

# Transparency in dealings

Page - E-20 By Sultan Ahmed

Dawn  
17.2.05

PRESIDENT of the World Bank James Wolfensohn is highly impressed by Pakistan's macro-economic progress in recent years and has said the Bank would provide a billion dollars for each of the next three years. The Bank could be ready to give more after providing 15 billion dollars in the last 50 years if Pakistan needs that and could use that well for the development of the country and for effective poverty reduction, if it abides by the time-schedules for completing the projects.

He was on a farewell call to this country before retiring from the Bank by the middle of this year. And while describing Pakistan's economic progress as "terrific" he clearly identified the various weaknesses of its economy and causes of its social backwardness. He called for effective and speedy remedial measures to achieve the UN millennial development goals of halving world poverty by the year 2015. He focused on three major areas of weakness — pervasive corruption, poverty which afflicts 30 per cent of the people, and the social sector's backwardness, particularly in respect of education, public health and treatment of women.

Increasing the rate of economic growth from three per cent a year to seven per cent as Pakistan has done is a remarkable achievement, he says. At the same time poverty has increased in the last two years, belying official claims to the contrary. And poverty is likely to get worse now because of the double digit inflation as all food prices will rise steadily. Quality education and medical attention too have become too costly as they go more and more into private hands.

Money is no more a major deterrent for development. The Asian Development Bank

whole system. So a selective approach to corruption will not do, nor will creation of new organizations like the National Accountability Bureau along with the old anti-corruption hierarchies. The NAB's name became vitiated because of its selective approach to corruption instead of an across-the-board approach to fight crime at higher and middle levels.

What the array of inadequacies or drawbacks identified by Wolfensohn underscores is that we have most of the afflictions of developing countries but the officials say the country has come to the take-off stage and can't stay down any more and be content with a low rate of growth. A far higher growth is imperative, particularly when the population growth is 2.2 to 2.5 per cent — if the official claim is right. Until many of these problems are overcome the officials should stop talking of hav-

should be restored if we want large foreign investment.

Of course, there is need for imparting education to the people at all levels, beginning with the primary schools. The emphasis should be not only on numbers but also on quality at all levels for which the right teachers have to be chosen and paid well, and trained adequately. University education should be of far higher quality than it has been. The emphasis on research should be far greater than it is.

There should be special emphasis on education for girls and on adult education. An educated woman is an asset to the family. The educated mothers will then send their children, including the daughters, to schools and we will then have an educated and trained population marked for high productivity and a large skilled work force. The issue is how

well we use the donors' funds for poverty reduction, for promoting education and public health. If we use the funds well far more will be available from the appreciative donors who want to help us.

The fourth pre-requisite to eliminate corruption is devolution of power from the centre to the provinces and from the provinces to the local governments, right down to the union council. The local bodies are now struggling to come into their own while their officer holders are not clear about their powers and limits, and their accountability.

But real devolution is not possible under quasi-military rule or with a president in whose hands power is really concentrated. And yet it is

during military rule that a great deal of importance is given to the local bodies, while the parliament and the provincial assemblies are on guard and watch their steps carefully. But the present military authorities do not mind letting the opposition make a lot of noises and stage vociferous walkouts from the assemblies as long as they know their limits.

In a quasi-military system of this kind, the

ing arrived at the take-off stage.

After identifying corruption as one of the major deterrents to progress he has suggested four measures to eliminate it. These are: transparency in official transactions, judicial reforms, better education and devolution. However, experience tells us that there cannot be transparency in official dealings and ministers' activities, unless they are really honest, efficient and truly above board. Had

Money is no more a major deterrent for development. The Asian Development Bank, too, is ready to provide almost the same amount which the World Bank provides. It has already provided 55 loans worth a total of 5.2 billion dollars and is ready to fund the pipeline which is to bring gas from Turkmenistan via Afghanistan, and then end up in India, it is ready to finance building of a road network connecting Pakistan to Central Asia, and then Central Asian republics with each other through far better roads than they have now.

Pakistan is trying to get a new credit through the IDA which will be at an interest rate of half to three-fourth per cent. Mr Wolfensohn is agreeable to that. If the old loans cannot be written off, as is the case with the loans to Africa, Pakistan's new loans could be at least at concessional rates of interest. That would make the debt servicing cost low.

While offering to help Pakistan with large new loans Mr. Wolfensohn, who has been to Pakistan several times, had identified a great many flaws and inadequacies in Pakistan's economic system and management. Principal among them is corruption which has not been eliminated despite apparent efforts and strong rhetoric of denunciation. When the successive rulers say there has been no corruption at the top in recent times they only delude themselves unless they describe the top as too thin.

As far the broad mass of the people are concerned they are helpless in the face of pervasive low level corruption at the hands of the policemen, junior taxation officers, judicial staff, and other instruments of the local administration. Often they are paying a share of the bribes to their seniors. That vitiates the

ministers' activities, unless they are really honest, efficient and truly above board. Had there been any transparency in official dealings there would not have been several versions of the entourage that went with three prime ministers for umra at a cost of Rs. 42 million. Deviation from healthy and rational practices would give rise to varied speculations, right and wrong.

Transparency and good governance go together. We can't have one without the other. It is for the parliament, both its houses and it numerous standing committees, to insist on such transparency and take the press and the country into confidence. It is the public money which the rulers are using for essential and non-essential purposes. And so the people have the right to question who spent how much, and why, if there is violation of rules.

The second pre-requisite for eliminating corruption is judicial reforms which, I presume, includes police reforms. Without a diligent and upright police the judiciary will be greatly handicapped or invariably misled and it can result in vast waste of time and delayed justice, if not miscarriage of justice. For the judiciary to be effective and command the confidence of the people the judgments have to be fair and quick and not too costly and the verdicts should be enforced in good time. Now many judgments delivered after a long time are not enforced as the culprits are too powerful or had vanished.

Now a court to hear business disputes is to be set up but only in Islamabad. In fact, there should be a court for this purpose in the principal cities of Pakistan. Foreign investors too complain that the courts are ineffective or partisan, and litigations are time-consuming and costly. Their confidence in the judiciary

their limits.

In a quasi-military system of this kind, the prime minister and ministers are chosen by president and so are the provincial chief ministers and their major ministers. Devolution in such a system is hence more formal than real. While there is so much talk about foreign investment, Wolfensohn called for rebuilding investor confidence so that the system was free from corruption and that the rules and procedures were not changed now and then. He spoke of investors as a whole and did not specify foreign investors.

He wanted adequate infrastructure to be built up with sufficient energy. He asked for roads and ports to be improved so that goods can move between production centres and the port easily. He also suggested a better developed telecommunication system and technology. He wanted good roads in the cities and proper transport system to make movement of people easy. The government is committed to provide all these facilities and is seeking assistance of foreign investors in Karachi for the mass transit and mono-rail.

Above all, he has cautioned against complacency following an early success as it is a common feature of the leadership in developing countries. Evidently he has sensed that complacency or gloating over the initial success in Pakistan as well.

A country with 30 per cent of the people living below the poverty line has a long way to go to accomplish its goals, he says. The challenge now, he says, is to sustain the reforms and increase the economic growth and make its benefits available to the very poor and the vulnerable sections of the people, like women, children and the handicapped, who are large in number.