

# Transparency I

The Transparency International (TI) has come with a yet another blow. TI has put Pakistan among top 12 corrupt countries of the world. Transparency International released a survey the Corruption Perception Index (CPI) 2001 ranks 91 countries. Out of these surveyed countries Pakistan was ranked 79. In 1995 a total of 41 countries were surveyed out of which Pakistan was on top of the list of most corrupt country of the world.

In 1996 Pakistan was on second number out of 54 countries. In 1997 Pakistan was fourth out of 52 countries, in 1998 Pakistan was 13th out of 85 countries and in 1999 Pakistan was ranked 11th most corrupt country out of 99 countries. In the year 2000, no survey was conducted in Pakistan, as there was no foreign investment. In recently issued survey (2001) Pakistan was placed as 12th most corrupt countries of the world out of 91.

Presently, the Western nations are planning to use the United Nations in fighting corruption by passing a UN treaty against such widespread practices as bribery, kickbacks, nepotism, and embezzling public funds. The treaty would also envisage of monitoring national anti-corruption activities and defining good governance. The UN treaty will give the fight against corruption a place in international law, banning practices that until recently even transparent Western governments considered being unfortunate facts of life. Many European companies routinely build in bribes as a cost factor when seeking international contracts.

Under the new formulation, no country can seal itself off from the impact of corruption beyond its borders and, therefore, every nation must work with every nation to fight corruption.

UN member states have been negotiating an

international treaty ever since the General Assembly underlined the necessity of an effective legal instrument against corruption last year.

The convention of the Organization for Economic Cooperation and Development (OECD) criminalized corruption by setting out punishments for companies and individuals involved in bribery. The convention was signed by 34 countries in February 1999, but no developing countries were among them.

On the situation in Pakistan, the report of TI noted the initiation of accountability of politicians and investigations about drug proceeds and money laundering. However, the report stated, "If a meaningful international efforts is to be made to meet the challenge posed by the corrupt and their legal and financial

advisers, mutual legal assistance arrangements need to be swift, inexpensive and fair. At present they are none of these, but simply present myriad technical escape routes for the suspects. The time has surely come for the international community, through the United Nations to undertake a harmonization of present arrangements so as to render them effective." It further said that to continue to endure the present chaotic position is actively to abet crime.

It should be noted that the TI has influenced

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**Pakistan, in 1999  
11th most corrupt  
99 countries while  
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International Monetary Fund (IMF) and other Western donors since TI represents the multinational corporations, which have tremendous influence on the US and European governments. As a result IMF has started with a new policy by giving fight against bribery and corruption central priority in giving loans to developing countries.

IMF has reportedly imposed conditions to make reduced corruption just as integral to its assessment of Pakistan as more traditional concern

as tariff reform, investment, liberalization, and structural adjustment of the economy. The US administration is encouraging the IMF and the World Bank in their new policy and pressure tactics against Pakistan.

Pakistan was told that there is only one way to achieve sympathy

of the free market and sound governance, which is through commitment to full-fledge fight against bribery and corruption. The decision to fight bribery and corruption was taken by the United States and major industrial nations especially those of European Union. It has been decided that the United States and European

rect sanctions would be imposed on them in matters pertaining to trade, economic development and capital movement.

Pakistan has started fighting corruption and bribery by targeting the secret accounts of the politicians in Europe, United States and oil-rich Persian Gulf states. Contacts have already been established to seize the black money abroad especially in the United States and Europe. Efforts are underway to establish anti-money laundering regime to curb drug-related and white-collar crimes. Additionally, Ministry of Law is putting final touches on enacting legislation that criminalizes money laundering beyond drug trafficking.

The SBP has already devised a system of reporting suspicious transactions by all financial institutions operating in Pakistan. Efforts are taken to discourage "hawala" transactions, which play in money laundering. Of the officially estimated \$5-6 billion, only about one billion dollars comes through official channels and the rest come from unofficial channels including the illegal hundiwallas.

The government is working on anti-money laundering legislation. Some banks including the National Bank of Pakistan have advised their staff to "know their customers". Pakistan also became a member of the Asia-Pacific Group on money laundering last year. The Governor of State Bank, Dr Ishrat Husain, has asked commercial banks not to deviate from banking ethics to secure business.

The government has promulgated new ordinances addressing various financial crimes, particularly tax evasion and corruption. However,

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