in the sense of majority rule but also in terms of striking the right balance between constitutionally-mandated institutions that uphold democratic values and democratic behaviours of consensus building and decision making. Two, a superior judiciary which remains un-politicised and a subordinate judiciary free from financial corruption; and, three, an executive that does not abuse the power of discretion and applies policies evenly. If these requirements are met, specific sectoral anti-corruption measures can be institutionalised with great success. Expecting all these things to happen all at once in the short term may be unrealistic. Pragmatically speaking, therefore, the government should focus on a few high potential anti-corruption measures on the premise that these would have a knock-on effect and catalyse action in the other areas, just as an open and relatively free media has had in recent years. The importance of six priority actions is being underscored in this regard.

First, Pakistan needs to fulfill its commitment as a signatory to the United Nations Convention Against Corruption (UNCAC) by revisiting the National Anti-Corruption Strategy which, despite its weaknesses, is a coherent framework and can be the basis of consensus-driven concrete plans of actions in terms of intra-agency sub-strategies. High-level political commitment is needed to revitalise this agenda and include its specific targets into the monitoring framework of ministries and government departments.

Secondly, there is the need for substantive changes in the legal anti-corruption and accountability frameworks. Currently, three draft proposals relating to the future of the National Accountability Bureau (NAB) are under consideration by the National Assembly's Standing Committee on Law and Justice. One of these, the Holders of Public Offices Bill, 2009, intends to re-open the National Accountability Ordinance (NAO) and replace the NAB with an Accountability Commission. The writer has raised a number of issues in relation to the proposed changes envisaged through the statute in these columns on Jan 27 and May 25, emphasising the need to ensure independence of institutional arrangements and conference of a status that is immune from exploitation through political interference.

There are also many other concerns relating to this legal framework, particularly with regard to preferential treatment and other issues emerging as a result of its implementation, specifically in relation to strengthening the mandate of the FIA while it remains, in its present shape, an institution with many weaknesses. A robust legal and institutional anti-corruption framework can bring great value to mainstreaming transparency in state functioning.

Thirdly, some key oversight institutions should be strengthened—in particular, the Public Accounts Committee and the AG's office. Recent improvements in the AG's office should be sustained and further built upon. The potential within the Public Accounts Committee can be harnessed with the leader of opposition in its chair, albeit with the right technical inputs and civil-society engagement. The Public Accounts Committees also exist within the framework of the local government system but have not been made to function as a tool for strengthening district oversight and accountability. Although their fate is dependent on the overall decision relating to the local government system, every effort should be made to retain and strengthen institutional frameworks that can compel accountability.

Fourthly, rather than the punitive, investigative and sanctions-oriented approach to dealing with corruption in the private sector, the focus should be on leveraging the potential within the competitiveness to counter organised vested interests and ensure that businesses have a level playing field. Pakistan's Competition Commission should be incentivised to act as an active engine in order to build safeguards in the market environment.

In the fifth place, a twin agenda relevant to the executive branch of the state can help to achieve efficiency whilst at the same time act as a safeguard against collusion. Critical investments are needed in technological applications in the management and public expenditure tracking streams. Alongside, some initial steps must also be taken to promote integrity at the executive level, although civil service reforms is a long-drawn agenda and while the system eagerly awaits the much-needed deeply rooted action in this area, improvements can be made by ensuring respect for merit and tenure security and improving accountability of decision making.

Lastly, it is important to review the Freedom of Information Law, 2002. Freedom of information is not about media freedom. It has to do with access to information and disclosure which can enable public discourse. The right to information is a crucial underpinning of participatory democracy. Promotion of open government and maximum disclosure can be the single most important step towards eliminating corruption. If this is coupled with the right awareness-building measures for citizens that empower them with knowledge of what laws mean and the implications of information on their lives, sustained improvement with respect to transparency in government can be expected over time.

The writer is founding-president of Heartfile. Email: sania@heartfile.org

One, a truly democratic dispensation, not just in the sense of majority rule but also in terms of striking the right balance between constitutionally-mandated institutions that uphold democratic values and democratic behaviours of consensus building and decision making. Two, a superior judiciary which remains un-politicised and a subordinate judiciary free from financial corruption; and, three, an executive that does not abuse the power of discretion and applies policies evenly. If these requirements are met, specific sectoral anti-corruption measures can be institutionalised with great success. Expecting all these things to happen all at once in the short term may be unrealistic. Pragmatically speaking, therefore, the government should focus on a few high potential anti-corruption measures on the premise that these would have a knock-on effect and catalyse action in the other areas, just as an open and relatively free media has had in recent years. The importance of six priority actions is being underscored in this regard.

First, Pakistan needs to fulfil its commitment as a signatory to the United Nations Convention Against Corruption (UNCAC) by revitalising the National Anti-Corruption Strategy which, despite its weakness, is a coherent framework and can be the basis of consensus-driven concrete plans of actions in terms of intra-agency sub-strategies. High-level political commitment is needed to revitalise this agenda and include its specific targets into the monitoring framework of ministries and government departments.

Secondly, there is the need for substantive changes in the legal anti-corruption and accountability frameworks. Currently, three draft proposals relating to the future of the National Accountability Bureau (NAB) are under consideration by the National Assembly's Standing Committee on Law and Justice. One of these, the Holders of Public Offices Bill, 2009, intends to repeal the National Accountability Ordinance (NAO) and replace the NAB with an Accountability Commission. The writer has raised a number of issues in relation to the proposed changes envisaged through the statute in these columns on Jan 27 and May 25, emphasising the need to ensure independence of institutional arrangements and confer a status that is immune from exploitation through political interference.

There are also many other concerns relating to this legal framework, particularly with regard to preferential treatment and other issues emerging as a result of its implementation, specifically in relation to strengthening the mandate of the FIA while it remains, in its present shape, an institution with many weaknesses. A robust legal and institutional anti-corruption framework can bring great value to mainstreaming transparency in state functioning.

Thirdly, some key oversight institutions should be strengthened—in particular, the Public Accounts Committee and the AG's office. Recent improvements in the AG's office should be sustained and further built upon. The potential within the Public Accounts Committee can be harnessed with the leader of opposition in its chair, albeit with the right technical inputs and civil-society engagement. The Public Accounts Committees also exist within the framework of the local government system but have not been made to function as a tool for strengthening district oversight and accountability. Although their fate is dependant on the overall decision relating to the local government system, every effort should be made to retain and strengthen institutional frameworks that can compel accountability.

Fourthly, rather than the punitive, investigative and sanctions-oriented approach to dealing with corruption in the private sector, the focus should be on leveraging the potential within competitiveness to counter organised vested interests and ensure that businesses have a level playing field. Pakistan's Competition Commission should be incentivised to act as an active engine in order to build safeguards in the market environment.

In the fifth place, a twin agenda relevant to the executive branch of the state can help to achieve efficiency whilst at the same time act as a safeguard against collusion. Critical investments are needed in technological applications in the management and public expenditure tracking streams. Alongside, some initial steps must also be taken to promote integrity at the executive level; although civil service reforms is a long-drawn agenda and while the system eagerly awaits the much-needed deeply rooted action in this area, improvements can be made by ensuring respect for merit and tenure security and improving accountability of decision making.

Lastly, it is important to review the Freedom of Information Law, 2002. Freedom of information is not about media freedom. It has to do with access to information and disclosure which can enable public discourse. The right to information is a crucial underpinning of participatory democracy. Promotion of open government and maximum disclosure can be the single most important step towards eliminating corruption. If this is coupled with the right awareness-building measures for citizens that empower them with knowledge of what laws mean and the implications of information on their lives, sustained improvement with respect to transparency in governance can be expected over time.

The author is the founding president of the health sector NGO think tank, Heartfile. E mail: sania@heartfile.org