# The Baily Star

Founder-Editor: Late S. M. Ali

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## Plain Talking by President

DRESIDENT Shahabuddin Ahmed, in his usual candid manner, once again expressed grave concern over moral degradation of the student community and contributions made to it by the country's political leaders. While addressing the first convocation of the Science and Technology University as the Chancellor and chief guest on Monday, the President was also highly critical of the role of teachers, by courtesy of whom rot in education and debacle in public examination system have set in. He accused the teachers of enticing students into taking private tuition from them in lieu of money, without properly teaching them in the classrooms. This is highly unethical and detrimental to the character-building of the innocent adolescents who look up to the teachers normally as their role models. This has adverse effect on the students and they are lured into unscrupulous activities right from their days of formation, for instance, massive cheating in examinations at all levels.

The President pointed out another major cause for degeneration of academic standards: inadequate number of educational institutions compared to the requirement in the country. Another pertinent point made by the Chancellor in his speech dealt with the profit motive of the private universities where education is quite costly.

The President was critical of the national leaders whose performance has had far-reaching effects on the young minds. Not only in parliament, political leaders have cut sorry figures even in public meetings hurling abuses at their opponents. By doing so they have not only made themselves laughing stock for the saner section of the society but also lost credibility among the future generations of the country. The student community. while looking up to the teachers for inspiration and lessons, try to follow the public leaders in building themselves as future leaders of the society. Unfortunately, the kind of leadership training and education they are receiving is not at all conducive to building an honest and educated society in future. The leaders and teachers must shoulder the responsibility.

## Thorny CHT Peace Process

IF one factor were to be singled out as the major Limpediment to implementation of the Chittagong Hill Tracts (CHT) Peace Accord, it would definitely be lingering mistrust and tension between the tribal people and the Bengali settlers in the region. Peaceful coexistence - the essence of the agreement signed more than two and half years back on December 2, 1997 - still appears a distant reality against the bleak backdrop of intense land dispute and unceasing political tussle. Sometimes, irresponsible, and often provocative, statements from Shantu Larma, the PCJSS leader and the chief of the interim Regional Council, have added fuel to the fire, so to speak. In late May this year, he stirred up a controversy by raising an objection to the process of electoral roll preparation on the ground that it was in violation of the eligibility criterion defined in the accord, his displeasure essentially centring on inclusion of Bengali residents in the voters' list. Also, the PCJSS and the task force on implementation appear engaged in a cold war over rehabilitation of Bengali settlers alongside tribal refugees. Overall, as the participants at Monday's dialogue on Peace Building in the Chittagong Hill unanimously agreed, there has been very little scope for mutual confidence building which is of essence for an effective and efficient implementation of the peace accord. True, we should not expect more than two

decades of mistrust and suspicion to evaporate in the matter of a couple of years. It is also true the scar left by years of bloody conflict would need time to heal. Having said that, it is equally true that implementation of the peace pact has not been allowed to gain the desired momentum, either. The process seems caught in a vicious cycle. On one hand, the donors say until the peace accord is implemented to the word they will not invest in development efforts. On the other hand, the tension impeding the peace process will not subside until there is palpable improvement in infrastructure.

economy etc.

Mistrust and suspicion rooted in the "baggage of the past" must therefore be dispelled. There are misgivings and misconception about the CHT Accord that need to be eliminated. The government, the interim council, the PCJSS and other organisations, and all other stakeholders should immediately engage in the process to give peace in the hills a chance.

## **Detention Syndrome**

I UMBER of under-trial prisoners in the I country's 140 jail houses stood at 37,500 in 1999, up by 11,500 in four years' time since 1995. As against this rising trend of detentions without trial, the number of convicts, all presumably serving their terms in jail, decreased from 15,730 in 1995 to 13,422 in 1999. All this is reflective of a diminished rate of disposal of cases either by conviction or acquittal. If somebody is accused in more than one case, then of course the total magnitude of undisposed of cases will be that much larger. So, when we speak of pending cases we are basically talking about quite an unwieldy number of them.

That said, we turn to the plight of some 300 under-trial prisoners who have been languishing in the jails for five years or more. The remainder 37,200 have been detained for varying periods but below the five-year mark. A report in this paper on Saturday singled out the predicament of the 300 held captive for over five years without trial to highlight these as test-cases for our overall law enforcement-cum-justice system. It is a pity that no fewer than 22 appearances had been made by the 300 prisoners in court over the last five years.

For one accused it was the 74th appearance in court and yet no progress could be made on his case. It seems as if vested interest grows around a case to force it in a delayed course. The 'genuine reasons' being basically systemic flaws, these could have been reduced to a minimum if we had gone for the legal reforms we are so voluble about.

If we take two crucial steps in tandem then perhaps the huge backlog could be worked off. First, free the magistrates from other duties so that they can attend to trials. Secondly, the time-honoured practice of citizens' groups visiting jail-houses to enquire about the welfare of the detainees and the progress of trial processes which has since fallen in disuse should be revived at once.

# Musharraf Sitting Pretty

Musharraf was asked pointblank by an Indian journalist whether he would support the demand for Kashmir's independence. He said he had left the choice to the people of Kashmir. He did not reject the concept of independence, as Benazir Bhutto and Nawaz Sharif, the two former Prime Ministers of Pakistan, had done. But, even while sticking to his position on Kashmir, he sounded like a person who very much wanted to have talks with India.

mented discontentment. "They can shout to their heart's content. It will not make any difference," says a Pakistani in-

ICTATORS, almost by

definition, are afraid to

allow free play of press

opinion. It is, however, strange

that General Pervez Musharraf

who took over Pakistan in a

military coup, has not muzzled

the press. Even a short visit to

the country shows that newspa-

pers and journals are savage in

their criticism of the regime.

"We are not pressurised even

through advertisements which

the earlier rulers used as a re-

ward or punishment," said an

editor of a leading daily of La-

hore. "The import duty on the

newsprint has been reduced, al-

though the government is suf-

freedom can be that it serves as

a catharsis for the pent-up

emotions of the people. There is

no other medium of expression

like a public meeting. The opin-

ion ventilated by the press is

not followed up. Political par-

ties are there. But they have no

room to activise their workers

Islamabad has another expla-

nation: "The army has realised

that we are only paper tigers. It

matters little what we say so

long as we are not inciting peo-

ple to come on the streets." He is

probably right but relentless

criticism can begin to build up

an atmosphere of defiance.

There is, however, no such evi-

dence even after nine months of

Musharraf's rule. Officials cite

the reports by the monitoring

units established throughout

Pakistan at the city and district

levels. They have reported that

the press criticism has not fo-

few years ago, a group of

Bangladeshi business-

men had come to the US

in an endeavour to attract for-

eign investment into Ban-

A political commentator at

to take up an issue.

One reason for the press

fering economic hardship."

hold good is difficult to say. But there is no doubt that the Musharraf regime does not face any challenge, either from within the army or from politicians. The top brass which rules the country is a well-knit unit. conscious of the fact that another coup would only spread the impression that they were hungry for power, not determined to "clean up the government," as was the declaration at the time of take-over.

As for politicians, Musharraf has himself started talking to them to find "a consensus on reforms" to effect better governance. But there is no compulsion for him to do so. Leaders of the National Assembly and the Senate, comprising Pakistan's parliament, readily admit it.

Musharrafs advantage is that the faces of politicians are so smeared with corruption and non-performance that the public has come to feel that the armed forces are their only saviours. And, as one finds after talking to people from different walks of life, the public generally wants to give them ample time to clean up "the

mess created by the politicians." The resentment against the politicians must be deep because the non-performance by the Musharraf government is How long this claim will what stares you in the face. I was in Pakistan four months ago. Even at that time the promise to improve the lot of the people was as loud as I found

vements, there are hardly any.

are creating murmurs.

Musharraf interpret whatever little murmur there is in the country as the beginning of protest. But even they have to concede: "The regime will go on and there is nothing to dislodge nouncement of the three-year limit for fresh elections,

### it." It appears to be true. Even if one were to take into account a few days ago. But when you the Supreme Court's procome to concretise the achie-

## Kuldip Nayar writes from New Delhi

BETWEEN THE LINES

Compared to India, the price of Musharraf has still a little essential commodities is high. Wheat is selling at Rs 12 a kilo. rice at Rs 28 and bananas at Rs

heaped on the common Pakistani. There are fresh imposts on the land. Holdings up to 10 that he had in mind. His Inforbut the dragnet has been spread confirms the deadline, alto include anything above five now. The happy news in the countryside is that there has been a bumper crop of wheat, rice and cotton. So, hardships on the other counts may get lessened. But the new imposts

more than two years to go. "I shall definitely quit then (by 2003) and not seek any post," he said at the last session More burdens have been of a South-Asia media conference. But he added that he might not be able to finish doing all though he says that they may

cross it by a few more weeks. People in Pakistan seem to have generally accepted the time limit. They probably realise that what Musharrafs critics call "the nightmare"

may not be over before that. The most articulate critics of Politicians too are reconciled to that. But some industrialists and businessmen say that "things cannot go on like this because the economic crisis is

gradually building up." Their warning may have some weight. But the country does not look like caving in. Stores are as crowded as before. The US dollar has not appreciated after the army take-over, the exchange rate is still around Rs. 55 to the dollar. Inflation is more or less the same, less than five per cent.

There seems to be a belief in every quarter that America will not allow Pakistan to go down "We shall be kept on a drip," says a Pakistani economist, "but we would not be allowed to die." The International Monetary Fund is expected to give money after its meeting with Islamabad later in the month. "If there could be trade with New Delhi..." is one remark which you hear at every party or discussion. There is also an eleacres were free of any revenue mation Minister Javid Jaffar ment of envy that India has gone ahead so well. But there is also realisation that the access to Indian markets is a long cry. But from wherever you begin a discussion, it ends with Kashmir. Over the years, even those who were sitting on the sideline have been sucked in. It is an ob-

session but it is there, something which cannot be diluted or washed away. No solution is being offered except at times a suggestion that it should be left to the people of Kashmir. And even the third option, independence, is not ruled out.

Musharraf was asked pointblank by an Indian journalist whether he would support the demand for independence. He said he had left the choice to the people of Kashmir. He did not reject the concept of independence, as Benazir Bhutto and Nawaz Sharif, the two former Prime Ministers of Pakistan, had done. But, even while sticking to his position on Kashmir, he sounded like a person who very much wanted to have talks with India. He seemed keen to reach New Delhi through Indian journalists. Musharraf comes out as a blunt person who wears heart on his sleeves. For a head of state, he is too forthcoming. Discretion or cautious use of words would make him more acceptable. But, as he puts it, that the confidential reports during his army career have one thing in common: too ar-

Musharraf too refers to Kashmir whenever he addresses any meeting. He is willing to discuss other peripheral issues. he says. But Kashmir is a must. It is as if he is trying to convey that Kashmir is giving Pakistan its ethos. His singleminded focus on Kashmir may also be one reason why he has no challenge. When it comes to Kashmir, the Pakistanis have no ranks, no differences, no

## ATTRACTING FOREIGN INVESTMENT

# The Importance of Good Corporate Governance

by Syed Akhtar Mahmood

Improvements in corporate governance would require both regulations as well as voluntary actions. Governments can do their bit through setting policies, enacting laws and establishing regulations, and implementing all of these effectively. But a lot will depend on the voluntary realization of companies and professional bodies.

gladeshi companies. At the end of one of their seminars, I asked a wealthy Bangladeshi friend if he was willing to invest his money in such companies. His by the majority owners. It is thus no surprise that investors reply, which I will never forget, the world over will want to was "No way!, I do not trust carefully assess the quality of these guys of all!" This particular friend of corporate governance in companies they are thinking of in-

vesting in.

mine is usually critical of most things Bangladeshi — so I was not shocked at his remark. However, the fear that he was expressing is a common one. Investors everywhere in the world are always concerned about the safety of their investments. And this concern is not limited to fears about government actions, such as nationalization, expropriations, controls on profit remittances, or arbitrary policy changes that drastically change profitability of the invested activities. As governments around the globe have become relatively less arbitrary in their decisions, attention has focused increasingly on the threats to investment that arise from within the company, from managers, employees and co-investors.

This brings us to the concept of corporate governance. Corporate governance refers to the rules and incentives by which the management of a company is directed and controlled so as to maximize the profitability and long-term value of the firm to the shareholders, while taking into account the interests of other legitimate stakeholders. An important challenge for the owners of a company is to ensure, through a combination of carrots and sticks, that managers and employees work in their best interests. Investors also have to worry about the actions of their co-investors. This is particularly true for minority shareholders who, in the absence of adequate protection. may find themselves ripped off

So how much premium do investors actually place on good corporate governance? A lot: suggests a recent study of investor opinions carried out by the world-renowned management consultancy firm. McKinsey and Company. In collaboration with the World Bank and the magazine Institutional Investor. McKinsey carried out a survey of over 200 institutional investors in March and April of this year. The survey gathered responses about investment intentions, in particular about the extent to which corporate governance figures in the investment decisions of these large investors.

The findings are valuable because the investors surveyed are important. The 216 investors surveyed together manage about US \$3.25 trillion in assets. Most of them have substantial investments in developing countries, particularly in Latin America and East Asia. If Bangladesh wants a fraction of this investment, it needs to know exactly what drives these

So what does the survey reveal? First, corporate governance is important. Three out of four investors said that, when they evaluate companies for potential investment, they emphasize corporate governance as much as they do the financial performance of the companies. One-third of the companies who had invested in Asia and almost half of those

who had invested in Latin America went a step further: for them, corporate governance was actually more important than financial performance. Why is this so? A major reason is the limited, and often poor quality of, financial reporting. When you can't trust the figures in the first place, you are not likely to be driven much by reported profitability. You would want to assess if the companies are well-governed and whether shareholder rights are protected. Not surprisingly, investors in Europe and the US. where accounting standards are higher, put relatively less emphasis on corporate gover-

The second major finding: Investors will pay a premium for a well-governed company. Four out of five investors said that they would pay more for the shares of a well-governed company than for those of a poorly governed company, even if the financial performance is similar. How much more will they pay? A lot. The proportion varies — from 18 per cent for a well-governed company in the UK to 27 per cent for a well-governed company in Venezuela or Indonesia — but it is always

Corporate governance has many dimensions. These include the composition and rights of the boards of directors the extent to which information is disclosed, and the degree to which shareholder rights, specially those of the minority shareholders, are protected. Are all of these equally important to the investors or are there some aspects of corporate governance which they consider

more important than others? Investors in Latin America were asked to identify what their first and second priorities were. Slightly more than half (52%) said that their first priority was shareholder rights, with disclosure coming next. There was a difference, though, in the reactions of the local vis-à-vis the foreign investors. While one-third of the local investors thought shareholder rights were their top priority, the proportion was much higher - 71 per cent - for the foreign investors. For the foreign investors, having more information through better disclosure is

use the knowledge to influence board or management decisions

So, corporate governance is clearly important. If that is so, what can be done in Bangladesh to improve the manner in which companies are governed? This is a question that I hope to address in a separate article. However, one fundamental point may be mentioned here. Improvements in corporate governance would require both regulations as well as voluntary actions. Governments can do their bit through setting policies, enacting laws and establishing regulations, and imnot that useful if they cannot plementing all of these effec-

tively. But a lot will depend on the voluntary realization of companies and professional bodies, such as accountants and auditors, that, at the end of the day, good corporate governance is as good for them as for anyone else. Thus, as Bangladesh strives to meet the challenge of improving corporate governance, there will be a role for everyone: government, individual companies, private sector collective bodies, professional associations and the media. And if all actors play their role well, perhaps, one day, even my skeptical friend will change his

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## Bad Practice and Dangerous Precedence

While following the recent 'cat and mouse' game centreing about the MPs' attendance, one may question the ethics and moral values that our representatives carry with them. In 1917 while demanding freedom for India, Mahatma Gandhi had said: "What then would our Parliament do if we had one? When we have it, we would have a right to commit blunders and to correct them. In the early stages we are bound to make blunders... He who has no right to err can never go forward. The history of the Commons is a history of the blunders... The freedom to err and the power to

of Swaraj. What characterises our parliament today is not just committing a simple 'err'. We see deliberate attempts to make things difficult for the members of the position using means which remain far from what we call morality and responsible acts. I am specifically referring to the opposition MPs' sudden appearance, signing the attendance register and then again sudden disappearance. What message do the nation receive out of these? What precedence do these leave behind? What do we achieve out of these acts? A friend of mine who works for a public sector corporation in Dhaka mentioned that some of his staff sarcastically asked him if they could follow the MPs - come to office, sign the 'hajira khata', leave for home and still continue to get paid and keep their jobs intact! When the Prime Minister and other members of the position smelt rats in that the opposition members' real motive in joining the parliament before the 90th day was purely to preserve their privileges, many did not quickly subscribe to that view. As we waited, the motives of the opposition became clearer. I do not now doubt that the perception of the position echelons are correct. The acts of the four JP(Ershad) MPs can only reinforce this. They came, signed and left immediately. So, how does the principle of 'tokenism' in their attendance (as the opposition leader claimed it was) relate to this episode?

Begum Zia's argument that her (and her MPs) token attendance was to stop any move by the position to alter the constitution remains as elusive as many of her statements which can only bring some cheap scores for her. She never could prove that religion was not safe in AL's hand; she never could prove that the peace accord in CHT meant signing off our tribal belts in favour of a third country; she never apologised for wrongly commenting that

M. Amanullah Khan the CEC Mr Sayed was designated as a Governor during the

BAKSAL time. There was no harm even if he was, as a designated member from the Civil Service, to serve as a Governor. Major General Ziaur Rahman was a front line member of BAKSAL while General Osmany was not.

In the newspaper of 28 June 1 read with much interest the debate between Suranjit Sengupta and Salahuddin Qader Chowdhury on the issue of attendance register in the parliament. During the 29 years (minus the mil itary rule), through a process of correct errors is one definition trial and error, we have evolved the parliamentary system to be the head and front of our democratic polity. We have formulated rules and procedures and developed conventions and traditions to govern the proper functioning of Parliament. We expect our luminaries to adorn the benches of the Sangsad and lent lustre to it so that it occupies a distinct place in our polity and constitutional set up Procedures and practices, especially in a fragile system like ours must evolve regularly to suit the interest if the members and the nation at large. No coercion can bring qualitative changes in our intrinsic moral values and practices. But still we need continual changes. The practice of the register book signing is only just one way of ensuring that the records remain authentic and in a public domain. I have had the opportunity to follow some of the Westminster type of parliamentary practices, including those in UK and Australia. I am also somewhat familiar with the practices in some East African countries and Pacific nations. In Australia, Canada and UK, attendance is maintained

in a register either by the Sergeant at Arms or on her/his behalf by an Usher, Senior Attendant or a Clerk. In each of these countries, they not only act as the gate keeper but also as a 'watch dog' to prevent any unruly situation. And they carry all powers to assist the Speaker in ensuring order and decorum in the House. The idea is that parliamentary rules and procedures are there to enable the Members to express themselves freely and frankly but combining forcefulness with decency and decorum. So rules and conventions are there to ensure that the freedom, frankness and forcefulness of expression in the House do not overstep the limits of decency and decorum. and dislocate the effective functioning of the House. The attendants (or sergeant at arms) take attendance usually during the question-answer time as Members at least ensure their pres-

ence during this time of the sessions. This links neatly with their sense of accountability vis-a-vis those who voted them to the House.

In the Indian Rajva Sabha.

the clerk keeps a Members' attendance register. I quote from the Rules of Rajya Sabha "Before entering the House, a member has to record his presence by signing the Register every day. For the convenience of members the Attendance Register is split into four parts containing the following Division Numbers, namely: (1) Division Nos. 1 to 61, (2) Division Nos. 62 to 127, (3) Division Nos. 128 to 195 and (4) Division Nos. 196 to 250. Each part is kept on a separate rostrum in the Lobby of the House. Members are informed of this arrangement through a paragraph in the Bulletin issued at the commencement of every session. The Register remains on the rostrum." Mr Salauddin Qader Chowdury on 27 June challenged Mr Suranjit Sen Gupta to show any example in the world where a register is required to be signed by the MPs. I suggest, Mr Chowdhury should at least read the book 'Rajya Sabha' by Dr V.S. Rama Devi and B.G. Gujar which gives an account of the parliamentary traditions and practices in India. In Africa, a number of countries have lately introduced the system of MPs signing the attendance register. Uganda is one example adopting this practice. The essence of changes in procedures and practices is that the parliaments need to adjust to the needs of the changing circumstances and to make them accountable, transparent and free from loopholes so that the representatives may not take advantages contrary to parliamentary ethics and standards. People vote their representatives to speak for them and not remain isolated from the mainstream of responsible politics.

In a Westminster type system where bicameral legislatures ensure constant check and balance, procedures need not undergo frequent surgeries. It is more so because in the western parliamentary conditions, one need not worry about MPs not fulfilling their duties contrary to our situation where our representatives have very little to worry about meeting their obligations. You can still save your seat and enjoy all your privileges if you know the art of 'twist and turn' and how to exploit the laws of the system. Our opposition MPs have showed they are too good at it.

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### "Senakalyan grabs Buriganga"

Sir. Thank you very much for the report "Senakalyan grabs Buriganga". It is beyond comprehension how a reputed welfare organisation can think of grabbing a river.

And Senakalyan's protest is simply out of context. The DS photograph clearly reveals the whole misdeed in a thousand words. It is very much apparent that Senakalyan encroached the river, interrupted the river's natural flow which is evident from the growth of water hyacinth on both sides of the land filling. When the natural water flow of a river is obstructed by groyne like construction as the organisation did, it starts to silt up where water is stagnant and erosion starts at the other side of the river bank. Senakalyan has become a laughing stock by mentioning an agreement dated 3.12.98. Hats off to this welfare organisation that it could, after all, find out the rightful owner of Buriganga to purchase 2'15 acres of land. Already many X. Y, Z, including the mighty MP's grabbed large chunks of Buriganga at Kamrangir char areas. Now a welfare organisation has followed their footsteps. This encroachment is a flagrant vio-

Nobody should doubt in Senakalyan's capacity to procure permission from DC of Dhaka, because Buriganga flows through Dhaka district. Well, all the rivers flow through or in between some of the districts of Bangladesh and if the respective DCs start giving permission to the encroachers who know what will happen to the country. It is also unbelievable that BIWTA was sleeping throughout the period and after completion of the landfill informed Senakalyan that it will

lation of law.

take legal action against them. In this country who cares for ecology and environment! But let us now hope that BIWTA will take Senakalyan to court without further delay.

Anyway, everything is not lost yet. We have a democratically elected government and a standing order issued by the PM that nobody can grab or encroach the rivers. Well, this is the time to prove that her order is strictly followed and implemented without showing any favour to anybody.

Good sense should prevail upon the authority and Senakalyan should immediately start dredging out all the landfill and bring the river bed to its original level including the silted part around the encroachment. If necessary steps are not taken immediately, the lifeline of Dhaka will be choked to death and we will be solely to blame.

Dhaka

## Business community vs armed forces

Sir, BDR is building a supermarket in the land allotted for housing its members and providing training to the members of the forces who have been recruited to guard the borders, check smuggling, help the civil society maintain law and order situation.

opened a bank. But what is their job description?

The Army Chief has recently commented and advised that the capital be shifted to Joydevpur but not the Cantonment. This reminds us of Mohammad bin Tughlak.

Sena-Kalyan Sangstha en- Richmond, USA

croached upon the river Buriganga. We are at a loss. We really do not understand who is the rakkhak (protector) and who is the bhakkhak (predator). The DCCI chief has recently commented that people who are

not mandated to do business are

doing so in our country. Hence

the business community is facing unequal and unjust compe-The armed forces should perform their duties according to their job description and the business community should do business. Isn't it the duty of the

government to ensure safe and sound environment for the business community

S. Nasrullah Maghbazar, Dhaka

### Congratulations Sir. Bangladesh cricket team

has added another feather to its cap. And I would like to congratulate everyone for this historic achievement-Test status. People from all walks of life went jubilant as ICC endorsed Bangladesh as the tenth Test playing nation. It is indeed an honour to be a member of the elite club.

But now there is an uphill task ahead of us and that is to display a positive image of our cricket team. No one expects them to win from the very beginning, but they need to strive hard to improve themselves. Our cricket infrastructure needs to be refurbished. And more Bangladesh Army has three and five day matches should be played to improve the standard of our team.

We, Bangladeshis from every nook and corner of the world wish our cricket team every success.

Namea