**View of corruption**

BY J U N A I D A S H R A F 2021-04-09

WHENitcomestocorruptioninPakistan, the most rational perspective amongst a cacophony of voices has come from surprise, surprise ... Hamza Shehbaz! Let`s face it, he`s not the shiniest knife of the Sharifs` drawer. But what he reportedly said to children in an elementary school yes, that`s correct, he was addressing elementary schoolchildren was not that wrong.

Speaking to a few toddlers, the not-so-eloquent son of the then chief minister of Punjab said something to the effect of `leave corruption aside ... corruption is inevitable`! This wasn`t a philosophical statement with any element of hermeneutic depth in it. People of Hamza`s stripe do not have the time or, as some would say, the cultural capital to partake in any theoretically sophisticated conversation. He was stating factual knowledge that he had acquired over a very long time, dealing with government and business af fairs. It is a fact that anyone who is running a business in Pakistan or for that matter, anywhere else in the world, would know.

Compare this, let`s say, plain understanding of Hamza with that of our Oxonian prime minister, who frequently cites Raymond Baker`s book Capitalism`s Achilles Heel to `prove` that the Sharifs and Zardaris are internationally acclaimed thugs, who have corrupted the system. Immediately after condemning them, he goes on to describe his vision of pushing Pakistan to the fast lane of capitalism, claiming that this will solve all problems of the country.

If only the prime minister had the time to read his of t-cited book in any level of detail, he would have realised that Baker considers corruption to be an unfortunate corollary of international capitalism. The flow of `dirty money phenomena`, as Baker prefers to call it, stems from differences between quoted and `actual` prices, including the price of textiles exported, or the power grids and motorways built by business firms. The money thus siphoned out is fed into the global banking system and legitimised by a network of global financial institutions, lawyers, and accountants, all maximising their economic gains.

The famous 2020 FinCEN files leak revealed that between 2000 and 2017, large Western banks facilitated $2 trillion of dirty money to move through the banking channels, mostly in the name of shell companies. The modern home of these shell companies isn`t the once famous Panama or the Cayman Islands but the mecca of capitalism, the United States, where the state of Delaware, for example, would earn more than a quarter of its state budget through incorporating these shell companies.

All this mispricing, and the resulting flow of `dirty` funds surely works with the sup-port of corrupt public officials, who are, in the process, maximising their self-interest.

Global business interests are thus intimately tied with corruption and both are born out of the notion of self-interest, the `invisible` hand that drives modern-day capitalism.

In 2005, when Baker wrote the book, he assessed that flow of dirty money out of poor countries to the Western banking system was around $500 billion a year, whereas the aid that flowed from rich countries to the global South was around $50bn. Ten years later, the flow of illicit funds from poor countries to offshore accounts and Western financial institutions crossed $1,000bn, so much for the fear of terror financing leading to a revival of capitalism from the clutches of unbridled self-interest.

Coming to Pakistan, those who think that corruption flourished in the political system of the country in the 1980s and 1990s and link it with two political parties and their leaders, take a very narrow view of a muchmore complex phenomenon. These are also decades where global capitalism underwent a radical shift in its character and outreach. You only need to look at the recent US presidential campaign to figure out that corruption is not a local phenomenon.If there is any truth in the accusations of the two parties, Hussain Nawaz is no worse than Hunter Biden; and president Zardari almost appears like a saint before the financial shenanigans of president Trump. In other words, Zardaris and Sharifs have not corrupted the system; the system has corrupted them.

Any meaningful debate about corruption in our society should explore the link between capitalism, corruption and the moral sentiments that connect the former with the latter, in a holistic manner.

Admittedly, such debates do not serve the immediate interests of the actors on the political theatre. But one thing is for sure. If Pakistan somehow ends up on the fast lane of capitalism, the economy will flourish but so will corruption. And in the meanwhile, the hollow political rhetoric will prevail, where one side will continue to accuse the other of spreading the culture of corruption in the country and the other will accuse the first of political victimisation.  The writer is associate professor, Suleman Dawood School of Business, Lums.