Please cite the Published Version

Dimensions of Corruption in Pakistan: A Systems Thinking Approach and Qualitative Analysis

Introduction

Research on corruption is a vital aspect of understanding the dynamics of corruption so that anti-corruption strategies might be effective, especially in developing countries. However, since corrupt practices occur in the 'grey area' of social behavior – which makes measuring the real extent of corruption impossible – the research on corruption is often illustrative and suggestive at best (Stulhofer 2008). Researching corruption via its perception is a useful way of researching corruption. Even though it remains open to criticism, it is usually assumed that perception of corruption is an approximate indicator of the real level of corruption (Lambsdorff 1999). In this study, we achieve a more nuanced understanding of what corruption might mean as it is experienced by people on everyday basis in Pakistan.

Corruption is conventionally understood and referred to as the private wealth seeking behavior of someone who represents state and public authority. It is the misuse of public resources by public officials, for private gain. As Moreno (2000) argues, 'Corruption has a cultural side, and most societies have a certain degree of corruption permissiveness, with some of them being, on average, more likely to justify corrupt practices than others'. The working definition used by the World Bank (1995), Transparency International (1998) and others is that corruption is the abuse of public power for private benefit (or profit). Riley (1983), observes that incidental corruption is an aspect of life in more or less all societies, but it can be systematic in many public institutions in developing countries, if not systemic in society as a whole and it can be both prevalent and planned. On the contrary this research studies the systemic impact of coruuption and its dynamics.

Corruption takes place in societies where there is significant discretion for public officials, limited accountability, and little transparency in governmental operations; in such societies and cultures, civil society institutions and independent private sector are often weak or undeveloped (Khan 2004). The establishment of corruption on a systemic basis may be an outcome of the continuation of existing inequalities and weak ('soft' or 'hollow') states where it can thrive 'on disorganization, the absence of stable relationships among groups and of recognized patterns of authority' (Huntington 1968, Andreski 1970).

A systems thinking approach can be used in understanding corruption from a broader perspective. With a systems thinking approach we can develop a model to explore causes and consequences of corruption in a society. Corruption can affect socioeconomic systems in positive as well as negative ways and this possibility can be neatly observed through systems simulation. Systems thinking approach has produced a variety of principles and tools for analyzing and changing systems (Boczko 2008).

Human endeavors are bound by invisible fabrics of interrelated actions, which may take seconds to years to fully play out their effects on each other. Systems thinking provides tools to make the full patterns clearer and to help us see how to change them effectively (Checkland 1981). It is a unique approach to problem solving, in that it views certain 'problems', e.g. corruption, as part of the overall system. The systems approach provides a way to fully understand why a problem occurs and persists by trying to understand the part in relation to the whole. The approach proposes to view systems in a holistic manner. Consistent with systems philosophy, systems thinking involves the examination of linkages and interactions between all the elements that comprise the entirety of the system (Midgley 2003).

In this paper, we aim to show not only a snapshot of the everyday phenomenology of corruption, but also to develop a logical theoretical framework which can be used to study corruption dynamics. In the study, the dynamics have been modelled among variables to understand the problem of corruption and its impacts of certain changes in the society i.e. law and order, social, cultural, economic problems and political instability, through a systems thinking approach. The conceptualization of corruption used in this research is that it is a social phenomenon, which involves public dealing in general; manifested as a social system of corruption that affects all other systems in one way or another. This research aims to explore the following issues in more depth:

i. How can our understanding of corruption be extended by using a system thinking approach?
ii. What would a system thinking model of corruption in Pakistan look like?
iii. What are the contributions of such a model?

The next section discusses the methodology for the study. We then introduce our findings from the interviews in thematic form, followed by our systems model. Finally we conclude with some suggestions for future research into corruption using a systems approach.

Methodology

Until very recently, most estimates of corruption were based on surveys of perception. These perception surveys have the advantage of good coverage — it is much easier to ask someone's perceptions of corruption than to actually measure corruption directly. As such, they still form the basis of most cross-country corruption indices, such as Transparency International's Corruption Perception Index (CPI) and the World Bank's Control of Corruption Index. Perception-based measures were also used in some of the first empirical studies on the economics of corruption, such as Mauro's (1995) cross-country study of the relationship between corruption and growth. The challenge with perception-based measures is that these may not measure corruption accurately (Olken and Pandey 2011).

The methodology employed in this research is a case study approach, following Yin (2009). The case includes key stakeholders such as: government ministries or agencies, development partners, judiciary, police departments, civil society organizations, academicians and the general public. In depth interviews are taken as the primary method of data collection.

We adopt expert sampling technique in this research. Expert sampling involves the assembling of a sample of persons with known or demonstrable experience and expertise in some area. Often, researchers convene such a sample under the name of a "panel of experts." The major advantage of employing the expert sampling is that it is a way to elicit the views of persons who have specific expertise. In this case, expert sampling is essentially just a specific sub case of purposive sampling. Another important advantage is that one might use the expert sampling as a yardstick to validate other samples used for the same purpose for which expert sample is employed.

We conducted 43 in-depth interviews from June to December 2015 in Islamabad (the capital city of Islamabad), looking into the experts' perception and understanding of corruption. In addition, a survey based interview was also conducted in Islamabad from June-December 2015 with 155 respondents including public officials, development partners, academicians, other experts from the private sector and general public. The reason for selecting Islamabad for this case study is that all the federal ministries and development partner offices and quite a large number of educational institutions and civil society organization are located in Islamabad. Individuals are selected on three principal criteria: (a) high position within institutional hierarchy, (b) work experience in the domain of governance or anti-corruption, and (c) some professional experience with corruption related issues. The category 'general public' included business people, lawyers and other ordinary citizens.

This research mainly focuses on gaining an understanding of corruption in daily lives, through individuals' perception of economic, social, and cultural processes. Interviews were carried out on the basis of the following categories, specifically focusing on Pakistan: (a) perception of corruption, (b) examples of corruption; (c) seriousness of corruption; (d) characteristics of corruption; (e) causes of corruption; (f) consequences of corruption; (g) corruption and trust in government and private institutions; (h) the role of the anti-corruption agencies; (i) the role of Civil Society Organizations (hereafter CSOs); (j) measures for combating the corruption; (k) the role of development partners; (l) the role of social and religious values and the involvement of military in political affairs.

Studies on corruption have historically been few in number, due to ethical concerns, cultural sensibilities, and methodological difficulties.. The majorethical concerns stem from the researchers having to resort to 'gift giving and bribery themselves, and researchers exposing informants and putting themselves in danger as they explored the nefarious realms of organized crime and corrupt politics' (Haller and Shore 2005). Andvig*et al.* (2000) suggest that corruption is difficult to approach methodologically, because of its complex nature and because individuals are hesitant to admit their interaction with it even when it is persistent.

Our study was approved by our university ethics committee, and the study protocols had a number of important safeguards for the participants. We pledged that all responses would remain anonymous and made this pledge before the interviewees before asking any question. The effectiveness of a pledge holds in the most sensitive of interview as long as the respondents are not asked about a particular incident (involving them or others). The respondents will generally be open for discussion if the topic is in its generality. Yin (2009), Myers (2009) and Haller & Shore (2005) suggests that it is important to get informed consent from all participants who may be part of the case study, by alerting them to the nature of case study and formally soliciting their participation in the study. We also allowed the participants to withdraw their data at any time (as it happened, none chose to do this), and also told them that they could switch off the digital recorder at any time (one participant chose to do this). As a result the respondents were generous and they discussed frankly and with keen interest their views of corruption in Pakistan. It was probably helpful to the study that the researcher was working in the same government culture in which they were interviewing, so participants felt comfortable with the interviewer.

All interviews were conducted in English or Urdu (National Language in Pakistan), in face-to-face setting. Table 1 provides a brief overview of the forty three in-depth interviews. To ensure participants' anonymity, only broad definitions are given of job role, and we have been careful in our reporting not to inadvertently identify anyone from the context of the findings. This we feel is very important as we did not want to put anyone at risk because they had participated in our study.

As mentioned earlier, the type of interview schedule used in this research is of semi-structured. According to Myers and Newman (2007), in this type of interview schedule, the researcher prepares questions before the actual interview but is open minded on the agenda for other questions that might arise during the interview. Interviewing individuals with a so-called open/incomplete script provides the researcher with the advantage of having laid out the intended interview and research direction to the interviewee yet still being able to ask further questions, if appropriate. An additional advantage of this type of interview is that areas discussed and the questions asked can be adapted from one interview to another in the case of disclosures of new aspects. The prepared questions are designed as open-ended questions, which has the intention of obtaining rich qualitative data from the interviewees (Boyatzis 1998, Collis and Hussey 2003 and 2009 and Myers 2009).

Insert Table 1– Category wise Distribution of the Interviewees

Findings

We used the 'Thematic Analysis Approach', which is a method for identifying, analyzing and reporting themes within data. It minimally organizes and describes data set in (rich) detail (Boyatzis 1998, and Braun and Clarke 2006). According to Maines (2000), applying a thematic strategy of analysis, we can explore shared interpretations or common responses, importance and general interpretations or representations of the issue of corruption. Each person has his/her own interpretation or perception, based on his/her life experience and interaction with other persons. The objective of applying thematic analysis is to represent these shared meanings and describe them as faithfully as possible. The coding process involved recognizing an important moment and encoding it prior to a process of interpretation (Boyatzis 1998). A 'good code' is the one that takes into account the qualitative richness of the

phenomenon. The themes identified in the transcripts were accordingly organized into sub-themes. Using themes as an analytic device is a useful way of scaling up analysis (Urquhart 1999).

In this study, the data gathered from the interviews are analyzed, organized, and categorized based on themes extracted from the literature review. Table 2 shows how the codes derived from the thematic analysis were reflected in their larger macro analytic counterparts, the themes. In the beginning, the transcripts were subjected to open coding. An open coding line by line assessment of the data was done to generate codes. This exercise is extremely time consuming, but has the benefits of getting many rich concepts and maintaining a close tie with the data. The themes identified in the transcripts were accordingly organized into sub-themes.

The emerging themes for analysis are 1) Perception of Corruption, 2) Governance, 3) Effective Judiciary, 4) Values, 5) Poverty, 6) Social aspects 7) Transparency in International Negotiations and Funding, 8) Regulations to Create Job, 9) Size of Government, and 10) Economic Health. Table 2 in illustrates the codes that make up each theme.

Insert Table 2: Thematic Analysis Grid

Dominant Codes

Table 3 summarizes dominant codes for the themes represented. It also gives detail about the occurrence of themes across data. For each theme, the code which appears in most of the interview transcripts is reported in a table below. If we talk about perception of corruption in general, there is an emphasis on the prevalence of the *misuse of authority for personal gain, and lack of transparency* in the government system due to a culture of secrecy and rampant corruption.

In the theme of governance, it can be seen that there are many instances of *lack of governance* and *good governance* being mentioned, which appear as significant issues of sustainable social, political, and economic development among others. The theme of Effective Judiciary has a wide variety of dominant including instances of moral vulnerability of law enforcement system, political victimization and lack of transparency. More interestingly, the dominant code for the theme poverty and/or income inequality described *poverty as a by-product of corruption*, since corruption erodes opportunities for development in societies.

Insert Table 3: Themes and Dominant Codes

Perception of Corruption

Our starting point for the interview was to ask interviewees to provide their own definitions of corruption. There seemed to be an acceptance that corruption existed and that it could be found in most places in society. Most of the interviewees stated that the level of corruption in Pakistan is increasing and that it was already at high level. Our findings suggest that there is a common belief that corruption can be found more or less everywhere in the society — from the top to the bottom. It was also observed from the interview transcripts that tolerance towards petty or low level corruption ('favor for favor, 'service for service', the habit of handing out small gifts to public servants, etc.) is much higher.

Most of our interviewees considered that corruption was a way of life that had become a fundamental mechanism for the working of different public and private organizations in Pakistan. Our expert interviewees, that work in government agencies, development partners, civil society organizations and other responsible citizens from different walks of life, all felt that corrupt practices are embedded in Pakistani society and have harmful consequences for

Pakistan[1]. Corruption is a widespread phenomenon in Pakistani society, as mentioned in the literature review (Moreno 2000, Khan 2004 and Mahrwald 2009) and of course our qualitative results confirm this. What is notable about our findings is the hopelessness expressed by interviewees about corruption – most of them see it increasing but could not see a solution.

Governance

Interviewees stressed that a good government is an important prerequisite for good governance. Good government in this context meant a government accepted by the participatory public as legitimate. A good government is seen as one that is be responsive to the needs of the people, committed to improving its interests, competent in providing law and order, delivering public services, provider of an effective policy environment, and open-handed in its conduct.

Our interviewees felt that good governance is a counter to corruption, but make the forceful point that governments need to change their modes of operation in a fundamental way in order for this to happen. Prior studies that have noted the importance of good governance to eradicate corruption from any society also suggested that if any government wants to root out corruption then their leadership must show zero tolerance and honest and visible commitment (Tanzi et al 1997).

Effective Judiciary

It was stated by interviewees that judiciary must be independent of the executives if corruption was to be tackled. According to the interviewees, public confidence in the judicial system has deteriorated over time. It is perceived by some interviewees that the system supports criminals and the local political setup. Some incidents relating to higher judiciary and their internal squabbles were seen to have exposed the system to ridicule. Conflict between the political and judicial authorities was seen to weaken both the institutions.

Interviewees were found to be highly concerned about the neutrality of the judiciary and its effect on corruption. Most political and judicial institutions in Pakistan are ruled by elites or feudal families, who hamper the rule of law and democracy for the sake of their own interests (Berg *et al.* 2008). One major contributor to widespread corruption in Pakistan is the disintegration of its judicial system, which occurred because of a high level of political instability (Hashmani 2010). Interviewees had strong perceptions about the presence of corruption at all levels of judiciary, with confidence in the subordinate judiciary particularly low. Incidence of corruption is acute in the lower judiciary, where money has to be paid at virtually every step of the judicial process in order to make it move forward or else the process would halt altogether.

Values

Interviewees had the feeling that the lack of moral values could cause havoc to Pakistani society. Interviewees said that, over time, tolerance of corrupt behavior had increased in the society and people no longer feel guilty about their own role in corruption, which had become a way of life. The interviewees felt that religion plays an important role in the lives of Pakistanis' but they raised an important issue – a mismatch between Islamic ethical values and the corruption they encounter. The interviewees felt that corruption could be countered by invoking religious values. Furthermore, the interviewees believed that corruption in Pakistan, which is ethically rejected on the grounds of being against the basic principles of Islam, was damaging the social fabric and eroding trust.

---

[1] The transcript of the responses of the interviewees on their own definitions of corruption and other themes are at Appendix – I.

Many interviewees perceived that a gradual erosion of values in the society is closely related to the prevalence of corruption. They keenly felt that the corruption embedded in daily life is in stark contrast with Islamic values. They felt that greed for social status and money are gradually becoming social norms. From the gift-giving tradition, which most people felt did not constitute bribery, society had gradually accorded its acceptance to the widespread corruption as a norm. The interviewees also identified illiteracy as a key problem – if people were educated, there would not be wide-scale acceptance of corruption. Although discussions about corruption as a social problem have been part of Pakistani public life since the 1990s, initiated primarily by the media and civil society, its political significance, consequently and policy ramifications have been markedly strengthened since the 2000s. This is mostly due to the implementation of National Anti-corruption Strategy, which gives comprehensive powers to National Accountability Bureau (NAB) to investigate and prosecute corrupt elements in Pakistan.

Social Aspects

Some interviewees felt that it is possible that some corrupt practices in Pakistan are culturally acceptable, due to certain traditions, norms and regulation. For instance, it can be often heard that the gift-giving tradition does not constitute bribery, but simply expresses gratitude which might pave the way for a future exchange of favors. Corruption has gradually been accepted as something undesirable, but not as a crime.

Lack of education, and the wide gulf between rich and poor, was also felt by the interviewees to contribute to corruption. It was also stated by the interviewees that the place where the nature or flow of money is not accessible and some people become very rich and others remain poor, the possibility of corruption increases substantially. It was mentioned by some interviewees that there is a basic difference in today's society compared to the one that existed around 50 or 60 years ago. In the past, all the people of a society used to know the wisest man of their society, now the trend is that all know the richest man of their society, and hardly anybody knows the identity of the most educated person among them.

Interviewees stressed that to stop or reduce corruption, social reform and equality comes first. A better world consisting of corruption-free societies can be developed by educating people. As suggested by Saugestad (2000), corruption exists as a social, moral and cultural problem in many societies, among individuals in their personal dealings.

Poverty

For some interviewees, corruption was linked to social divide within the Pakistani society and unequal different access to justice available to different classes of people. A vast majority of people live below poverty line and have no access to justice because they simply cannot afford a lawyer.

It was stated by the interviewees that the poor are vulnerable in terms of being easy targets of exploitation both through bribery and extortion. Many interviewees felt that corruption contributes directly to perpetual poverty by depriving the poor of public services and benefits they deserve. Another interviewee mentioned that higher inequality can lead to greater incentives for corruption. It was also stated by the interviewees that in the developing countries like Pakistan, which is badly affected by corruption and poverty, the fight against corruption and poverty can only be successful if and when the two phenomena are addressed on a coordinated basis.

The link between poverty and corruption has been studied widely in recent years. It is essential to note that whatever definition is used for poverty, corruption, whether petty or grand, has direct and indirect effects on poverty (Ahmad *et al.* 2012).

Transparency in International Negotiations and Funding

Interviewees from development partners mentioned that Pakistan is a major recipient of foreign aid and loans from international development partners. They felt that corruption had interfered with poverty, aid and development projects.   They also stressed that aid transparency matters for many reasons – from improving governance, accountability and increasing the effectiveness of aid to lifting the masses out of poverty.

It was stated by the interviewees that third party involvement is also important to improve aid transparency, otherwise discrepancies between aid received and aid spent is difficult to measure. It was stressed that strengthening the capacity of governments would be helpful only if there is political will and commitment from the government to fight against corruption.

The view of corruption from our development partner/CSO interviewees was particularly interesting, they stressed that transparency was necessary in order to improve the effectiveness of aid. They found that they needed to insert anti-corruption clauses in aid agreements. The absence of third parties in aid agreements, which meant that the funding and procurement functions were not separate, has increased opportunities for corruption. There was a clear need for separate monitoring and evaluation of projects and third party involvement such as CSOs and the private sector. Past studies have noted the importance of accountability and transparency (Berg *et al*. 2008) and the impact of increasing transparency has been notable in many countries.

Government Size

It was mentioned by one of the experts interviewed that the relationship between the size of the government and its inefficiency, including corruption, is an important issue in Pakistan. An increase in government size provides more opportunities for corrupt politicians to involve themselves in rent-seeking activities, making politicians and bureaucrats more corrupt.

It was also suggested by some interviewees that when individuals perceive that the level of corruption is high in the government, they will be more reluctant to pay taxes. Moreover, due to the incidence of corruption, they will also be reluctant to deal with government officials, since the cost of dealing with them is expected to be high. As a result, the informal sector becomes more attractive with respect to the formal sector, since operating in this sector does not require dealing with public officials, and allows individuals to avoid taxes. It was suggested by one of the interviewees that reducing the size and scope of government is the only effective way to control corruption in Pakistan.

Many Civil Society Organization (CSO) interviewees felt that the size of the government was also a problem and asserted that the bigger the government size, the greater the likelihood of corruption. It was also pointed out that people were unwilling to pay taxes for what they see as a large, corrupt sector, and that this, in turn, increases the size of informal sector.

Economic Health

According to the interviewees, corruption badly affects economic performance in Pakistan. Besides economic development, the interviewees identified that corruption also undermines employment opportunity, and clouds prospects for poverty reduction. Interviewees generally support the concept that corruption and lack of economic reform go hand in hand, with causality running in both directions. Corruption reduces government's resources and consequently its capability for investment, thereby creating a vicious cycle. Inflation makes this cycle worse. As said by the interviewees, there is a relationship between corruption and inflation. Some interviewees also associated corruption with the privatization of public enterprises in the last two decades.

The overall economic health of the nation was seen as a clear driver of corruption by many interviewees – inflation meant reduced purchasing power of households and reduced

government resources in real terms. Privatization was not seen to be a success story in Pakistan.

Inappropriate Recruitment

It was claimed by an interviewee that political representatives seeking to increase their popularity have often offered jobs in the civil service to important client groups and usually these appointments have breached procedures and led to the appointment of incompetent people. Moreover, it was mentioned by one of the interviewees that the legislature creates new regulations in order to justify adding more jobs to the civil service. These regulations provide additional opportunities for extracting bribes from the public. It was stated by the interviewees that political appointments in the government often lead to right persons not being placed in the right position. It was also suggested that corruption among government officials is encouraged by low pay for civil servants. An increase in pay will ultimately lead to lower corruption and improved service delivery.

Donor agency and CSO interviewees also felt that recruitment in the Pakistan civil service was a problem because people tend to recruit their own friends and relatives, who might not be suitable for the required jobs. These findings are in line with Hashmani (2010) who says that corrupt recruitment makes institutions ineffective, while low pays increase temptation for corruption.

Systems Thinking Model

To develop the System Thinking model, we used both the interview material that describes the structure of corruption, and the behaviour dynamics implied from the interviews that result from that structure of corruption. It is important to mention here that some interesting relationships between themes and codes have been developed from the qualitative data analysis. For instance, political control over appointments by influential people in law enforcement agencies can be seen to cause a poor law and order situation in Pakistan, which in turn yields an environment where violence and criminal activities run rampant. Moreover, empirical literature on the determinants of corruption has presumed a strong relationship between corruption abatement and good governance (Treisman 2000). But for this relationship to bear desirable results, the overriding influence of the 'influentials' must be appropriately dealt with.

There are several feedback loops in a high-level diagram of a corruption model. The primary task in identifying the systems approach to modeling corruption is to define the key system features and to construct a high level causal loop diagram that captures the key elements of the system in question including the major feedback loops. In Figure 1 there are a whole range of potentially significant joint dependencies (and feedback dynamics) that capture the overall system behavior and performance over time rather than one 'dependent variable'. This approach is different from the commonly adopted approach in social sciences. Therefore a systemic framework of analysis essentially provides a useful mechanism for understanding the incidence of corruption in different systems: the complex nature of change in the context of a continuing crisis of accumulation, and the impact of that change on regulated legal, economic and social institutions.

Insert Figure 1: High Level Diagram of a Corruption Model

A causal loop diagram of the model's variables was constructed from these key variables, illustrating the major feedback processes of the corruption model in Figure 1. Behavior of the corruption model is constrained by one balancing feedback and eight reinforcing loops (see Figure 2 and 3). The structure of this model contains political and judicial variables (including democratic accountability, government stability, law and order, organized crime, military in politics, and corruption) identified during qualitative data analysis.

Feedback Loops – Economic and Social Factors

Based on the literature review and qualitative data analysis, Figure 2 presents five reinforcing loops "R_1", "R_2", "R_3", "R_4" and "R_5". The role of government can be observed in the section of the model in feedback loop R_2, which deals with the constructs of government expenditure and service delivery. Lower levels of government expenditure result and consequently slows down improvement in socioeconomic conditions, which also increases poverty levels and distorts income inequality. Bureaucratic malpractice manifest in the diversion of public funds to the areas where bribes are easiest to collect, implying a bias in the composition of government spending towards low-productivity projects (e.g. large-scale construction) at the expense of value-enhancing investments (e.g., maintenance or improvements in the quality of social infrastructure). Thus, abuse of public office may not only reduce the volume of public funds available to the government, but also lead to misallocation of those funds. It will further lower quality services provided by government (see Figure 2). We may also believe that organized crime can be dissipated by inculcating moral values to achieve corruption-free society (Feedback loop R_4). Feedback loop R_5 signifies the role of imports and exports (economic openness) that affect economic development positively. Moreover, R_5 also signifies the role of trade-lead economic development in controlling high inflation rate in an economy. There is a positive correlation between inflation and corruption, as inflation causes an increase in the cost of living and thus people use illegal means to increase their earnings.

Insert Figure 2: Feedback Loops – Economic and Social Factors

Feedback Loops - Legal and Political Factors

It can be seen from feedback loop R_7 (see Figure 3) that if the law and order situation is deteriorated in the country; the military might, for example, become involved in politics by toppling the regime because of an actual or created internal or external threat. This kind of situation would have negative implications. The distortion of government policy in order to meet this threat, for example by increasing the budgetary expenditures on defense at the expense of other budget allocations, or involvement of military in politics, even at a peripheral level, is a diminution of democratic accountability (Political Risk Services 2016). However, it also has other significant implications. The risk of military take-over can force democratically elected government to change its policies or cause replacement of the government by another government more amenable to the military's wishes.

Moreover, a military takeover or threat of a takeover may also signify a high risk if it is an indication that the government is incompetent to function efficiently and that the country therefore has an uneasy environment for foreign investment. On the other hand, if the political leadership does not enjoy popular support, the highly elitist civilian bureaucracy might be able to reserve for itself the role of final conciliator on many policy decisions, in conjunction with the military. Feedback loop R_6 indicates that widespread corruption and government instability diminish the effectiveness of accountability systems. The role of judiciary can be seen in the section of the model that deals with the construct of law and order. Negative effects of corruption increase calls for anti-corruption measures, which causes a strengthening of the legal system. In particular, an effective judiciary can fulfill its role as an institutional guarantor of the rule of law. The criminal justice system deals effectively with crimes committed in the countries with low levels of organized crime (Feedback loop B_1).

Insert Figure 3: Feedback Loops - Legal and Political

Conclusion

This study has investigated perceptions of corruption as it is experienced by people on an everyday basis in Pakistan. The major contribution of our study is to provide insights into the perceptions and experience of corruption in Pakistan. Some of our key findings, such as the

effect of inflation, government size, transparency in international negotiations and the juxtaposition of religious values with corruption, have not been widely discussed in the literature (Dudley 2002, Ullah 2012 and Cosenz et. al. 2016). In this paper, snapshot data from interviews has been used to model the dynamics among variables and its impact of certain changes in the society, through a systems thinking approach. It gives a rich picture of corruption in Pakistan by interviewees. None of our interviewees were complacent or accepting of such corruption, but at the same time, a feeling of helplessness about corruption was also evident, as it was seen as an intractable problem. The study also finds that in the social, cultural and political matrix of Pakistani society, corruption is associated with a gradual loss of value systems and even identity. It gives insights into the 'other' causes and importantly, how it is perceived by those that live with corruption and its effects day to day.

Unfortunately, the existing body of research does not offer any systematic insight into socio, economic and cultural roots of corruption and its tolerance in Pakistan (Political Risk Services 2016). Even though it is perhaps true that corruption can never be completely eradicated in any society, it is important to take into consideration both habitual and cost-benefit sources of tolerance towards corrupt acts in the fight against corruption.

The issue of corruption is wide and the study of particular questions or approaches to fight against it undoubtedly provides new ways for its study. In particular, the proposed model to the need for admits refinements. Some of them would be merely technical and others would be related to the introduction of new questions that will lead to consideration of new variables. Among those of the first kind there are various alternatives. For example, the model can be improved by adding variables that we excluded in this study. Among the second kind, it would be possible to compare the effects of corruption in countries with a different level of development.

Moreover, system dynamics modelling and agent-based simulation can be done for this model that might help in understanding the interactions in the macro / micro / individual level. Such studies in future can be integrated with the system thinking model of corruption. We believe that future research to enhance the present model in various directions needs to be done by adding more economic, social, legal, political, cultural, ethical, psychological factors to better understand the dynamics of corruption in a more holistic way.

It is our sincere hope that our thematic findings and model contributes to discussions on the nature of corruption, which necessarily occur across many academic disciplines, in order to seek comprehensive strategies to combat corruption in developing countries in particular

References

Ahmad, E., Ullah, M. A., & Arfeen, M. I., (2012), Does Corruption Affect Economic Growth? *Latin American Journal of Economics,* Vol. 49, No. 2, pp. 277-305

Andreski, A. (1970), *Parasitism and Subversion*, London, United Kingdom: Weidenfeld and Nicolson.

Andvig, Jens Chr., Odd-Helge Fjeldstad, Inge Amundsen, Tone Sissener, Tina Søreide. (2000), Research on Corruption: A Policy Oriented Survey. Report Commissioned by NORAD: Chr. Michelsen Institute and Norwegian Institute of International Affairs.

Berg, L. A., Blue, R., and Hoffman, R. (2008), *Pakistan Rule of Law Assessment* – Final Report, Prepared for the USAID/Pakistan by Management System International, Washington D. C, United States of America.

Boczko, T. (2008), *Corporate Accounting Information Systems*, London, United Kingdom: Financial Times Press.

Boyatzis, R. E. (1998), *Transforming qualitative information: thematic analysis and code development*, London, United Kingdom: Sage.

Braun, V., and Clarke, V. (2006), 'Using thematic analysis in psychology', *Qualitative Research in Psychology: 3,* 77-101*.*

Checkland, P. (1981), *Systems Thinking, Systems Practice,* London, United Kingdom: John Wiley.

Checkland, P. (1999), *Soft systems methodology: a 30-year retrospective; and, Systems thinking, systems practice,* Chichester, United Kingdom: John Wiley.

Collis, J. and Hussey, R. (2009), *Business Research: A Practical Guide for Undergraduate and Postgraduate Students*, Basingstoke, Hampshire, United Kingdom: Palgrave Macmillan Publishing.

Collis, J., and Hussey, R. (2003), *Business Research: A Practical Guide for Undergraduate and Postgraduate Students* (2nd ed), Basingstoke, Hampshire, United Kingdom: Palgrave Macmillan Publishing.

Cosenz, F., and Noto, G., (2016), Applying System Dynamics Modelling to Strategic Management: A Literature Review. *Systems research and Behavioral Science,* Vol. 33, No. 6, pp. 703-741

Dudley, R. G. (2000), '*The Rotten Mango: The Effect of Corruption on International Development* Projects', Eighteenth International Conference of the System Dynamics Society 'Sustainability in the Third Millennium'. Retrieved from http://pws.prserv.net/RGDudley/PDF/rtmango1.pdf.

Gharajedaghi, J. (1999), *Systems Thinking: Managing Chaos and Complexity: A Platform for Designing*. Burlington, MA, United States of America: Butterworth Heinemann.

Haller, D., and Shore, C., (2005), Corruption: Anthropological Perspectives. London, United Kingdom: Pluto Press.

Hashmani, K. (2010), *Corruption in Pakistan hurts common People and Breeds Extremism,* Retrieved from http://iaoj.wordpress.com/2010/01/23/corruption-in-pakistan-hurts-common-people-and-breeds-extremism/ Date 10.10.2010.

Huntington, Samuel P. (1968), *Political Order in Changing Societies*. New Haven, United States of America: Yale University Press.

Khan, M. (2004), *The Public Sector and Privatization*, Discussion Paper.

Lambsdorff, J. G. (1999), *Corruption in international research – a review*, Transparency International, Working Paper, Berlin, Germany.

Mahrwald, S. (2009), *Rule of Law: The Case of Pakistan*, Paper presented at the Heinrich-Böll-Stiftung, Germany. Retrieved from http://www.boell.de/downloads/Rule_of_Law_Conference_Paper_Pakistan.pdf.

Maines, D. (2000), 'The social construction of meaning Contemporary Sociology', A *Journal of Reviews*, 29: 577-584

Mauro, P. (1995), 'Corruption and Growth', *Quarterly Journal of Economics,* 110(3): 681-712.

Midgley, G. (2003), *Systems thinking,*: London, United Kingdom: Sage.

Moreno, O. L. (2000), 'Structural Corruption and Normative Systems: The Role of Integrity Pacts', en J. S. Tulchin y R. H. Espach (eds.) *Combating Corruption in Latin America*, Washington D.C.: Woodrow Wilson Centre Press.

Myers, M. (2009), '*Qualitative Research in Business & Management*', London, United Kingdom: Sage Publications.

Myers, M. D., and Newman, M. (2007), 'The qualitative interview in IS research: Examining the craft,' *Information and Organization*, 17(1): 2-26.

Olken, B., and Pande, R., (2011), "Governance Review Paper: JPAL Governance Initiative". Abdul Latif Jameel Poverty Action Lab.

Political Risk Services (2016), *Pakistan Country Report,* New York, USA: The PRS Group, Inc.

Riley, S. P. (1983), 'The Land of Waving Palms': Corruption Inquiries, Political Economy and Politics in Sierra Leone'. in M. Clarke, (ed.) Corruption: Causes, Consequences and Control, London: Frances Pinter.

Saugestad, S. (2000), 'Dilemma in Norwegian Development Assistance to Indigenous People: A Case Study from Botswana', *Forum for Development Studies,* 2: 205-234.

Stulhofer, A., Kufrin, K., Caldarovic, O., Gregurovic, M., Odak, I., Detelic, M., Glavasevic, B. (2008), *Crime as a Cultural Problem, The Relevance of Perceptions of Corruption to Crime Prevention. A Comparative Cultural Study in the EU-Accession States Bulgaria and Romania, the EU-Candidate States Turkey and Croatia and the EU-States Germany, Greece and United Kingdom*. Croatia: University of Zagreb, Faculty of Humanities and Social Sciences.

Tanzi, V., and Davoodi (1997), *Corruption, Public Investment, and Growth*, IMF Working Paper: WP/97/139.

Transparency International (1998), Transparency International Corruption Perceptions Index: Berlin, Germany.

Treisman, D. (2000), 'The causes of corruption: a cross national study', *Journal of Public Economics*, 76: 399-457

Ullah, M. A. (2012), *Enhancing the Understanding of Corruption through System Dynamics Modelling: A Case Study Analysis of Pakistan* (Ph.D thesis), University of Auckland, New Zealand.

Urquhart, C. (1999), 'Themes in Early Requirements Gathering — The Case of the Analyst, the Client and the Student Assistance Scheme', *Information Technology and People:* 12(1).

World Bank (1995), *Bureaucrats in Business*, *The Economics and Politics of Government Ownership*, A World Bank Policy Research Report: Washington DC.

Yin, R. K. (2009), Case Study Research: Design and Methods, (4th Edition), Thousand Oaks, CA, United States of America: Sage Publications.

Figure 1: High-level Diagram of System Dynamics Model of Corruption
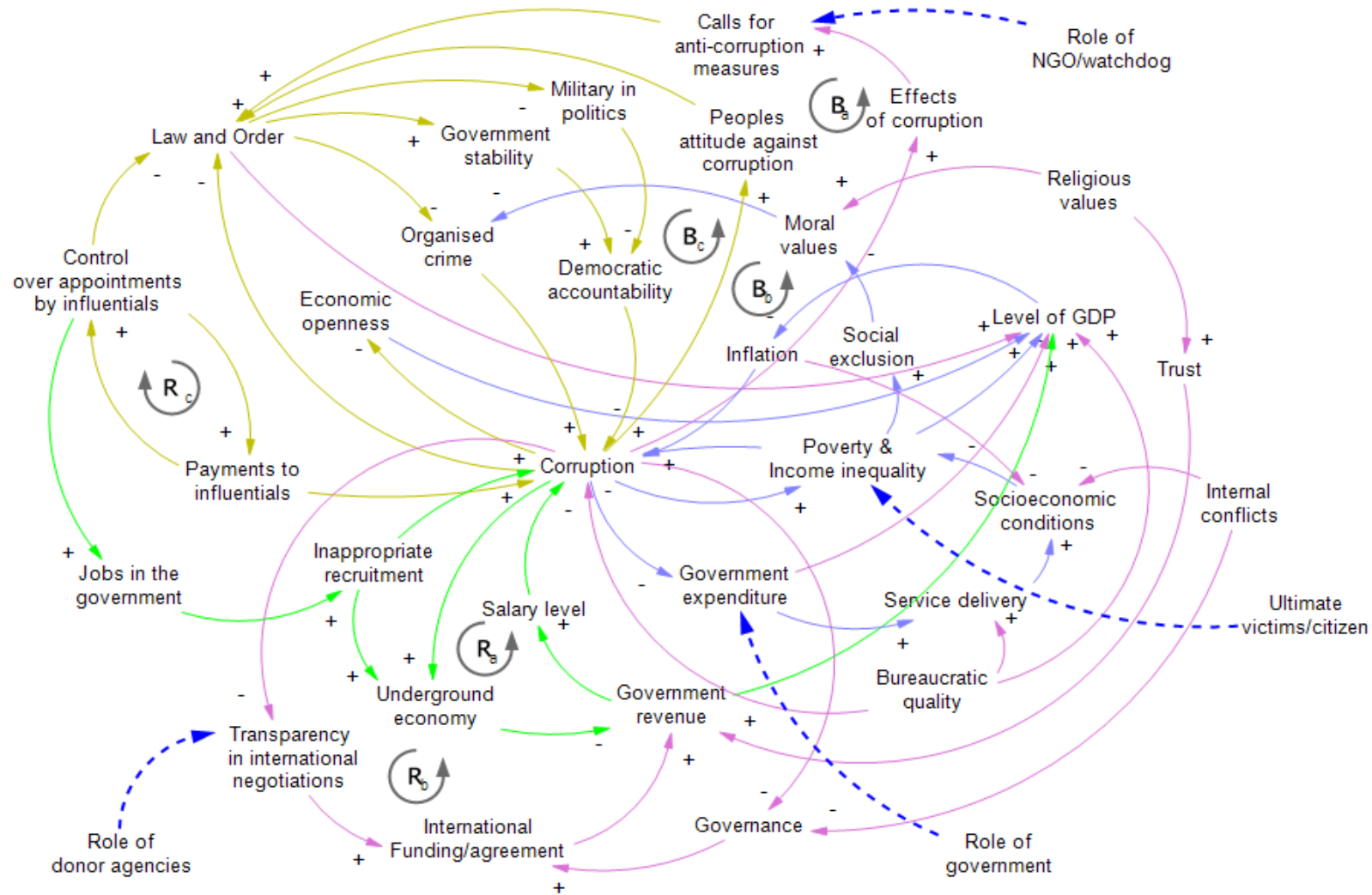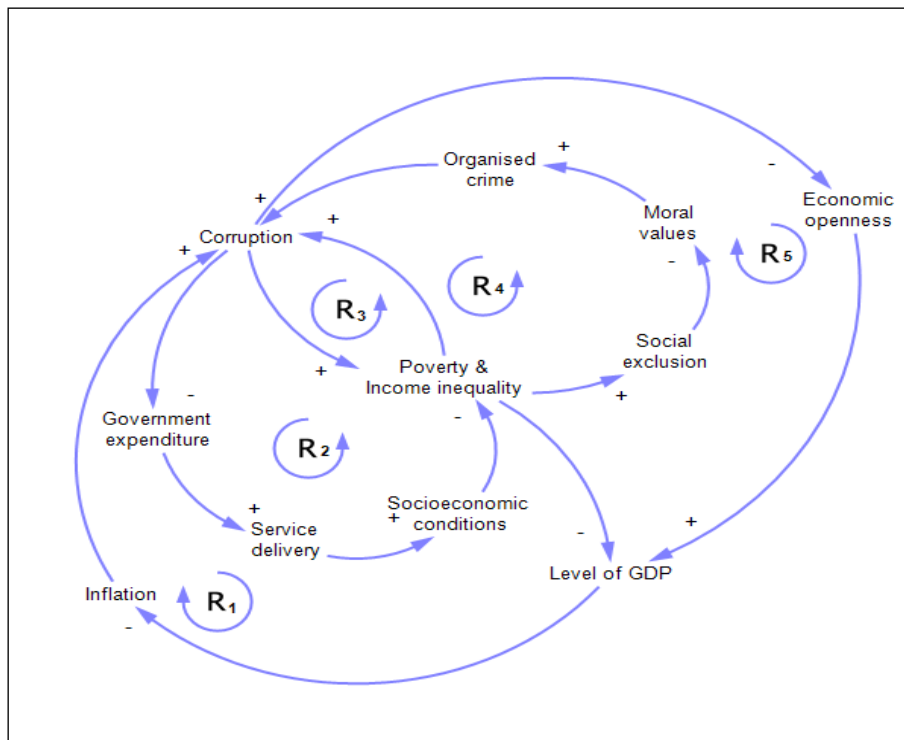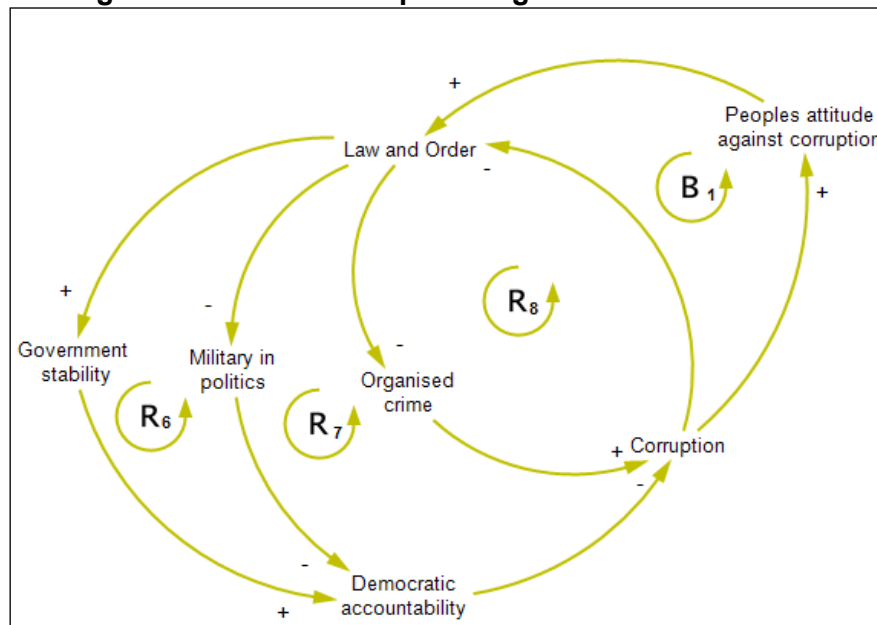
Figure 2: Feedback Loops of Economic and Social Factors

Figure 3: Feedback Loops of Legal and Political Model

Sector	Interviews	Participants/Codes	Group Totals
Government Ministries / Departments			
Anti-corruption	3	Head of Section	10 (23 per cent)
Bank	1	Middle Management	
Education	1	Head of Department	
Power	1	Middle Management	
Land	1	Middle Management	
Health	1	Head of Section	
Police	1	Deputy Head of Region	
Revenue	1	Middle Management	
Donor Agencies			
Donor Agency (Foreign Country)	5	Middle Management	10 (23 per cent)
United Nations	4	Head of Different Sections	
World Bank	1	Head of Section	
Civil Society Organizations			
Anti-corruption	2	Head of Institute	10 (23 per cent)
Consumer Protection / Legal Aid	2	Head of Institute	
Education	1	Head of Institute	
Policy Research	3	Head of Institute	
Rural Support	2	Head of Institute	
General Public			
Businessmen	5	Private Business Persons	13 (30 per cent)
Lawyer	2	Supreme Court Lawyer	
General Public	6	Citizen from different walks of life	
Total Interviews			**43**

Table 2: Thematic Analysis Grid

No	Themes	Sub-Themes	Codes
1.	Perception of Corruption	a. Aspects of corruption	Lack of transparency, Kickbacks, Immoral or unethical, Need-based and greed-based, Misuse of authority
		b. Level of corruption	Pervasive — Everywhere in the society, Low level is tolerable, Acceptable level of corruption, Increase of corruption in government with size, Smaller government reduces corruption.
		c. Money matter	Bribe, Greasing the palms, Personal gain, Focal point, Speed money.
		d. Causes of corruption	Lust for economic gains, Extremism, Organized crime, Class distinction, Selection process.
2.	Governance	a. Aspects of governance	Bad governance, Lack of governance, Corporate governance standards, Good governance.
		b. Lack of political stability	Political will, Military in politics, Democratic government, Top leadership, Checks and balances.
3.	Effective Judiciary	a. Aspects of effective judiciary	Lack of judicial dispensation, Absence of transparency, Pay the bribe and buy justice, Strong judicial system, Process of judicial reforms.
		b. Lack of accountability	Process of putting a checks and balances, Lack of action against influential people, Political victimization, Mechanism to rectify corruption.
		c. Rule of law	Advocacy and awareness raising, No serious resolve, Selective in enforcing law, Interested in making new laws.
4.	Values	a. Ethical and moral values	Attitudinal change is needed, Low moral values, Moral lapse, Corruption is way of life, Motivation towards honesty.
		b. Religiosity	Religious practices, Non-practicing of religion, Religious values, Religious education, Religion is not the reference point.
5.	Poverty	a. Aspects of poverty	Financial intervention is needed, Direct relationship with corruption, Corruption is epidemic, Poverty is a by-product of corruption, Gap between poor and rich increases.
		b. Income inequality	Unequal distribution of wealth, Capitalism motivates people to raise their income level, Increasing wage rate, Big family size and low income level, Lack of monetary compensation.

No	Themes	Sub-Themes	Codes
6.	Social aspects		Family social fabric is weakened, Taking it as a social norm, Greed for social status, Deep rooted, Lack of education.
7.	Transparency in international negotiations and funding		Third party involvement, Anti-corruption clauses, Proper monitoring system is needed, Motivation to get capital gain, Indigenous agenda, Asking for share in the project, Strengthening the capacity of government to fight against corruption.
8.	Regulations to create job		Limited employment opportunities, Merit based selection, No job available without *Sifarish* (links with decision makers) and bribe.
9.	Size of the Government		Big government size harmful, Insufficient resources, Small size reduces corruption, Informal economy.
10.	Economic health of a country		Privatization, Inflation causes corruption, Government is poor, Global financial crisis

Table 3: Themes and Dominant Codes

Number of Instances	Themes	Codes
400	Corruption	Misuse of authority, Bribe, Personal gain.
18	Governance	Lack of governance, Good governance, Political will, Military in politics, Democratic government.
63	Effective Judiciary	Pay the bribe and buy justice, Political victimization, Selective in enforcing law, Absence of transparency.
34	Values	Low moral values, Moral lapse, Corruption is way of life, Religious values.
20	Poverty/Income Inequality	Poverty is a by-product of corruption, Unequal distribution of wealth, Increasing wage rate.
45	Social aspects	Taking it as a social norm, Greed for social status, Lack of education.
7	Transparency in international negotiations and funding	Proper monitoring system is needed, Strengthening the capacity of the government to fight against corruption.
10	Regulations to create job	Merit based selection, No job available without Sifarish and bribe.
8	Size of the Government	Big government size harmful, Informal economy.
23	Economic health of a country	Inflation causes corruption.

Summary of Responses and an Analysis: Corruption

With regard to corruption being common and the level increasing, it is submitted that corruption has been a problem in Pakistan, especially after the late 1980's when the democratic government came into power. It has been observed from the interview transcripts that tolerance towards petty or low level corruption ('favour for favour, 'service for service', the habit of handing out small gifts to public servants, etc.) is more prevalent. It suggests that there is a common public belief that corruption can be found more or less everywhere in the society — from the top, to the bottom. It has somehow become a way of life in Pakistani society, as mentioned by a few interviewees.

Thematic Analysis Grid — Corruption

Themes	Sub-Themes	Codes				
		Code 1	Code 2	Code 3	Code 4	Code 5
Corruption	Aspects of corruption	Lack of transparency	Kickbacks	Immoral or unethical	Need-based and greed-based	Misuse of authority
	Level of corruption	High corruption level	Low level is tolerable	Acceptable level of corruption	Increase of corruption in government with size	smaller government reduces corruption
	Money matter	Bribe	Greasing the palms	Personal gains	Focal point	Speed money
	Causes of corruption	Lust for economic gains	Extremism	Organised crime	Class distinction	Selection process

The table given above illustrates the dominant codes for the theme and sub-themes of corruption used. In order to effectively examine and illustrate corrupt practices and their collective perceptions, one needs to be aware of some theoretical specificities of the word corruption. It is important to go beyond the strictly legal definition of corruption and compare it with more informal, everyday meaning and social connotations. Few of the examples from the responses of the interviewees are the following:-

> *To get undue favour by unfair means, from either public or private sector or anywhere. It does not necessarily have to be an exceptional amount but to get an undue favour, which you do not deserve, when you use unfair means* **(Citizen_4).**

> *Corruption is seen to exist when a power holder is, by monetary or other rewards not legally provided for, induced to take actions, which favour whoever provides the rewards and thereby does damage to the public and its interests* **(CSO_5).**

Generally, there has become an acceptance of corruption in Pakistan that we call low level. But there is a point where corruption crosses the line into unacceptable and intolerable either because of its pervasiveness or egregiousness. Most of the interviewees stated that the level of corruption in Pakistan is at a high level and is increasing. This is evidenced by the following quotes from the interviewees:

It feels that corruption has by no means reduced as compared to the past and probably it will increase in the future. The government offices from where people are provided services, the police department, taxation, customs and other departments are known to have corruption there. Similarly the politicians who, being members of Parliament, have authority in many ways are also ill reputed in this respect **(CSO_2).**

The perception is that there is corruption and it is growing at a high level **(Donor_4).**

Level of corruption in Pakistan has been increasing. I do not say that it is at full peak, it may rise to some higher level as well. But presently corruption is historically at its peak level **(Citizen_2).**

Unfortunately, the existing body of research does not offer any systematic insight into socio-cultural roots of corruption and its tolerance in Pakistan. This emphasizes the importance of designing and initiating qualitative studies focused on the everyday phenomenology of corruption. Even though it is perhaps true that corruption can never be completely eradicated, it is important to take into consideration both habitual and cost-benefit sources of tolerance towards corrupt acts in the fight against corruption. Referring to corruption, one of the interviewees from a government department defines corruption as:

[...] *any misuse of the resources, of the procedure, of the phenomenon, which is already determined by the country's' law. When we go out of that it enters into the category of corruption* **(Government_4).**

 [...] *it is doing something, which is against the social norm, social practice, which is not acceptable by the society. It is more specifically doing something illegal and doing anything that is not accepted by the people around you* **(Donor_5).**

Corruption to me, is misusing of someone's power, office or position **(Citizen_1).**

In a similar manner, one of the interviewees from CSO defines corruption as follows:

Corruption is" Misuse of Authority for Private Gain" **(CSO_8).**