

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 stenchy 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 outgoing 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 Chairmanbari 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.

SINCE 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 ambitious as in most other cases it seems it is) wishes to spend judiciously or judiciously 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 a 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 and 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.

There is no doubt that tax collection, even in the best of circumstances, depends on the tax-payers' perception of the purposes for which the tax revenues are going to be used as well as the efficiency level and corruption-free image of the tax-collecting machinery. Even if people are willing to pay taxes, the efficiency and corruption characteristics of the tax-collecting machinery may land the government in various combinations of situations such as the machinery may be corrupt but efficient, corrupt but inefficient, uncorrupt but inefficient, and uncorrupt and also efficient. The second situation is the worst while the fourth is the best of all possible situations. It is now easy to visualise that even if the economy is growing satisfactorily and people are reasonably willing to pay taxes, because of the inefficiency-corruption characteristics of the tax machinery, the government may not be able to achieve the optimal amount of tax revenues that it wants. To achieve its revenue target, the government has to adopt measures to improve the efficiency as well as eradicating corruption from the tax machinery. Attention on only one of these is not sufficient to improve its revenue realisations. This has great bearing on the government's adoption as well as implementation of administrative policies in respect of tax collecting machinery.

Finally, collection of tax revenues depend on the level as well as the rate of growth of the economy. Given a least tax-unfriendly attitude of people and the just basis of taxation, a high income level combined with reasonably high or medium rate of growth will generate high volume of revenues while a low-income level combined with slow growth rate of the economy will generate low volume of revenues. Incidentally, history is littered with examples of high and unjust taxes fuelling social upheavals and resistance in various parts of the world. The roots of the French Revolution and the American War of Independence lay in the peoples' inability and unwillingness to pay taxes. Similarly,

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 exchange 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



INSIGHT
by
Kabir U Ahmad

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

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 a 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

collection should be taken up first. In recent months, newspaper reports showed that the revenue collection in 1996-97 fell short of Tk 6b. There are also reports that the target revenue collection for July-August, the first two months of the 1997-98 Financial Year, was Tk 21.21b but the collection has been only Tk 19.30b leaving a deficit of Tk 1.91b which is quite substantial. One also learns that there are about 4000 court cases filed by the importers against customs rates on various goods including reconditioned cars. These items are not being cleared from the customs giving rise to congestion at the port and other difficulties. It looks like it will take long time to settle these cases through the courts. Will the tax machinery be able to meet the revenue targets with these difficulties at hand? Unless the government can strengthen the tax collection agency, it may not be able to reach the revenue target in which case the entire expenditure programme will face a severe setback.

Coming back to the main question, the main problem is the corruption of the tax collecting machinery. Tax-payers are paying to the corrupt officials so as to reduce their liabilities to the government and in the process government revenue collections are much less than what they are supposed to be. The beneficiaries are the corrupt officials and a section of the tax-payers. In this game, the government is the loser and the tax-payers are the gainers. This is particularly true of the income tax payers and importers. Now, if one looks at the country's pattern of income distribution, one finds that the top 20 per cent of income earners earn 45 per cent of national income and the bottom 40 per cent earn about 18 per cent while the middle 40 per cent earn about 38 per cent of the national income. But the income tax realised by the government is only about 14 per cent of total revenues while the major indirect taxes like custom duties and VAT together contribute over 78 per cent. The incidence of the latter falls heavily on the lower income groups. This is not only unjust but also makes a mockery of the poverty alleviation and social justice programmes of the government. Unless this pattern of taxation policy as well as the corrupt collection machinery and the wastages through the expenditure channels are radically changed, attempts at increased revenue collection will largely distort both the development and the income distribution pattern of the society. This may defeat the government's further resource mobilisation efforts.

To the Editor...

Doctors' deadly disease

Sir, I believe in social harmony and discipline for every man and woman. After reading a newsitem titled "Private doctors charge fees many times the rates fixed by the government" in the DS of 24 August, 1997, I would like to add a few lines with a view to focusing one's attention on a medical problem.

With a few honourable exceptions, medical practitioners in Bangladesh have been exploiting the unbettered patients and the educated ones to the maximum in the name of medical treatment. At times they behave as if they are not the sons of the soil — their conduct and behaviour are highly offensive and irritating. It is a pity that they don't realise that they owe much to the people, and they have become doctors with the support of public funds supported by the people as tax-payers during the time of their studies in a government medical college. They should pay back their dues to them by way of their sincere services and honest efforts in the treatment of the patients.

They should charge not more than 100 taka as consultation fees and prescription per patient. Any doctor tries to evade taxes against the income of his private practice, he or she should be properly dealt with as per the law of the land. We should be tough enough to deal with the defaulters if detected.

No doctor should make any distinction between the rich and the poor patients in the service of suffering humanity. They should have strong ethical values of life (to work) as models for the rest of the people in Bangladesh. Some of our doctors are would famous because of their excellence in treatment and professional knowledge.

Abul Ashraf Noor
Uttara, Dhaka.

Core campaigns

Sir, Cosmetic, populist campaigns and anniversaries cut little ice with the hardcore citizens. The government may announce relentless long-term campaigns on core evils in the society.

Anti-corruption drive. Drive in the message, intention, and resolve; and drive out the corrupt persons; at least ten per cent in the initial phase. Set an example by catching some big fish in own *pukur* (ponds). Needs moral courage and physical logistics. Both are in short supply. A regime with plenty of people's backing should have less problems to say 'Bismillah' and start the *Jihad* on corruption. Passage to heaven is almost guaranteed. Forget the Opposition; there are other priorities.

End campus violence. Say something. That is the first phase: announce a programme.

Let the students debate it over the air. BTV's need for search for topical issues — there is long pending list available.

Licence, license, no-licence, licentious. Sort out the meanings and act on the definitions.

Terrorism, *mastaans*, and the sober. Choose one, and remain so.

Impose anti-VAT levy for non-productive performances and public habits. Political speeches to be charged by the minute rate, the rate going up after every 10 minutes for each speaker. The earning may reduce, through subsidies by one third.

Police to issue weekly press note announcing the number of political telephone calls received interfering with the discharge of official duties.

A Husnain
Dhaka.

Fuelling speculation

Sir, Now that the prices of fuel including petrol have been raised in India by as much as 20 per cent, how are we going to check smuggling now? Also what measures have been taken by the authority to check and control adulteration of local petrol with kerosene oil and other cheap substitutes, as we read in the newspapers? Third, a vested group continues to hanker for devaluation of the Taka to the 50 taka mark. What is going on, and how everything will be controlled? The regime is unlucky, perhaps some voodoo is working (*bhoot, petni, jinn*). Call the *mullas*. Oh no, they are fundamentalists! There we go again! *Oul khalt!*

An Onlooker
Dhaka

Drainage system in Uttara

Sir, In the southern end of Road No. 6A, Sector 5, Uttara Model Town, Dhaka, there is a big mosque. As there is no drain on this road, waste, dirty household water flushed out from houses accumulate aggravating the situation on the road. There is no outlet on this road for waste and dirty household water to go out. Rain water aggravates the situation beyond description.

So the road remains, particularly during the rainy season, under dirty water causing untold sufferings to the inhabitants, especially the ones who go to the mosque five times a day. Keeping this point in view and the sufferings of the inhabitants, the pucca drain is a must at the earliest.

So, we, the inhabitants request the Mayor of Dhaka City Corporation (DMC) to kindly take steps to construct a pucca drain across the road No. 6A, Sector 5, Uttara.

Mir Nizamul Huq
President
Uttara Sector 5 Welfare Association
Dhaka

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

YOU don't have to run. You can walk, jog or even ride your bike across the course. The main aim is to take part in the event — the only one of its kind in the world.

And that is what an estimated six-hundred thousand people are going to be doing in Canada today, as the 17th annual Terry Fox Run gets underway in more than 4,600 sites across the country.

Held every year since September, 1981, the Run is unique for many reasons. It is the largest, single-day, fund-raising event for cancer research anywhere in the world, drawing participants not only in Canada, but also in far-flung corners of the globe.

For instance, here in Bangladesh, there have already been two extremely successful Runs. Together, the events have raised (CaD) \$83,000.00, from which Taka 8 lakh has already been given to cancer research in this country.

We selected four areas of research into the causes of cancer in Bangladesh, with particular reference to the types of cancer which are most common, and which tend to find victims among the less affluent members of society," explains Professor S F Huq, President of the Bangladesh Cancer Society.

The funds given so far by the Terry Fox Run, Bangladesh, are for four research fellowships of Taka 2 lakh each. The research area of each study will focus on a selected aspect of cancer, such as the prevalence of "smokeless tobacco" use among Bangladeshis and its relationship with oral cancer, as well as cancer of the uterine cervix, which is the most common cancer among women in Bangladesh.

Each research study will focus on a select group of women and men, and one study in particular, will provide nutritional support to victims of cancer — also from a less affluent socioeconomic background — who suffer severely from the toxic effects of radiotherapy.

"As important as the fund-raising, the Terry Fox Run also brings to all of us, and specially to victims of cancer, a very special message," comments Heather Shapter, co-chair of the organising committee for the Terry Fox Run, 1997, in Bangladesh.

Heather, who organised Terry Fox Runs in Newfoundland before she came

to Bangladesh to work for BRAC, stresses the key to the Terry Fox ideal is a message of courage, selflessness and tenacity — qualities which Terry Fox himself embodied in his short but remarkable life.

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 feel — not his own suffering but the pain and despair of other cancer patients. The young man was moved by the anguish he saw around him and, perhaps more significantly, by the realisation that unless someone found a cure for cancer, the suffering would not end.

Terry Fox made up his mind to do something about what he saw. Since funds for cancer research were in short supply, Terry Fox began his own campaign to raise funds.

After training for 15 months, and with an artificial leg, Terry Fox began to run across Canada, in a journey

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.

He ran the equivalent of a marathon every day, that is 42 km or 26 miles, for 143 days. He had to stop running in September, 1980, when the cancer spread to his lungs. Terry Fox died in June, 1981, a month before his 23rd birthday, before he could complete his physical journey across the country.

But, as was evident even during his life, and became wonderfully apparent when he died, Terry Fox's journey was not in vain.

This young Canadian began something which gave — and still gives — thousands of people hope. In February, 1981, just four months before he died, Terry saw one of his dreams come true. He had promised to raise a dollar from every Canadian. At this time the population of Canada was 24.1 million and the Terry Fox "Marathon of Hope" fund totalled \$24.1 million.

In September 1981, soon after Terry died of cancer, the First Terry Fox Run was organised in Canada. More than 300,000 participants raised (CaD)\$3.5 million for cancer research by organising events at 760 locations across Canada.

"Since then, the Terry Fox Run has expanded in size and diversity," explains David Tickner, co-chair of the Terry Fox Run 1997 in Bangladesh. "It has become a national event in Canada, with more and more participants each year. In 1996, for instance, there were approximately 650,000 participants in 4,600 separate Runs across Canada," he says.

For David, a teacher from Abbotsford, in British Columbia, coming to Dhaka with an project has brought him closer to many things — including the Terry Fox Run, which he is happy to help organise. He points out that the Run has become a very successful global event.

In 1995, there were over 260 Runs in 52 countries around the world. While Canada has raised as much as \$7 million per year in recent years, by 1995 a global total of \$168 million had been generated for cancer research as a result of the Terry Fox Runs. Bangladesh was among those countries around the world

which helped generate these funds.

"Two thousand volunteers took part in Runs in Dhaka and other cities of Bangladesh in 1995, and approximately a thousand took part the year before. In only two years, Bangladesh managed to raise \$83,000 for cancer research," co-chair Heather explains, pointing out that the funds are to be spent on cancer research in Bangladesh.

Heather also explains that young people remain a special part of the event.

"The idea is to encourage school-children to understand the message of Terry Fox, as well as to undertake fund-raising activities for cancer research," explains Ken McCaffrey, head of the Aga Khan School, who is on the organising committee of the Terry Fox Run, Bangladesh.

The organising committee is in the process of setting up contacts with approximately 35 schools and a range of fund-raising and awareness programmes has already begun.

"The Aga Khan School had a mini Meena Bazaar last week to raise funds for the Run, and Scholastica School is launching a major awareness and fund-raising campaign this month. Other schools, such as T N T school are mounting similar campaigns," Ken adds.

"In the coming weeks, we are all going to be working very hard and we hope members of the community support us the way they always have," remarks David.

Both he and Heather anticipate a very positive response from individuals, corporations and the Bangladeshi community in general for this year's Run. They are confident, too, that the event will have a greater impact in terms of the number of participants as well as in spreading more awareness of cancer and its cause.

"In the end, we must encourage everyone to remember that the main focus of the Run, the core of the Terry Fox vision is to find a cure for cancer," remarks Professor S F Huq.

Many people agree with him. And because they do, the Terry Fox vision remains alive today. Thanks to the example set by a young Canadian, more and more people are willing to give their time, their energies and their resources to win the battle against cancer both at home, and in the rest of the world.

