

Special audit of Bangladesh Bank

Is there a conflict of interest?

It is perhaps the first of its kind that a special audit on Bangladesh Bank has been asked for the parliament's Public Accounts Committee (PAC). Although the parliamentary committees are all powerful and can bring anyone and everything under their purview, and the PAC can do so of any public institution and agency, the timing of it raises several questions.

The committee raised the issue of the central bank's functioning by asking for a special audit of the bank within four days of the Bangladesh Bank appointing an observer to scrutinise operations of Farmers Bank and slapping a fine on alleged illegal payment and loan irregularities. It certainly raises eyebrows since the head of the Public Accounts Committee happens to be also the chairman of the executive committee of Farmers Bank.

The matter of special audit will naturally raise question in one's mind as to the motive behind the move against the central bank in the light of the personal involvement of the chairman of the Farmers Bank. Are we then not looking at a conflict of interest here? We feel that the credibility of the committee depends on a judicious resolution of the matter.

As for the Farmers Bank, the issue of Tk 400 crore anomalies over the sanctioning of loans from three branches speak of gross transgressions. Rules broken in giving credit to bank defaulters, bypassing the head office on the issue of such contentious loans, cooking of books, etc., are all serious offences. We would like a thorough investigation into Farmers Bank which has only been in operation for a few years.

Gross violation of traffic rules

Will it ever stop?

JUST days after two schoolgirls were killed within hours in road crashes at the Shahbagh and Matsya Bhaban intersection, reckless driving of buses continues unabated. Buses can still be seen blatantly violating traffic rules, stopping in the middle of the street to pick up and drop off passengers while the latter pay no heed to the danger posed to their lives. Despite there being three footbridges at Shahbagh intersection, pedestrians continue to cross the street amid moving traffic as traffic sergeants remain oblivious to the non-compliance to traffic rules.

It is common knowledge that deaths caused by road accidents in Bangladesh are, unfortunately, a disturbingly regular phenomenon. As per a recent report by the Bangladesh Passengers' Welfare Association, at least 8,642 people were killed and 21,855 injured in road accidents across the country in 2015. Sadly, vehicle drivers, the traffic police and pedestrians -- through their flagrant violation of traffic rules -- continue to contribute to the growing menace of road accidents.

The issue of road safety is one that Bangladesh has been plagued with for longer than we can remember. The failure to fully enforce traffic rules and the culture of impunity that allows reckless drivers to go scot-free has exacerbated traffic woes. We have now reached a point where the epidemic of road accidents threatens our very urban existence and the need to reverse the trend of road space abuse has never been greater.

LETTERS TO THE EDITOR

letters@thedailystar.net

Guilty policemen must be punished

We are upset and frightened to know that a section of the police force has turned into abusers. News of atrocities committed by policemen is now a regular phenomenon.

We learned that BB Assistant Director Golam Rabbani who was tortured by police on January 9 has allegedly received "indirect threats" to refrain from seeking legal action against his tormentors. It has further been disclosed that two men posing as journalists entered his cabin in Dhaka Medical College Hospital and said things which amount to potential threats.

In another incident of police brutality on January 15, a sub-inspector along with his subordinates beat up a staff of Dhaka South City Corporation official Bikash Chandra Das without any reason.

Police atrocities are increasing day by day and in the last two years, it has increased alarmingly. Shouldn't the reasons behind this be analysed and steps taken to rein in the offending policemen?

Nur Jahan
Chittagong

COMMENTS

"AL faction in Thakurgaon's Haripur go on rampage" (January 17, 2016)

Afrina Khanam

Look at the pictures published along with the news. They are posing with machetes. This is a blatant misuse of power!

Not-So-Sweet-16 "scenarios"



KNOT SO TRUE

RUBANA HUQ

A forty-six page report is supposed to be impressive. An educated guess would indicate that there are at least twenty thousand words in there, which is supposed to reflect erudition. I look at it and assume that the detailed report must be a true reflection of an in-depth analysis done by a highly esteemed organisation that takes pride in being objective. I thought that the report would take me at least three hours to go through. I surprised myself by finishing in about one-sixth of the estimated time.

The report in discussion was one from Transparency International Bangladesh covering the readymade garments industry. I thank TIB for having saved five and a half hours of my time, and in contrast, for the thirty minutes that I spent, I demand a full compensation in either cash or kind. When I started glancing over the first seventeen pages, I stopped for a bit and asked myself: Who could have initiated the "research"?

The very mention of "scenarios" itself indicates that the report assumes incidents that generally happen in the sector. A research, which draws broad conclusions based on ambiguous data, can only earn a label of being incomplete and inconclusive. Most of the "scenarios" were covered in only seven to ten lines under the heading of "description" where no details are offered except for making random observations.

I experienced 16 shocks, while going through the 16 scenarios of the report. The shocks are all humbly listed below:

Shock 1: The first accusation, "Bribing the compliance auditor to pretend compliance thus satisfying the requirement of the buyer", almost attempts to indicate that the sector goes by absolutely loose standards, where the agents of the buyers and the buying houses are absolutely corrupt and that no progress is being made in remediation which ultimately prompts manufacturers to "bribe" auditors. How pathetic! With Accord and Alliance stationed in Dhaka, there is no way we will be allowed to just get away with "bribes".

Shock 2: The second scenario refers to smaller production units offering bribes for securing work order. Post-Rana Plaza, no one has the capacity to allow smaller production units to offer "bribes" and just get the order. There are many steps to list for even a tier-2 sub-contractor. Therefore sub-contracting does not happen... just like that.

Shock 3: The third "scenario" talks about "fake" or "duplicate" documents "tampered" by the factory. Along with this accusation, TIB has once again referred to the auditors taking "bribe" when a factory has "shortfalls". Perhaps TIB has spoken to factories which are either non-exporters or so small in size that these conversations have helped them generalise the sector in the most negative manner possible.

Shock 4: Scenario four refers to suppliers "influencing" the purchase decision of the buyer. This too is actually a repetition of scenario 2 where they have accused smaller units of influencing the buyer's merchandiser to place business to smaller factories.

Shock 5: Scenario five accuses buying house merchandisers to "bound" factories of buying nominated accessories. This is not new. Very often the buyers find it convenient to remain with the nominated suppliers, especially when it comes to labels, hang tags, etc. as there is a requirement from the buyers for all their labels, hangtags to look the same, having the same background colour, the same fonts,



PHOTO: AMRAN HOSSAIN

and basically the same appearance. Therefore, nomination is not necessarily a crime.

Shock 6: The sixth scenario implies that fabric is randomly sold in the open market and that the profit from this is shared with the "collaborator", the local agent of the buyer. This is a serious allegation that demands serious proof from TIB as this would mean that the Utilisation Department of BGMEA is seriously overlooking consumptions and that we are all large scale thieves.

Shock 7: Apparently, the exporters obtain cash against LC. No exporter with a steady business will attempt this fraudulent practice, especially because the false import will be counted as "stock", ultimately putting the exporter out of business.

Shock 8: Minimum wage, work-hour labour rights violation is an issue that is far easily spoken about than checked or remedied. The eighth scenario talks about violation of all of these in "one" factory. Such an isolated and limited reference cannot be the face of the entire sector. And if stray incidents lead to randomly labelling the sector negatively, then one would have to think about the ulterior motive of the report.

Shock 9: The ninth scenario talks more about how buyers change their minds about designs, colours and how they cancel goods at the last minute. This too is a serious issue, which does not apply to all the buyers and even if this happens, it is a business relationship through which the issue is addressed. This cannot be taken as a general practice of the buyer. The relationship between the buyer and the supplier is one of trust and this cannot be undermined.

Shock 10: The topic on illegal subcontracting has been mentioned by TIB a number of times, and scenario 2, 4 and 10 speak of the same thing. Repetition demeans the quality of research and TIB's repetition is no exception.

Shock 11: Auditors accepting bribe to conceal negative findings is once again listed in the report. This too, is an encore, as the same point has been mentioned in scenario 1, 3, and 8. How many times can a report be allowed the right to refer to the same finding over and over again?

Shock 12: According to TIB's twelfth scenario, buyers

cancel work-orders arbitrarily. TIB, in this case, could have spoken to an aggrieved factory and heard only their side of the story. No buyer would cancel any product unless there are some deviations. Had this been the practice in Bangladesh, brands and retailers would have been banned from doing business a long time ago.

Shock 13: The thirteenth scenario accuses Inspection/Compliance reports of being manipulated by buyers. One must understand that buyers have no ultimate interest in cancelling a production unit or produce orders unless their reputational risk is in question.

Shock 14: PU bribing inspectors to accept defective garment is another thing of the past, as with quality monitoring systems set in almost all the factories, the in-line inspection reports caution producers so that the defects are rectified in the final inspection.

Shock 15: The fifteenth scenario is also something that could have happened long, long ago. No single individual is responsible for approving shipments. Teams come into the factory floors to check and pass/fail inspections. Third party inspectors often get involved. So bribing just one person cannot guarantee a safe export.

Shock 16: Accusing the buyers of conducting fake inspections must be backed by substantial proof. The buyers just don't "fake" inspections at port to secure discount. This is not a regular practice.

In all honesty, TIB had likely spoken to a few factories which probably described their plight with an extra dose of prejudice. A report cannot be termed a report unless it has clear and "substantial" data. Otherwise the report would only look like a compilation of hypotheses, being threaded with a few isolated irregular incidents. Nothing justifies such an aggressive publication, putting the whole sector at risk at a time when brands and suppliers are trying to bridge all the differences and are trying to work together for the ultimate good of the sector.

Calling exporters thieves, naming inspectors corrupt and accusing buyers of rogue practices does not help the industry.

The writer is Managing Director, Mohammadi Group.

Wasting Away

MOHAMMAD SIRAJUL ISLAM, GAZI ARAFAT UZ ZAMAN MARKONY and NADIR SHAH NADIM

A professor of Oxford University recently stated in an English daily that almost 60 percent of waste remains uncollected in Dhaka. On the contrary, officials of Dhaka City Corporations said in interviews that the rate of daily uncollected wastes might be about 20 percent. Differences in estimation of uncollected wastes could have occurred because of coordination failures between the arrival of vans with domestic waste at container sites, and that of compactors/trucks to clear waste from containers. A recent study by the BRAC Institute of Governance and Development (BIGD) reveals that while van men collect wastes during the day, the corporation starts clearing wastes from 10 pm, meaning piles of waste remain in container sites for a long time. This creates a negative perception among citizens regarding waste clearance from the city.

Likewise, in case of sweeping the streets, there is a disparity in the timing of disposal of commercial wastes and the time of sweeping by the cleaners. It has been evident that wastes from roadside shops are disposed after the roads are swept by cleaners in the morning. Such practices have generated a negative perception about the cleanliness of the city mainly undertaken by the cleaners of the city corporations. Currently, the corporations can issue a notice or file a case for illegal dumping of waste. However, due to the lengthy process of settling of cases, including physical appearance before the court, officials are less willing to file cases. Hence, they aspire for legal empowerment to impose fines on the spot for breaching waste management related directives of city corporations. Such empowerment is critical to control waste disposal made by mobile population and roadside vendors, since it is difficult to track these people while filing cases or issuing notices.

Another way of controlling random disposal of waste is to make city dwellers conscious by distributing leaflets, organising rallies, ward meetings, street dra-

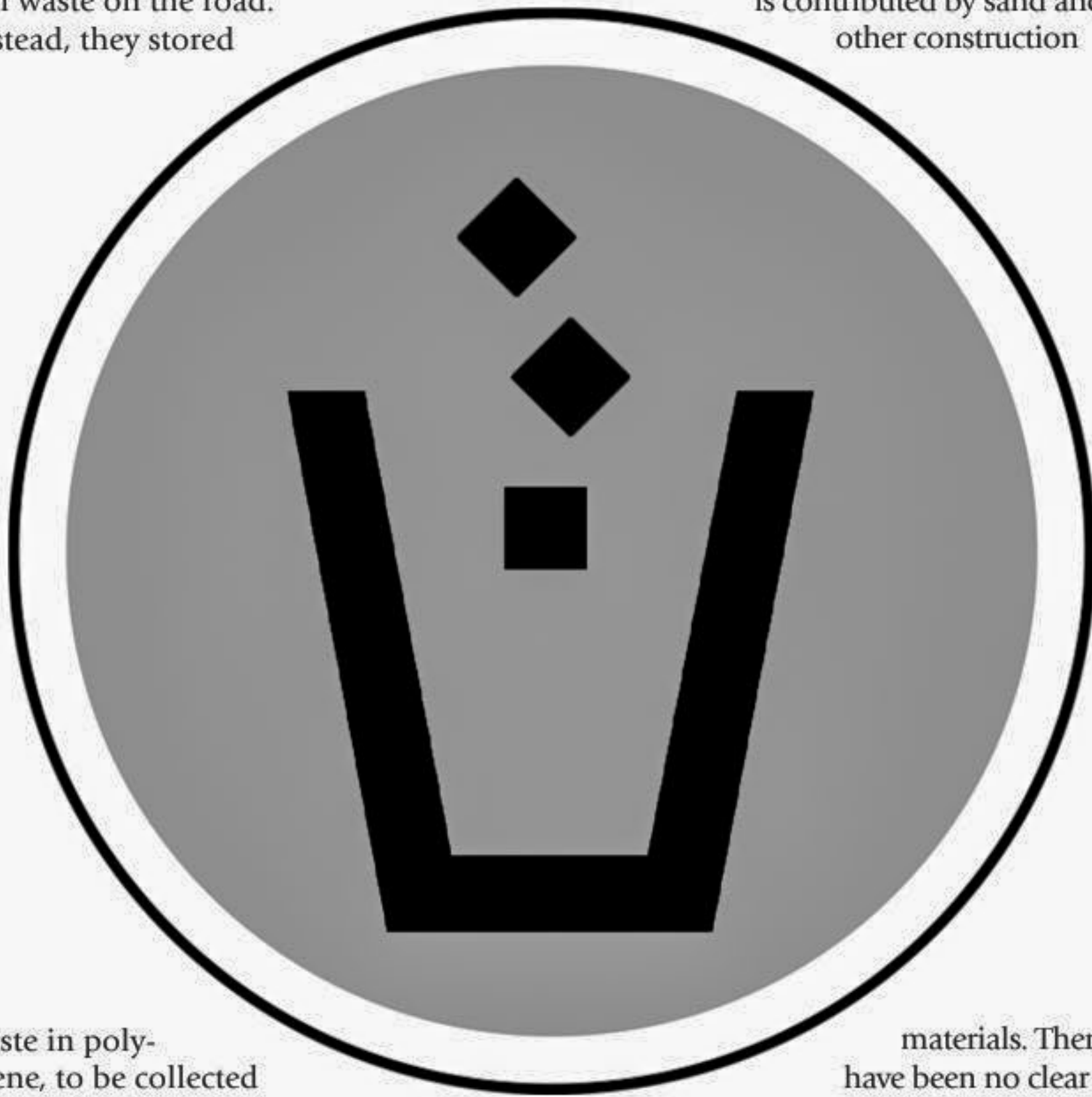
mas, verbal announcements, advertisements through radios and televisions, and social networking to ingrain values on waste management among public. With support of the Japan International Cooperation Agency, the corporation tried to develop a ward-based approach for awareness building of the community. In this approach, a monthly ward meeting used to be held between the corporations' officials with local stakeholders. Because of their campaign, roadside shop owners in an area of old Dhaka have stopped dumping commercial waste on the road. Instead, they stored

collaboration of the City Corporations.

Further worries of the city corporations are to deal with heterogeneity in composition of waste and non-conventional waste in various wards. For example, leaves or tree branches contribute to significant amounts per day in one of the wards under the Dhaka North City Corporation. Remnants of clothes and papers are found everywhere in the wards of old Dhaka thanks to the largest wholesale markets of the country, present in that area. Apart from conventional waste, a significant portion of street waste is contributed by sand and other construction

cleaning up the residuals of construction work might improve waste collection in Dhaka.

It must be borne in mind that waste collection and waste storage should go hand in hand. However, waste storage capacity in Dhaka is quite limited. Lack of suitable places is the greatest challenge for city corporations in placing the containers in appropriate sites. Such sites have not been earmarked in urban land use planning, and in the absence of a plan, city corporations place containers besides markets or parks most of the time. The corporations plan to set up at least one secondary transfer station (STS) at each ward to hide waste from public sight; however, its implementation



waste in polythene, to be collected by corporation cleaners. However, in absence of a ward office and a lack of funding, ward meetings cannot be organised regularly. Awareness building activities in collaboration with national and international non-government organisations need to be continued. The contract given out for mid-islands of roads to various private companies or agencies for beautification in exchange of allowing them a free advertisement has been a successful

materials. There have been no clear guidelines to take care of this non-conventional waste. Cleaners find sand most problematic while sweeping, and while piling up and transporting sand and construction materials to containers. It also causes the blockade of drains. Construction work induced problems cannot be checked without bringing any change in transportation of construction materials. Further, introducing proper cleanliness guidelines in construction sites and making estate owners responsible for

It must be borne in mind that waste collection and waste storage should go hand in hand. However, waste storage capacity in Dhaka is quite limited.

remains a challenge. Finally, the heterogeneity across various wards in terms of waste types, control over use of resources for waste management and other ward specific problems create impediments against the application of any uniformed policy across the wards under the city corporations. Even though some improvements have been reported through the deputation of the cleaners to the ward level and through organising citizens' awareness programmes at the ward level, hardly any step has been undertaken so far to adopt a comprehensive decentralised form of governance for solid waste management in Dhaka.

The writers are researchers at BRAC Institute of Governance and Development, BRAC University.