

Improvement by Authority

The Rajdhan Unnayan Kartipakkha, feared or loved more by their acronym of Rajuk, are more than half way through their five-day long 'token demolition' programme that began in city, as promised, on December 1. The authorities hope to demolish as many as 200 unauthorised structures in selected areas in the heart of the city as well as evict 300 slums in the suburbs by the time they wind up their token programme.

Announcing this programme on November 26 the chairman of the set-up had said this was being done to help make Dhaka a 'better city' that would ring a bell in many a mind. During the autocratic regimes Dhaka was being all the time made and unmade at a cost of tens of crores in the name of fashioning a 'Tilottama' out of the cancerous growth called the Dhaka Mahanagari. And Tilottama meant beautiful to the molecule. We had been gifted two glorious gardens without needing such tall-sounding programmes and what we got after authorities turned to their 'beautifying Dhaka' can be symbolised by wholesale felling of avenues of wonderfully elevating trees—including the very rare Bougainvillea variety in front of the foreign office and the Nagalingam near the Sheraton and a bevy of rain-trees that spread a canopy rivaling centurian plantain trees.

Once bitten, twice shy — we are unable to go wild with enthusiasm with the launching of every programme for making Dhaka a better or more beautiful city. There are other reasons for that. We have already commented in this column that the unauthorised structures, most of which are booming things, have been invited into being by the needs of the area. They must go because they are unauthorised. But so also Rajuk which had failed in providing for the needs of the different quarters and arrange for 'authorised structures' to go up. How bodies manage to sleep like Rip Van Winkle while the 'unauthorised' people go about building structures and businesses like swarms of industrious ants — only to be rewarded for their diligence and initiative by demolition of all that they had built?

Still, a city must consist only of authorised houses and buildings and roads and parks and hydrants patently because so many people must live in so small a place. But how can one be sure about the taste and wisdom and, most important of all, the integrity of the set of people charged by state with urban development? How can we forget that because a top man thought the vulgar neon signs and the garish and dead looking sodium lights were a wondrous sight more beautiful than the bare and unkempt monotonously green lines of trees — the latter were authorised to be replaced by the former on a most massive scale.

It cannot be said that authorisations of constructions were always done on the best judgement of the interest of the city's quality as a place of living and working — and not sold against hefty pay-off and kickbacks. Such reservations as above about vaunted programmes of improving Dhaka as a city in the face of a reality that is poised to foist a 10-million population in perhaps less than two decades' time, should not, however, detract in any way the need for going about the business in a bold, imaginative, big and all-the-way honest manner. To demolish is easy, to justify it with better replacement is difficult. We are gratified that Rajuk has taken upon itself that difficult and formidable job.

Welcome to Freedom

As a people committed to freedom and democracy, we in Bangladesh welcome the birth of free Ukraine. The people there have voted overwhelmingly for independence last Sunday. What had happened is very much in line with what was expected. Our earnest hope now is that what is going to happen should also be as expected — meaning that Ukraine's separation from the Union should not only be smooth and orderly but done in full cooperation between the former union and the new republic.

This co-operation is of special importance in securing the future of the nuclear arsenal which is now in the Ukrainian territory. However, a most positive initiative has already been taken by Ukraine in the form of urging for a 'collective management' by the four Soviet Republics of the nuclear weapons till they are dismantled and destroyed. Though we still do not know how the central authority has responded to this move by Ukraine, we are happy to note that the new republic is aware of the complexity of the problem and is not allowing its nationalistic zeal to overtake its sober judgement which is evidenced by its call for collective management. It is at the same time also an indication that Ukraine would like to exercise its sovereignty and would only deal with the old Union on the basis of equality.

President Kravchuk is among those rare communist leaders — the most famous being Mr. Boris Yeltsin — himself who have survived the debacle of communism by timely changing their position to the nationalist cause. He has a very strong image of being an administrator and his art of political conciliation is mainly responsible for his success. However, Mr. Kravchuk heads a parliament which has been elected under the old order and it is most likely that the opposition will demand for a fresh mandate for this parliament. Already President Kravchuk is under pressure to change his cabinet led by Mr. Vitold Fokin and set up a new one after independence.

United States policy about Ukraine has undergone two major shifts in the recent past. First, President Bush warned the restive Soviet Republics about the danger of 'suicidal nationalism.' This was followed last week by his statement that he would recognise the state of Ukraine 'expeditiously' in the face of sweeping victory of the nationalist forces on Sunday last. President Bush decided to go slow in this matter. It is perhaps to give Mr. Gorbachev a last opportunity to work out some deals with the departing republics.

The independence of Ukraine and of the other Soviet republics voting to go their separate ways are irrevocable facts of today. Gorbachev cannot reverse it and he shouldn't even try. The best he can hope for is some sort of loose confederation or something more flexible than that. The aim should be to try to maintain special co-operative contacts for the mutual benefit of their respective peoples.

ECONOMIC DEVELOPMENT AND ACCOUNTABILITY

Professional Competence Essential Pre-requisite

by M. Syeduzzaman
(Star Guest Columnist)

ECONOMIC development requires accountability in all its diverse aspects, financial, administrative and political — all of which are mutually reinforcing. South Asian countries now seem to be converging to a common philosophy in their search for economic development. Along with the emergence of democratically elected governments and winds of political change, there seems to be realization that South Asian countries can no longer remain isolated from the global changes that are taking place in economic management, trade, investment flow, technology transfer, and the social objectives of economic development. The theme of accountability is growing in importance in this context and it is coming up repeatedly in all discussions on socio-political and socio-economic development. Not surprisingly it is being discussed more intensely in those societies where accountability has been absent or distorted for long periods.

The concept of accountability arises from the stewardship of resources or exercise of authority by a relatively small entity on behalf of a larger, broader entity. Financial accountability in the public as well as the private sector, linked with the stewardship of resources and enforced through independent audit and regulatory agencies, tends to be somewhat specialized in character. Political or administrative accountability, on the other hand, linked with the exercise of derived or delegated authority, and working through the operation of various elective bodies, is less specialized and more accessible to the public at large. Though there appears to be several significant differences between financial and political accountability, there is an intimate functional relationship between the two. Government leaders and public officials, as well as entrepreneurs and corporations in trade and industry, are truly conscious of financial accountability only

when there is effective political accountability enforced by a strong legislature, a vigilant press, and enlightened public opinion. Conversely political accountability without financial accountability, is hardly meaningful.

The nature of accountability in the public sector is, however, different from that in the private sector. In the private sector the concept of financial accountability has grown from the development of the corporate management system with its multiple layers. The management was seen as ultimately responsible to the shareholders through the Board of Directors. The standard method for ensuring this has been twofold — first the development of the institution of independent internal auditors free from management interference and reporting directly to the Chief Executive Officer;

Accountability is a must for generating the confidence of lenders and investors. The role of the professional agencies is extremely important in this context. Investor and lenders must be given the true picture of an industrial or commercial venture with full disclosure of its operations.

and secondly, through the appointment of independent outside auditors. This system has largely taken care of accountability in the business sector over many decades, fostering the growth of a large profession of accountants and auditors worldwide as a self-regulated profession chartered by public authorities.

Increasingly, however, with the growing volume and complexity of business activities in major industrial countries and around the world, and a growing recognition of the impact of corporate activities on the economy and society as a whole, financial accountability was expanded to include within its scope, the independent oversight of corporate activities by various regulatory agencies. In the aftermath of the 'great crash' of 1929, political leaders, and distinguished economists drew a wide range of conclusions. One was that the State had a very important role as a stabilizer of the business cycle. The other

was that the operations of the financial markets must be carefully regulated in the interest of the investors as well as the economy as a whole. This perception brought about the birth of the Securities and Exchange Commission in the United States as an independent regulatory body with wide powers. Subsequently, the regulation of capital markets worldwide grew increasingly sophisticated, establishing a new dimension of accountability.

Another new dimension of accountability arose from the changing role of the government in the industrial countries in the post-war world. The growth of social security systems, unemployment benefits schemes, health and medi-

cines. Similarly, for ensuring the accountability of the government itself, the growth of professionally competent organs and institutions within the state structure will be an essential pre-requisite for fostering economic development with accountability. Introduction of political democracy and jealous guarding of the turfs of the legislature, the executive, and the judiciary will not be enough. Each arm and organ of the government has to be professionally competent and manned by well trained personnel capable of adaptation to rapidly changing environments. Continuous monitoring, analysis and checks and balances cannot be automatically ensured only by creating a paraphernalia of offices em-

ploying more hands. All South Asian countries inherited Supreme Audit Institutions headed by Comptroller and Auditor Generals modelled on the corresponding institution in place in the UK. Traditionally their function has been to detect wastage of public revenue and the tax payers' money. Rules were framed for this and the function of the audit office has been to ensure compliance through concurrent and post-facto audit. With a limited role for the government the expectation of the citizens were also limited. The governments are now assuming new responsibilities as the dispenser of public services, developer of the social sector and of physical infrastructure on a broad basis. Simply saving tax payers' money is no longer enough. Effectiveness and efficiency have become as vital as economy. Timely delivery of public service, quality of the service, and the fulfilment of programme objectives have moved to the centre of public attention and

interest. This has brought about the concept of 'Programme Audit' worldwide, involving the search for the three 'E's' — Economy, Efficiency and Effectiveness, in addition to compliance with rules. In the South Asian countries the supreme audit institutions are at various stages of evolution towards comprehensive audit of this kind. With economic development at the centre of all activities, it is imperative that the period of transition in shortened as far as possible with infusion of technical expertise in the audit system.

In this context, it will not be any exaggeration to say that on a conceptual plane, worldwide, the public sector audit has been ahead of private sector audit in broadening its scope. A convincing example can be given of the broadening scope of audit carried out by the National Audit Office of the United Kingdom, one of whose recent reports dealt with the construction of the Consumer Price Index by the Statistical Office! This is far ahead of the private sector audit where certification of the financial statements remains the predominant concern; though increasingly management audit is also coming into its own. It is not, therefore, surprising that firms of accountants worldwide are converting themselves into consulting firms. Significantly, some leading professional firms have been cited by regulatory agencies for misleading the shareholders or owners in recent years. So, with broadening functions, the accountability of the accountants is also attracting attention.

In a developing economy moving towards private sector-based market oriented policies, healthy stock markets and bond markets are essential for mobilizing savings and their investment in profitable

avenues. Accountability is a must for generating the confidence of lenders and investors. The role of the professional agencies is extremely important in this context. Investors and lenders must be given the true picture of an industrial or commercial venture with full disclosure of its operations. We in Bangladesh are awaiting the growth of a vibrant, independently acting professional body of accountants and auditors, and of strong regulatory bodies to ensure this accountability.

For the healthy growth of such an environment modern and independent professional regulatory agencies are essential. In many countries, and here I include Bangladesh, Securities and Exchange authorities are located within the Ministry of Finance itself. It is better than nothing. But it is not fully adequate for generating the confidence of domestic and foreign private investors in stocks and bonds. In the private sector also, there is a need for checks and balances, and the professional society has to be vigilant to ensure the operation of a fully open system, and to ensure that audit reports do not become suspect. Independent auditors and professionally competent regulatory agencies acting jointly can act as a confidence building structure for development of the capital market and the investment climate. No single factor can promote economic development, but this particular aspect is crucial, and stands almost at par with fiscal and monetary policies. It is also important to mention that unless a fully functional democratic system is in operation, these professions cannot develop adequately. In an autocratic or authoritarian system what develops is 'crony capitalism'.

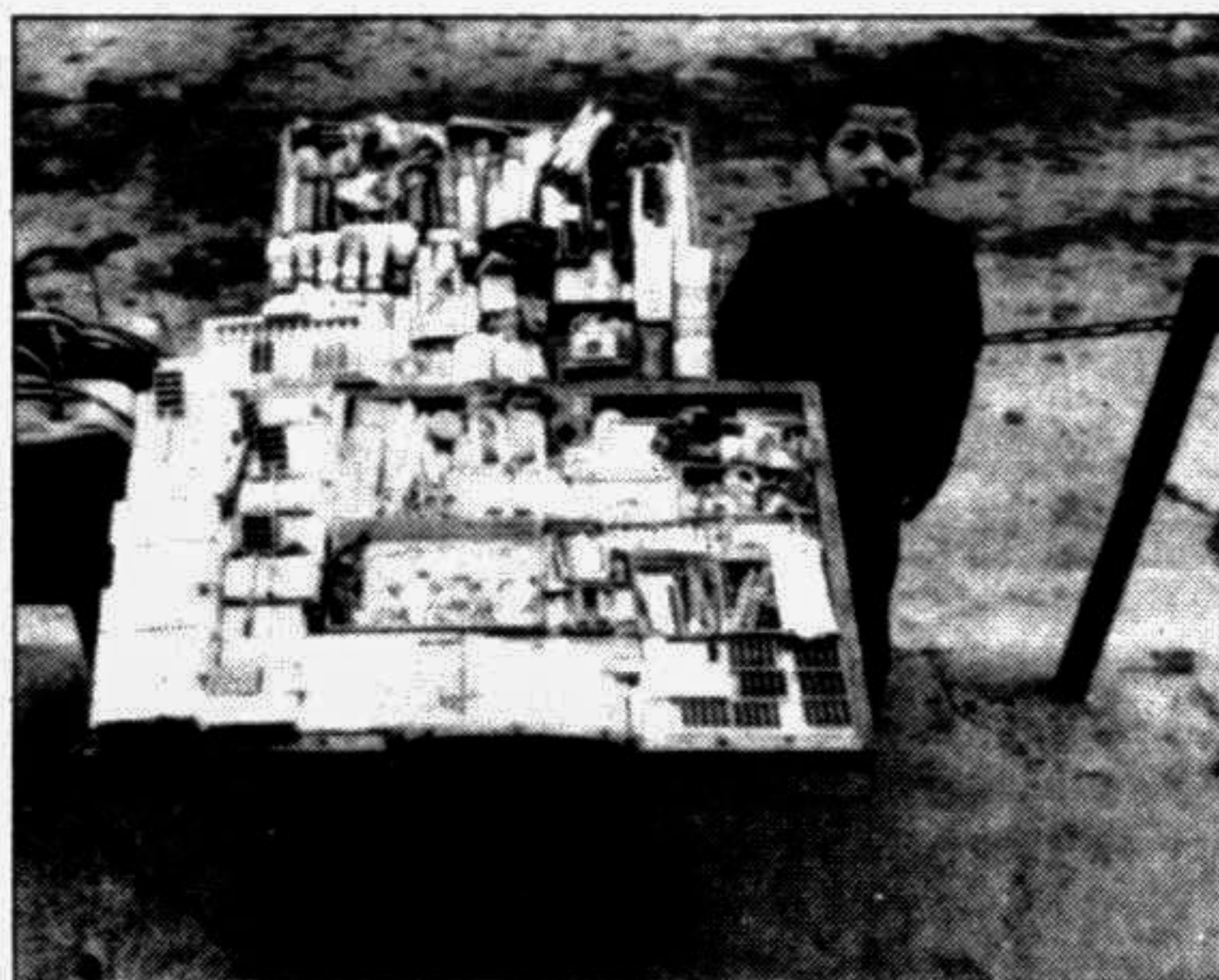
(To be concluded tomorrow.)

This article is extracted from the author's keynote speech at the Sixth Conference of South Asian Federation of Accountants (SAFA), held at Dhaka on 29-30 November 1991.

Death Squads Set Sights on a New Target: Children

Luis Tricot writes from Santiago, Chile

Once renowned for their repression of opponents of the military regime, Brazilian death squads composed of former and active police officers now stalk the streets killing children. The gunmen are hired by businessmen anxious to "clean up" the streets. The elected government of President Fernando Collor de Mello has called the murders a "national shame," but appears to have done little to stop them.



The child trader

AS night falls over Brazil's crowded cities, death squads hunt down sleeping street children and kill them — usually with a single gunshot to the head.

Hundreds, perhaps thousands, of street children are killed this way every year, usually by active or former police officers hired by businessmen to "clean up the streets."

The victims are part of Brazil's rapidly growing army of five million abandoned children — some as young as two years old — who wander the streets trying to earn a meagre living by begging or performing menial tasks.

The ranks of Brazilian street children are swelling. A significant proportion of the million babies born annually are expected to end up on the streets.

Street children are a common phenomenon throughout Latin America. What distinguishes those in Brazil is the shocking number of murdered. Latest figures show that at least 303 children were killed in the first three months of this year — an average of three or four per night.

The actual number is probably much higher, since statistics cover only 10 of Brazil's 24 states. In Rio de Janeiro alone, 10 children lost their lives.

Brazilian death squads first became notorious in the late Sixties when they began hunting down and killing petty criminals, outcasts and opponents of the military dictatorship. Now at least 38 "security firms" are said to busy themselves killing children.

The Brazilian government of

President Fernando Collor de Mello has called the murders a "national shame" but appears to have done little to stop them.

The involvement of police officers in the killings is a matter of common knowledge. Yet police Col. Nazareth Cerqueira maintains there is no hard evidence about the role of police in the slayings — even though some officers have actually been imprisoned on murder

charges. The children themselves have no doubt at all about the role played by police. "They are the ones who are killing us," the children state firmly.

Street children are frightened and do not hide it. But they also realise that since the street is their home, there is little they can do to protect themselves.

Volmer do Nascimento, chairman of the National

Movement for the Protection of Street Children, says some street children are petty criminals. But most, he says, are victims of family violence who left home to escape alcoholic parents, incessant beatings and other forms of abuse.

He adds that the children would rather face the danger and uncertainty of street life than return home.

Nascimento has had little support for his work, and his efforts have been hampered by the furious reaction of those directly involved in the murders. Since November 1990

when his life was threatened, he has been under police protection. Even so, he was kidnapped several months ago. Nascimento escaped and is once again devoting all his energies to his cause.

Suspicious deaths of street children are not restricted to Brazil. Between 1987 and 1989 at least four Bolivian children died while in police custody. The street children — known in Bolivia as pollitas, or moths — had been taken to a police-run "rehabilitation farm" in the city of Cochabamba. Although their bodies

exhibited signs of beatings, strange marks on their noses helped lead observers to the conclusion that they were forced to inhale cocaine and drink large quantities of alcohol before being choked to death by police officers.

Latin America counts 200 million poor people and poverty is at the root of the problems faced by street children. But killing the poor is no way to combat poverty.

Whether they gather on the plazas of Rio de Janeiro or of Cochabamba, Latin American street children are exposed to the brutality of a system that generously rewards those who succeed in the competitive world of a market economy, but does not forgive those who fail. — GEMINI NEWS

LUIS TRICOT is a Chilean journalist who writes and broadcasts on Latin American affairs.

OPINION

Parliamentarians

Two very important editorials in The Daily Star, one appearing on Nov 24 and the other on Nov 25 incite me to write this.

The first one dealt with the Editor's belief that democracy is what we require and want in this country over other forms of government. This reassertion of our primary will in this respect is of fundamental importance if we are going to have any debate in the coming days as conceived by The Daily Star about how to improve our economic situation.

Many speakers in the Round Table stated possibly correctly that many NICs in East and South East Asia did not necessarily have a democratic government on the way to becoming a NIC. But it also became abundantly clear in the same discussion that a sublime consensus in basic issues always existed in all these countries during the entire transition period from LDC to NIC. In our case consensus about the basic developmental issues, which is vital to economic development, has always eluded us. What better way to building consensus than democracy? Authoritarian rule far from building consensus engenders opposing power centres a prime example of which is our Universities. I think we have made the right choice and will have the wisdom to continue in this direction.

The second editorial asked a simple question of what our Parliament is for? Frankly this question has baffled me for quite sometime. This editorial finally produced the spark for an answer in my mind.

In the editorial a suggestion has been made to let Parliament take the decision on the phasing out of the Uprazila system. My question is, in what way will the end result of this be any different from what has been done i.e. issuing an ordinance? A Parliament where general members of the ruling political party have to show total subservience to the leadership of the party cannot in any way influence the decisions of those policy makers who also happen to be Government policy makers. In the special case of a Parliament where one party has absolute majority with no floor crossings allowed a Government Ordinance and a Parliamentary Law will mean the same thing. The difference is that with an ordinance a lot of headache, throatache and time wastage is avoided.

So it is apparent that in the case of an absolute or for that matter near absolute majority party in power the self imposed constraints of the parliamentarians and our judiciary of not allowing individual values and views of members to thrive in the name of restricting floor crossings can in the end lead to a disastrous ending. It will start with a few ordinances and end with authoritarian rule. And we know what alternative centres of power resulting in further destruction of national consensus. Also the entire exercise of switching to a Parliamentary System from a Presidential System is made futile without necessary adjustments to the floor crossing laws.

So now we come to the

question of why was this 'no floor crossing' law made in the first place with such fanfare. You do not have to be a sage to answer this question. It was done because party leaders could not trust their lieutenants when it came to worldly tests for morals.

Now, this is a shallow way of looking at life. The greatest human virtues are born of trust. If floor crossings were allowed political parties would choose a candidate for elected office after scrupulously examining his past records. This process would require an aspiring elected office holder to demonstrate through a continued period of time, among other virtues, unwavering political loyalty, dedication, desire to sacrifice and many other qualities which all in turn lead to integrity of character. And this is exactly what you have in mature democracies like in the UK or the USA.

May be we are not so mature but we should still allow a certain degree of personal freedom to our parliamentarians without which democracy itself becomes invalid. India is a country that may be emulated. In India if only 30% of the members of a political party in Parliament hold a different view from the party mainstream they are allowed a separate stand. May be we can devise something a little different yet still suitable for our parliamentarians to exercise a minimum level of freedom of the will.

This is for the nation to decide.

A concerned citizen
Dhaka.

Running business

Sir, Help Wanted is what is needed to be posted around the World by Bangladesh because of her apparent top priority on foreign assistance in running her affairs lately. Part of the solutions to her national problems has already been rested on International Executive Service Corps (IESC) — an American 'global network' to provide managerial and business expertise to developing nations.

Although nobody may worry about the possibility of repeating the history of East India Company with foreign ventures in Bangladesh, some bases of anxieties over the consequences of hiring aliens may eventually turn grave. Realistically though, LDC Bangladesh can not run her businesses without foreign supports, whatever the patriots have to say regardless.

Brushing aside all doubts and suspicions, a number of points may still be of concern, as long as IESC is needed for

the developing countries like Bangladesh for better management and technical capabilities, which include domestic education, higher studies or training abroad, brain-drain, unemployed workforce, foreign exchange reserve, national security, state sovereignty, etc. Besides, how much return the foreign professionals will yield to the macro and micro economies of this poor country is subject to accurate computations as being an investment in time good enough to be worth it. But, for present, an extended programme of marketing native unemployed/surplus workforce at home and abroad may earn additional revenues for the country.

On the whole, the foreign employees have been estimated to do good-not-harm to the national economy even with hundreds of thousands of skilled and qualified job-seeking Bangladeshis against a few thousand vacant positions. Such a practice, beyond national welfare, appears as if

getting things foreign is a bid, else "mind your own business".

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Butros Ghali

Sir, We heartily congratulate Mr. Butros Ghali, Egypt's Deputy Prime Minister on his appointment as the new Secretary General of the United Nations.

We are confident that under the able leadership of Mr. Ghali, the United Nations will prove its further effectiveness in resolving world crisis and in promoting international peace and friendship. We are also hopeful that Mr. Ghali will apply his good office to resolve the burning Palestinian problem and thus to restore peace and stability in the Middle East.

We wish all success of Mr. Ghali in the United Nations.

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