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**Prioritising merit**

All states are ruled by elites. Historically, pthe restige and power of ruling dynasties were tied to the success of their empires.

Triumph in war, diplomacy or economy brought more bounty and hold over power. Failure meant slavery, destruction, and wiping out of the dynasty. This alignment kept rulers striving for the best for their nation. Ancient rulers had “Skin in the Game”, described by Nassim Nicolas Taleb as “facing the consequences of your mistakes”. There was no greater proof of personal skin in the game for their nation, when rulers charged on horse-back with their armies and risked an enemy’s spear being driven through their chest.

However, due to globalization and integration of economic systems, this skin in the game has decreased. Countries perform poorly, while rulers are shielded from the consequences of their actions. Secretive off-shore vehicles for personal wealth or unrecorded international financial flows enabled gross plunder of nations. Naturally, nationality is seen as a proxy for skin in the game and anyone having dual or foreign nationality is viewed with greater suspicion.

In two years, 800,000 talented Pakistanis left the country to settle abroad permanently, contributing tremendously to their adopted countries. They are loyal to their new adopted identities, even running for public office. There are 10 MPs of Pakistani origin in the UK. Expatriate Pakistanis ‘own’ their adopted countries by investing time, effort and capital, and in turn are either trusted with public office or economic success.

Jan Koum, founder of WhatsApp, and General John Shalikashvili, former US chairman Joint Chiefs of Staff, were born in Ukraine and Russia respectively and migrated to the US, becoming billionaires by developing a security sensitive communication service and becoming the top-most military commander with highest clearance for all national security secrets, respectively.

General Shalikashvili’s father was an officer in the enemy Imperial Russian Army, and yet the system embraced him and enabled his rise on merit to a higher position than he would have achieved in his homeland. Skin in the Game is created based on trust, upward mobility on merit and system transparency. American law does not forbid dual-nationals from holding public office, and dual nationals can become members of the UK’s House of Lords.

Developing countries have a harder time creating skin in the game, due to low trust in public institutions, limited chance of wealth creation on merit, and opaque systems where a person’s hard work can be usurped. We do not offer the same protections to effort, capital or a level-playing field that enables long-term investment or an ownership culture – hence rampant rent seeking, flight of capital, and leaders who come to Pakistan to rule, but leave upon completing tenure.

Development is complicated and requires technical expertise and experience. Competition between nations means that the person with the better talent will get ahead. Unfortunately, flight of talent and capital, combined with lack of technology has had Kenya, Bangladesh and even Nigeria leapfrog Pakistan in economic development. Often the required talent may not be available in the country and one mechanism to fulfill this gap is to turn to expatriate Pakistanis for their skill and knowledge. However, this becomes unnecessarily controversial, as recently when six members of our federal cabinet were revealed to be dual-nationals.

In a globalized inter-connected world, nationality is transferable, with citizens changing for ease of travel or work. So, limitation on dual-nationals is not in sync with the current system of mobility of talent between countries. Second, focusing on nationality may ignore other serious scenarios that create divergence between a public servant and state. For example, if the spouse and children of a public official are dual nationals and reside abroad, then that may weaken his/her connection to the state.

Public leaders whose substantial proportion of wealth is invested outside of the country are hedged from the decline of the country’s fortune. Public servants who are employed by foreign donors on deputation under lucrative contracts would face split loyalty when in public office they have to make a decision on the same donor.

Suffice to say this is a complicated issue, where simplistic and binary rules would be harmful by limiting Pakistan to a smaller talent pool. The state has a responsibility to develop smart, nuanced policies to create ‘skin in the game’. There are no complete solutions. One way is to require dual nationals to invest a third to half of their wealth in Pakistan for the duration of their public service, move their families with them and commit for a minimum stay in the country. Saying yes to both signals long-term commitment to the country. Sacrifice is essential because their personal stake is invested with the country’s success.

Wealthy countries create a natural alignment through trust and transparency of their system, not realistically possible for developing countries. So we must develop smart legislation that allows talented individuals to contribute to Pakistan’s development, while ensuring loyalty and alignment with the country.

In the early years of Islam, Muslims faced risk of total defeat against a superior and larger enemy. The Prophet Muhammad (pbuh) turned to advice from a relatively unknown companion, a non-Arab from Persia, Hazrat Salman Farsi (r.a), who advised to fight the enemy by digging trenches around Madinah. This highlighted that a just society is inclusive and seeks the best available advice on merit.

Although the modern state cannot replicate the loyalty or devotion of the state of Madinah, yet we aspire to the same ideals. For that, our state must create mechanisms to create commitment and ‘Skin in the Game’ to harness the disparate talents available for our common and greater good.

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