



Interactive Dialogue Series

Corruption, Elite Impunity and Violent Extremism

Position Paper No.4

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SOCIAL POLICY AND DEVELOPMENT CENTRE

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The views expressed in this paper are primarily based on discussion held in the Interactive Dialogue conducted by Social Policy and Development Centre (SPDC) and cannot be attributed to SPDC.

Graphics and Designing:
Muhammad Rizwanullah Khan

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Introduction

Social Policy and Development Centre (SPDC) is undertaking a series of informed and interactive dialogues, on various topics covering a range of the drivers of violent extremism (VE) in Pakistan. The aim of the project is to increase understanding of violent extremism related issues among government representatives and different stakeholders, besides increasing the capacity of civil society to organize and advocate for countering violent extremism (CVE).

One strategy for doing so is bridging the gap between practitioners who grapple with its ubiquitous manifestations, and analysts who theorize societal trends without necessarily interacting with those engaged in VE. Such interactions provide the otherwise infrequent opportunity for civil society stakeholders to network and develop linkages, which necessarily precede developing a shared understanding and consensus on related issues.

The project involves holding four interactive dialogues and developing position papers on the following topics:

1. Nexus between intolerance and violent extremism
2. Unemployment, youth and violent extremism
3. Governance failure and violent extremism
4. Linkage between corruption, elite impunity and violent extremism

The project culminates with the convening of a provincial level webinar where policy recommendations for CVE will be presented.

SPDC previously hosted three interactive dialogues. The first dialogue focused on the nexus between violent extremism and intolerance and it was asserted that violent extremism cannot be addressed within narrow security and law and order frameworks without looking at the wider societal and political structures that generate and embed violence. Examining both, state and non-state actors to be vectors of different kinds of intolerance, it was suggested that promoting plural viewpoints, teaching constitutionalism and developing an interactive public culture were the strategic ways forward, for which student unions, institutes of higher education and media were the best modes of outreach.

The second interactive dialogue examined the difficulty of establishing causality between unemployment, youth and violent extremism, given conflicting evidence. It highlighted the need for a deeper understanding of

the political economy of violence attuned to local contexts, since in the general environment of informality and resource grabbing, violence also becomes a way of mediating claims to scarce resources. It underlines broadening the employment metric to livable wages and dignified work, and suggested outreach to not just marginalized youth, but also to youth previously involved in VE, iterating the need for developing consensus on political and sociological solutions for them.

The third interactive dialogue focused on specific aspects of governance, namely service delivery, law and order and justice, and communication; governance is understood to be a wide-ranging field in which piece-meal interventions cannot work. The position paper outlined specific areas of governance which need urgent attention, while underscoring the need for holistic approaches which target governance neither as a law and order problem, nor as only administrative capacity function – but a people-centric prerequisite for human security and fulfilment of human rights for which states are ultimately responsible.

This position paper is based on the fourth interactive dialogue on “Corruption, Elite Impunity and Violent Extremism” held online on July 13, 2020. The participants included experts of the field and representatives from civil society organizations, media, and human rights activists. Some of the questions meant to lead the discussion were:

- a) Is there a causal link between corruption, elite impunity and people turning to VE? How should we understand the relationship?
- b) Is there synchronicity or disconnect between people’s perception and state discourses on the issue? How do people experience it?
- c) Does the connection between different segments of the elite strengthen the culture of impunity?
- d) Does the nexus weaken the effectiveness of state institutions?

Corruption, Elite Impunity and Violent Extremism

The problems posed by corruption for the modern nation-state are well established. While present in all countries in varying degrees, once corruption reaches systemic levels it erodes state legitimacy, impacting rule of law and increasing possibilities of conflict. Elite impunity, whereby the powerful circumvent accountability and not face consequences for wrongful actions, is increasingly problematized as inequality emerges among primary global concerns. Taken together, corruption and elite impunity create

governance asymmetries, understood to be among the preconditions for violent extremism.

In the foreword to the UN Convention Against Corruption (2004), the UN Secretary General remarked, “Corruption is an insidious plague that..... It undermines democracy and the rule of law, leads to violations of human rights, distorts markets, erodes the quality of life and allows organized crime, terrorism and other threats to human security to flourish.”¹

The current ruling party in Pakistan, PTI, has campaigned against corruption for over two decades and came into power with its anti-graft electoral campaign. Prime Minister Imran Khan blames the corruption of past governments as the singular reason Pakistan is in its current economic state.

The World Bank Group considers corruption a major challenge to its twin goals of ending extreme poverty and boosting shared prosperity for the poorest 40 percent of people in developing countries². The United States Institute of Peace (USIP, 2010) finds that corruption not only keep states in cycles of violence by funding armed groups and criminal networks, but it can also prevent the development of effective institutions of governance and create further instability³.

The link between corruption, elite impunity, and violent extremism, however, is complex and global literature shows that the relationship is indicative rather than causal. The pivot in the middle is governance. So conceptually, corruption and elite impunity impact governance directly and corrode it. Bad governance, in turn, is a determining factor for creating the environment in which people turn to violent extremism. While it is not possible to establish causality in the relationship, the connection between these can be inferred.

On the other hand, scholars have also challenged the global corruption discourse. Elizabeth Harrison (2006) draws attention to the politics of who labels it, who draws attention to and who undertakes to fight it, referring to “The realities of power involved in the attribution of corruption”⁴; Dan Hough tracks the history of the ‘anti-corruption industry’ as a relatively new phenomenon and traces it back to an October 1996 speech by the head of World Bank James Wolfensohn (2013)⁵ and its subsequent push to the development centre stage; and Farooq Suleria (2013) signals it as a deflection away from global structural inequalities and neo-liberal productions such as the debt trap for third world countries⁶.

Pakistan has a history of decrying corruption and legislating for its erasure. It has had five anti-corruption laws starting from the inception of the country

in 1947: Prevention of Corruption Act 1947, Public and Representative Office Disqualification Act 1949 (PRODA), Elected Bodies (Disqualification) Ordinance 1959, Ehtesab Act 1997, and the National Accountability Bureau Ordinance (NAB) 2000.

In writings on Pakistan, there is a wide range of opinions and interpretations of the problem. An overview shows that while there is consensus on the presence and consequent problems of elite capture and elite impunity, the discussion on corruption is more varied and contested.

Massarrat Abid and Zahra Shah (2011) reviewed all English language newspapers in Pakistan for their coverage of corruption over two years⁷. They found that the focus was primarily on financial corruption in the public sector and nothing on corruption in the private sector – in fact, the private sector was upheld favourably in comparison, whereas “Bureaucratic structures, government institutions, and public sector services, in general, are repeatedly referred to as being inherently corrupt.”

Daniel Kaufmann (2005), on the other hand, posits that one of the ‘myths’ of the anti-corruption discourse is that the public sector is solely responsible for it. “A common fallacy is to focus solely on the failings of the public sector. The reality is much more complex since powerful private interests often exert undue influence in shaping public policy, institutions, and state legislation.”⁸

The question of what gets categorized as corruption and what does not remains a recurring theme. Asad Sayeed (2010) in his paper ‘Contextualizing Corruption’ draws attention to institutionalized corruption such as tax breaks and legal lacunae through which black money can be laundered; land grants given to military personnel, covered as a legal entitlement; and covert security policy and secret security operations of which there is no account⁹. This is further corroborated by M. Suddie (2011), cited by the UNDP Asia-Pacific report on Anti-Corruption Strategies, where it states, “Experience from Pakistan shows how unfolding political events, after drafting of an anti-corruption strategy, can affect its implementation. The National Anti-Corruption Bureau (NAB), a relatively weak agency, was made a focal point for implementing the strategy. Moreover, exclusion of the armed forces and the judiciary from being accountable under the strategy made it defunct from the start as it resulted into a lack of commitment from key stakeholders.”¹⁰

Others have pointed out that corruption has been wielded like a sledgehammer against democratic political parties and used to dismiss elected governments while concealing the corruption of other stakeholders in the political order. This set of literature does not defend corruption or

indulge moral relativism; instead, it looks at the politics of invocation of corruption as perpetuated by elected governments to defeat progress in the country.

Some have challenged the arguments as reductive. Muhammad Ali Jan (2020)¹¹ points towards a Gallup poll in which Pakistanis were asked to identify the single biggest problem facing the country, where a mere 4% identified corruption as the main issue (less than those who identified Kashmir, and the dengue virus), while 76% thought inflation and unemployment were the biggest problems. What distinguishes developmental outcomes, according to him, “Is not the act, nor even the amount of such payments, but their predictability and the services that states are able to provide in return.” While raising different international examples, he says it was not the magnitude, but the unpredictability with which the state plundered and levied random extractions, untied to any productive ends, which led to the abysmal economic performance.

Brohi (2017) has suggested the ubiquity of corruption stems not as much from dysfunctional laws, but the difference between legality and legitimacy of corruption – where ordinary people accept it and practice it because they have no other choice, and this in effect normalizes it. “Corruption then is not an act per se, but a ‘how to’ manual for managing encounters with modern administration, whether of state or urban informality.”¹²

The public discourse on elite impunity is thin, nevertheless, there is a substantial amount of literature available that looks at both concepts separately in Pakistan, that of elites, and that of impunity. The more mainstream concern is of elite capture or its alternate nomenclature, state capture.

Ishrat Hussain in his book *Pakistan: The Economy of an Elitist State* concludes the elite controls the country’s state and economy. He postulates that less than 2% of the population could steer state and markets for self-enrichment at the cost to the poor, and “The state which has to ensure equitable distribution of gains from economic growth is also controlled by the same elite that evades taxes and appropriates the public expenditures for its own benefits. Inequities - interpersonal, regional, gender - become commonplace in such an environment. Access to the institutions that deliver public goods and services is intermediated by the elite through a patronage-based system.”¹³

Writing about the elite, economist Hafiz Pasha (2018) points out whether their acquisition of wealth is intergenerational or recent, the rich and powerful are “Able to operate successfully within the existing framework

of laws and institutions.” He reiterates the process of state capture through drafting and implementation of rules and laws which accord them special privileges. In recent years, the allocation of residential or commercial land has become a primary source of large capital gains, which Pasha traces to large landowners, the defence establishment, multinational companies, commercial banks, real estate developers, and elected politicians, in that specific order¹⁴.

The World Bank (2019) probes factors stalling reforms, finding “Elite capture and vested interests seem to be the most pernicious of the pull factors”¹⁵.

There is a body of work that questions the assumption of a unified or homogenous elite with synchronized interests. Umair Javed and Ijaz Nabi (2017) trace regional and scalar challenges, positing the Pakistani state’s ‘Heterogeneous fragility’¹⁶. Mohammad Waseem (2011) on the other hand, tracks the inter-elite contentions for power and privilege but shows how the state reinvents itself to accommodate these pressures into a new equilibrium¹⁷. There is a plethora of literature on intra-institutional conflicts, ethnic mobilization by elites, and the centrifugal and centripetal forces through the civil-military divide.

Yet groups that may appear powerful may not be able to enforce compliance with formal institutional arrangements. The ‘political settlement framework’ extensively used for understanding the alignment of interests within dominant elite coalitions in Africa has not been sufficiently probed in Pakistan’s context. It could offer unique insights into elite impunity and corruption by explaining how political settlements emerge when the distribution of benefits is consistent with the distribution of power in society. Mushtaq Khan (2010) explains, “The political settlement defines the ‘growth-stability trade-off’ facing particular institutional changes: institutional changes cannot be implemented if their implementation pushes political stability below the tolerance limit of that society.”¹⁸

Impunity in Pakistan has been explored through a range of disciplines: on issues of violence against women in general and sexual violence in particular¹⁹; with reference to extra-judicial killings by the law enforcement apparatus²⁰; against the murder of journalists in Pakistan²¹; regarding attacks on religious minorities²².

The cumulative effect of these and many other news reports and studies, as well as the consensus among them, is that Pakistan has a culture of impunity. This refers to situations where people believe they can perpetrate various kinds of aggression without facing consequences for their actions. Taking the

citations of the above paragraph as examples, men, in general, believe they can get away with raping or sexually harassing women; the police feel they can circumvent laws and procedures and kill whoever they deem criminal; the security apparatus and militants feel secure they can intimidate, threaten or attack journalists; people feel they can get away with attacking members of religious minorities.

In global understandings, a culture of impunity is diametrically opposite to a culture that respects the rule of law. Yet it is even more complex in Pakistan. Impunity comes not just from flaunting of the law and premised on its lack of implementation but is enshrined in the law itself. In specific, the example of the Qisas and Diyat law. Allowing for perpetrators to offer compensation or blood money to murder victims' families, the state becomes a passive observer as citizens are allowed to make personal settlements on whether the killing of other citizens should be punished, forgiven, or bargained over. Tahir Wasti (2009) in his book *The Application of Islamic Criminal Law in Pakistan* illustrates how it works against all norms of justice²³. In practice, this invariably favours the elite, who can afford to pressurize their way into such agreements and pay their way out of jail time if the victimized families belong to any group other than the elite.

Taking the three concepts of corruption, elites and impunity together, the interactive dialogue posits a situation where corruption is endemic across the public and private sector, all institutions of state and commonly practiced and accepted as a fact of life by common citizens, where the rich and powerful are able to leverage their power to ensure the state and society operate in a way to perpetuate their interests, and where powerful people believe they will not face consequences for their actions - and asks if this situation has any bearing on the prevalence of violent extremism.

Discussion

The discussion in the dialogue started with recent examples of elite impunity including road rage murders and violent behaviour in public and traced it backward. While laments about corruption can be found from the time of the country's inception onwards, the phenomenon of elite impunity appears to have emerged at the same time as consolidated elite networks - during Ayub Khan's martial law and the apex network of 22 families. It seems to have coalesced at the top through corruption in the bureaucracy, legalized tax amnesty schemes, awarding of state resources including land, and then trickled down to people's level - as a discussant noted, "The only thing we have really democratized is corruption."

Corruption is now so pervasive that it cannot be rooted out based on revolutionaries or leaders announcing anti-corruption policies. The only way is to develop a consensus in society. While it is easy to blame the corrupt act of others, consensus-building requires re-evaluating what is considered corruption and to exorcise it from average people's daily lives, however petty and enabling it is. And one of the main routes for consensus-building is via political parties.

The lack of mass participation in political parties distorted their agenda and mandate of representation and disabled consensus-building. Political parties in turn have become exclusionary – without regular registration and membership drives, without intra-party elections and without party workers contributing to decisions of awarding tickets for contesting elections, there is little space for next-tier political leadership to emerge organically. The cost of electoral politics is prohibitive – common people cannot mobilize such resources, and campaign finance systems are weak and mostly cannot sustain intra-party contestants who are not from the elite. Those who do contest are often motivated by agendas of personal gain, and also expect to earn returns on the money they invested in election campaigning. However, there have always been exceptions.

Discussions reflected the difficulty of achieving any kind of consensus when debate and dissent in increasingly stifled and spaces for civil society are contracting. Issues can be resolved only by openly discussing them and reaching a shared understanding of the problems. Yet universities, think tanks, NGOs and broadcast media can no longer host conversations that delve on the fundamental issues of the state without being labeled as anti-state or serving foreign interests. Dissent against some state policies is recast as a fundamental repudiation of the state itself. There is also a new, alarmingly dangerous trend of accusing scholars of blasphemy in Sindh, as a way of silencing dissent and in a way that will make others practice self-censorship. One participant pointed out, “We now have a security state in which people feel perpetually insecure.”

The dialogue considered ways out of this morass. One of the reasons previous initiatives of anti-corruption laws did not work to substantively limit it, was that laws address *de jure* conditions, whereas, in Pakistan, *de facto* arrangements are a different, superseding reality. So while the elected politicians face the brunt of public perceptions of corruption, those of them who ally themselves with unelected powers such as the security establishment can remain safe from inquiries. Another example of the *de jure/ de facto* divide is the court system. In Sindh, even though all *jirgas* (community-based informal judicial system) have been banned by the Sindh High Court, they continue to function. And the binary between the formal and

informal system breaks down because state officials – the DIG police and District Commissioners reportedly participate in those jirgas, which are essentially illegal. And the courts accept it even inside the courts – in criminal cases, witnesses resile or complainants withdraw cases because settlements have been reached outside courts through jirgas, and courts accept the resiling and retraction and close the cases.

Some participants were of opinion that a strong state can take on corruption and combat violent extremism and dismantle impunity if it wants to, but what constitutes a strong state? Is it an economic question of simply not having enough money for what it wants to do? Because throwing money at a complex, deep-rooted problem does not solve it. Is it one that has effective autonomous institutions and rule of law? Frequently such institutions are weakened by those who uphold to protect them, and the guardians themselves breach the law. Is it sovereignty of the state that gives it its strength? Because state sovereignty has been compromised into clientist relations by elites embedded in the state. It has created a situation where sometimes the state's own actions are counter-productive for the state. The issue of violent extremism illustrates this paradox. The existence of VE groups challenge the state's monopoly of violence – the hallmark of the modern state.

The dialogue discussion found it was difficult to ascribe causality between violent extremism and either corruption or elite impunity. In the little literature that stems from actual input of current or previous violent extremists, none say they joined VE groups as any kind of resistance to the two phenomena. However, the rotten injustice of the system is a frequent feature in the rhetoric of VE leadership. That the system is flawed, serves the elite against the common man and lets corrupt leaders earn at their expense is part of the usual diagnostics of VE leaders. A return to the religious order as interpreted by VE leaders is the usual prescription. Presumably, the dominance of a system of which they are locked out of, would play a role in influencing recruitment.

In conclusion, corruption and elite impunity erode public trust, a critical component for democracy and the social contract between citizens and state. It is both a cause and consequence of governance deficits. By increasing and strengthening inequalities, this creates fertile ground for distrust of systems and consequent conflict and violence, hence must be combatted.

Future Directions

Rule of Law

While some laws are problematic and must be scrutinized and reformed, as a concept the rule of law must be upheld and implemented. Selective invocation undermines the legitimacy of the legal framework and sends the problematic signal that it is imposed on the powerless by the powerful, creating contempt for the system. It must be applicable to everyone and serviced by impartial public institutions. An appraisal should be conducted on why rule of law programs and reform initiatives have failed to learn from past errors.

Political Participation

This is a critical site for developing consensus through participatory processes. The onus lies with political parties to bring about internal, intra-party democracy but also with people to explore ways and means to create and sustain conversations across society about what affects them. Developing a civic culture – whether by going to town hall meetings or public hearings on the environmental impact of projects or creating issue-specific interest groups, such engagement is critical for deepening democracy.

Technology for Transparency

Technology can and should be used as a tool for increased transparency and accountability. Courts, police stations, provincial assemblies, parliament, and senate can now be broadcast live through technology. Each constituency can trace what their elected representative is doing in their name. Governance systems that used to be opaque and which people could neither access nor comprehend can now be demystified. Both accessibility and comprehension can be tackled by strategically using technology.

NOTES

¹ https://www.unodc.org/documents/treaties/UNCAC/Publications/Convention/08-50026_E.pdf

² <https://www.worldbank.org/en/topic/governance/brief/anti-corruption>

³ https://www.usip.org/sites/default/files/NPEC1011_StudyGuide_combined.pdf

⁴ https://www.researchgate.net/publication/24085771_Unpacking_the_Anti-Corruption_Agenda_Dilemmas_for_Anthropologists

⁵ https://link.springer.com/chapter/10.1057/9781137268716_2

⁶ <https://www.newageislam.com/current-affairs/by-blaming-under-development-on-corruption-alone-the-anti-corruption-crusaders-at-world-bank-and-imf-do-not-want-to-look-at-the-structural-inequalities-globally-or-locally/d/34643>

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¹⁴ Hafiz A. Pasha, Growth and Inequality in Pakistan: An Agenda for reforms, Friedrich Ebert Stiftung, 2018

¹⁵ <http://documents1.worldbank.org/curated/pt/819251552645668502/pdf/Pakistan-at-100-Governance-and-Institutions.pdf>

¹⁶ <https://www.theigc.org/wp-content/uploads/2018/04/Pakistan-report.pdf>

¹⁷ https://www.brookings.edu/wp-content/uploads/2016/06/01_pakistan_waseem.pdf

¹⁸ https://eprints.soas.ac.uk/9968/1/Political_Settlements_internet.pdf

¹⁹ Disputed Legacies: The Pakistan Papers, Zubaan series on Sexual Violence and Impunity in South Asia, (ed.) Neelam Hussain, Zubaan 2019

²⁰ Asad Jamal, Extra Judicial Executions in Pakistan: Killing with Impunity, HRCP,
<http://hrcp-web.org/hrcpweb/wp-content/pdf/ff/10.pdf>

²¹ Staff report, New coalition launched to combat impunity of crimes against journalists, The News 9th August 2019, <https://www.thenews.com.pk/print/510291-new-coalition-launched-to-combat-impunity-of-crimes-against-journalists-in-provinces>

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Social Policy and Development Centre (SPDC) is a policy research think tank. Since its establishment in 1995 as a private non-profit company, SPDC has made significant intellectual contribution in placing issues of pro-poor growth and social development on Pakistan's policy-making agenda. With a focus on issues related to poverty and inequality, governance, social service delivery, gender, and pro-poor macro-economic policy, it contributes to the national goal of social development through research, policy advice, and advocacy. Being an independent and non-partisan research organization, the centre collaborates and cooperates with organizations working on issues relevant to its mandate both at home and abroad. It determines its own agenda and has successfully maintained its independence and balance between responsive and proactive social sector research. SPDC is governed by a voluntary Board of Directors.



Social Policy and Development Centre

7th Floor, Aman Tower, IBA City Campus,
Plot 66 & 88, Kayani Shaheed Road, Karachi.
Tel: +92 316 1113113; +92-21-3810 4701 Ext. 1882
Email: spdc@spdc.org.pk | Website: www.spdc.org.pk