

by Osman Ghani Khan

Aid with an Agenda

In a rare show of support for a developing country in the international climate marked by aid fatigue, the Bangladesh assistance group, meeting in Paris, has pledged more than what Finance Minister M Saifur Rahman had asked for and, indeed, what had been predicted by well-placed sources here even a week ago. One's immediate reaction to the move by the aid consortium to offer a package of \$ 2.15 billion to this country in place of \$ 2.03 billion sought by the Bangladesh team should be one of gratification, as an endorsement of Dhaka's macro-economic reforms now set in motion by the government. However, we suggest, the mood here should not be one of undue jubilation, marked by an exaggerated notion of success of the administration in the economic field. Instead, the government, especially the Ministry of Finance, should look at the scenario with a quiet but a dogged determination to meet the challenges which lie ahead. A departure from such a mood would be self-defeating, perhaps even dangerous.

Most of these challenges have been already apparent in a series of policy directions outlined by the government, partly under its own volition and partly under pressure of donor nations and aid agencies. They range from de-regulation of the economy, paving the way for an accelerated growth of the private sector to trade liberalisation and fiscal discipline. On all these issues, the objectives of the government are clear enough to earn due recognition from outside, as they did in Paris. However, there is little doubt that the administration has fallen behind in their implementation due to bureaucratic bungs, work stoppages and lack of consensus among major political parties on the country's economic agenda.

Judging by press reports, the deliberation in Paris has focused on these problems, while it has also reaffirmed the position of donors on various elements of the economic prescription for what the US Ambassador William Milam has described as the "aid dependent country." In fact, the impression is that the donors' insistence this year on the country's performance seems more direct than in the past, more clear-cut in specific terms than what Finance Minister Rahman had expected from the meeting. For one thing, the call for increased public sector investment what this paper pleaded for in a recent editorial together with accelerated participation from the private sector should be treated as a serious condition laid down by the donors. Similarly, the opposition to the implementation of the Wages and Productivity Commission awards or to any move, political or otherwise, that widens the gap between earning and output in any industrial venture cannot be treated lightly. Furthermore, it has been suggested that to enhance the competitiveness of our exports, the government should continue with its "flexible exchange rate policy" — a hint for further depreciation of our currency — would be just as important as accelerated trade liberalisation both within the region and with the outside world.

In the implementation of this agenda, the most important component will still be the efficient, speedy and corruption-free utilisation of aid, based on effective preparation of viable projects. On all these issues, there are still unanswered questions about our performance during the past fiscal year. In order to take the public into confidence, the government should indeed publish a white paper and place it before the forthcoming session of the Jatiya Sangsad quantifying and evaluating our performance. However, this job would be incomplete unless the opposition comes prepared to participate in or even initiate a substantive debate on the subject. After all, all the parties concerned should realise that the manner of our utilisation of the aid pledged in Paris could very well decide what we can expect next year as external assistance. In this sense, we have been put on test.

A Black Wednesday

Very rarely can a situation be as bad as it was on Wednesday at Block E, Section 12 of Mirpur. Police acting on a Housing and Settlement direction were demolishing from daybreak more than a thousand thatched cottages, with the inmates running helter-skelter to save whatever they can. Enter the mastans who try to obstruct and failing they set the whole slum to fire and fight the rushing in fire service people. In the meantime, before the fire had lapped up every cubic inch of housing or possession, looters did their job of scavenging the area clean. A scenario befitting only an inferno.

There were as such many parties contributing to the inhumanity of the situation: the police representing the government, the mastan arsonists representing the moneyed bullies who rented out shanties raised on government land and the suddenly-become looters. The barbarity of all three weighed down on the miserably poor 12 hundred families who now are left with nothing. If the illegal landlords are quite mindless in their act of setting fire to the bustee, the government cannot either be supposed to have thought any more kindly about the inmates of slum. The slumlords' cruelty can be explained, the government's thoughtless indifference to what will happen to people, cannot.

If one tries to imagine the distress of that Mirpur slum inmates on that wet day with bulldozers razing their all on one side and fire making a feast on the other — looters snatching things away on yet another side, the picture wouldn't be one of where there civilisation and society and governance. The black Wednesday will very much be a black spot on the democratic face of the government.

It is incomprehensible that administration would not know who are holding government property forcibly and illegally. The slumlords and not the slum-dwellers were at fault. Couldn't something be done to take to task the culprits and let the inmates move out once they were, courtesy the government, out of the clutches of the slumlords?

Wednesday's incidents were, to say the least, deplorable. Would the government prepare more thoroughly to meet the eventualities of such a situation keeping always in mind that people, specially the working and suffering ones, are their lord?

In a country like Bangladesh where complaints are innumerable and redress is slow or absent, Ombudsman has a great and important role to play. Article 77 of the Constitution of the Republic of Bangladesh provides for the establishment of an office of Ombudsman. In 1980 Bangladesh Parliament passed the Ombudsman Act (Act XV of 1980), making Bangladesh the pioneer in South Asia to pass such a beneficial Act.

In my article "Ombudsman for Bangladesh" published in 1988, I discussed the legal provisions of Act XV of 1980 — the law relating to Ombudsman, which has 18 Sections. In Section 1 (2) of the Act, it was provided that the office of Ombudsman shall come into force on such date as the government may, by notification in the official gazette, appoint. This provision gave government the discretion to decide when the law would come into force. As there was no notification of the date in the official gazette, the law did not come into force, though a period of more than a decade has passed since the passing of Act XV of 1980.

In a country with widespread corruption and official harassment the Ombudsman can play a great role by investigating into complaints of fraud and corruption, and can dispense justice at the doorstep of the aggrieved. This was perceived by Pakistan, and she became the first country in Asia to establish an office of Ombudsman through the Wafaqi Mohassib (Ombudsman) Order, 1983 promulgated by the President

of Pakistan on January 24, 1983. Thus, although Bangladesh was the pioneer in Asia to pass the Ombudsman Act in 1980, Pakistan was the first country to establish the Ombudsman office in Asia in 1983. The first Ombudsman of Pakistan served a four-year tenure during which about one lakh complaints were received.

The role of the office of Ombudsman is recognised in many countries of the world. In Israel, the post of Ombudsman is held by the State Comptroller. In the province of Ontario in Canada, the post of Ombudsman is held by the Provincial Auditor. In the United States, the most publicised activity of the General Accounting Office (GAO) Task Force is a toll-free "hot line" which permits people to call GAO and report instances of fraud or waste in programmes which are run by Federal Agencies or use Federal Funds. The "hot line" began in mid-January, 1979 and received 14,000 calls in the first year. There were about 7,500 allegations out of which 560 were substantive enough for further investigation.

**Cancer of Corruption**  
There are many reasons for the delay in enforcing Act XV of 1980 in Bangladesh. About a decade of autocratic rule following March, 1982 witnessed concentration of enormous power in the executive and the scope for highhandedness of bureaucracy. It was a period of great political confusion and corruption was pervasive. It became an issue of public debate after the fall of the autocratic regime in 1990. In the

Economist dated October 18, 1986 it was stated: "Well travelled diplomats say corruption in Bangladesh is worse than anywhere they can think of... patronage system has destroyed Bangladesh's credit system... the loans have gone to people who support the government needs, so government has done nothing to encourage repayment."

With the passing of the Twelfth Amendment Bill of the Constitution, Presidential form of government ceased and Parliamentary form of government was introduced from September 18, 1991. The ruling party has been making efforts to eliminate or at least minimise public corruption. It is time to bring the Ombudsman Act of 1980 into operation, so that the Ombudsman can render valuable service by investigating into complaints relating to activities of different ministry, government officials, autonomous bodies and activities of state functionaries. The establishment of the Ombudsman's office may also perhaps save expenditure incurred on the Bureau of Anti-corruption in full or in part.

The President of Bangladesh in the inaugural session of a seminar held at a local hotel on the 5th February, 1993 said, "It is essential to start discussion on expert level whether creation of Ombudsman was essential for making a corruption-free and accountable administration in the country." At the same seminar in his keynote paper on "Ombudsman and Democracy", Justice Badrul

Haider Chowdhury, a former Chief Justice of Bangladesh stated: "It is time for implementing the act enactment... adding, it will reduce unnecessary litigation." He said "corruption had constituted a heavy burden on both the economy and administrative efficiency. Some of these burdens could be countered through an Ombudsman Office."

According to Section 3 of the Ombudsman Act of 1980, Ombudsman shall be appointed by the President on the recommendation of parliament. The parliament shall recommend for appointment as Ombudsman a person of known legal or administrative ability and conspicuous integrity. It should be noted that emphasis is laid on conspicuous integrity in selecting the Ombudsman.

The present government is now an accountable one. According to Article 7 of the Constitution, all powers belong to the people and their exercise on behalf of the people shall be effected only under, and by the authority of, the Constitution which, as the solemn expression of the will of the people, is the supreme law of the Republic. The sovereignty of the people will generally be exercisable through their elected representatives i.e. the members of parliament. Under Article 48 of the Constitution, the President is elected by the parliament and Article 56 (3) requires the President to appoint a Prime Minister, from among the members of parliament, who commands the

support of the majority members of parliament. The Cabinet is the executive instrument of the parliament. According to Article 55 (3) of the Constitution, "the Cabinet shall be collectively responsible to Parliament." Thus the parliament is sovereign and the executive is accountable to the parliament. The Ombudsman will be an officer of the parliament and his annual report concerning discharge of his functions shall be laid before the parliament.

Twin Pillars of Institutional Accountability

The functions and activities of the office of Ombudsman and that of the Comptroller and Auditor General can be complementary. I would suggest that if the Auditor General of Bangladesh be placed under the parliament, then the Ombudsman and the Auditor General together can better serve the cause of accountability of the executive to the parliament. The office of the Comptroller and Auditor General of Bangladesh was established under Articles 127 to 132 in Part VIII of the Constitution. According to Article 132 of the Constitution "the reports of the Auditor General relating to the public accounts of the Republic shall be submitted to the President, who shall cause them to be laid before Parliament." The Public Accounts Committee — a standing committee of the parliament appointed under Article 76 (1) (a) of the Constitution — examines the reports of the Auditor General who acts as a friend of the Committee. Rules 233 and 234

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Industries : The Sickness Syndrome

by Kazi Alauddin Ahmed

OVER the past several months we have heard much about the so-called sick industries. On one hand, we have come across numerous structures from the government machinery and, on the other, loud words challenges thrown at the government, purported to contest its conclusions, have been frequently, heard on seen in the press. An honourable cabinet minister, while talking to the participants of a seminar in August last, would not accept the industries to be qualified (or disqualified?) by an adjective like 'sick'. He would rather, prefer such attribution for the people who have been at the helm of affairs of those industries. Though apparently, the minister's remarks were a bit uncharitable, they did not sound totally untenable.

Obviously, these remarks betook an honest effort to put special stress upon the twin aspects of management and training. It could again be a pointed reference to the thumb-rule practices and 'jaigirdari' type of management that brought about the ruin of the industries listed now as 'sick industries'. It could even be a tacit or implicit argument that demanded the custodians of these 'sick industries' to shake off their nostalgia over a 'zamindari style' of management and their wily indifference to modern management practices.

An expert in management consultancy and training recently alluded to an American phenomenon which has been an almost compelling factor for the owners of industries and big business houses to abdicate themselves from actual management. They would rather confine themselves to the area of investment only. The hired but trained managers are the main group of people who take the full responsibility to run the entire show, to reap good dividends ensuring optimum utilisation of the investors' money.

On the contrary, excepting the numerous industries and business houses in the public sector, majority of those in the private sector are limping or are rendered totally immobile due to unforeseen resource constraints. There have been ample instances where financial planning and management have been unfortunate casualties of inept handling. There are even instances of wanton disregard of normal financial discipline, which, if followed meticulously, could perhaps have saved some of the patrons from the agonising effect of ever-failing endeavours.

Lack of Foresightedness

It is, however, partially true that, leaving aside a few adventures in the industrial arena, majority of entrepreneurs have been trapped in the race because of their inexperience and lack of farsightedness. More often than not they are misled by many a flowery picture of the unpredictable future. Added to the unforeseen debacle are the incongruities, or rather, the inconsistencies in the project-financing regulations. Consequently, even an otherwise honest entrepreneur has to start in confusion and eventually end up in confusion. And between the two extremes the 'hydra-headed virus' makes its joyful sojourn from the bottom on to the head. Thus the sickness.

From management point of views, much of the crisis could be attributed to lack of managerial efficiency. But a substantial part of the sickness can be traced in the area infested by allegedly corrupt officials of the financing institutions. Some of these people responsible for disbursement of fund periodically in terms of the agreement, are reported to have been cooperative with the client-sponsor only, when the latter agreed to spare a part of such fund as 'salami'. Such clandestine deals invariably add to the cost escalation of the project. Eventually, such burden makes the liability of the borrower more stigmatic and unbearable.

There is yet another queer element in the environment of investment that very often goes unnoticed. An indepth study of the backstage of the sick industries will reveal that many of them were established on eerie feasibility studies. Potential entrepreneurs, but without any past experience in industries and/or having no idea about modern management use, fall easy victim to group of so-called 'experts' bawling the former with their stereotype feasibility studies. These 'experts', as alleged, have such feasibility studies always in 'ready stock' to meet the requirements of any industry under the sun.

fort in that direction. "Sickness" actually starts long before the actual implementation of the project has commenced. After the project is sanctioned by the financing institution, the sponsor gets himself busy in the machinery procurement process. Hectic negotiation follows with potential suppliers and their local agents. Here, the quality-make, price-competitiveness are often sacrificed at the altar of personal gains. Sometimes shady deals are executed keeping provisions for extra commissions under the camouflage of over invoicing. The enhanced, prices of machinery eventually sets in the process of cost escalation. The sponsor appears to have been totally forgetful of the disaster which he himself unknowingly has patronized.

Borrowing from public exchequer has often been a favourite practice with many investors. I call it a 'favourite practice' because they are found to treat such inflow of fund in the same manner as they would with unearned income. Thus a liability for a set period of time turns into a liability in perpetuity.

In Defence of Proponents

The proponents of the feasibility studies too have something to say in their defense. They would grudge the very small fees that entrepreneurs/sponsors are often unwilling or hesitant to pay. So, they would not labour hard to produce down to earth feasibility studies. Rather, they would go for only stereo-type ones based on elusive data and consequently, misleading information. Here, they have, seemingly, a point to be considered. They argue that any comprehensive feasibility study would demand consistent endeavour on the part of a feasibility team requiring the services of civil and architectural engineers, economists, finan-

cial analysts, social and environmental scientists, data processors and computer operators etc. The team jointly and severally collect, compile, analyse, process all the relevant information/data; determine economic viability and work-out both short and long-term projection etc. It's really not an easy job. That is how such teams in western world or in some of the rapidly developing countries of Asia are offered 0.5 to 5% of the project cost for feasibility studies. On the contrary, the sponsors here insist on getting such studies on say, a paltry 5-6 thousand Taka and that too with much ado.

These are some of the mostly unseen factors which cause unimaginable damage beyond retrieval. On the visible side, bad financial and production planning and overall mismanagement add to the misfortune of the investor. Managers are scarcely equipped with the knowledge of modern management techniques, let alone of the technological advances in the world around. Thus, quite often they face crises which they are unable to handle properly. They live in islands away from the workforce. The latter is seldom taken into confidence and consigned to eerie thinking which invariably breeds misgiving between the two entities. The essence of participative management, meantime, fades into thin air.

Constructive Thinking

It is very common in our country to blame one another, rightly or wrongly. But very seldom do we put our time to constructive thinking that would heal much of our wounds more quickly than the process of sickness. We must have the genuine will to do it now or never. It is true that the government has initiated some measures to rehabilitate the so-called sick industries but it does not provide adequate safety valves to avert repetition of the crisis. To forestall such a situation, the

government should: i) Make thorough reshuffle of the management of the industries turned sick so as to induct at least one capable and knowledgeable person who can take the lead. ii) Provide in-service skill-development training to those workers who are considered vital for production. iii) Institute full-length participative management of all the workers, employees and officers. iv) Compose the Board of Management of each enterprise with all departmental managers and one officer from the financial institution providing working capital and export finance etc. v) Introduce new incentive scheme for the workers. vi) Completely free trade unions from politicalisation and party affiliation. vii) Curtail unnecessary expenses. viii) Channelise all sales through the bank providing working capital and other financial support.

Other preventive measures, as may be considered necessary, should be taken. Some of these can be: a) Containing over-employment by undertaking expansion programme; b) ensuring optimum utilisation of all the work force for bringing about cost-effectiveness in production; c) undertaking skill-development programme for ultimately enhancing productivity; d) ensuring regular/periodical maintenance of machinery on priority basis; e) creating a congenial atmosphere so that production is not hampered on any pretext. The workers be motivated to realise that more production would mean more earning for them.

I hope that all our efforts to address the problems of sick industries do not turn out to be an exercise in futility. I am firmly convinced that much of our miseries have been our own creation. It is again we and we alone who can do the rebuilding if we can promise to be one hundred per cent honest in our renewed endeavour and if the government policies are also free from any political or personal consideration whatsoever.

The writer is a management consultant.

To the Editor

Letters for publication in these columns should be addressed to the Editor and legibly written or typed with double space. For reasons of space, short letters are preferred, and all are subject to editing and cuts. Pseudonyms are accepted. However, all communications must bear the writer's real name, signature and address.

Mistrust

Sir, Congratulation to Sylvia Saleem for the write-up "If you want some one else's man" published in The Daily Star on March 28, 1993. However, some of the observations are as under:

To a married man, every woman of the same age more or less is a queen except his wife. To a married woman, every man of the same age more or less is a king except her husband. This psychological position of the mind of a married man/woman creates the scopes for the lust in the mind of the man/woman and the lust creates the scopes for the man to mistrust his wife and the woman starts to mistrust her husband. This is the beginning for a man when he starts to want some one else's woman (wife) and the woman starts to

per cent of the trouble makers. Sylvia Saleem seems to have written on the five percent and hence in spite of her many good points contained in the write-up, she had overlooked the points of adultery, luxury of the lust and the other moral values described in the scriptures. Certainly such write-ups are very important at times provided the write-ups cover the whole subject and the related aspects.

Andrew D'Costa  
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Bureaucracy

Sir, Your item 'Non-partisan experts left out in the cold' The Daily Star (8-4-93) is found to be an excellent piece of journalism. However, on the last two paragraphs of the said article, I wish to convey my poor opinion. You mentioned about the people-bureaucrats — in the PM's secretariat as 'too shy' 'too scared'. I take both the words to mean the same, while the words 'to think carefully' are altogether a different aspect. What I presume is that, the PM, for example in a day's itinerary (The Daily Star, 8-4-93) was found attending the opening ceremony of the fac-

ulty of Institute of Forestry Complex in CU Chittagong, also visiting few other places in Chittagong, then to Laksham to attend a public meeting and lastly to CMH Dhaka Cantt. By the time she is ushered in for an audience with the Secretary, in the PM's secretariat she may have energy to give a second glance to any file? I for one much doubt. Quite naturally she may get rid of every file in godspeed — this is my very humble opinion.

But then, when you go through The Day Star of April 07, 1993, the news captioned 'Irregularities in 30 Hare Road mansion' pertaining to the Hannan commission, between the lines it speaks volumes of how callously and conveniently bureaucrats can flout and fool with impunity. Even a Minister who has spent years in the Lincoln's Inn was fooled for years together by more than doubling the expenses of the said mansion.

What I would much appreciate is the fact that BBC's South Asia Correspondent Mark Tully, based in India, has recently written a book titled 'No Gull Stops in India'. I shall much appreciate if you will

procure the copyrights to serialise the same in your newspaper from time to time. However, when you say about enquiring from a Minister for writers to defend the Government's policy, which has been recently drubbed, and you receiving a vague reply with the impression that no writers exist, the question arises, similarly, do even good readers exist?

What about the repatriation of the stranded Pakistanis? This time the Bangladesh Government should make such agreements like the one they have managed with Burma i.e. with a framework mentioning the logistical provisions, repatriation cell strictly monitoring daily progress and or otherwise, refugee coordinators/officers, transit camps, also Biman going to pick-up Bangladeshi Hajjis will go empty from Dhaka which can be put to use etc., etc.

Salahuddin Jamal  
Firozshah, Chittagong

Accountability

Sir, The Steel and Engineering Corporation sustained loss of Tk 106 crore in 91-92 against loss of Tk 82 crore in

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Moghbar, Dhaka