**Accountability and backlash**

[Osama Rizvi](https://dailytimes.com.pk/writer/osama-rizvi/)

February 2, 2020

[Economic](https://dailytimes.com.pk/526709/economic-growth-and-employment-mismatch/) growth, documentation and accountability don’t have a recently formed connection. The process of international trade and the period of “coming of the corporations” such as Dutch VOC, and British EIC, had begotten the cash-catching “middlemen”. They ride the waves of protectionism and globalization alike, with equal equanimity and ease; mastering the art of profiteering.

The famous Boston Tea party – mistakenly associated with increases in taxes by the British and resulting anger in the Americas – wasn’t about that. Rather the Townshend Act, implemented in 1767, had already placed a 10 percent import duty on tea coming in what is now U. S. However, it did hurt the middlemen there as the tea from Britain wasn’t sent directly to the Americas. Rather it was sold to men there who then sell it to men at the other continent which was then distributed to retailers, finally making its way to consumers. What the 1773 Act did was to slash off the profits of these middlemen. The people disguised as EIC men, casting the tea off the ships docked at America, weren’t the consumers but those middlemen incensed at this bill.

This entire historical context is highly relevant to what is going on in Pakistan lately. We hear the ideological descendants of these middlemen grumbling about the recent efforts by the PTI government to increase accountability and ensure documentation of the economy. We now know that the reaction isn’t new. And that it wouldn’t change too.

What we do know is that the efforts and reforms at this end should not wane. These so called unpopular decisions go beyond a party’s repute and should be viewed in regards to our country’s future.

NAB’s work is commendable and its contributions significant in setting the stage and helping government in its accountability agenda.

Cases related to profiles of influential people have been not only opened but also followed up and have been brought to trial/NAB courts.

What we do know is that the efforts and reforms at this end should not wane. These so called unpopular decisions go beyond a party’s repute and should be viewed in regards to our country’s future

NAB’s Lahore branch added Rs. 4 billion recently, quite a jump from Rs. 270 million in 2016. The best recovery on record. According to Mian Mannan Javaid, an Advocate High Court with more than a decade of experience, NAB’s work is commendable, he said that “ever since Justice Javaid Iqbal has come to the helm, he started what is called” internal accountability” in NAB and then set in course a wave of accountability which has so far been unprecedented. Further commenting on legal aspects he added:

“While there are multiple advantages to this exercise and practice which I hope will continue, this will directly relate to and have an effect on our FATF status – highly important for the country at this moment. According to statistics, the recovery for both private and public sector from NAB has been the most during this tenure. While investigation vis-a-viz white-collar crimes have improved but the prosecution remains a weak link and we need improvement on this front. A continuation of this reform is dire for the country to have well-functioning and efficient institutions.”

Here we may also mention what is called the institutional theory and its link to a country’s diplomatic and economic development. A country without strong institutions can never progress. We might tweak and manage all the symptoms (BoP, inflation, slow growth etcetera) but until or less the core problem (lack of active and effective institutions) is resolved.

Our undocumented or shadow economy amounts to almost 35 to 40 percent of our GDP. If our GDP is around $315 bn (figures from 2018) then this makes the undocumented sector at $126 bn! We can therefore realize how significant it is for our country to set in place a system where everything is documented in what would be self-reinforcing system.

While we talk about accountability and the resulting backlash it is also relevant to mention areas of improvement. Take for instance the recent wheat crisis. Prices have soared too high and now we have an unofficial trading system in place. Such incidents may sabotage the overall performance of the government and the institutions therein (more on this in another article). Therefore, while NAB has given a laudable performance it is also incumbent on other institutions to continue to work in liaison with each other and put in place what is called an inclusive system of institutions.

Oh and the backlash—well, it has always been there and will be.

*The writer is an economic and geopolitical analyst*