

EVALUATING THE ROLE OF NAB IN COMBATTING CORRUPTION: IMPLICATIONS FOR PAKISTAN'S ECONOMIC SYSTEM

Malaika Shahid

Student of BS Political Science and International Relations, University of Management and Technology (UMT),
Lahore

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Corresponding Author

Malaika Shahid

Abstract

This research paper considers the role of the National Accountability Bureau (NAB) in fighting corruption and its effects on the economic impacts of Pakistan. NAB has had some success since its creation in 1999 with the National Accountability Ordinance (NAO) in prosecuting some high power public officials and recovering some assets. This study utilizes qualitative case study methodology in examining the organizational adjustment, as well as the achievements and disappointments of NAB as reaction to the overall governance and economic condition of Pakistan. Policy documentation and literature ascertain that NAB has prioritizing institutionalization while ignoring addressing the core systemic institutional gaps and weaknesses. Literature consequently document the socio-economic ramifications of corruption in terms of economic losses, poorly allocated investments, and public distrust. This research offers suggestions to widen NAB's range, operational efficacy, and public connection as integration to the economic recovery of Pakistan. Improvements also focus on the socio-economic ramifications of corruption.

Introduction:

Corruption has become one of the major impediments to the social and economic development of countries over the time. In Pakistan, where corruption is deeply entrenched, it obfuscates accountability structures, weakens civic services, and depresses investments. Addressing these problems, however, requires strong anticorruption systems and the National Accountability Bureau, NAB, has been active in the fight against corruption in Pakistan since 1999 (Bureau, 2023). The NAB cooperates along three strategic axes: enforcement, prevention, and awareness. In the course of time, the bureau has been active in restoration of the public funds embezzled and prosecution of public abuse in corruption. (Dr. Muhammad Imran, 2023).

However, some of these achievements have led to a wide debate on the effectiveness of NAB, with allegations from critics on political sway, poor

processes, and no procedures in place that would deter iron-fist approaches and promote more systemic changes. These are grave shortcomings and strongly cast doubt on NAB's potential to grasp the underline issues of the corruption problem and contribute towards achieving the long-term economic progress of the country and region as a whole.

Pakistan suffers from adverse economic consequences as a result of corruption. Undoubtedly, corruption fuels a negative perception at the same time and accounts for government deficits, in earnings and other many factors that stall development. The opportunity costs of corruption are observed in terms of misrepresents on the allocation of resources, low confidence from investors and slow pace of infrastructure development, It is this background that NAB seeks to play a principal role in tackling corruption. Corruption in the Judiciary, other law

enforcement agencies is most concern to the public because it tends to be coercive rather than collusive. This particular research addresses the context looking new anticorruption Revolution-Anti Corruption and economic Development strategy. This research makes an effort to enhance NAB's effectiveness in the fight against corruption and strengthens the foundations of good governance within the country, through a critical examination of its operational framework, achievements, and shortcomings. The enforcement approach of the National Accountability Bureau (NAB) has been essential in the opening of the fire fighting phase against corruption. However, controlling corruption on a sustainable basis requires a broader vision and a targeted strategy to deliver that vision incorporating awareness, prevention, monitoring and combating corruption from the Pakistan.

Problem Statement:

Corruption is still pervasive in most of Pakistan's institutions and it hampers the economic performance, service delivery, and the standing of Pakistan among the nations It is true that NAB has the functional mandate to deal with corruption in the country. However, its performance has been rated average and sometimes poor in certain quarters. There appears to be political interference, countries in dry and undefined areas of accountability and the strength of the institutions. Also, the idea that some persons in the NAB are shielded from accountability has created negative attitude to the public and this lowers the confidence of the public on NAB to perform as a neutral anti -corruption agency. It is important to point out the importance of understanding the strengths and weaknesses of NAB as a means of determining how its strategies can effectively deal with the country economic and governance challenges.

Research Questions:

1. What are the core outputs of NAB in relation to the fight against corruption?
2. How does the work of NAB contribute to the economic and governance structures of the country?
3. What are the internal and external factors that impede the work of NAB?

4. How can the mission and aims of NAB be restructured to fit the economic development strategies of the country?

Research Objectives:

The main objective of the research is to determine how well NAB's strategies are in curbing corruption, especially its investigative and prosecutorial strategies. The study will also evaluate the economic costs and benefits of the firm, particularly the contribution of NAB's efforts to the economic development and growth of the country. Moreover, the study also seeks to investigate what the institutional restraints or challenges are that PKWRA faces, including political constraints and other resources. At the end, the discussion suggests ways for improving NAB's effectiveness on economic stability, improving efficiency, and restoring trust among the public.

Research Gap:

Though the preparation of corruptness and the system of governance has been relatively large in Pakistan, the one with a focus solely on the NAB's operations and its economic implications of the country is among the less studied. Most research on the organization only looks at its dozens and dozens of high-profile cases and how they have managed to get back the finances and makes no mention of the structural aspect and the role of the NAB in establishing good governance and removing the root causes of corruption. Moreover, the link between NAB's activities and the bigger picture of the sugaring up of the economy unlike is the case when the condition of investors' confidence is high, the resources are allocated efficiently, and the institutions function properly is rarely dug into.

The extent of the present writing usually does not sufficiently capture such questions as the capacity of the NAB to encourage preventive measures and public awareness or its cohesion with other major governance bodies to ensure systematic accountability. This paper bridges these gaps through a holistic approach that includes an analysis of NAB's effectiveness, the challenges faced and ways to improve it. The paper also makes it a key task by integrating theories of economics, public administration studies, and institutional analysis the junction between anti-corruption enforcement and its

impacts on development of local economy. The approach to interdisciplinary it takes extends a complete comprehension of NAB's role and it recommends actions that can make the organization more effective.

Literature Review:

The literature review is important in explaining how corruption is a bane for economic development in Pakistan and how it affects the state's ability to foster economic growth. First, corruption results in a disequilibrium in the allocation of resource, reduces both local and foreign revenue, and increases the cost of business operations. (Moro, 1995) draws attention to the correlation between economic growth and high levels of corruption, with the correlation being most pronounced in less developed nations. With reference to Pakistan, corruption has increased the size of fiscal gaps and subverted the official structures. Corruption, as suggested by the (Asian Development Bank, 2019) increases wastefulness within sanitation, field education, and public establishments, with such factors decreasing the potential for economic growth or strategy. (Khan) elaborates on this, arguing that the economy of Pakistan has been greatly influenced by the inefficient nature of the bureaucracy where corruption siphons off resources from welfare projects.

Such corruption slowly decays the social contract between the state and the general population, whereby loss of trust with the government increases chances of lacking investment. The National Accountability Bureau (NAB) is the most important anti-corruption body in Pakistan since it has the mandate to enforce anti-corruption laws in the country. NAB was established in 1999 and has legal authority to "investigate, prosecute and recover" the anti-corruption assets which makes it one of the key organizations leading Pakistan's anti-corruption drive. Khan et al. (2018) for instance confirm NAB's effectiveness in looting legally earned wealth, while (Bibi, 2024) is more critical and condemns the bureau for its affiliation to political parties and movements. NAB's credibility is accompanied by the high frequency of accusations of targeted, selective accountability investigations which compromise public confidence on its non-partisan status. But (Imran, Research Gate, 2023) on the other hand,

challenges such critics saying NAB has registered notable disincentives through numerous high profile prosecutions however these said disincentives do not quite solve the problem of systematic corruption at the lower levels. It is therefore not surprising to note that many of such cases are aimed at individuals and not institutional reforms which means that most of the other main causes of the corruptions such as poor governance are hardly even touched on. NAB'S activities throughout its existence have come under numerous criticisms with the most central aspect of the criticisms being that most of its operations are done in an environment where resources are scarce In addition to this, there are numerous other factors that facilitate other frauds to happen such as structural deficiency.

The bureau, despite its attempts to engage with the public, has been criticized for a lacuna in its approach towards publicizing measures that are aimed at fighting corruption as there seems to be a focus on high-profile cases. Outreach programs are vital in cultivating an environment in which people expect accountability and demand action from public representatives which will not be possible in the absence of effective means of public engagement. Within such circumstances, the NAB measures would tend to be of limited reach and effectiveness.

One of the main problems that come along with NAB's work is the fact that people consider NAB firstly as a politically biased institution. In his research, Raza (2020) has mentioned a series of cases in which the NAB has singled out only the political opposition as a way of showing its appreciation towards its members in the corridor of power, and thus, NAB has shown to the public that it is a political toy of the ruling party. As a result, the public has no faith in the bureau and the bureau has really worn out the expectation of neutrality in the eyes of the public. (Siddiqui, 1995) also adds that this problem can be attributed to the fact that the public is not engaged in the work of the NAB. Although the bureau has tried in various ways to get involved with citizens, the generous amount of money spent on high-profile cases has usually overshadowed programs that aim at enlightening the public about transparent and corruption-free characters. People's activity outreach is the driving force for such an open environment of accountability since it is only through this that citizens

can have the right to demand transparency and hold officials answerable. Without widespread public engagement, NAB's activities are constrained in both scope and effectiveness.

Specific research on the consequences of anti-corruption policies as well as focus on anti-corruption policies is important to researchers and policy makers. It has been established that the efforts to curb corruption for example those of NAB are likely to enhance the quality of governance and build confidence of investors which in turn brings about an increase in foreign direct investment (FDI). (Kaufmann, 2010) state that corruption is detrimental to investment as it is bound to introduce instability in an economy which increases expenses whilst scaring away investors. Pakistan, on the other hand, has a lot to gain by containing corruption as it will be in a better position to enhance economic growth by attracting more foreign investment. Siddiqui (2019) states that it is possible to pursue normal course of action by striking a balance between enforcement and institutional change. It seems, however, that this equilibrium is distorted during the early stages of the anticorruption campaign because severe restrictions in the market prevent business processes, which in turn increases corruption risk and promotes investment in the business.

Ali (2020) concludes that the efforts to eradicate corruption ought to be integrated into a wider governance framework that upholds not only law enforcement but also other forms of governance, systems, and economic structures.

Finally, NAB has made significant achievements in the anti corruption crusade, however, its efficacy is impacted by a lack of resources, political interference, and disjointed institutions. Evidence from (Khan S. , 20254) suggests that there is need for more effective inter-agency collaboration in addition to reforms targeted at the institutions in order to increase the effectiveness of NAB. It is equally important however that the country undertakes many more reforms that are structural to the case at hand rather than pursue one-off high visibility corruption prosecutions, as some causes of corruption will still remain unaddressed. These efforts will contribute to building a more favourable environment for investment, ensure proper accountability, and in the end sustain the growth of the economy.

Theoretical Framework: Use of Institutional Theory in Explaining the role of NAB in Combatting Corruption

Institutional theory stresses the role of formal and informal structures, processes, and cultural 'rules' in determining organizations and their outcomes. As pertains to NAB, this theory also serves to underscore the role of institutional arrangements and governance systems and indeed culture in enhancing or impeding the efficacy of anti-corruption programs.

According to Powell and DiMaggio (1991), institutional theory argues that organizations are responsive to the law, rules, and other practices as determined by its surrounding institutions. Basis NAB's Operating Mandate, constitutes and reports to the National Anti- Corruption Strategy Framework approved by the National Anti-Corruption Council (2002) which is seen as an anti-corruption strategy within an institutional setting.

This structure outlines NAB as a self-governing institution with significant power to probe, file cases and recover assets of corrupt practices. However, North (1990) argues that institutional effectiveness should also be analyzed in the context of informal rules and norms that guide institutional behaviour. In the case of NAB, politics, lack of resources and limited institutional capacity all contribute to the failure of adequate and effective anti-corruption policy initiatives.

Institutional theory of organizations and their role in the development and even growth of an organization is of considerable significance in looking at NAB's operational challenges. Though the institution was set up to deal with corruption, it finds itself in a relatively larger set of institutions with weaker governance, multiple jurisdictions and political interference. Meyer and Rowan (1977) state that for the reason of form, organizations are likely to behave in accordance with what has been institutionalized into practice even if such practices are inefficient and ineffective. In the case of NAB, political forces and enforced accountability tend to work towards the side of the impartial and systematic anti-corruption measures enforcement. This mismatch between what is expected will enable the institution to perform and the reality in which the institution exists poses

considerable constraints on the development of an effective anti-corruption disposition in the institution. Moreover, while discussing the theory, it ventures to say that changes in institutions should occur gradually through reforms, rather than in a sudden manner or through compulsion.

In view of NAB, it has been recommended by Zaman (2017) and Ahmed (2021) that there is need to change the governance and the institution structures which in the end will help in effective combating corruption over a long time. Institutional change Posits Scott (2001) occurs when there are efforts towards reconciling formal and informal systems of an institution and societies. In the case of NAB, such reforms could be enhancing internal procedures, enhancing collaboration with other agencies, and encouraging culture of openness and responsibility.

To end, it can be stated that, the institutional theory is a useful guide so as to assess the performance of NAB in relation to the fight against corruption in the economy of Pakistan. This framework makes it possible to know how NAB's activities are influenced by its established institutional norms as well as political activities. The focus of YEI is on institutional theory, which includes, but not limited to, legitimacy, incremental change, and governance structural concerns that are relevant to explaining the corruption problem and enhancing the capacity of NAB to promote a more transparent and stronger economy.

Research Methodology:

A qualitative case study will be carried out in this research, with ample emphasis on the NAB's role and responsibility with the objective of fighting graft in Pakistan by seeking in-depth understanding from key persons and organizations in the fight against corruption. A purposive sampling approach will be adopted with a target of recruiting 30-50 participants, comprising NAB employees, civil service, politicians, businessmen, and people in the society suffering from corrupt activities to get a variety of views. Data will be obtained through semi structured interviews, focus group discussions and documents review. NAB's impact and successes/failures in the fight against corruption, as well as the economic effects of corruption along with focus group discussions on officials and common people on various issues human

perception to NAB will be examined. Secondary data, such as government reports and academic papers, will also be used to supplement primary data. The data collection tools will comprise self-administered interview guides with open-ended questions, focus group discussion guides and document analysis checklist. The gathered data will be thoroughly analysed using thematic analysis – looking for trends and themes focusing on transparency, trust of the public, institutional issues and economic aspects of the problem of corruption. The findings will be done by cross group participation and out-sourced secondary data in order to provide understanding on NAB addressing corruption not leaving out the functions the economy of Pakistan.

Recommendations:

Depending upon the findings and analysis, the following herein offers measures which could help the NAB to further improve its performance in the fight against corruption and in the economic stability of Pakistan. To further enhance its credibility and operational efficiency, NAB must be insulated from political pressures. This can be done by pursuing legal amendments which make it possible for NAB to operate in an efficient manner with a clear purpose and well-defined external and internal mechanisms. And also, staffing members with different skills and backgrounds will cut the opportunities of partisan capture.

NAB should provide for the use of information technology, data mining and analytics and specialized training of its personnel to overcome resource constraints. Capacity building within the organization will also improve the quality of investigation and speed up the investigation of cases. Furthermore, the adoption of digital solutions will assist to automate the reporting of corruption incidents and improve the level of accountability of NAB.

The focus of NAB should move from punitive measures which are exercised in a large scope to a combination with the measures of prevention including education aimed to prevent corruption and its activities. This involves implementation of campaigns designed to make the general public appreciate the impact of corruption, taking steps to foster good practices and encourage openness in both public and private sectors. NAB has to enhance its

collaboration with the other law enforcement and regulatory authorities in order to avoid overlapping of actions and to improve the overall impact of anti-corruption strategies. Clear delineation of jurisdictional issues and mechanisms for inter agency collaboration can make the effort to combat corruption more effectively coordinated in all areas. NAB should expand its investigations from solely focus on the major political actors to also include private sector people, civil servants, etc. who are all involved in corrupt practices. Such an approach will ensure that corruption is not only punished but also prevented at every strata of society. There should also be some institutional changes, such as better monitoring and evaluation systems and increased scrutiny over public expenditure.

Structural and legal change is necessary if NAB is to be effective in the long run. These involve the standardization of legal procedures, lowering the accumulation of pending cases, and enabling quicker prosecution of corruption cases. It is also necessary to focus on increasing the accountability of public sector employees, the promotion of the rule of law, and the improvement of moral governance in society.

Conclusion:

The National Accountability Bureau (NAB) a commission set to eradicate the menace of corruption in Pakistan has been able to accomplish a lot in Pakistan, however the danger posed due to political interests, mitigating effectiveness and lack of focus on structural adjustments are some of the critics that has continuously been directed towards it. The performance of the agency is usually understated as its thrust on high profile prosecution has led to such cases being reported including but not limited to a lack of investment in the economy specialization. In fact, NAB has been limited to its role as a police force and not a revenue generation institution which is more critical to enhancing its goals. It would be particularly useful for NAB, given its special role, thorough and scrupulous attention on how to strengthen not only its independence but also diversify its operational thrust as well abstract approaches so as to inculcate the sense of self-discipline so as to ensure accountability of its different institutions. Hence, for any structural changes to take

place NAB would strictly need to rethink its policies and methods.

However, corruptive practices cannot happen in a vacuum and must therefore not only be dealt with at their source but rather all sources cross layering and enhancing governance while strengthening institutional capacity with adequate protection of rights and trust and feminine at agency levels for effective community work and the use of resources. Encouraging trust, transparency and accountability is pivotal, and nabbing anti-social and corrupt elements in society is one step in the broader picture. Rather than focusing on enforcement, the approach should involve both the hand and head making functional arrangements in collaboration with wide range of international actors and local community. Under this, every person will play an essential role in Pakistan's development, which NAB stands out as central to transforming the vision into reality.

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