

Corruption at the UN

A high-level consultant has been appointed by the United Nations to probe alleged corruption by personnel of the world body in countries where the UN is engaged in the peace-keeping operation. They would include Cambodia, Somalia and even Bosnia where unimaginable human suffering should have got all the attention of the so-called peace-keepers, with little time or inclination left for alleged involvement in black-marketing or currency manipulation.

The consultant, an Egyptian diplomat, appears on the scene at a particularly difficult time for the United Nations. The world body has been under fire from the developing world for its indecision, almost bordering on indifference, on the Bosnia issue. No one doubts that it is a complex situation. But no one would suggest that the world body has acted with firmness, reflecting the concern of the international community over the situation in the strife-torn bleeding republic. In the other two places, too, the UN's role has been controversial, with more questions asked, than answered, about its performance. Now, adding a new complication, the UN says that it has run out of funds for relief in Bosnia, while the United States has been slow in paying up its dues to the UN, unless its structure is thoroughly reformed and overhauled.

Although assured of a welcome, the move may well be viewed with some misgivings. After all, how much can one individual UN consultant do to get to the bottom of this sordid affair? At this moment, the media has published little about the background of the consultant or his terms of references. He will presumably have his own setup which, we hope, will have persons with intelligence or police background, with knowledge to look into the grey area that involves alleged corruption, from currency manipulation to molestation of women, the sale of drugs to downright black-marketing. True, it won't be hard to apprehend some guilty ones. However, the question is what went wrong with the general supervision that allowed the situation to reach such a dismal stage. In Cambodia, Somalia and even Bosnia—and probably later, in other African countries?

The anti-corruption mission would, of course, visit the countries where alleged corruption has taken place. However, there may be much to do at New York headquarters of the United Nations and at other offices of the UN agencies in Geneva, Vienna and other cities. Many UN personnel for Cambodia, Somalia and Bosnia were probably hired in a hurry and rushed to the scene. The Egyptian consultant — or his setup — should look into the procedure and see where it went wrong — and how it can be improved.

The hiring of a UN professional is easier than firing him (or her). There are all kinds of rules — including appeals — which often protect even an alleged offender. There are times when an official from the UN body is seen to be above normal law of the land. Let us hope this will not happen with the investigation that has been launched.

Let us also hope that this will be the start of a process, however complicated it may be, that helps in setting things right within the entire UN system. Much is wrong within the system. Many books are in the market focusing on a whole range of issues, from hiring of UN officials to the system of work, favouritism to growing lethargy in UN offices. Now, alleged corruption in peace-keeping operation turns the situation into a totally unacceptable one. Unless the world body can handle the situation with firmness and speed, the credibility of the UN will drop further — perhaps to all time low level.

The King of Sardars, Reticent and Right

There must be some very good reasons why Dhaka doesn't remember its worthy men and women of extraordinary achievement. Most of Dhaka's cultural and political, social and professional supernova belonged to the British colonial times. Listing only the names would need a volume. Together with the bathwater of one and undivided India, and, more so, Bengal — the present day Dhakaite has thrown the baby — its worthy children that is — out of the window. The second big reason: conversely to Tagore's aphoristic 'Kalikata aachhey Kolkate!' Dhaka has long ceased to be Dhaka. The delicious flavour that was Dhaka's soul, a very special way of life replete with all that is good about life — has long vanished under the welter of its trying to become a nondescript capital city of sorts.

Yesterday was the 31st anniversary of the death of Mirza Abdul Kader — a most colourful personality of Dhaka of the first half of the century now on the way out. Two things made him stand out miles above his illustrious contemporaries. A commoner with no formal education he surpassed in social eminence and sheer power the overwhelming presence of the Hindu intellectuals and social leaders on the one hand and, on the other, the overweight of the scions of Khwaja Alimullah — better known as Dhaka nawabs of the British brand who ruled Muslim Dhaka from just across the street.

The gutsy Kader Sardar, as he was lovingly called, challenged the Urdu-speaking Kashmiri dynasty decreeing its way on the backward masses of Dhaka Muslims and time and again became the chief of the Bais-Panchayat — the parallel administration then ruling the society of purebred Dhakaite. This he was till death took him away in the opening days of the fifties.

He had something terrifically *avant garde* both inside and about him. Imagine an illiterate *mahalla sardar* riding a Rolls and, when needed, flaunting royal honours on his breast and owning and running a professional theatre hall manned by native and imported actors and actresses, marrying two from among the latter. Traditional Dhaka Sardars, as exemplified by the dear late lamented Moti Sardar, lived almost wholly on the gift of the gab. The Mirza had no use for that. His was a presence that spoke a thousand words and sang a hundred melodies, all at once — and even more. And yet he was only a small, sparse and darkish man without any distinction of the exterior whatsoever.

The Mirza was feared and followed, loved and venerated for two great traits in him. He was fearless and uncompromisingly tough against what was wrong. And he championed what was right with all his life. His was a life-long striving lighted up by a culture emoting from within. No doubt this accounts for the achievements of his nephews — who were unto him more than his own offspring — Nazir Ahmed, Hamidur Rahman and Saeed Ahmed, none of whom need an introduction in Bangladesh.

Remembering Kader Sardar is one good way of discovering all that was good and preservable in our days gone by.

JAPAN'S aristocratic Prime Minister Morihiro Hosokawa told members of his seven-party coalition at their first meeting that, like Caesar's wife, they should be above suspicion.

On their "historic mission" to bring about political reform and end the "money politics" system which has hamstringed change and excluded the electorate from shaping the nation, cabinet members must be "upright and selfless and take the lead in disciplining themselves," Hosokawa said.

After almost 40 years of one-party rule by the Liberal Democratic Party, which lost its Lower House parliamentary majority in elections on July 18; after generations of collusion among the so-called "iron triangle" of politicians, the bureaucracy and business; and after a slew of major political corruption scandals stretching back to 1975, the call-to-arms sound a tall order.

But despite criticism that the new government is too heavily influenced by Shinseitō, a break-away party of defectors from the old ruling LDP, and is likely to break up before it begins its real work of reform, the prospects for a modest reshaping of Japan's political and social landscape are better than they have ever been since the post-war system was put in place.

The twenty new cabinet members of the Hosokawa government, with an average of 59, are regarded as relative youngsters. More than age though, their variety is notable. Three women hold positions, more than any previous cabinet, and two ministerial posts — Justice and Education — are held by non-politicians.

Takako Doi, the former leader of the largest opposition group, the Social Democratic Party of Japan, is the first woman to become speaker of

New Japanese Premier Promises Change

Philip Short writes from Tokyo

Morihiro Hosokawa, the new Prime Minister of Japan, has promised to cleanse his country of corruption. After almost 40 years of one-party rule by the scandal-ridden Liberal Democratic Party (LDP), the Japanese now have a leader they can trust. But critics say, reports Gemini News Service, that the new coalition government is heavily influenced by former LDP members, and likely to break up before reforms have a chance to begin.

the Lower House of the Diet. Perversely, in her largely honorary position as speaker, Doi may exert more of an influence on the dusty old school of Japanese politics than her normally more powerful colleagues.

Doi won the vote for speaker only after procedural wrangling with miffed members of the new opposition LDP who wanted one of their own in the chair, and despite her views on doing away with the traditional style of backroom Japanese politics.

Although sceptics charge that she was manipulated into the position to "neutralize" her leftist tendencies and minimise her impact on the Hosokawa government, already she has made subtle influences.

Looking down on the house from the speaker's chair, she refused to address the members in traditional ceremonial language, and instead began her inaugural speech with "ladies and gentlemen." Not earth-shattering perhaps, but indicative of a growing mood that it is finally time to concentrate on content rather than form.

As for Hosokawa, he too has drawn attention for his business-like manner, good looks (he once had a movie role as a samurai) and the hint of gravitas which taken together give him something approaching charisma.

In his home territory of Kumamoto, in Kyushu, southern Japan, he's known as "Lord Hosokawa" in reference to his aristocratic heritage. He is a direct descendant of the medieval rulers of Kumamoto and the

grandson of Fumimaro Konoe, who served two terms as prime minister during World War Two, before committing suicide to avoid arrest and face war crimes charges.

Konoe's rule coincided with Japan's invasion of China and the expansion of the so-called Greater East Asia Co-prosperity Sphere, the Japanese phrase for imperial rule. The importance of Japan's wartime activities is not lost on Hosokawa, who has become the country's first leader to speak candidly about the war.

"It was a war of aggression, and it was a mistake," he said during his first news conference. This forthrightness is in spectacular contrast to the previous government which only toward the end of its term, for example, grudgingly admitted that force had been used to recruit "comfort women" for military brothels.

On political reform, the issue which led Hosokawa to form his Japan New Party just 14 months ago, he is equally forthright. He wants to decentralise decision-making power in favour of regions, make the parliamentary process more transparent by simplifying the electoral system, and reduce the massive sums spent on vote-buying. He solemnly swore to pass a package of reform bills before the end of the year.

On economics and foreign

policy, however, the Hosokawa coalition has promised no major changes. An income tax cut has been all but ruled out and relations with the United States remain pivotal to Japanese diplomacy. In fact, some have gone so far as to brand the Hosokawa cabinet a "second LDP cabinet" because of the monopolisation of key posts such as Finance, Defence and Trade by LDP deserters.

"How can one make sense of a coalition that on one hand includes Shinseitō — once at the very heart of the corrupt LDP — and on the other embraces the left-leaning Social Democratic Party of Japan?" asked the columnist Masahiko Ishizuka. The unlikely pairing, he remarked, adds to the feeling that there is no clear sense of direction.

There is irony too, in that Hosokawa himself is ex-LDP, and once enjoyed the factional patronage of Kakuei Tanaka, the infamous former prime minister who made the country his personal fiefdom in the 1970s.

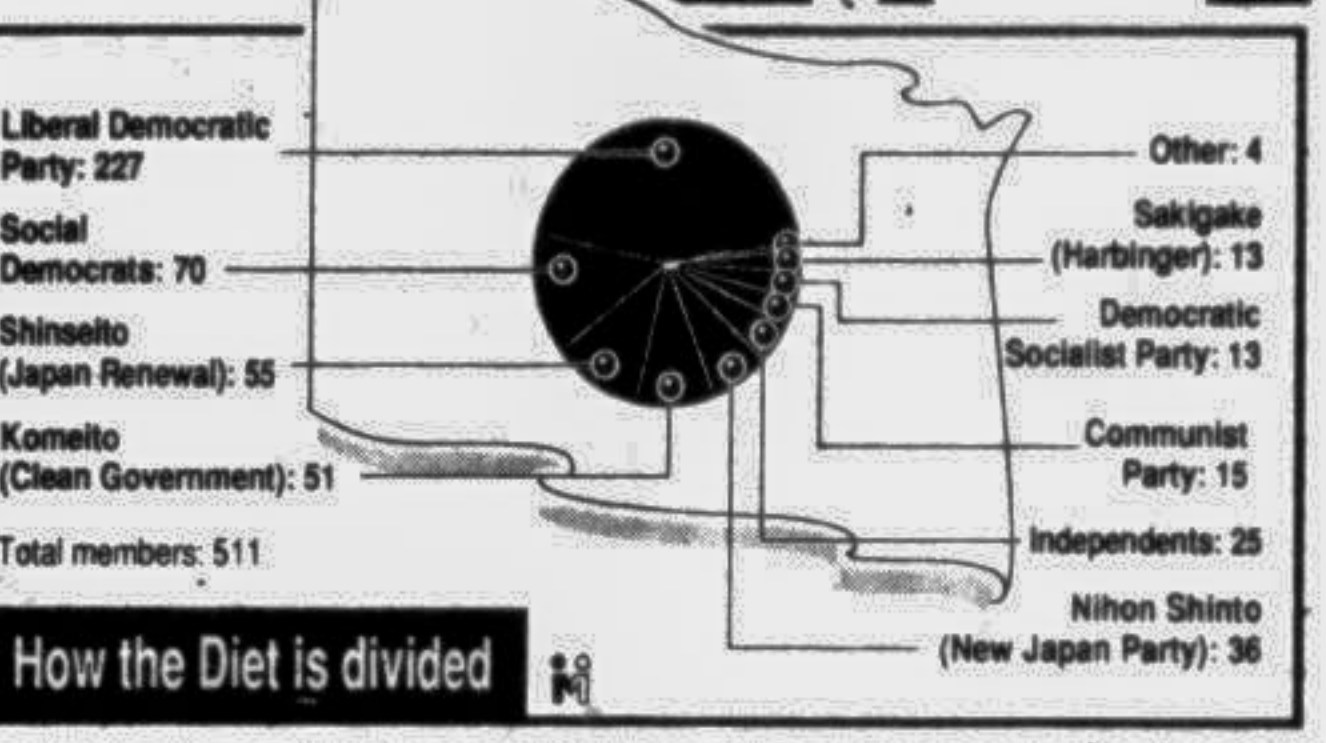
Other proteges of Tanaka were Tsutomu Hata, the new Finance Minister and deputy Prime Minister, and Ichiro Ozawa, who is widely believed to be the Machiavelli behind the break-away Shinseitō — and even the coalition government itself. Whether Hosokawa can deliver on his promise of political reform depends on how genuinely cabinet members fell their sense of mission, and how willing they are to set aside personal and doctrinal differences on behalf of the country.

On one issue at least — confronting the past — Hosokawa has shown himself willing to take a principled and not wholly popular stand. From a conservative in a conservative land, that is progress.

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The new Nippon

Prime Minister Morihiro Hosokawa, founder of Japan Renewal Party, leads a seven-party coalition



Proper Taxation is Necessary for Domestic Resource Mobilisation

by Anu Mahmud

THE Finance Minister presented to the Jatiya Sangsad the proposed budget for fiscal year 1993-94 envisaging total government expenditure at Tk 199,52 billion with the overall deficit, to be mostly financed by foreign aid-loans and grants, estimated at Taka 76.17 billion.

The proposed budget envisaging tax revenue receipts at Tk 188.35 billion and non-tax revenue at Tk 23 billion, carried the least of any additional or fresh tax measures. The tax revenue in the forms of income tax, customs duty, excise duty, VAT, supplementary duty and other taxes collected by the National Board of Revenue (NBR), was projected in the proposed budget at Tk 93.60 billion as against Tk 84.50 billion under the revised budget for fiscal '92-93. The non-NBR portion of tax collection like those of narcotics duty, land development tax, non-judicial stamps, registration and taxes on vehicle was estimated under the proposed budget at Tk 6.75 billion, compared to Tk 5.80 billion under the revised budget for fiscal '92-93.

Fiscal Measures

The budget proposed wide ranging cuts in direct tax rates, further reduction of prescribed rates of customs duty on about 2,870 items of imports out of a total of 12,800 and withdrawal of VAT from cattle and poultry feed, milk products, insecticides and jute cuttings.

New fiscal measures on taxes and fees under the proposed budget, included imposition of a minimum duty at 7.5 per cent on imported rice and imported books, raising the rate of duty on imported wheat to 15 per cent ad valorem from existing 7.5 per cent, enhancement of the rate of duty on imported infant food, in retail, to 30 per cent from existing 15 per cent, adjustments in rates for bonds including customs duty, hikes in duty on revenue stamps — Taka four on a uniform basis from existing Taka one and Taka two denominated revenue stamps, increase in tax on taxicabs with capacity to carry upto four passengers from existing Tk 1000 to 1200 with provisions for proportionate increases in cases of other taxes, buses and

lorries, enhancement of foreign travel tax by about Tk 50 in each case and raising duties on imported antibiotics and drenchillies.

There would be a gross loss of Tk 1.14 billion on account of income taxes, Tk 2.28 billion in customs duty and Tk 400 million in VAT. The proposed new tax measures would on the other hand yield additional revenues of Tk 190 million in income taxes, Tk 300 million in import duties, Tk 50 million in foreign travel tax. The net loss in total revenue under the proposed fiscal measures would thus stand at Tk 3.26 billion. Instead of proposing fresh fiscal measures to cover this deficit, efforts would be made to strengthen administrative and procedural reforms to collect an additional revenue of Tk 3.88 billion in '93-94 fiscal year.

RICH DO NOT PAY DUE TAX!

It is an open fact that the rich in this country do not pay their due income tax and the main brunt is borne by the middle income group. The lower income groups are also affected because of the indirect taxes. Steps should be enforced to make the rich pay their due share of taxes. From a recent study it has been found that some 200 leading businessmen under survey paying insignificant amount of tax.

Low Domestic Investment

To further improve the macro-economic situation and the present position of low level domestic investment climate, sustained efforts are needed to help and support the genuine entrepreneurs and businessmen. It is, however, heartening to note that government is determined to support export led growth, and it is hoped that the government will not hesitate to take some 'hard options' where the nation's welfare is concerned.

NON-PRODUCTIVE SPENDING: A genuine businessman or an industrialist would never contemplate earning more than 15 per cent-20 per cent profit on his investment, while a fake entrepreneur may eat up the entire loan money. The country, therefore, is deprived of possible employment, goods for export, and the government loses income tax and excise duties. The

non-productive spending thus has also multiplied inflation.

The government also must reduce the 'fat' that has accumulated in the non-productive public sector. We tend to have three persons in a particular job, where one or two should be enough (case of disguised unemployment). In many cases public expenditure is totally unjustified and only add to our 'systems loss' and the operation of 'Parkinson's Law'.

The low per capita growth rate of Gross Domestic Products (GDP) in Bangladesh is closely linked with our low level of domestic savings and a low level of domestic investment, as we are surrounded by the 'vicious circle of poverty'. The gap of more than 8 per cent in the level of domestic savings is made up by foreign aid most of which is received as loans. This year's Aid-to-Bangladesh consortium has again made commitment of \$ 2.15 billion which is expected to encourage both our domestic and foreign investors planning to invest in Bangladesh.

The mobilisation of domestic resources is, of course, has always been insisted upon by aid giving countries and the consortium. Ban increase in collection of taxation, as reported to be under consideration in the budget '93-94 is undoubtedly problematic on account of the uncertainties in both the agriculture and the industry sectors of the economy. Our low level of savings is an obvious obstacle which has to be overcome.

This comes up as an important consideration particularly when we compare our savings with other countries' in the same region of the world. India saves about 21 per cent, Pakistan saves about 13 per cent, Sri Lanka about 12 per cent, and China about 39 per cent of her GDP. Our savings of 2 per cent of the GDP in 1989 and 1.6 per cent in 1990 compare very unfavourably with the savings behaviour of these countries which are also considered to be underdeveloped.

Dependence on Foreign Aid

Our dependence upon foreign aid increases with every shortage of savings. Thus we

have to depend to the extent of about 9 per cent of the GDP for investment of the value of nearly 11 per cent of GDP. With the volume of savings declining to 1.6 per cent of the GDP, our dependence on foreign aid increases further. With a capital output ratio of 4:1, an increase of GDP by 2.5 per cent requires an investment of four times as much, that is to say, by 10 per cent just to keep the per capita GDP where it was. A one per cent per capita GDP growth would require a four per cent increase of the volume of investment. With our present low level of saving that would be too much to hope for. Even a non-increase of per capita growth of GDP makes us dependent upon foreign aid to the extent of about nine per cent of the GDP which is about as much as we are receiving right now.

The assertion we always love to make in season and out of season, particularly around the time of the presentation of the Government Budget to Parliament in June every year, is that we have to make our economy 'self-dependent'. The only way to achieve this goal would be to make do with whatever savings we ourselves can make. That is to say, not to ask for foreign aid. With the big savings-investment gap existing right now, this is obviously impossible. For making some progress in that direction, however, we have to increase our national savings. Changing our spending habit in favour of more savings, reducing our consumption need possibly by promoting family planning and similar moves, promoting the tightening of our belts would obviously be helpful in the matter. All these measures would call for shouldering the responsibility of promoting savings by both the government and the people for mobilising domestic resources to expand the volume of revenue earnings.

Now it is necessary to increase the revenue earnings of the government. For this reason it is an urgent task to increase the amount of tax. But the tax paying capacity of the people is limited and at the same time they are shouldering the burden of direct and indirect taxes.

Permit Fee and taxes between the government and private sectors should be eliminated.

(v) Low tax rate on GP and CI sheet should be introduced as these are consumed by the lower middle class and poor people of our country.

(vi) Corporate tax rate be fixed at 35 per cent at the maximum.

(vii) To invigorate the capital market, profit on selling shares, debentures, unit certificates

should be exempted from the existing capital gaining tax.

(viii) Adequate measures, including improved currency reforms, to keep the country's exports competitive in the international market, will have to be taken.

(ix) VAT rate should be lowered to 10 per cent from the current rate of 15 per cent.

(x) For the improvement of transport system, new cars of 1600 cc or above, attached with metre as taxicab may be imported on priority basis under 50 per cent tax rebate.

(xi) High rate of tax on gas for burning of bricks should be reduced upto a justified level.

(xii) Level of individual taxfree amount should be raised upto Tk 1,00,000.

(xiii) Import of gold under legal way should be introduced for checking smuggling of gold.

(xiv) Gold Bond may be introduced.

(xv) Improvement in the system of tax administration and collection shall have to be worked out.

(xvi) Private initiative should be honoured properly and all sorts of co-operation extended from the government side.

Considering the above conditions and position of our poor economy, it is necessary to take proper steps regarding new taxation in the budget for the accumulation of more domestic resources to gear up the economic activities towards the much envisaged self-sufficiency. The success of this process will lead towards curbing of dependency on foreign aid for smooth functioning our development activities.

(viii) Presumptive tax as an income tax at Tk 1000 per annum on every retail and wholesale shop in every district town may be introduced.

(ix) Dissimilarities in Import Permit Fee and taxes between the government and private sectors should be eliminated.

(x) Low tax rate on GP and CI sheet should be introduced as these are consumed by the lower middle class and poor people of our country.

(xi) Corporate tax rate be fixed at 35 per cent at the maximum.

(xii) To invigorate the capital market, profit on selling shares, debentures, unit certificates

To the Editor...

On international film awards

Sir, While the Censor Board is busy strangling Tanvir Mokammel's short film 'Smriti Ekkattur' and the concerned authority bans Taslima Nasreen's book 'Lajja'... against such a background, our most honorable Prime Minister, handing out the National Film Awards, bemoans the fact that foreign film-makers win international awards by making films on Bangladesh and wonders: "Why aren't local film-makers getting such awards?" She then rounds up her comments by wisely observing: "Now we have to go for self-analysis."

Before her remark leads to a spate of seminars at the best hotels, may I borrow some space to make an appeal to her and at the same time offer — as an humble citizen conscious of my own inadequacies — a few suggestions? Could she possibly — (One) — instruct the authori-

ties to release their stranglehold on the TV and the Radio since these are the cradles for nurturing talent and shaping culture;

(Two) — ban them from spoonfeeding the nation with sugarcoted pills and allow truth, instead, to have its day. Although it can be bitter at times, I'm convinced that our people are strong enough and wise enough to cope with the facts in their undiluted form;

(Three) — bring to an end the attempt by certain vested quarters to shape history. Fiction may be engineered but History has its own inbuilt safeguards to protect the truth and at the end of the day it is always History that prevails;

(Four) — subsidise the film industry on condition that it produces films reflecting reality, not tinsel imitations of Bollywood. And to show that she means business, could she kindly instruct the Censor Board to take its paws off Mr Mokammel's 'Smriti Ekkattur'?

Today, buffeted by contradictory versions of the truth and with very little incentive to admire their own culture, our youth no longer know whom to emulate and settle instead to becoming hybrid in their attitudes. They adorn one wall with the portrait of Amitabh and the other with posters of Imran Khan, admiring them both but responding to different slogans from different sources.

I appeal to the honourable Prime Minister: Only you, Madam, standing as you are at the helm of the nation today, can lead the country out of the mess it's in. Bring about the changes that are so desperately needed. Free us from this stranglehold that threatens to destroy our youth. Give us the room to breathe in, Madam, and we promise to provide you with the poets and playwrights that you can truly be proud of. And international awards too.

Shaf Rahman, Chor Komlapur, Faridpur.

Training for MPs

Sir, Members of Parliament are very important people in the country. Many of them are cultured, well behaved and will be disciplined. But conduct and behaviour of some of them are far from satisfactory. Hence it is felt that there should be a training centre for MPs where they can be taught parliamentary etiquettes, norms and discipline and also how to deal with Govt officials and conduct parliamentary committee meetings etc.

The idea is not to cast aspersions on anybody but to change things for the better. There is no end to one's learning and MPs should not mind going through such a course. This will definitely improve their own image and make them good legislators for the country.

Nuzhat Rummana Fulbart, Sylhet.

OPINION

No Jamuna Bridge?

A Mawaz

The JAP has been stalled: In India, the huge Narmada Dam Project has been stalled. Now the economic and technical feasibility of the Jamuna Bridge project are being questioned. Is there a pattern in these stalling methods? Who are doing it and why (openly or pulling the strings from behind)? Why these afterthoughts, after a large number of teams of international experts had spent millions of man-hours for several years into the studies before the donor countries agreed to finance a project?

It should not be presumed that a poor LDC such as Bangladesh should be spared from the effects of global, regional or group strategies. In the game of politics, internal or global, there are no 'enemies', only subtle strategies suiting the short or long term interest of vested groups. These groups could originate from three sources, internal, external or global. A global example is the treatment of Iraq by the West, vis-a-vis the delaying tactics employed in Bosnia. Another possibility is to publicize donations to big projects, and then use other agencies to find loopholes in it, to stall it, to achieve certain objectives, which may be not so transparent.

Technical objections could be bluffs, or illogical, depending on the specific case. For example, it has been reported that now the Jamuna bridge is not essential as high speed ferry

crossings are in operation. The most essential part has been left out, namely, the saving of time. Saving of minutes may save million of dollars in several years. Besides, the inconvenience of two transshipments at the two ghats has been ignored. This type of petty objections look fishy. The probability of local political manipulations is accepted, but why point these out so late?

Therefore, to dispel suspicion, the origin of the master manipulators should be carefully checked. It would be acceptable if the outside experts had expressed doubts about some details of the Jamuna project; but to claim that the very project should be scrapped looks incredible at this stage, after so many evaluations of several Jamuna bridge projects under different regimes.

It may be interesting to speculate whether a new type of sabotage technique is being employed nowadays, namely, to try to stall the big projects in certain parts of the world. This suspicion would not be so unfounded when it is noted that some of the big donors are tying certain ethical standards to the lifting of sanctions or to the granting of favours. We have to work under unfavourable climates, therefore a close watch has to be kept on who are interested in what, for which purpose. The world is getting smaller, and familiarity tends to breed contempt.