

## Intolerable Civic Life

To be blunt, the citizens of Dhaka are simply fed up with the trouble they have to face everyday. Starting from irregular water supply, frequent load-shedding, overflowing and stenched open drains, pot-holed roads and endless traffic jams, there appears to be no end to the troubles we face everyday in the capital city of ours. We want to state in clearest of terms that city fathers have totally failed to respond to the needs of the citizens.

We recall the statement of the LGRD minister, made late last year, that by May '97 Dhaka would be made a modern city. We knew that it was political hyperbole then, but did not dream that it was as empty as it turned out to be. How could a senior minister, and the general secretary of the ruling party make such a meaningless promise? If he really did not intend to do anything, then why say such thing? But he did, and we should hold him to it.

What about the promises of the first elected Mayor of Dhaka city? His election was an historic occasion but his tenure turned out to be shamefully uneventful. There was so much hope pinned on the new Mayor, not only because he was an elected person but also because he appeared to be dynamic, modern and widely acceptable. We still remember how he began by visiting the house of the out-going Mayor and sharing sweets with him, thereby immediately sending a signal that he would be different. Regrettably, he turned out not to be so, and the new spark ended almost as soon as it was lit.

Mayor Hanif gets our sympathy when he says that he did not get the support and financial backing that he needed both from the BNP government and from his own. But this sympathy fades when we consider what he did with whatever support he got, in the form of the existing budget, staff and the programmes. So after nearly four years of Mayor Hanif's term, Dhaka remains as unlivable, if not more, as it was when he took over.

There is still time. For the rest of Hanif's tenure, and of his party government, singleminded attention should be placed on ameliorating the plight of this city. While electricity and water belong to the government; drainage, rickshaw, pot-holed streets belong to the Mayor. We are tired of seeing responsibility being passed on to different people and institutions. We will hold the government and the Mayor responsible, because they are our elected representatives. We are tired of seeing no improvement and we are angry. If those in authority really care for our votes, then they should wake up fast.

## Procrastination over ACR

Some government officials have been found to be moving behind the clock in preparing the Annual Confidential Report or ACR and fully deserved Establishment Ministry's directive to hurry up in order to catch up with time. Lack of evaluation or delay in the evaluative process in the bureaucracy is particularly worrying because for all practical purposes it is the bureaucrats who run the country.

There is no scope for procrastination over a vital practice for monitoring and maintaining professional excellence in the highest tier of the administration. We do not know what has led to this undesirable situation but this, in essence, is inefficiency in an institution that should ideally be the model for others in this regard. No wonder red tapism has become such a dreaded and inescapable aspect of our daily existence.

We hope the concerned ministry's directive to speed things up will have its due and desired effect in making people within the Secretariat fully up to date with this particular aspect of their professional obligation.

One word of caution however should not be held back in this respect. The culture of politicisation has struck roots so deep and wide in the society that hardly any institution is left which can be considered as being outside the shadows of this hateful culture. Although its sacrosanct neutral character seemed to be teetering at times, bureaucracy, by and large, has retained its operational neutrality. One hopes this welcome reality will be maintained in the evaluative system.

We believe the bureaucracy has it within itself to maintain the highest professional norms within its own precincts. And why not? It has no mean tradition to look back for inspiration. Besides, it should never forget that it is the fountainhead of country's executive system. If it falters, it has the whole country faltering.

## Belated Wisdom, but

The Dhaka City Corporation seems to have woken up at last. It has reportedly, not renewed the permission it gave for making a makeshift camp for the disciples of a peer or holy man at the Banani Chairmantari ground. We commend this occasion of DCC's belated wisdom. Let alone other nuisances that accompany religious or such mass spiritual assemblies, the environmental pollution caused by the sheer excremental burden on a public place is something that the authorities should have been able to reckon with. One wonders how the DCC could think of giving permission in the first place?

Religious or otherwise there is no sentiment that the City Corporation or for that matter urban management can indulge in when it comes to the question of maintenance or public convenience.

Congratulate though we the DCC authorities, nevertheless we want to warn it that as a public service agency its profile is abysmally low. And it is not showing any signs of pulling up socks as another recent problem — the row it seems to have got involved in over the designated places for public meeting — would suggest. Going at this rate of indecisiveness and inefficiency, one really gets scared to even imagine what Dhaka's chances are in terms of livability ten years down the line.

# How Much Revenue Can a Government Raise From Its Citizens?

If the attitude towards tax payment is congenitally or culturally unfriendly or uncooperative, if not hostile, then whatever may be the rates, tax-payers will attempt to avoid and evade taxes by adopting all kinds of legal or illegal means.

INCE every government in every country is interested in raising substantial amount of revenues from its citizens for meeting its expenditures, whether current or capital or both, it is important to set the perspective right by asking the most basic and blunt question that is raised in the title of this article. The purpose of raising this question is that there are concepts of limits and constraints in the process of raising revenues that need to be addressed. However, how much revenues have to be raised is dependent on how much the man in authority (whether 'mad' as in some context J M Keynes thought it was or sane but ambiguous as in most other cases it seems it is) wishes to spend judiciously or unjudiciously for various purposes.

In the developing countries, some expenditures on development-promoting activities become mandatory if the government wants to steer the economy towards high rate of growth, especially in the early stages of development while some revenue or current expenditures on maintenance of law and order, defence, infrastructure and social sectors etc., become imperative for supporting development and good governance. For any improvement in each of these areas, there is certainly the need for spending more but there has to be a limit because no government, however popular or revolutionary it might be, can raise revenues beyond certain portions of its national income or GDP. Even if a government is able to efficiently raise 20 per cent of its GDP without leakages and corruptions and spend it productively, it can certainly sustain a satisfactory rate of development of the economy. A sample of some high-, middle- and poor-income countries raising some percentages of their national incomes in taxes is shown in the section below. However, the answer to the question raised in the title depends on the citizens' ability to pay, their willingness to pay, policy and efficiency of the tax machinery and the level and growth of the economy.

The ability to pay is a function of the tax payers' current income while the willingness to pay is dependent on their attitude and culture. If the level of income is low but high rates are imposed, there will be problems of, and even resistance to, tax collection. And if the attitude towards tax payment is congenitally or culturally unfriendly or uncooperative, if not hostile, then whatever may be the rates, tax-payers will attempt to avoid and evade taxes by adopting all kinds of legal or illegal means. In such cases, there is a need for

developing proper tax-paying habit or culture among the citizens. But if the unwillingness comes from unjust tax burdens, then the problem takes a different dimension altogether. It is, therefore, important to understand the psychological bases as well as the threshold level, if there is any, of peoples' willingness to pay taxes.

A small sample from the high-, medium- and low-income countries is presented here only to indicate what proportions of their national incomes are raised for government expenditures. The percentages of current revenues of GNP for the year 1993 are

the basis of all the political movements in East Pakistan from 1948 to 1956 was the economic deprivations inflicted by withdrawals of income taxes, customs duties and sales taxes, unjust allocations of investible resources (including foreign exchanges largely earned by East Pakistan), and the non-devaluation decision of 1949 which pauperised East Pakistan.

### Revenue as Percentage of GNP in Various Countries

A small sample from the high-, medium- and low-income countries is presented here only to indicate what proportions of their national incomes are raised for government expenditures. The percentages of current revenues of GNP for the year 1993 are

a vast and fascinating subject which can be understood only in the background of their socio-political commitments, past history and economic contexts. This subject can produce some good quality PhD theses. However, the purpose of quoting these examples here is a limited one: to see if any systematic pattern in revenue collections from different countries can be found. Some observations on this are in order. First of all, from the above sample one does not find any hard and fast rule of what type of country (judged by income levels) should extract what percentage of its GNP as tax revenues. In the high income countries, US realises only 19.7 per cent while the European countries realise in the range of 30-50 per cents. Netherlands, Belgium and Denmark realise in the range of

Pakistan, 14.4 in India, 19.7 in Sri Lanka and 31.8 in Zimbabwe. Some of these poor income countries have revenue realisations as much as those of the high income countries like the UK, Austria and Germany. It is therefore difficult to find a systematic guiding rule for optimum revenue realisations from the current tax-collecting practices of various countries of the world.

### The State of Revenue Collections in Bangladesh

The total revenue collection (both tax and non-tax revenues) as a per cent of GDP in Bangladesh was 10.5 in 1991-92 which rose to 11.9 in 1995-96 and to 12.0 in 1996-97. Although one cannot give a reliable estimate for 1997-98, it is possible to say that since the expected growth rate of GDP is about 6 per cent and the expected revenue collection rate is 14.6 per cent, this year's ratio is expected to be much higher. Even if it reaches 15-16 per cent, it will still be in the range of tax collections of the low-income countries as shown above. There is no doubt that there will be the need for raising it to a target of about 20 per cent in the next few years to have sufficient resources for speeding up the country's rate of growth. Another 4-5 per cent increase should be sufficient. But the problem seems to lie elsewhere.

Two questions should be raised in this connection. First, is the amount of tax revenue paid by tax-payers coming to the government treasury or is there a leakage? Is the revenue expenditure incurred by the government serving the purpose that it is supposed to serve or is there a wastage? The answer to the last question has been discussed in this column number of times by this writer showing how almost all the departments and the SOEs have become channels of wasting tax-payers' money. The wastage is colossal. Close to one billion US dollars can be saved every year by drastic cuts. In view of this colossal wastage, it is unjust both morally and politically to ask the poor tax-payers to pay more to subsidise some corrupt officials. This question will be more hotly debated as time goes by since the tax-payers will become more conscious about their rights and obligations. However, the more useful thing now would be to pay attention to the first question.

One immediate problem of

shown in parentheses adjacent to the names of the countries.

**High Income Countries:** United Kingdom (36.2), New Zealand (34.2), United States (19.7), Germany (31.6), Sweden (40.1), and Singapore (26.6), Spain (31.4) and France (40.7).

**Upper Middle-Income Countries:** South Africa (28.3), Malaysia (28.7), Greece (24.3), Republic of Korea (18.9), Venezuela (18.0), Brazil (26.6), Chile (24.4) and Portugal (34.3).

**Lower Middle-Income Countries:** Indonesia (19.4), Philippines (17.1), Papua New Guinea (25.4), El Salvador (9.7), Tunisia (29.9), Thailand (18.3), Turkey (18.7) and Islamic Republic of Iran (18.3).

### Low Income Countries:

Sierra Leone (15.8), Nepal (9.6), Kenya (22.5), India (14.4), Nicaragua (29.8), Pakistan (18.4), Sri Lanka (19.7) and Egypt (38.7). Bangladesh realised 11.3 per cent in 1980.

(These data are taken from The World Development Report, 1995, Table-11, pp. 182-183.)

These are only central governments' current revenue shares of their respective GNPs, excluding their provincial or district level revenues. Why different countries realise very different shares of their GNPs is

42-50 per cents of their GNPs. One explanation for this difference may be that the US Federal Government does not have as much social welfare commitments as the European governments have maintained since the Second World War.

But Singapore being a unitary government in the high-income group with all social welfare and other usual commitments has only 26.6 per cent. Secondly, in all these and other countries where socio-economic commitments of governments are very high, revenue realisations have never exceeded 50 per cent. This seems to provide the upper limit. Thirdly, in the upper middle-income countries, the range of realisations is between 18.9 in Korean Republic and 34.3 in Portugal. Malaysia, which is a beacon for Bangladesh in many ways, has only 28.7 per cent. Fourthly, among the lower middle-income countries, the range is between 9.7 per cent in El Salvador to 29.9 in Tunisia with 19.4 per cent in Indonesia and 17-19 in countries like the Philippines, Turkey, Iran and Thailand which are countries of common reference to Bangladesh. Finally, in the low-income countries the range is between 9.6 per cent in Nepal and 38.7 in Egypt with 18.4 in

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## HOPE FOR VICTIMS OF CANCER

# The Terry Fox Marathon

by Almas Zakiuddin

It is the only event of its kind, anywhere in the world. The Terry Fox Run in Canada today is expected to draw more than six hundred thousand participants. There will be more Runs around the world, including the Third Terry Fox Run in Bangladesh next month. They all have one aim: to find a cure for cancer

which soon came to be known as the "Marathon of Hope". Terry ran not only to raise funds for cancer research, but also to fight for a dream — a dream which saw a world without cancer.

Terry Fox was only 18 years old when he was told that his right leg would have to be amputated above the knee as a result of bone cancer. It was while he was in hospital that Terry be-

gan to Bangladesh to work for

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