

# **CORRUPTION IN THE PUBLIC AND PRIVATE ORGANIZATION OF PAKISTAN: PERCEPTUAL VIEWS OF DISTRICT FAISALABAD, PUNJAB, PAKISTAN**

<sup>1</sup>Naeem Shahzad , <sup>2</sup>Tabssum Naz , <sup>3</sup>Farhan Shahid <sup>4</sup> ,Feroz Usmani ,<sup>5</sup> Hafiza Rukhsana Khuram

<sup>1</sup>\*College of Statistical and Actuarial Sciences, University of the Punjab, Lahore, Pakistan

<sup>2</sup>Department of Management Sciences University of Okara

<sup>3</sup>Department Political Science, Islamia University Bahawalpur

<sup>4</sup>Department of Social Work, University of the Punjab, Lahore

<sup>5</sup>Govt. Post Graduate College for Women Samundri, Faisalabad

Email: naeembukhari26@gmail.com <sup>1</sup>\*,maliktabssumnaz986@gmail.com<sup>2</sup>,  
imran\_shaiid@yahoo.com<sup>3</sup>,Feroz.usmani@yahoo.com<sup>4</sup>, hafizarukhsanakhuram@gmail.com<sup>5</sup>

**\*Corresponding Author:**naeembukhari26@gmail.com

## **ABSTRACT:**

Corruption has become a severe problem in Pakistan and it is shaking the foundation of the country. Corruption is equally problematic to measure and quantify. Therefore a comprehensive practice is to access the perception of corruption among people. This study evaluate situation, seriousness, causes and level of corruption. This study based on descriptive survey type's research. It also measurements the awareness of corruption among people of Faisalabad. Majority of the people have personal experience of corruption. Most of people observe that the officials of political government are not demonstrating any political from public establishments. They observe the feeble accountability machinery is the major causes of corruption in government and Private departments.

**Key words:**Corruption, corruption perception level of corruption, corruption analysis, Pakistan

## **INTRODUCTION:**

Corruption is a social disease and has been devastating a nation and spreading enormously in all organizations. In political completion corruption is huge issue. Corruption is common in all underdeveloped and developed countries.

According to Transparency International, abusing power for personal gain is corruption and power is not just political, administrative, and institutional.

Corruption characterize a major hurdle in economic progress and in good governance. Corruption is present in many forms such bribery, collusion, embezzlement, fraud, extortion, abuse of discretion, favouritism, clientelism, nepotism, the sale of government property by public officials, patronage etc.

According to the World Bank, one trillion dollars are lost to bribery in the world every year. According to Transparency International's National Corruption Perceptions Survey 2010 in Pakistan, Rs 223 billion is transferred

from one pocket to another every year in the form of petty bribery. Similarly, a total of 1,024 million dollars' worth of illicit foreign exchange was transferred from Pakistan to the outside world during the decade 2002-11, according to a report by Global Financial Integrity. The average annual value is 102 million dollars.

In international business, firms in developed countries often heat up the bribe market just as much. And a clear example of this is that almost half of the 28 countries in the Bribe Payers Index 2011 belong to the developed world. Firms of countries that do business with bribes include firms from five Muslim countries, Malaysia, Turkey, Saudi Arabia, the United Arab Emirates and Indonesia, while India ranks in the rankings with its bribe-paying companies for international business. It is ranked 19th along with Taiwan and Turkey.

One in four people in the world has confessed to paying a bribe in the past year. One of the main reasons for the growing scourge of bribery is that people no longer feel ashamed of committing corruption and society's social isolation from such people is being lost in the dust of the past. Thus, corruption is on the rise in most of the world's societies. This is indicated by Transparency International's GLOBAL CORRUPTION BAROMETER 2013 facts that 53% of voters worldwide say corruption has increased over the past two years.

According to Transparency International's Corruption Perceptions Index 2013, Pakistan is also among the 123 countries with the most serious problem of corruption. I have supported the increase. And in the opinion of 72% of Pakistanis, corruption in the country has increased in the last two years. 19% say there has been no change, while 8% say corruption in the country has decreased over the past two years.

Corruption is rife in almost every sector of the country, but in some areas it is serious. According to TI Pakistan's National Corruption Perceptions Survey 2011, the country's most corrupt institution is the Land Administration. The second most corrupt institution is the police, while Taxation is the third most corrupt in the country.

To eradicate corruption, along with accountability, there is a need to define a system that minimizes opportunities for corruption, but it is also a bitter truth that efforts to eradicate corruption in developing countries are themselves corrupt. They are becoming victims and becoming controversial.

According to the World Corruption Perceptions Index, Pakistan is currently ranked 127th out of 175 countries in the world in terms of corruption. Historical review shows that in 1998, Pakistan was ranked 13th among the most corrupt countries in the world, followed by 11th in 1999, 12th in 2001, 25th in 2002, 37th in 2003, and 11th in 2004, and 13th in 2005 and 16th in 2006. Transparency International compiled its own report by surveying corruption, bribery and dishonesty in various countries. Has turned into dictatorships and undemocratic structures. It has warned the government to devise an effective system of accountability on a priority basis that would empower the people to hold their elected representatives accountable so that threats to national integrity can be addressed.

## **Literature Review**

Andvng et al.,(2001) describe foremost forms of corruption such as bribery, embezzlement, extortion and fraud. There are common letterings but have different form of corruption. Bribery is given in form of money. Embezzlement is a kind of theft of incomes by insufficient decision of political selections power of powerful people and squatincomes.

By Alt et al., (2003) study the level of corruption is more in public sectors as compared to private sector. Main cause is low wages and insufficient moral training. There is strong relation among corruption, economic and non-economic factors. The researcher are agreed that corruption is found in every field of life but they are in different shapes, government, in many ways, involves in inequality, leck of implementation of ruler against corruption. So government and its machinery must have control over corruption

Chene (2008) various forms of corruption exists in Pakistan, involves widespread financial and political corruption, nepotism and misuse of power. Every level of corruption is prevalent in the country.

Oken et., (2009) explains bribes during nine month on their regular, routes tuck drives pay to police at every check point . "Throughout 300 tours they experimental that 600 illegitimate payments". Payment may be in money or a pack or two cigarettes unlawful payment shows 13 percent of marginal cost of tour and the salary was of percent marginal magnitude of the tour.

The 1997 World Development Report said that an effective state is essential for supply of goods and services and regulations, which will help markers lead healthy, pleasant lives. Without a sustainable development, economic and social impossible. (The World Bank 1997)

According to the world of Transparency international, “corruption is one of the greatest challenges of the current world. It destabilize good government, fundamentally falsifies public policy, and leads to misallocation of resources tribulations. The private sector and private sector development and predominatly hurts the poor. Corruption scandals have also highlighted. Corruption is considered and obstacle in the progress of specially developing country and affect human lives”.

Quaid-e-Azam delivered the speech to the first constituent assembly of Pakistan on 11 August 1947. “One the biggest curses from which India is suffering. I do not say that other countries are free from it but, I think our condition is much worse, is bribery and corruption that really is a poison. We should put it down with an iron hand”. In the last 66 years these wise words could not change corrupt minds and have no fruitful effect on corrupt minds.

Kruger., (1999). The situation normally discusses to the matters of the political elite (selected officials) through which they activity their power to make financialstrategies.

According to the report of World Bank of 1998, corruption in Pakistan was around of 10% of GDP. While ruler’s claims to overcome corruption but there are a loss of round about Rs. 22 billion everyday by corruption in Pakistan. Renowned economist and Research Institute of Islamic Banking and Finance Chairman Dr. Shahid Hassan Siddiqui in 2016 represent the report about intellectual and financial corruption in Pakistan that destroying the foundations of Pakistan.

In Pakistan several legal and institutional appliance are primed to crisscross the evolution of corruption. In Pakistan basic law a introduced of remove corruption viz Pakistan penal code, 1860, prevention of corruption Act, 1947 , public Representatives Act, 1949, Elected bodies ordinance , 1959 , Antic-corruption establishment Act, Ehtesab Act and national accountability ordinance NAO,1999.At Federal level two anti-corruption agencies fours (ACA,s) anti-corruption agencies working. Anti-corruption agencies improved with the passage of time. To eradicate corruption and others crimes Pakistan special police establishment was changed by (FIA) federal investigation Agency. Ehtesab Bureau was generated under Ehtesab Act, 1997, particularly targeted to eradicate corruption but a dream of corruption free society cannot be obtained.

NAB was established in 1999 to fight against corruption. For the first time NAB was has gained at prominent level as an anti-corruption agency is working in the field with full strength. NAB has strict rules and it can suggest punishments for government and private sector, against corrupt politicians, Bureaucrats and are those which involve in money laundering.

National Reconsitation ordinance (NRO) that was built, up worst law in 5 October 2007. To formalize and legal mega corruption. Through this most politicians and political workers get freedom from mega, corruption scandals in the initialstage NAB constructed an enforcement policy that forced on punishment and researed. There has been great invalid over the last over 2 years between the announcement of NRO in October 2007 and his termination by the Supreme Court of Pakistan in December 2009.The accountability construction was adulterated and was rather close to failure popular that era.

The Corruption of water in the world global corruption report 2008 represents the population of the population that corruption is a mixture of basic root and water crises. The country’s report has reviewed the problems related to riots in five countries, inducing in Pakistan.

Corruption greatly undermines the performance of government, and the entire effort to formulate and implement policy. They also cause financial pressures but most of all undermine trust and hinder the legitimate expectations and actions of the community. Corruption exists in both rich and poor countries, but its nature and the totality of corruption differ from one another. Rich countries do not have the basic bribes that are so important in daily life in

poor countries. But if they are revealed in these countries, there is a great deal of outrage and outrage among the people. When there is corruption in developing countries, the burden falls on the poorest people. It stifles investment, defrauds people of the facilities and assistance they need to grow their economy and alleviate their need for assistance. (Adam Graycar, 2015)

According to international consortium of investigative journalism (ICIJ) in 2016. There are 600 people are involved that have offshore companies. Present government has desired to contract the accountability system remain postponed in air and no major case has registered or instituted by government by on its own.

An effort has been to collect primary data on corruption perception among people of district Faisalabad. The fundamental objective of this study is to find out situation, seriousness, causes, extent and level of corruption and awareness among people about corruption and to analyze role of media. This study will confidently, impel the government and policy makers to revisit and redesign their government priorities, is necessary to control corruption in government and private circles.

### **What are the causes of increasing bribery in the society?**

One of the main reasons for this is that our lifestyle has changed, everyone wants to have a big house, a car, air conditioning in the house, servants. So all this cannot be done with limited income. Therefore, in the race to get income from illicit sources, they turn to corruption.

1. Due to poverty, unemployment and rising inflation, people are trying to earn income from illicit sources.
2. Government expenditure is mainly due to extravagance and corruption by politicians and high officials.

### **Methodology**

The survey targeted the public with verified sample size of 800 respondents selected randomly across various strata of district Faisalabad in all 6 tehsils. In general the study was based on a descriptive-survey type research. The sample random sampling techniques was useful in the study to choose the public of district Faisalabad. The main of the respondent, 760 out of 800 returned the filled questionnaire. Therefore the response rate is 95%. Amongst returned questionnaire, 30 were not appropriately complete and consequently rejected for more dispensation of data analysis. 735 although residual questionnaire were investigated this become 91% of the total sample size.

Used for the analysis of the collected data, computerized data processing tools like SPSS was hired. The simple calculations, means and frequencies were considered to become the results. While the effectiveness of anti-corruption strategies was calculated using the people perception. Using the weighted mean.

The median of the weighted mean value 31.30 was similarly calculated while considering the most preferred anti-corruption strategy "Islam laws can play an important role, so government should strengthen and implement" and "with weighted mean 30.49 also the standard". Now remains very small variance among the anti-corruption strategies as the strategy at the bottom of the **table 1**

**Table: 1 Respondents' anti-corruption strategies**

Sr.#	Suggestions	Weighted Means	Standardized
1	Islam laws can play an important role, so government should strength and implement them.	30.45	99.1523
2	First of all a power anti-corruption department must establish.	31.50	92.5698
3	All sub anti-corruption institutions are directed to implement laws against corrupt. No one is allowed to spare.	30.50	94.3457
4	Accountability must start from the top and ensure that there is no relaxation.	31.09	93.762
5	Powerful Laws must made and impliment them against bribes and other forms of gratutations.	32.29	87.3498
6	Media can play its role to unreveal the corruption stories.		95.3281
7	Illegal transactions of money must stopped.	32.92	91.8695
8	Bureaucratic rules and procedures are needed to change.	29.50	87.4571
9	Trials of corruption people must go to positive end.	30.19	88.6139
10	The assests of politicians are checked every year or by time to time	29.45	86.2389

**Results and Discussion**

The present study consists of 800, (51% were Male and 49% were Female). Majority of respondents' age was between 17-25 (47.4%). Total 800 respondents' majority belong to postgraduates' category which is 59.8%. Residential

distribution 52.2% respondents were belong rural and 47.8% respondents were urban area. The average family income of the respondents was between 20,000-1, 00,000.

The finding of the survey shows that current economic situation of Pakistan more than 78.3% respondent think no progress. Percentage of 24.5% respondents described the economic situation as somewhat progress. The percentage of don't is very small. Because economic issues are usually very important to people and evoke a specific response. When asked about the leadership of Pakistan by the people more than half of the respondents 65% are of view that the political leadership of Pakistan is very bad. This shows the acknowledgement of the people about the political leadership. According to the Transparency International in 2013 the level of corruption was very high in Pakistan and its ranking was 127. Now in 2015 Pakistan ranking is 116 that is much better since but still Pakistan is not free from corruption. This shows that current government is taking serious steps to eradicate corruption. The Ranking of Pakistan in corruption given

**Table 1 Corruption Perception Index Pakistan Score and Ranking**

<b>Year</b>	<b>Pakistan Corruption Rank / CPI Score</b>	<b>India Corruption Ranks / CPI Score</b>	<b>Bangladesh Corruption / CPI Score</b>	<b>No of Countries Ranked</b>
2016	116/3.2	79/3.8	145/2.6	176
2015	116/3.0	76/4.0	139/2.5	168
2014	126/2.9	85/3.8	145/2.5	175
2013	127/2.8	94/3.6	136/2.7	175
2012	139/2.7	94/3.6	144/2.6	174
2011	134/2.5	95/3.1	120/2.7	183
2010	143/2.3	87/3.3	134/2.4	176
2009	139/2.4	84/3.4	139/2.4	180
2008	134/2.5	84/3.4	147/2.1	180
2007	138/2.4	72/3.5	162/2.0	179
2006	142/2.2	70/3.3	156/2.0	163
2005	144/2.1	88/2.9	158/1.7	159
2004	129/2.1	91/2.8	145/1.5	147
2003	92/2.5	83/2.8	133/1.3	133
2002	77/2.6	73/2.7	102/1.2	102
2001	79/2.3	72/2.7	91/0.4	91
2000	N/A	69/2.8	N/A	90
1999	87/2.2	73/2.9	N/A	99

1998	71/2.7	66/2.9	N/A	85
1997	48/2.53	45/2.75	N/A	52
1996	53/1	46/2.63	51/2.9	54

“Freedom, there has also been serious problems in the matter of Pakistan Establish trust in the state and society, ensuring effective use of government funds, providing effective public services, and inadequate and corrupt government activities. In fact, these problems have been deteriorated in years”.

Of the 175 countries surveyed by the Transparency International in 2014 Pakistan ranked 126 with fantasy idea of CPI corruption. . It was 2.9 scores on the scale of 10. The CPI score was 3.0 in 2015 which better than 3.2 in 2016. According to CPI 2015 Bangladesh is again the second worst demonstration in South Asia is only the best of Afghanistan, Bangladesh, India and the other, South Asia has got more positions in Pakistan and Nepal to compared Bangladesh.

It shows that the existing current strategies of corruption, which are based largely on trial and trial against corrupt officers and the prosecutors, are the issues of improving the concept of corruption by improving the concept of public the main results have failed to produce.

Respondents were then asked about the perception of corruption 69% of the respondents believed that it is the misuse of state assets. 18.5% considered it bribery. To determine the perception of people on seriousness of corruption issue in Pakistan, people were asked whether they consider corruption as a serious issue of Pakistan. The majority 83.2% rated that it is very serious issue that exists in both government and private sector. This survey shows that people of Pakistan has acknowledgement about the seriousness of corruption which is a big hurdle in the progress of Pakistan. Keeping in view the seriousness of corruption vast majority of the respondents considered that there exists different forms of corruption in our society. Money and gifts are considered the most favourite forms of corruption. 79% respondents verified it.

Media, in modern world, is working as a fourth pillar in every society. So it can play its vital role in eradication of corruption. When about 62% respondents asked about its role answered yes that it is fighting against corruption in Pakistan. Recently people are awarded about a new form of corruption which is not for corrupt people that is offshore companies. About 600 Pakistanis are also included in the panama list whose belonged to public and private sector. When the survey was conducted about (64.3%) considered that these people are involved in corruption.

According to opinion of the people that is about 87.7% that corrupt people should face accountability and be investigated according to law. But respondents do not have believe in investigative authorities like NAB, FIA and other investigative agencies. Beside their basic responsibility majority of our population that is almost 60.5% think that these institution are not at all serious only 39.5% believed in their progress and seriousness.

More than half of the respondents 65% had the personal experience of corruption and people asked are their relative and friend pay bribe in last 12 months. Vast majority of the respondents say “yes”, only 20.5% say “no” that also shows the increasing ratio of bribes in the country which is a question mark on the progress of investigative agencies. Despite of T.V Radio and internet people are not aware about hotline for reporting corruption. The survey shows that majority of the respondents that is 73.2% response “no” only 26.8% say “yes” that is a big hurdle in eradication of corruption for government and investigative agencies. According to 32% respondents“ perception, police is the most corrupt sector of government. While 27% perceived Parliament, 11% Land Administration, 10% Judiciary, 9% Taxation, Bureaucratic 5%, Electricity 3%, Health 2% and 1% Railway and Public Works correspondingly as the most corrupt sectors of the Government.



Similarly, the people were also asked how committed they thought the government was to fight corruption. More than a half 68% of the people believed that the present government was handling the fight against corruption not at all well. Only 5% revealed their satisfaction about the government handling the matter of corruption. The respondents were asked which factor is the most responsible for corruption in the government sectors. According to their view “weak accountability machine” is the most accountable factor 42% of corruption in government sectors. While 20% and 13 % of the respondents measured the “low salaries” and “political interfering” correspondingly as the major causes of corruption.

### **Conclusion**

"And do not consume one another's wealth unjustly or send it [in bribery] to the rulers in order that [they might aid] you [to] consume a portion of the wealth of the people in sin, while you know [it is unlawful]" (Chapter2, verse 188,Quran)

“May Allah curse one who gives a bribe, one who accepts it and one who acts as an agent between them.” (Safinat’ul-Bihār)

Many authorized mechanisms, established mechanisms, specified anti-corruption organization are strained but the instituting of a corruption free society is still a dream. Corruption is presentment and has been annoying up the resources of the country and severely affect to all human life. Several causes such as weak accountability mechanism, political interference, lack of capability of anti-corruption agencies, unsuitable anti-corruption policies and lack of awareness among people corruption in government circles is significantly high and majority of people of Faisalabad of corruption . Corruption is major issue for policy makers and other anti-corruption agencies. According to the Transparency International Pakistan 2002, 2006, 2009 and 2010, the police department is corrupt and in 2011, the administration of the land is more corrupt. People do not trust the police department. Some organizations work to make corruption free society. The present political system is based on imperialism, the imperialism system needs to be eliminated. Irrefutably dominion and autonomy of people have been grabbed by this class in the name of sham and mocking democracy where people have peppercorn part.

“Real solution is that more democracy, decentralization of power, impendence and supreme contribution of the masses through authentic and political establishments”.

### **Suggestions:**

- 1- Should create awareness about corruption in people.
- 2- Corrupt officials should be dismissed and corrupt politicians should not only be debarred from contesting elections but also be imprisoned and there be confiscated.
- 3- Process of the international consortium of investigation journalism, individuals that involve nor have offshore companies should face accountability process and finally religious groups should play vital role to combat against corruption.

### **Limitations**

The result of the survey shows that the levels of corruption in Pakistan is very high. No doubt it exists in all public and private department in various form but these results are not real. It is an effort to known the perception of people about and they want to eradicate it. The ideas expressed by the respondents say something about the truth but should not confuse it. The results need to be carefully interpreted. Information collected by people should be viewed in its appropriate context.

### **Reference**

Aidt, T. S. (2011). The causes of corruption. DICE Report, 9(2), 15.

- Amundsen, I. (1999). Political corruption: An introduction to the issues. Chr. Michelsen Institute.
- Bolton, R. J., & Hand, D. J. (2002). Statistical fraud detection: A review. *Statistical science*, 235-249.
- Bardhan, P. (1997). Corruption and development: a review of issues. *Journal of economic literature*, 35(3), 1320-1346.
- Begovic, B. (2005). Corruption: concepts, types, causes and consequences. Center for Liberal-Democratic Studies, Year III No, 26.
- Bayley, D. H. (1966). The effects of corruption in a developing nation. *The Western Political Quarterly*, 19(4), 719-732.
- Bayar, G. (2011). Causes of corruption: dynamic panel data analysis of some post Soviet countries and East Asian countries. *Journal of Applied Business Research*, 27(1), 77.
- Cohn, B. S. (1996). Colonialism and its forms of knowledge: The British in India. Princeton University Press.
- Crowe, H. (2011). The Impact of Political Corruption on Social Welfare in the Federal Republic of Nigeria (Doctoral dissertation, University of Central Florida Orlando, Florida).
- Frøystad, M. (2007). Developmental effects of corruption.
- Graycar, A. (2015). Corruption: Classification and analysis. *Policy and Society*, 34(2), 87-96.
- Haider, A., ud Din, M., & Ghani, E. (2011). Consequences of political instability, governance and bureaucratic corruption on inflation and growth: The case of Pakistan. *The Pakistan Development Review*, 773-807.
- Huberts, L. W. (1998). What can be done against public corruption and fraud: expert views on strategies to protect public integrity. *Crime, Law and Social Change*, 29(2-3), 209-224.
- Javaid, U. (2010). Corruption and its deep impact on good governance in Pakistan. *Pakistan Economic and Social Review*, 123-134.
- Langseth, P. (1999). Prevention: An effective tool to reduce corruption. United Nations Office for Drug Control and Crime Prevention, Centre for International Crime Prevention.
- Mashal, A. M. (2011). Corruption and Resource Allocation Distortion for "ESCWA" Countries. *International Journal of Economics and Management Sciences*, 1, 71-
- Rehman, H. U., & Naveed, A. (2007). Determinants of corruption and its relation to GDP (A panel study). *Journal of Political Studies*, 12(2), 27-59.
- Shah, A., & Schacter, M. (2004). Combating corruption: look before you leap. *Finance and Development*, 41(4), 40-43.
- Treisman, D. (2000). The causes of corruption: a cross-national study. *Journal of public economics*, 76(3), 399-457.
- Trajtenberg, M., Shiff, G., & Melamed, R. (2006). The " names game": Harnessing inventors' patent data for economic research (No. w12479). National Bureau of Economic Research.
- United Nations Ad Hoc Cmtte Against Corruption, & Austria. (2004). United Nations Convention Against Corruption
- Vargas-Hernández, J. G. (2009). The multiple faces of corruption: typology, forms and levels. *Forms and Levels* (October 21, 2009).
- Van Vaerenbergh, Y., & Thomas, T. D. (2013). Response styles in survey research: A literature review of antecedents, consequences, and remedies. *International Journal of Public Opinion Research*, 25(2), 195-217.

Wallis, J. J. (2006). The concept of systematic corruption in American history. In *Corruption and Reform: Lessons from America's economic history*(pp. 23-62). University of Chicago Press.