

Scrutinise, but be objective about it

NSF - 24/9/2006

BEING related to the Prime Minister isn't much fun these days.

Companies that you are involved in suddenly become accountable to not only shareholders and regulators but also committees of politicians in Parliament and the public at large.

Your liabilities are considered assets; in other words money that you borrowed is mischievously interpreted as money that you actually own.

Contracts that your companies have won through competitive, international tenders, as opposed to directly negotiated awards sanctioned by the Ministry of Finance, are considered evidence of nepotism.

There is no doubt that public scrutiny into the affairs of the Prime Minister and his family is good. After all, the public want to make sure that there is no abuse of power in the most powerful office in the country.

They want to know that there is a clear demarcation between the affairs of government and businesses that are conducted by those related to the most important person in government.

But at the same time, this scrutiny must be based on objective standards that respect fact and not subjective criteria that are the stuff of gossip and innuendo.

If it has been revealed, for example, that a company partly-owned by a relative of the Prime Minister had won contracts from government-owned companies through a transparent, open tender, why is that fact used as a political weapon?

Simply because what is juicier for people to talk about is not the manner in which the contract was obtained,



but the fact that it is a contract from a government-owned company.

It does not matter that the contract was won fair and square, not on the basis of know-who but on the basis of being better and more competitive on a level playing field.

What about the fact that that same company has more business with other private companies than with government-owned companies?

We are not talking here about a company that relies almost completely on supplying government-owned companies.

We are talking about a company with a major part of its revenue coming from international and non-government related businesses.

So why confuse the trees for the forest?

I suppose I can think of several reasons. One is the tendency to not wanting to read past the headlines.

People are excitable and nothing excites more than the possibility of a scandal. This is the high stakes, political version of crowding around a road accident.

You literally want to see blood on the streets and what better carnage to see than that with greatest political impact. As a result, the truth and every nuance of fact is forgotten.

There is also the role played by those who have an axe to grind. They

“
So no matter how things are explained, it will always be met with a healthy dose of scepticism. Even if the explanation is crystal clear, logical and factual we are still looking for that prawn hiding behind the rock.”

are upset for some reason so they deploy a classic propaganda tool that's been well-honed in this country over the years: Repeat ad nauseam.

They say if you repeat something often enough it gains veracity, much like what kids are told in an attempt to scare them from not insulting oth-

ers — that if they call someone an ugly animal enough times, they will turn into the said beast.

By the same logic if something is repeated often enough, even bereft of facts, it can be believed and we are all guilty of having so easily believed in times gone by.

Then, there is the fact that we now live in a different environment. Transparency and openness are the new ethos of governance and he who is responsible for this new culture ought to be subjected to its exacting standards too.

There is no disputing this. But why has this new climate of disclosure led to a cynical collective consciousness that refuses to accept what is fact, and instead indulges the spin of those with hidden agendas?

The answer may be that people tend to overcompensate after going through a particularly turbulent period. After experiencing extreme conditions, corrective measures are taken to make sure the sins of the past are never repeated.

Take for example our legislation and codes on corporate governance. Much of what we have today was introduced after the financial crisis and many businessmen say that we have overcompensated by putting in place some of the most stringent regulations in the world.

The same is true for capital markets regulation and monitoring of accounting standards in the United States in the wake of corporate scandals like Enron.

Legislation like the Sarbanes-Oxley Act may have been necessary to rectify the ills, but it has also led to capi-

tal markets in Europe looking more attractive because of the almost-draconian compliance standards set by the new legislation.

So, bringing the matter home, it is quite possible that the truth of the matter is always set aside because people assume the worst based on what has happened before.

The public's cynicism is overcompensated because of what they have seen previously and they have no reason to believe that new people in the same position will act any differently.

So no matter how things are explained, it will always be met with a healthy dose of scepticism.

Even if the explanation is crystal clear, logical and factual, we are still looking for that prawn hiding behind the rock.

Well, not everyone is the same. People have different moral standards and capabilities. Some believe there is nothing wrong with dipping your pen in company ink.

Others feel that asking for favours insults their intelligence and capabilities. Some feel it's okay to use affirmative action as an excuse to secure cosy deals.

Others have learnt to compete with the world from an early age. Some come running back for help when they run into trouble. Others are willing to go down with the ship.

Yes, by all means make sure that people in power and those around them aren't walking away with government cutlery — but acknowledge also, the facts of the matter — and recognise who is living in denial and expecting others to live a life they never came close to living.