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**Loot and plunder**

In the garb of democracy and freedom, many countries in the developing world, including Pakistan, have been manipulated to install corrupt governments.

The leaders have then looted and plundered at will, and this ill-gotten wealth has then been stashed in housing states and bank accounts in foreign lands. This amounts to trillions of dollars which have boosted Western economies while developing countries have sunk lower and lower in poverty and deprivation. The huge economic drain that occurred in India during the British Raj has been estimated at the colossal figure of some $43 trillion. This process continued even after countries were made ‘independent’ since pseudo democracies were installed. As a result, the wealth of the developing countries continues to be sucked into Western economies.

Let us take the case of Nigeria. Sani Abacha served as the president of Nigeria from 1993 until 1998. His rule was shrouded with allegations of corruption and it was discovered that during his five-year reign, he had stolen some $5 billion of public money. In 2014, the US Justice Department froze about $458 million of these illicit funds but Nigeria has been fighting unsuccessfully to recover this stolen money. It is not in the interests of those countries that protect the corrupt to part with such funds as they provide a huge economic boost and attract other corrupt world leaders to park their money in such countries. This allows the rivers of corrupt dollars to continue to flow unabated from countries in Asia, Africa and South America to these safe havens.

Let us now turn to Malaysia. It is estimated that more than $4 billion was embezzled through one of the world’s biggest corruption schemes, called “1MDB”. The 1Malaysia Development Berhad (1MDB) was set up as a development fund in Malaysia under the chairmanship of its former prime minister, Najib Razak, in 2009. The objective of the fund was to boost the country’s economy through certain strategic investments. However, it was just a cover for mega corruption and through a network of shell companies billions of dollars of development money went to Najib Razzak and others. The funds were lavishly spent on luxury real estate in New York, paintings and other assets. Over $700 million were found in Razak’s private account, which he claimed was a personal “donation” from a Saudi prince. Only about $1.3 billion have so far been recovered but most of the money still lies concealed in Western assets.

The largest single revelation of mega corruption was through the ‘Panama Papers’. At the center of this huge scandal was Mossack Fonseca, a Panamanian law firm and corporate service provider that created 214,000 shell companies which were registered in other tax havens, thereby hiding the real owners. Many ‘reputable’ European banks were a party to this huge scandal which involved over 82 countries and at least 140 politicians and public officials, including 12 government leaders. Despite vigorous efforts by many of these countries, only 23 countries have so far succeeded in recovering a very small amount of $ 1.2 billion.

Several European banks that moved the dirty money of companies set up by Mossack Fonseca were held liable for violating national and international anti-money laundering rules. Germany’s biggest bank, Deutsche Bank, was found to hold accounts of shell companies owned by a former prime minister of Pakistan and his daughter. In spite of court convictions, the funds have not been recovered.

In order to rid ourselves of corruption, we must introduce the death penalty for mega corruption. China wiped out corruption in this manner.

The present system of democracy has failed and needs major surgery. We have all also witnessed the complete failure of our justice system so that loot and plunder at the highest level has gone unchecked. The failure of provincial governments to transfer power and funds to the grassroots after local bodies elections has made a complete mockery of the parliamentary system of democracy. The spirit of democracy lies in empowering the people through transfer of authority and funds to local bodies. In Turkey, for instance, there are 1394 municipalities headed by mayors who have the powers and funding to meet the local needs of roads, schools, clinics, sewerage etc. Pakistan too should follow this model, with divisions not made on the basis of ethnicity so that there is a better mix of different cultures, and, considering our size and population, about 4,000 municipalities to empower democracy at the grassroots.

The main advantage of a presidential system of democracy is that the president can choose the best minds in the country in various fields as federal ministers – persons of international eminence who would not want to contest elections otherwise. A serious deficiency in the parliamentary system of democracy is that the ministers must be appointed from within parliament. The presidential system of democracy exists in about 90 countries of the world, and we too should adopt it.

Pakistan stands at the crossroads with CPEC giving us a wonderful opportunity to leapfrog. Blessed with a young population, about 70 percent below the age of 30, we need to invest massively in education, science, technology and innovation in order to develop the capabilities for manufacture and export of high-technology products. It is only though this mechanism that we can develop a strong knowledge economy.

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