

**Governance Failures and Corruption in Pakistan: Challenges to the Implementation of
SDG 16**

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Abstract

In Pakistan, corruption has been cited as a key challenge in governance, deteriorating institutional integrity, economic growth, as well as the practice of democracy. This is a direct problem affecting the Sustainable Development Goal 16 (SDG 16) dealing with the focus of peace, justice, and strong institutions. Though there have been measures to fight corruption by agencies such as National Accountability Bureau (NAB) and Federal Investigation Agency (FIA), corruption is recurrent in the business premise, courts, political organs and the financial markets. Among those are poor law enforcement, political interference in accountability systems and deficiency of transparency within the institutions.

The present study is a critical analysis of the anti-corruption measures in Pakistan in terms of their effectiveness, weaknesses, and possible solutions. The study appraises Transparency International Corruption Perceptions Index (CPI), indicators of governance and case studies of major corruption scandals; examples cited are Panama Papers (2017) and Fake Accounts Case (2018). Qualitative and quantitative methodology is employed. Also, Kenya and Rwanda have provided comparative knowledge, which provides an institutional reform model, legal system, and policy to be used to fight corruption. The research ends with recommendations which are based on the evidence and intended to enhance the anti-corruption systems and develop institutional responsibility in Pakistan.

Keywords Anti-corruption policy, Corruption in Pakistan, SDG 16, Civil-military relations,

1. Introduction

The article examines how civil-military relations influencing institutional stability and governance in Pakistan are consistent with Sustainable Development Goal 16 (SDG 16) to recommend achievement of this target. Recurrent military interventions, direct governance through coups and indirect influence through policymaking, restrict the efforts of the civilian institutions to exert the rule of law and democratic accountability in Pakistan. This paper evaluates the military power to

influence the institutional setup of Pakistan by determining the main judicial cases including the Asghar Khan Case (2013) and the Memogate Scandal (2012) and the political intervention in the system of governance. Moreover, case-based experiences in Colombia and Kenya can offer the best practices in enhancing civilian oversight authority, guaranteeing judicial independence, and consolidation. The research determines with policy commendations to reduce military influence in governance and establish institutional protections for democratic stability.

The issue of corruption substantially runs deep within Pakistan, with regard to their political, bureaucratic and financial arena. It serves as a primary barrier to good governance, economic development as well as social justice. Corruption in Pakistan is of several types i.e., bribery, nepotism, embezzlement, financial fraud, money laundering and misuse of the office of the state. Such malpractices act as a great setback to the structural house of governance and this gives rise to a passive trust in society, which limits sustainability development. The 2020 Transparency International Corruption Perceptions Index (CPI) ranked Pakistan in 140th position in terms of countries out of 180 countries which signifies deep-rooted governance and institutional failure in addressing the issue of corruption.

The problem with corruption in the country covers both the public and the private sector and this is regardless of various legal and institutional reforms. The inefficiency with which anti-corruption agencies like the National Accountability Bureau (NAB) and Federal Investigation Agency (FIA) perform their duties plus the laissez-faire manner in which corruption violators are tried by the judicial system enables corruption to thrive with little repercussions. Corruption entails rampant abuse of finances, corruption of government funds, and the corruption of institutions. It also deters foreign investment, escalates the poverty levels and destroys democracy. Unless major reforms are undertaken, corruption will keep holding Pakistan behind in achieving Sustainable Development Goal 16 (SDG 16), which talks about peace, justice, and strong institutions.

1.1 Background

Pakistan is highly corrupt with this being systemic to all levels of governance. It influences the decision-making process, delivery of the services to the public and economic decisions thereby creating inefficiencies in governance and wastage of resources. Since the inception of different anti-corruption programs, they have not been much effective because of interference with politics, inefficiencies in the judicial systems, mismanagement of funds, and deficiency of whistle-blower laws. It is because of such interconnected four factors which have hindered easy way of Pakistan to form transparent and accountable governance.

1.1.1 Domination of Accountability Institutions by the Politics

Politicization of accountability bodies like NAB and FIA is one of the main factors of failure of anti-corruption in Pakistan. These organizations were initially instituted to oversee inquiry and filing of corruption cases and this has been interfered through political interference making them biased. These institutions have been used by successive governments to persecute political rivals and look away or protect some prevalent corruptive activities of their own ranks.

It is also considered that NAB, especially, is guilty of selective accountability. Corruption cases linked with the opposition politicians are usually expedited, but those against government-related politicians are not followed up, delayed or even rejected. Such selective application of the laws that fight corruption does not help build up the reputation of NAB nor the view that the accountability institutions are not political assessment tools but institutions independent of call or demand in the interest of doing justice. On the same note, the FIA, tasked with investigations involving financial crimes, money laundering as well as cybercrimes, has had its share of the allegations as pertaining to biasness and ineffective performance. Corruption cases that are handled

by FIA are mostly suppressed due to political influence and this could be resolved by countering this political interference. This limits the capability of such institutions to carry out their mandates effectively and it also allows the culture of impunity to thrive among corrupt members of the society.

1.1.2 Inefficiencies in the Judicial Systems and the Poor Enforcement of the Anti- corruption Judgments

There exist inefficiencies in the judicial system of Pakistan, which adversely affect the process of prosecution and enforcement of anti-corruption laws. Some corruption offenses are often resolved in years and even decades giving the corrupt people a time to use the loopholes in the information law or even drag court proceedings or even distort test results. The cases of corruption which are waiting in the courts puts many burdens on the legal system that it can hardly take a firm action and punish the corrupted.

The judicial system of Pakistan has one of the significant weaknesses, that is, the poor conviction record against corruption offenses. Most of the cases do not succeed either because the investigation was weak, there was no tangible evidence, or because the entire proceedings were delayed. There is also the issue of political interference of the judicial system which in most cases leads to light sentences against big shot corrupt politicians. Some corrupt politicians and bureaucrats, through legal technicalities avoid being prosecuted and in other cases, witnesses who choose to testify are either intimidated or coerced into recanting.

Due to the sluggish nature of court cases, law enforcement agencies are never keen on vigorously pursuing the cases on corruption. Corrupt people are assured of avoiding the law due to the low chances of conviction. It is another factor that reduces the trust of people towards the judiciary since the people view the trials in the fight against corruption as failures and politically instigated instead of being acceptable means of pursuing justice.

1.1.3 Mismanagement of the Public Funds and Procurement Processes

Another big problem with the Pakistani finance managers is corruption. Misuse and embezzling of public funds cause major losses and directly influence the project of development, infrastructure, medical and educational sector. The government contracts and contract procurement are distorted by the corrupt government officials who award contract to the business firms that give them bribes and not the ones that can offer the highest quality and value purchase.

The existence of ghost employees and non-existent projects in the government departments is one of the most popular forms of financial corruption. Most government jobs employ ghosts on their payrolls or even get a phony infrastructure project accepted with the goal of embezzling funds to their bank accounts. This not only causes budget deficit but also affects service delivery in such important areas like health, education and welfare to the population.

These corrupt practices are not checked as there is no financial controls and audit systems. Although, there are institutions like the Auditor General of Pakistan which support in monitoring the expenditures incurred on people but it is realized that due to internal political and wastages it is not a very successful measure to check the expenditures made on the society. This in turn has resulted in loss of billions of rupees annually leading to unstable economy and worsening government debt burden in Pakistan.

1.1.4 Weak Whistleblower Protections

One major obstacle to the unmasking and fight against corruption in Pakistan is the lack of powerful whistle blower legislations. Those men and women who dare to speak out against corruption can be excessively punished, especially when it comes to government workers,

journalists, or the ordinary citizen, having the right to lose their jobs, being harassed, facing legal harassment, or brutally victimized.

Several of the potential whistleblowers prefer not to blow the whistle since they are afraid of victimization and no institutional support. In the case of Pakistan, there is no structured whistleblower protection system as is in other countries which have laws and other forms of incentive to protect the whistleblowers. Lack of anonymity is also a surety that people do not expose information to curtail corruption.

In order to address corruption in a sustainable manner, Pakistan requires a law that guarantees the whistleblower immunity against prosecution, confidentiality and rewards of any kind in case of reporting on possible corruption activities. In the absence of these mechanisms, a large number of such instances of the high echelon corruption will go unnoticed, and corrupt politicians will proceed to act with impunity.

Research Objectives

1. To evaluate critically, the performance of the major institutions fighting corruption in Pakistan (NAB, FIA, and judiciary) in combating corruption.
2. To be able to recognize and assess weaknesses based on governance that is favorable in enabling corruption, which includes political corruption, financial corruption, judicial corruption, etc.
3. To recommend workable legal and policy changes in order to enhance accountability and transparency in governance.
4. To investigate how corruption affects the achievement of Sustainable Development Goal 16 in the light of Pakistan.

2. Literature Review

The problem of corruption is structural and it compromises governance, economic stability and institutional accountability in the country of Pakistan. Different anti-corruption bodies and legal systems have been rate in place over the years to deal with financial abuse and political corruption but still, the systems have not worked that well whose weaknesses have been as a result of poor structures and policing procedures. In this part, there will be a deeper reflection of corruption and governance indicators in Pakistan and various corruption scandals investigated, and analysis presented to make comparisons to Kenya and Rwanda so that best practices can be observed in the anti-corruption reforms.

2.1 indicators of corruption and governance

Weak Enforcement: NAB and other Anti-Corruption Institutes Failure National Accountability Bureau (NAB) was formed in 1999 through the National Accountability Ordinance (NAO) with the aim of looking into corruption cases, recovering embezzled funds and making the government officials accountable. Nevertheless, as a statutory body, NAB has gained a lot of criticism because it lacks effectiveness and political proclivity, and selective application of anti-corruption laws.

This has been cited as one of the greatest weaknesses of NAB by those opposed to it since only opposition leaders and those opposed to the government seem to face some form of investigation with little to no investigation being done to government aligned people. This bias in practice concerning justice has caused the fear that NAB was being used as a political instrument instead of an entity of independent accountability. Cases against members of the ruling party are either postponed indefinitely or thrown out leading to perception of impunity by the ruling party member. The second matter that proves to be quite boding in terms of the NAB operations is the aspect of plea bagging and voluntary return that enables people involved in corruption to go back with a part of the stolen money as a bargain to be given a light punishment or to go unpunished. Such a practice

has been strongly condemned since it caters to those people who are corrupt and tend to get away with their crimes completely since most of the offenders pay looted money back without any criminal sanctions whatsoever. Rather than an incentive it should act as a deterrent.

The suspects or the FBI usually end up making plea bargains and this promotes corruption and gives a message that it is alright to engage in financial crimes and still get away lightly. Moreover, NAB has experienced low rates of conviction and this shows poor investigative and prosecutorial procedures. Failures by investigative agencies to coordinate their efforts and other shortcomings such as gaps in the law and inadequate forensic expertise are major causes of collapsed prosecutions, untimely trials and dismissal of cases. Also, the cases of high-ranking corruption are often collapsed because of the absence of data, technical issues, or the influence of some actors on the court, which only feeds the public distrust towards the fight against corruption. On the same note, the Federal Investigation Agency (FIA) which deals with the investigation of financial fraud, money laundering and computer related crimes has encountered a lot of political interference as well. The capability of the agency to carry out independent investigations is in great peril, since most of its high-profile cases are either denied politically or undermined legally. Investigations by FIA of financial corruption, tax evasion, and illegal accumulation of wealth face a high rate of discontinuation when it targets high profile political stakeholders who continue to perpetuate corruption in the governance system.

Judicial and Political Influence difficulties. The culture of corruption in Pakistan is institutionalized in both the political and judicial system enabling corrupt officials, elites in business and even bureaucrats to go scot free. Judiciary, which is key to dispensing of justice, is usually faced by inefficiencies, politicking and delays in procedures thus allowing corrupt people to avoid trial.

Delay in the judicial process is one of the greatest problems of Pakistan legal system. Cases of corruption usually take several years or even decades to have a conclusion thus being used by the accused to loophole the law, stall hearings and corrupt the courts. Most of the corruption cases which have a high profile are in a protracted litigation, whereby the influential have employed used their influence and court strategies to avoid getting convicted.

Also, there is the recurring problem of politically based verdicts where ruling in corruption cases depends on the political affiliations. Cases involving opposition leaders are usually rushed and vigorously pursued through court whereas the cases against members of the government or the ruling party are either delayed or dropped. The perceived bias by the legal system exists because of such inconsistencies in the judicial ruling therefore, eroding the general public belief on the integrity of the judicial system. The failures in governance are also met by weak parliamentary check as corruption in the areas of state procurement, government expenditure as well as financial disclosures by companies are not checked too much. There is a tendency to have parliamentary committees, which oversee the financial transparency and budget allocations and they rarely have any enforcement charges, which ensures that corrupt officials can defraud funds without getting asked any questions. These institutional setup lapses in anti-corruption agencies, courts and parliamentary scrutiny system point to the dire need of structural changes to provide transparent, independent, and efficient infrastructure of governance.

2.2 Case Files presented of the Notorious Corruption Scandals

Panama Papers Case (2017): A ground-breaking investigation into the corruption of the elites in the financial world. One of the largest corruption exposures in the Pakistan history became the Panama Papers scandal when offshore assets of the former Prime Minister Nawaz Sharif and his family have been revealed. The published records unveiled the international system of offshore firms that are created to hide financial resources, remove taxes, and clean the funds.

Illegal accretion of wealth via offshore account secrecy was one of the considerations in the case that broke the rules concerning financial transparency laws, and was therefore considered to be timed to corruption and tax evasion. Dismissing Nawaz Sharif as the Prime Minister, the Supreme Court of Pakistan ordered to bar Nawaz Sharif under Article 62(1) (f) of the Constitution that is applicable to bar all the public figures who hold office and who should be honest and truthful. Nevertheless, even though the Prime Minister was disqualified, other politicians mentioned in the Panama Papers did not become the objects of investigation, another instance of selectivity in the work of the Pakistani justice system.

Fake Accounts Case (2018): Networks of Political Corruption and Money Laundering Fake Accounts Case revealed an advanced money laundering group that has a reported connection to a former president of Pakistan, Asif Ali Zardari and key businessmen. What is notable, is that billions of rupees were moved using the use of dummy bank accounts where there were serious gaps in financial regulations and banking accountability. Among the principal problems that had been observed during the case, one must note the systemic flaws in financial regulatory procedures, which failed to detect fraudulent transactions and other illegitimate financial operations over the years. We also had the political unleashing of the corrupt individuals that further hindered the process of law hence no legal action could have been taken against the culprits. The case has become the most impactful examples of financial corruption by elites in Pakistan that underline the necessity of the increased regulations of the financial sphere and various means to prosecute the person.

2.3 Kenya/Rwanda comparative lessons of insight

The Anti-Corruption Commission in Kenya: Enhancing Protections to Whistle blowers Kenya has an exemplary record in its struggle against corruption through laws that focus on strengthening the role of the whistleblowers, since they watchdog the whistleblowers to allow the citizenry and the authorities to report a case of corruption without fear of retaliation. Among the most effective strategies initiated by Ethics and Anti-Corruption Commission (EACC) in Kenya, the following can be stated:

Legal requirements that force public officials to disclose their finances, making sure that politicians and civil servants disclose their wealth and its origin.

Relevant authorities should create some independent anti-corruption commissions with some prosecution powers so that they can act quickly on matters concerning the corrupt people.

Transparency and accountability have been enhanced considerably through these measures with Pakistan laying a precedent to follow the same form of legal protection to the whistleblower as well as the method of financial disclosures.

The Anti-Graft in Rwanda: Directions of severe punishment and institutional changes

Rwanda has embraced zero tolerance to corruption in that it has enforced the strictness of the law on financial crimes and also put in place an independent ombudsman to initiate corruption-related complaints. The approach taken by the Rwandan model is more rigorous implementation of the law, public responsibility, and public notables who have been convicted in order to prevent corruption in high places.

Pakistan can learn valuable lessons from Rwanda's robust anti-corruption framework, particularly in enforcing severe legal penalties and independent oversight mechanisms to ensure effective governance and financial transparency.

3. Research Methodology

This paper uses the mixed method of research, and it combines the forms of research consisting of quantitative and a case study evaluation to give a better picture of corruption and failure of

governance in Pakistan. Quantitative analysis entails corruption patterns and the related weaknesses within the institutions with the help of global indices, reports on governance and audit reports on financial information to determine the extent and magnitude of corruption. Case study approach focuses on corruption cases of high visibility, and the approach encloses studying its legal representation, institutional reaction, and the results of accountability. This two-pronged methodology results in an effective assessment of the effects of corruption to governance where not only empirical evidence is provided, but also real-life examples that allow one to believe the results of the study.

3.1 Quantitative Analysis

This paper is on the quantitative ad component of this research and it is founded on thorough examination of corruption indicators and governance scores, financial audit reports. Through an analysis of the empirical information provided by international and national institutions, this paper will determine the level of corruption in Pakistan and gauge the role of weak system of governance in perpetuating corruption.

3.1.1 Corruption Perceptions Index (CPI) of Transparency International

One of the most popular and well-known indexes on the level of corruption in various countries, the Corruption Perceptions Index (CPI) presented by Transparency International annually, is particularly useful worldwide. It scores countries out of the highest level, 0, and the lowest which is 100 which is highly corrupt and very clean respectively in terms of expert opinion and business survey. This paper focuses on the CPI rankings of the Pakistani country within the last twenty years analyzing the results with the regional and global trend to assess the efficiency of the anti-corruption measures.

Over the years, Pakistan has been placed consistently as one of the most corrupt nations in the South Asia region and the CPI scores have been ranged between 28 to 33 out of 100 in the recent years. In the study, the issue including poor enforcement of laws, ineffective judicial system, and even targeted responsibility or accountability are examined as some of the reasons Pakistani CPI rating is low. This study underlines governance failures that make Pakistan a country with constant corruption issues by comparing the scores of CPI in Pakistan with those of other neighboring countries, such as India and Bangladesh.

3.1.2 World Bank's Governance Indicators

The Worldwide Governance Indicators (WGI) of the World Bank represent a detailed evaluation of the quality of governance and institution performances. This paper analyses the performance of Pakistan in three dimensions of good governance namely:

Control of Corruption - The degree of control over the use of government authority in a manner that can be concretely carried to benefit oneself or individuals. This can be done through state capture by elites, bribery, and even embezzlement.

Government Effectiveness- An exercise of the state organs to deliver quality government services, develop quality policies, and effectively put the policies into practice.

Rule of Law - How meaningful application of legal frameworks is independent and fair, thus, holding both the officials of the state and the private sector accountable to the rule.

The low scores of Pakistan in these indicators of governance raise concerns over the poor institutional responsibilities and regulatory controls. This study profiled the failure of governance to prevent the prosperity of corruption using historical trends and policy changes in finding out what reforms are needed to enhance transparency and accountability.

3.1.3 Auditor General Reports on Corruption and Financial Mismanagement

The Office of the Auditor General of Pakistan (AGP) is mandated with financial audit of public institutions to identify the embezzlement, mismanagement, and public expenditure irregularities. The paper examines the cases of the past decade in the form of the audit report to evaluate: Periodic routines of financial irresponsibility in state authorities and projects of government agencies.

Holes in financial controls that allow the system to enjoy massive corruption.

Anti-corruption measures in curbing and minimizing fraud and financial mismanagement in the public sector.

The findings of such audit reports give empirical evidence on the impacts of corruption on the aspects that include the public administration of Pakistan, economic stability and development projects in Pakistan. The paper also examines the loopholes in financial accountability systems and how they lead to wastes of money and criminal financial transactions.

3.2 Case Study Approach

The research uses a case study methodology, in addition to quantitative analysis, to study real-life corruption scandals in Pakistan. Case studies give elaborate information in the way corruption is carried out both on the political and financial systems highlighting where institutions are weak and liabilities are not being fulfilled.

3.2.1 Examination of High-Profile Corruption Cases

In order to find the practical implication of corruption on governance, this research paper uses two of the significant corruption cases to have occurred in Pakistan that have resulted both in political, economic and legal impacts:

Panama Papers Case (2017)

Panama Papers scandal was also the most high profile financial corruption story in the history of Pakistan and discussed concealed offshore holdings of the family of the Former Prime Minister Nawaz Sharif. These documents unveiled an international system of offshore firms, which were utilized by people in order to evade taxes, laundering money, and hiding their assets.

This case caused Sharif to be has disqualified on office under Article 62(1) (f) of the Constitutionality of being non dishonest and truthful. Nevertheless, even though Nawaz Sharif lost his case due to the legal presence, such an issue also demonstrated the inability to enforce the strict financial disclosure legislation and control offshore wealth-building in Pakistan. Most of the other politicians and business personalities exposed in the Panama Papers have never been charged and this aspect shows the discrimination in the Pakistani process of anti-corruption.

This is a case study that analyzes the legal processes, court rulings and politics of the Panama Paper leakage and whether any useful change occurred in financial regulation and anti-corruption practice.

The Fake Accounts Case (2018)

It was revealed in the Fake Accounts Case that it was a huge money laundering scheme that had former President Asif Ali Zardari and other political players as its alleged members. There was a transfer of billions of rupees using fake bank accounts that showed major loopholes in banking regulation and the monitoring of finances.

Among the largest conclusions of the case was the fact that the state-owned banks engaged to facilitate money laundering, indicating institutional inefficiency by the mechanisms of financial control. Moreover, even the investigations of corruption were spoiled by political influences that hindered the legal actions towards holding accountable the people of high status.

Through an evaluation of the legal implications, criminal investigative, and political repercussions of the Fake Accounts Case, this paper evaluates the institutional ability of Pakistan in its fight against massive financial frauds and money laundering.

3.2.2 Institutional Accountability and Legal Outcomes

Each case study is analyzed based on the following key factors:

Investigation Process: The efficiency and fairness of corruption investigations, including any political interference, procedural delays, or investigative failures.

Judicial Proceedings: The role of the judiciary in ensuring fair trials, impartial rulings, and enforcement of anti-corruption laws.

Policy and Institutional Reforms: Whether these corruption scandals led to meaningful policy changes, legal amendments, or structural reforms in anti-corruption mechanisms.

This evaluation provides critical insights into Pakistan's governance challenges, demonstrating how elite financial corruption is facilitated by weak enforcement mechanisms and selective accountability processes.

Justification for the Research Approach

This mixed-method research approach is essential for capturing both statistical evidence and case-based insights into corruption's impact on governance. The quantitative analysis provides a macro-level assessment of corruption trends, while the case study approach offers a micro-level examination of real-world corruption scandals. By integrating these two methodologies, this study ensures a holistic analysis of governance failures and anti-corruption challenges in Pakistan.

4. Findings

This part contains the most important notes of the research out of small steps towards anti-corrupt activity, as well as seeing blocks on institutional transparency and accountability of governance in Pakistan. Although there is an appreciable improvement in the field of public scrutiny and judicial activism, selective accountability, inefficiencies, and financial mismanagement continue to thwart the country in its quest to overcome corruption and master Sustainable Development Goal 16 (SDG 16).

4.1 Development: Politicking and Reforms of Institutions

In spite of systematic corruption, there have been growing awareness among people and institutional changes that tend to address transparency and accountability in Pakistan. This is partly necessitated by the increased media attention, activism by the courts and reforms aimed at enhancing governance systems.

4.1.1. Publicity and Exposure of Corruption in Media and Public awareness

Over the past few years, the media has been very instrumental in uncovering the scandals of corruption making people raise critical eyes and demanding that institutions should take stern action regarding corruption related issues. Politicians, bureaucrats, and business elites have become subject to high-profile cases of corruption following investigative reports about them in the press, leakages of whistleblowers as well as in the online space.

Corruption trials, financial mismanagement and taxes evasion by the elites have received massive coverage by television networks, newspapers and online news ports accompanied by national debates about accountability and good governance. Social media as Twitter, Facebook and YouTube have also propagated the corruption related issues, as citizens are taking part in the discussions and can take actions to request transparency, point fingers at the political leaders who do not manage financial matters properly.

The Panama Papers leak (2017), to provide one example, received a wide coverage in the media, subsequent to which the society felt outraged and demanded tough anti-corruption policies. On the same note, the Fake Accounts Case (2018) gained a lot of attention in the country where money laundering businesses connected with political elites were investigated. This heightened accountability to the people has put pressure to judiciary and the accountability institutions to act against corruption even where political interests are used to shield investigations.

4.1.2 Judicial Activism in Corruption Cases

In addressing the menace of corruption, the judiciary has turned out to be an extremely active participant; some of its rulings in singular and on-the-own motions have made strong players accountable. In some of the high profile cases, the Supreme Court and lower courts have stepped in to probe corruption scandals, sack bad officers and demand more institutional checks to limit financial crimes.

The case concerning the Panama Paper might be when judicial activism played a more important role when the Supreme Court removed ex-Prime Minister Nawaz Sharif as a candidate in public office by citing Article 62(1) (f) of the Constitution, which is also considered to be one of the most important cases of judicial activism. This ruling established a legal precedent on the issue of accountability in governance through the promotion of the fact that the financial transparency and integrity ought to be observed by the officials of the government.

In addition, the judicial system has been proactive in the reviewing of the government policies and financial mismanagement as well as the illegal allocation of land and ascertained that corrupt practices should not only be challenged on the executive floor but also the legislative floor. Although these efforts are made in court, the failure of the measures in fight of corruption is still hampered by poor enforcement methods and selective prosecutions.

4.1.3 Institutional Reforms and Anti-Corruption Measures

Under the pressure created by a larger civil society and direct intervention by the courts there are certain institutional reforms that have been implemented to reinforce the mechanisms of accountability and financial regulations. The measures that the government agencies undertook include:

Transformation of financial transactions to the digital world to eliminate the manual management of finances and decrease the risk of stealing.

E-governance models have been adopted to enhance transparency in the delivery of government services and vending.

Tougher anti-money laundering legislation in order to track the money flow and to curb the transferring of ill-gotten money.

Although these reforms point to improvement in institutional accountability, they have been erratic in being brought to full practice and political interference is still a problem.

4.2 Challenges: Selective Accountability and Institutional Weaknesses

This, though much progress has been attained, major setbacks still exist and as such, Pakistan has not succeeded in rooting out corruption. The matters which most urgently need attention are tendentious responsibility of NAB, legal inefficiency in corruption cases and ineffective financial monitoring that in their turn provide an environment where corruption easily flourishes with little or no punishment.

4.2.1 Selective Accountability and the Failure of NAB

Among the greatest reproaches of anti-corruption system established in Pakistan can be mentioned

the selective nature of the accountability that is implemented by NAB, as a rule, opposition politicians are subjected to the procedure, which leave those, with connections to the ruling party, uninvestigated or barely punished.

NAB has been said to be concentrating on politically driven cases instead of being an independent organization of accountability. Most of the high profile corruption cases end up in media trials, which ends up being a setback to the anti-corruption processes. Among numerous observers, it is argued that accountability measures have become political weapons whose application can only be enabled by the perception that corruption law is not something that applies equally to everyone. Furthermore, plea bargain mechanism of NAB that permits corrupt people to reclaim some part of the pilfered money as an exchange of shorter terms in jail or getting the cases of the corruption thrown out has downgraded further efforts of discouraging corruption. Other than bringing complete legal solutions to the offenders, this system allows them to get away with trickles of punishment, in effect promoting more financial crimes.

4.2.2 Procedural inefficiencies in the courts and corruption matters that take too long

There is inefficiency in the judicial system prevailing in Pakistan and corruption has become hard to be prosecuted in time. Most big corruption cases take years to either complete hence giving the accused a chance to use loopholes in the legislation and slow down cases and ultimately interfere with justice.

The other primary problem is the backlog of the corruption cases that are already queueing where the number of corruption cases is too much to handle in court and this is slowing down the prosecution of the corrupt officials. The low speed of justice delivery does not encourage the law enforcing agency to actively investigate the cases of corruption because most of the cases are either de-merited due to mistakes in procedure, or get pushed into an unlimited waiting time.

Besides, in most cases, the political influence through courts usually affects the result of cases. Some of these court decisions to convict corrupt politicians have been followed but there are those which have been challenged by the government institution, security agencies or some of the influential business men and there is lack of full implementation of the laws that fight corruption.

4.2.3 Weak Financial Oversight and Regulatory Gaps

One of the most fundamental issues enabling corruption in Pakistan is weak financial oversight, particularly in tax collection, banking regulations, and public sector expenditures. Loopholes in financial governance facilitate money laundering, tax evasion, and the embezzlement of public funds, allowing corrupt individuals to conceal illicit wealth and avoid detection.

Tax evasion remains a major challenge, as a significant portion of Pakistan's wealthy elite, corporate entities, and political leaders underreport income or use offshore accounts to hide assets. The lack of strict enforcement of tax laws has resulted in billions of rupees in lost revenue, further weakening the country's economic stability.

Similarly, money laundering networks have exploited gaps in banking regulations, using fake accounts and unmonitored financial transactions to transfer illicit wealth. The Fake Accounts Case (2018) exposed severe failures in banking oversight, where billions of rupees were funneled through fraudulent accounts without detection. These regulatory lapses indicate serious weaknesses in financial monitoring institutions, further allowing corrupt individuals to evade scrutiny.

Furthermore, public sector financial mismanagement continues to drain state resources, as government contracts, infrastructure projects, and procurement processes remain highly vulnerable to bribery, fraud, and misallocation of funds. Without stronger regulatory frameworks and stricter auditing mechanisms, corruption in financial management will continue to undermine

economic development and governance integrity.

5. Recommendations

To be able to deal with the scourge of corruption and improved governance in Pakistan, there is a strong need to employ corporate and legislative malpractices that may bolster institutional openness, financial responsibility and enforcement. The anti-corruption system that is characterized by political domination in a majority of the institutions of such a system, and by a lack of judicial follow-up, has not been effective in controlling the malpractices which are conducted in regard to finances. Thus, the research would suggest two important measures and actions: the creation of an independent anti-corruption authority and better whistleblower protection. These are also to establish the transparent, accountable, and corruption-free system of governance, and this relates to the Sustainable Development Goal 16 (SDG 16) of peace, justice, and strong institutions.

5.1 Independence Anti-Corruption Body

The most shameful weakness in the ever existing Pakistan anti-corruption system includes the politicization of the accountability institutions like National Accountability Bureau (NAB) and Federal Investigation Agency (FIA). These commissions that were initially formed to fight financial crimes and bring those convicted of corruption to justice have become more of political instruments to get rid of party rivals than as independent organizations to mete justice in all walks of life. This has greatly compromised the integrity of such organizations due to selective prosecution of corruption cases, lack of transparency in the institutions workings and also in the issues affecting the investigation process.

To curb these vices, then Pakistan needs to introduce a new independent anti-corruption that is not politically involved and cannot be washed over by the constitution. This agency ought to be given a legal mandate of conducting investigations and pursuing corruption cases at any level of government, corporate world, and financial institutions. Unlike NAB that is usually accused of favoritism and striking deals with the corrupt party, such an independent ward should be founded on the principles of neutrality, honesty, and responsibility.

Leadership in this anti-corruption institution must be purely on merit and not on political affiliations. A panel upon which the selection is to be carried out should include the experts in the field of judicial decisions, fiscal experts, and independent professionals in the area of governance so that well-educated and not politically involved individuals head the agency. In addition, the agency should possess its independent source of funding so that government would not possess control over its financial resources, hampering its working performance.

Besides being made independent in its structure the new anti-corruption body should have strict financial laws and regulations as well as laws on the disclosure of information so as to bring transparency in governance and corporate financial dealings. This is accompanied by the implementation of:

Compulsory financial reporting of the officials in charge, whereby, they are obligated to reveal their properties, income and financial dealings on an annual basis to avoid illegal gain of wealth.

Government contracts and procurement processes should be monitored in real-time so that the use of public funds is done on the basis of merit and not bribery and political favoritism.

Enhanced anti-money laundering laws especially in the banking and real estate sectors to curb the problem of money laundering, tax evasion and off shore asset hiding. Pakistan can also clean up the state by establishing an independent anti-corruption agency that is constitutionally sanctioned, financially independent, and with enforcement capacity to regain the trust of governance, eradicate arbitrary responsibility, and boost institutional morality. In the absence of such reforms, corruption

will persist to mismatch the democratic institutions, economic growth and social development.

5.2 Strengthen Whistleblower Protections

A major barrier to effective anti-corruption enforcement in Pakistan is the absence of robust whistleblower protection laws, discouraging individuals from reporting corrupt practices due to fear of retaliation. Many whistleblowers who attempt to expose financial crimes or political corruption face harassment, legal threats, job dismissals, or even physical harm. The lack of legal safeguards for whistleblowers creates an environment where financial misconduct and corruption thrive in secrecy, as potential informants choose silence over personal risk.

To address this issue, Pakistan must enact and enforce comprehensive whistleblower protection laws that provide legal immunity, anonymity guarantees, and financial incentives for individuals who report corruption cases. These legal protections should be structured to:

Prevent retaliatory actions against whistleblowers, including workplace discrimination, job termination, or criminal charges filed in response to their disclosures.

Ensure strict confidentiality measures, allowing whistleblowers to report corruption anonymously without fear of exposure.

Provide legal and financial support to whistleblowers, including compensation for loss of employment and access to legal aid services if they face prosecution or harassment.

In addition to these legal protections, Pakistan must establish a dedicated whistleblower protection agency, separate from law enforcement and anti-corruption bodies, to handle whistleblower complaints, investigate reports, and ensure government compliance with whistleblower protection laws. This agency must operate with full independence to prevent political or corporate interference in whistleblower cases.

International models, such as Kenya's Ethics and Anti-Corruption Commission (EACC) and Rwanda's Office of the Ombudsman, have demonstrated the effectiveness of strong whistleblower protection laws in exposing corruption and improving institutional accountability. By adopting similar frameworks, Pakistan can create a safe environment where individuals feel empowered to report corruption without fearing personal or professional consequences.

Implementing whistleblower protections will increase transparency in both public and private sectors, encourage accountability, and strengthen the enforcement of anti-corruption measures. Without these protections, the fight against corruption will remain ineffective, as many cases will continue to go unreported due to fear of retaliation.

6. Conclusion

Pakistan needs a clear and independent, as well as, accountable system of governance to move towards the recognition of SDG 16, which focuses on the need to have peace, justice, and quality institutions. Although there has been certain development in the arena of judicial activism and mass consciousness regarding corruption, institutional systems of anti-corruption in Pakistan are largely inefficient because of the thing about political interference, feebleness of the law enforcement and practices of selective accountability. Unless systematic changes are carried out, corruption will cost governance, economic growth and the trust of the people in the institutions.

Pakistan should deal with these issues by initiating structural and legislative reforms leading to improved institutional independence, financial transparency as well as judicial integrity. The crucial issue in this regard is to have an independent, unpolitical, and external interference entity dealing with anti-corruption to ensure that it is accountable at any level in the government. There is also a need to better protect the whistleblowers, which, in turn, will enable more people to report corruption, which will promote greater openness and punishments against corruption.

Moreover, Pakistan can borrow practices of other countries that have monitored best practices

internationally, an example of which can be the anti-corruption commission in Kenya and the zero-tolerance to financial crimes in Rwanda. Strict enforcement, independence of oversight and strong legal protection against corruption are emphasized through these international models.

In the end, the four pillars of a corruption-free society are good governance, financial integrity, legal accountability etc. Anti-corruption reforms should be at the heart of the changes made by Pakistan because the government needs to make sure that institutions are independent, the justice is fair and the national funds are not subjected to money mismanagement. This way the investor confidence will be rebuilt in the country, democracy will be enhanced and the economy will grow sustainably. In the absence of these reforms Pakistan might lag further behind in its promise to achieve SDG 16 and its further development prospects.

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