

A tale of two govt institutions

The Office of the Comptroller and Auditor General is more independent than the Anti-Corruption Commission

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THE Office of the Comptroller and Auditor General (OCAG) of Bangladesh appears to have been relatively more active and somewhat effective in the last four years. Compared to the Anti-Corruption Commission, the OCAG has much more defined and specific time-bound jurisdiction and tasks which they have delivered relatively well.

The Public Accounts Committee of the parliament has been visibly more active than in the past, hence the advantage for the OCAG was that they had been the takers of the product they produced, and at least for a change some results were achieved, limited though. Much more could be achieved if there were higher levels of commitment at the relevant ministries and departments to deliver.

The ACC on the other hand, being in a much more complex situation for the nature of its job, specifically in a context that observed a sort of race of high profile corruption involving people in positions of power, remained far short of meeting expectations. To be fair, they have been much more active, or rather had to be so, during the period than before, taking on a large number of corruption cases, including a few involving people within the government and the ruling party.

However, in my view, for the lack of a proper strategy and determination, the ACC has missed the opportunity to gain public trust and credibility. Their handling of alleged corruption in the Padma bridge project is a case in point. Notwithstanding the debate on whether or not they were right in enlisting former ministers only as "suspects", the fact remains that the position they took on some related issues reflected a mirror image of that of the government. This may be because of perceived political pressure or for the lack of their own capacity and courage or a weak communication strategy, or a combination of all three.

Be that as it may, it must be

remembered that success and effectiveness of both ACC and OCAG only partially depend on themselves. As long as there are deficits in political commitment to make such organisations and other key institutions involved in ensuring accountability and rule of law are not independent and effective enough we cannot expect much results.

Level of independence they enjoy

The OCAG is relatively more independent than the ACC. Thanks to the constitutional status as well as their work and product being relatively much less directly targeted to individuals in positions of power, they can operate without much intrusion into their flexibility.

Nevertheless, they could indeed be much more effective if the Audit Act was passed and enforced. It is worthwhile to note, however, that in spite of the constitutional mandate as per article 128(1), the OCAG has not yet conducted audit of the courts of law.

The ACC on the other hand, in spite of lacking the constitutional status and many limitations of the Anti-corruption Act 2004 on the basis of which it was created, can potentially function independently according to the mandate given by the law. In practice, however, the experience of the period since it was created shows that the degree of its independent functioning depends on external as well as internal factors.

Externally, the ACC has always been a subject of political and administrative control, whereas internally it suffers from two-fold limitations. One is the fact that in terms of the overwhelming majority of its staff, the ACC is in reality a transformed version of former Bureau of Anti-Corruption, which was itself a den of corruption and political tool in the hands of the government of the day. So it carries a baggage that is not conducive to professional delivery.

Secondly, a lot depends on the degree to which its leadership can realise that they have nothing to lose if they ignore and resist exter-



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nal pressures or dictate and demonstrate the courage and professional excellence needed for their high-profile position of public interest.

Is the ACC being used as a political tool to suppress dissenting voices?

Such impressions appear logical, although most of the cases handled by the ACC against individuals belonging to opposition party are perceived to have merit. Take the case of the repatriation of the laundered money from Singapore. Even if people have doubts about the efficiency and credibility of the ACC or of government motivation, and even if one may not like to give credit to the ACC for it, the fact remains that the money has come back only because it has been proven according to Singapore law enforcement authorities that it was laundered money.

On the other hand, the ACC has not also served its cause by often debatably echoing the government position. They also on occasions handled some cases that involved

individuals belonging to the ruling party, such as the Padma bridge project and the railway scandal, in a manner that gave an impression that they were hesitant to take firm action against some individuals in positions of power.

Government attention onto the two

The OCAG is understaffed to the extent that it cannot undertake as many audits as they need to. More importantly, there is a shortage of technically skilled manpower in specialised fields such as engineering. They cannot even hire short-term expertise, for which they depend on the finance ministry, which is reportedly not always responsive.

The ACC has a more complicated problem, as mentioned above. They do have at least in the head office a large number of staff at various levels about whom there are doubts about credibility based on their record and expertise during the Bureau of Anti-Corruption period.

On the other hand, in the field

level, in addition to issues of credibility and expertise, under-staffing remains a problem. Some mid-level staff members have recently been directly recruited who appear to be enthusiastic, but lot needs to be done to build their capacity to handle corruption cases in which those who are involved are smarter and more endowed. The ACC's legal and prosecution capacity also remains weak, backdated and far from matching the expertise that its opponents can deploy.

Reforms

The OCAG is more open and its communication also appears better. The Audit Act must be passed without any further delay to make the OCAG more effective. One other issue that needs to be addressed is the independent functioning of the Office of the Controller General of Accounts from the OCGA as well as the ministry. The CGA functions are complimentary but must be separated from being influenced by both. Contrary to the government's

electoral commitment, a set of amendments to the Anti-corruption Act was introduced that could have further curtailed the independence and effectiveness of the Commission. In response to sustained demand from the media and civil society, they eventually stepped back from those amendments, which is good news.

We are also told that a more positive set of amendments is now awaiting adoption, which, however, remains undisclosed. The amended draft must be shared with the public and subject to consultation with stakeholders. Any further delay will have further crippling effect on the ACC which has in any case gone through a sort of psychological pressure over the period since the amendments were introduced in 2010.

The government and lawmakers must demonstrate the political will to create conducive legal and institutional capacity of these institutions including resource endowment in terms of human, financial and technical means. Although created by the government, they must not be perceived as part of the government, rather as institutions to hold the government accountable in public interest.

On the other hand, there is also a need for a mindset change in the leaderships of these institutions. They must realise they should not expect to gain anything from the government or political authority after their tenure in these bodies. All they stand to gain is public trust and credibility if they play their due role.

One other suggestion is that the OCAG and ACC should work out specific ways and means to work together to complement each other, which is an area in which nothing has been done. To that end, undertaking a task-oriented joint strategic planning exercise may be considered.

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In search of Google's dark side

JOHN C. ABELL, for Reuters

THE Federal Trade Commission Thursday dropped a two-year investigation into allegations that Google was gaming search results to drive traffic to its own sites. In a press conference, FTC Chairman Jon Leibowitz allowed that the charges came from a staggering number of Google's competitors, and at face value they are plausible: Google essentially controls search with something like 70 percent of the market share and, like any company with near monopoly power, might be tempted to use that advantage to slyly divert traffic away from competitors. But in a unanimous vote all five FTC commissioners agreed there was nothing to see here.

Allegations of search bias strike at the heart of what Google purports to be: an honest curator of what's available on the web. If the FTC ruled that Google was even a little dishonest, it could have altered the public perception of the company. It might have even been something akin to an Arthur Andersen moment.

The ruling could conceivably embolden Google to push the envelope. And it certainly makes it tougher for competitors to weaken the search giant on penalties rather than fight on what the FTC has now declared is a level playing field. But the ruling really could not have gone any other way -- not only because there's scant evidence to support Google chicanery but because the idea that Google would use its advantage so heavily-handedly just doesn't bear up under any scrutiny.



Google Chief Executive Eric Schmidt speaks during a news conference on September 27 to launch its new tablet PC, Nexus 7, in Seoul.

Google, unlike some other tech companies, doesn't thrive by luring customers into a trap in a walled garden. Its business depends on the web being a vast meadow, infinite in all directions. Google's properties aren't revenue plays but building blocks intended to create something quite unusual: A company that you utterly depend on but can live without, and walk away from anytime whole.

To accept that Google would mess around with search for some marginal gain means accepting that it's interested in the short money that comes from daily deals, Zagat reviews, YouTube ads and the like instead of the big money of being the first word in search.

It's not as if Google has a history of "get out of jail free" passes from an indifferent or feckless

FTC. The agency last year extracted token fines after finding that Google intentionally bypassed privacy settings in Apple's Safari browser. Two years ago it found that Google had used "deceptive tactics and violated its own privacy promises" with the rollout of (ultimately doomed) social network Buzz when most tech writers thought the FTC was making a mountain out of a molehill. No fine that time, but Google was put on what amounts to 20 years of probation.

Every company does evil, to some degree, even one whose unofficial (and easily mocked) mantra is Don't Be Evil [8]. Business is business, after all. Indeed, the FTC did extract one concession from Google on a separate matter: The company agreed to license patents from newly-acquired Motorola Mobility on

reasonable terms.

But a dark side to Google's premiere product, search, would be a whole 'nother smoke. Whatever services Google also provides -- maps, restaurant recommendations, local information, daily deals -- its core business depends on being a reliable gateway to the entire web. And the bigger the better.

While it might have a commanding lead, Google is hardly the only search engine. A pattern of results at odds with what Bing and Yahoo and a host of smaller players yield could not possibly escape notice. Google's detractors, private watchdogs and the tech press will certainly continue to be on the lookout for Google shenanigans.

And anybody can do it. If you search Google for "maps," Google Maps is first. But search Google for a street address and you're just as likely to be directed to AOL's MapQuest. Search "stocks" and Yahoo Finance is higher than Google's site. Search a stock symbol -- like "FB" -- and you get a quote and a chart and even-handed links to Google, Yahoo and Microsoft's finance sites.

How Google's algorithm works is a secret, of course, but Google insists the calculation is based on what amount to citations -- how many independent links there are to one site versus another. Its leadership role -- and entire business -- depends on that. To favour its products over another threatens all of its products. Favouritism, at least in theory, has no place in Google's bucolic meadow.

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ECB to ring in New Year with rates on hold

AFP, Frankfurt

THE European Central Bank will usher in 2013 with steady interest rates at its first policy meeting this year to keep up the pressure on governments to solve the debt crisis, analysts predict.

With ECB interest rates currently at record lows and its latest anti-crisis weapon ready and primed for action, central bank chief Mario Draghi will not pass up the opportunity to insist once again that only governments can resolve the long-running crisis, economists said.

"Whilst a (rate) cut cannot be entirely ruled out, we do not expect the governing council to change interest rates at its meeting on Thursday," said Commerzbank economist Michael Schubert.

"On the one hand, ECB executive board members have tried to dampen rate cut speculation over recent weeks, and on the other, important sentiment indicators have increased once again," he said.

On Friday, the closely watched Purchasing Managers Index or PMI for the entire euro area hit a nine-month high, offering hope the single currency area could be moving out of its deep double-dip recession.

Recent data for Germany, Europe's biggest economy, have also come in better than expected.

And German Finance Minister Wolfgang Schaueble even went so far as to say he believed the embattled eurozone was now past the peak of its three-year-long debt crisis.

Market tensions have indeed eased since the ECB unveiled its anti-crisis bazooka in September, the so-

called OMT bond-purchase programme.

The scheme is credited with marking a turning point in financial market sentiment towards the crisis-wracked euro even though it has not actually been used.

With markets now calmer, the ECB has been able to keep its gunpowder dry, keeping interest rates at their all-time low of 0.75 percent and holding fire on other emergency anti-crisis measures as well, after pumping vast amounts of liquidity into the markets at the beginning of last year.

Nevertheless, at last month's meeting, ECB chief Draghi appeared to open the door to further rate cuts, crucially revealing that there had been "wide discussion" of such a move on the decision-making governing council and that the decision to keep rates on hold was anything but unanimous.

-- No immediate need to act --
Commerzbank's Schubert pointed out, however, that top board members -- such as Yves Mersch, Peter Praet and Joerg Asmussen -- have all sought to play down possible rate cuts recently.

Deka Bank chief economist Ulrich Kater was similarly convinced that Draghi would not announce any monetary easing at his first press conference of the year.

"The policy of low interest rates is finally making itself felt in the periphery countries, thereby taking the pressure off the monetary policy actors to come up with new stimulus measures," he said.

"For the time being, there is no immediate need to act," he said.