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### The Need for Efficient Record Management System in Pakistan

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#### ABSTRACT

The United Nations Millennium Declaration, marked in September 2000, calls for world pioneers to battle poverty, hunger, lack of education, environmental degradation, and discrimination against women. Poverty is one of the many dire issues developing countries encounter. Poverty reduction is usually attributed to economic development because it offers economic freedom. Economic freedom can only be realized through financial inclusion. Financial inclusion implies that people and organizations have access to valuable and moderate monetary facilities such as access to bank mortgages insurance and other financial issues that address exchanges, installments, reserve funds, credit and protection – delivered in a responsible and sustainable manner. Accurate record management is the foundation for financial inclusion. Pakistan is a developing country grueling with poverty. A Major cause for the lack of successful poverty elevation initiatives is the improper and incomplete record management. The goal of records management is to help an organization keep the necessary documentation accessible for both business operations and compliance audits. In addition, Records Management provides institutional accountability and timely access to information because in developing country context improper record management of its citizen is a major hindrance in achieving the concept of welfare economy in letter and spirit. An Expository Theoretical Research is used to postulate the problem of record management. The purpose of this study is to highlight the problem of record management in Pakistan. Proper record management systems allow for accurate, and transparent zakat management systems and taxation systems.



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#### Introduction

Records, as defined in international standards, are any “information created, received, and maintained as evidence and as an asset by an organization or person, in pursuit of legal obligations or in the transaction of business.” When we think about the record management

our first reaction is to think about it within the borders of the country. Pakistan is a developing country, facing lots of challenges in terms of record management. The biggest challenge for Pakistan is to achieve the United Nations Millennium Declaration goals. Poverty is one of the UNMC Goals. To reduce poverty economic growth plays an important role in it. According to the Department for International Development (DFID), for developing countries economic growth plays a vital role to reduce poverty. There is a number of evidence illustrating that fast and sustainable growth makes effective and efficient progress towards the MDG. The achievement towards reducing the poverty level gets one step ahead toward an inclusive economy. Inclusive economy addressing all the fundamental causes instead of addressing those negative effect of the economic growth outcomes (Burch & McInroy, 2018). Inclusive Economy agenda is conceptually strong, action focused and has alignment to heterodox economics and new forms of economic democracy and urban development such as new municipalism (Calafati & Mcinroy, 2017). Financial inclusion is one of the instruments to achieve the agenda of Inclusive economy. Financial inclusion implies that people and organizations have access to valuable and moderate monetary facilities such as access to bank mortgages insurance and other financial issues that address exchanges, installments, reserve funds, credit and protection – delivered in a responsible and sustainable manner. According to the World Bank financial inclusion is one of the effective and efficient things that reduce poverty and help to boost shared prosperity and as well as take a forward step to achieve universal financial access 2020 ambitious global goals

From 2010 to till now, more than 55 countries adopted financial inclusion. More than 60 countries are developing the national wide strategy toward achieving financial inclusion. The launching of financial inclusion strategic approach brings together all the institutes. They get inter-linked by financial regulators, telecommunications, competition and education ministries. This will help us to increase the pace and impacts or reforms (The World Bank, 2018).

In the early 20's there were unstructured records produced in all institutions of Pakistan. Till now there are some institutions subject to the same record keeping regulation as traditional paper records that are unacceptable in this era because of new technologies. This is necessary for the developing countries to keep their record according to advanced systems of record management. In Pakistan record management is one of the issues that still exist. Due to an inefficient record management system, Pakistan is unable to collect the information about the Pakistani's citizens. There is no proper record of Pakistani's citizen. So that's why, we are unable to calculate the taxes of Pakistani individuals. Pakistan is lacking to achieve the all- inclusive economy goal.

## **Literature Review**

### **Record Management**

In the international standard of record, records are defined as any “information created, received, and maintained as evidence and as an asset by an organization or person, in pursuit of legal obligations or in the transaction of business”. Information can be in any form but for the institutions it is important to link them together and make or get useful information for further use. It is necessary to record the data in a proper form or format. This will be helpful for the institution to understand or get the useful information. Transparency and accountability of data are most systematic issues in managing the records.

Proper recorded data will be useful for a long period of time. For this institutes, they take care about the accuracy, accessibility, reliability, usefulness and authenticity of the data. Reliable and accessible records base is very important for the characteristics for E-governance, especially the right to get the open data based on the ability to get access to the consistent records. Managing the records will not itself get openness, although devoid of, openness is not possible (Phiri, 2016).

The accuracy of data records will provide clear and strong pictures of the government that what they had promised. What they are actually doing, what kind of facilities they had promised us to provide and what they are actually provided and the real amount; they had spent to public funds. If record maintenance is weak that will cause a problem of corruption, manipulation, frauds and money laundering. The record must have that quality which shows policies, practices, structure, skills of handling the data, laws and developed the professional association between data as per international standard of record management (Phiri, 2016).

Data or information can be recorded in different forms, but the Transparency and accountability are the basic agenda of the record management system. Openness is one of the techniques to record the data, so that it will be easily accessible to any financial institutes. Openness is helpful to increase the transparency and accountability of data. By increasing transparency and accountability will help in reducing the public sector corruption frauds and manipulation, and increase economic performance, and people will have the right to get acquainted with how their governments are working, what they are doing and what are the benefits from accessing the government information or data. Through openness data or records will achieve different goals like inclusive government economy, information is available for every citizen and all information is meaningful (Katuu, 2015).

For the development of the countries managing the record and data, quality of data or information is an important source. This data will be very effective for making it useful and authenticated. The effective information and data offer a helpful approach to the means of matching the international expectation. Moreover, it will also help to keep up openness and economic growth (Katuu, 2015).

Through openness in data or records, it will be helpful in the social rights and standard that every citizen, as well as the poor citizen of a society, is having an equal liberty to get access to service, especially health education and social justice. The transparency and accountability of records highlight interoperability solutions to the public sector and for sharing, collaborating and reusing the data or records of telling different strategy planning. This will help to achieve the long terms plans. The inefficient record management and its sharing with information system lead to ineffectiveness of record resources (Thurston, 2015).

The Nordic countries are using advanced technologies to manage the record, its reliability and its uses. Institutions should take it for granted of the authenticity, credibility and integration of the data. This will be insured in public sector offices, that information could be useful by arranging, observing the programs, and their office related activities. By getting useful or accurate data, institutes get the quick trace of discrepancy, check and balance in policy decision makings perfectly over time to time as a basis of information (Chaterera, 2016).

In audit, transparency and accountability helps to find the changes and illegitimate use of records and point out corruption. The privacy right of the records could be protected and systematic records could be opened to the public (Chaterera, 2016).

We can use software and hardware formats to transfer files from one place to another. By Managing the accountability and transparency records standardized interoperability rules could be worked more effectively and efficiently, makes it possible to combine discrete information systems, such as document management systems, accounting, and finance systems particular to the activities of an organization and to reuse the information and data. Through managing the Records accurately, fear of losing information will be minimized (Thurston, 2015).

The understanding of the value information increases proper documentation of data. It will also be supportive in decision-making policies, services and helpful in research planning as well as public use. This is the appreciation that data is improving and useful. Both better quality records and most efficient and effective use of records are the forms of information involved in management principles. Most of the records have been lost due to data is not protected and preserved in public sector so cannot be transferred or exchanged and reused effectively. If data is protected and preserved in the public sector, then, the duration of time is too short. So, there must be an E-governance in the economy to understand the ability to use and preserve the data or records of many decades. Accurate records do not fulfill the transparency and accountability need but updating the records is also necessary for them (Chaterera, 2016).

There are a few generally acceptable record keeping principles used all over the world for recording the data. It will help us to understand the high level overview of the principles of information governance. Like ARAM international (it is a world-leading membership company that serves professionals, managing and governing the information or data), the records principles are set according to the characteristics of an effective and efficient information governance system. Yet, there is also some flexibility in it based upon the exceptional or different conditions of the organization size, legal environment Right to Information Managing Records and Information for Transparent, Accountable, and Inclusive Governance in the Digital Environment: Lessons from Nordic Countries and their resources. The data or information must be record of these following principles (Thurston, 2015).

#### **Principle of accountability**

Delegate responsibility for records and information management to appropriate individuals.

#### **Principle of Integrity**

Information generated by or managed for the organization has a reasonable and suitable guarantee of authenticity and reliability.

#### **Some other Principles from Nordic Countries**

##### **Principle of protection**

Ensure a reasonable level of protection for records and information that are private, confidential, privileged, secret, classified, or essential to business continuity.

##### **Principle of Compliance**

Comply with applicable laws and other binding authorities, as well as with the organization's policies.

**Principle of availability**

Information in a manner that ensures timely, efficient, and accurate retrieval of needed information.

**Principle of Retention**

For an appropriate time, taking into account its legal, regulatory, fiscal, operational, and historical requirements.

**Principle of Disposition**

Secure and appropriate disposition for records and information.

**Principle of Transparency**

Document in an open and verifiable manner, and that documentation shall be available to the individuals.

Through the application of E-Governance, everyone can access the official information or public sector records as a proof of policies, precedents, expenditure, action, transactions, rights and entitlements. Latest studies by the World Bank reflect on both the opportunities and the challenges associated with the management of records for E-governance in Norway, Finland and Estonia (Thurston, 2015).

Three Nordic countries are different from their highly respected commitments to openness and social justice, lower corruption rates and their advanced technologies that sustain economic development and highly increase quality consumer service providers (Thurston, 2015).

**Taxation system and Poverty in Pakistan**

Pakistan is among the countries which are still based on paper based system and have not made a shift to the digitisation of records, however, it is taking steps to digitise its records and systems. Nevertheless, the government has not realised the true potential of the digitised record management systems. Digitised record management systems would make governments more open. Since 1947, there is no proper record management system available, that records the information or data of Pakistani citizens.

Pakistan is a developing country; its GDP ratio is less than other developing countries. Pakistan taxation system is not effective and efficient. Every Pakistani citizen is not a taxpayer because of hiding their property from FBR. Tax collection is one of the hurdles for Pakistan's economic system and this inefficient taxation system is pointing out again and again with the passage of time. Collection of revenue is the basic issue for Pakistan (Khan, 2017).

The most genuine concern for Pakistan is the taxation system. Recently, the inquiry raises the point that, why Pakistani citizens evade tax? What could be the conceivable reasons separated from the way that individuals come up short on the awareness of the other's expectations? Do people think those taxation departments not cover the government obligation and liabilities against taxes? According to the Economic study detail, just 1.21. million citizens make good on pay income. Tax-making it less than 1% of all the population. But as indicated by the state bank of Pakistan's yearly report, 57.5 million individuals are employed and clearly are earning some salary and in this way 57.5 million individuals ought to make good on pay income tax in one way or another. In addition, Pakistan's complete population is around 200 million. As indicated by the normal thought, 29% of the populace is covering the regulatory expenses. According to the Economic study of Pakistan, 61.4% population is of working age



making 122 million individuals fall into the working population. The 57.5 million citizens establish 48% of these working individuals (Khan, 2017).

Policy-makers and the government should have to meet the goals that will help to reduce the poverty level and improve the lifestyle of their poorest citizens. They also have to find a realistic model or methods that will be helpful for the government to redesign taxation and transfer the amount to the most extremely needy person of our societies. Not only transferring the money to needy persons also gets the maximum benefits from this. In recent decades, we find out the impact on fiscal policy on inequality of income, by revealing the direct taxes, direct transfer etc. In other words our cash portion from the monetary value uses like education and health by separating the cash portion of the fiscal system showed the positive impact on reducing inequality. This will help the Pakistan economy so that every moderate poor will be the net taxpayer into fiscal system like Sri Lanka (Inchauste & Lustig, 2017).

There is a fundamental lesson for the policy maker from the debates that governments should take a step to design or redesign taxation and transfer system. This will be helpful for the poor and their incomes (or consumption) after taxes and before fiscal involvement, transfers will not be lower than their incomes (or consumption). By doing this, fiscal policy will improve the welfare of the least off, instead of pushing them into the poverty line (Inchauste & Lustig, 2017).

The taxation system helps the country's government directly and indirectly to reduce the level of poverty by simply the redistribution of income, proper record and documentation of every citizen through the citizens' computerized national Identity card (CNIC) and helping in establishing the supportive fiscal social agreement in poor countries. In this process, the developing countries that are facing the same issue can play a vital role in it (Moore & Schneider, 2004).

In the last decades of the financial era, international financial institution played a vital role in tax policy reform in south Asia. This is a useful contribution to have a positive influence; most importantly if they still remain involved in the developing countries and these countries are willing to engage themselves by allowing and encouraging the opening up of the taxes and fiscal policy issues to broad democratic debates (Moore & Schneider, 2004). Figure 1 presents the proposed efficient record management system.

## **Conclusion**

Pakistan is a developing country and facing difficulty to achieve the MNG's like decrease the level of corruption and reduces the level of poverty. To achieve the MNG's, Pakistan has to increase its economic growth. Financial inclusion is one of the parts of all inclusive economy. Pakistan has to improve its economy through financial inclusion. As we know, Pakistan has inefficient record management system. There are institutions existing in Pakistan that are managing the record of every citizen but unfortunately these institutes are not working efficiently or effectively. To manage the record, Pakistan should work on E-Governance i.e. DRM (digital record management) and EDRM (electronic Digital record management). All type of data will be recorded according to ISO (international organization for standardization) like Nordic Countries (Thurston, 2015). There should be the centralized system where institutes are interrelated to each other and there is openness system i.e. every institute gets access to information or data from the other institutions. In other words there should be the

centralized hubs to all data and information are shared over there. Pakistan should have to access the record through Computerized National Identity Card (CNIC). By getting the record of every citizen; Pakistan will improve the taxation system. By efficiency and effectiveness of the taxation system, it will lead to reduce the proportion of poverty, improve the income distribution and level of inequality. This will be one of the steps toward economic development.

### Implication

The government of Pakistan must work on record collection of for Pakistani citizens through E-Governance i.e. DRM (Digital Record Management) and EDRM (Electronic Digital Record Management) like Nordic countries, so that records are easily accessible to all the government institutions of Pakistan.

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