

## Facing the challenge on two fronts

There is no better way for the government to face the challenge on the political front than strengthening democracy and democratic institutions in the country.

SHAMSUDDIN AHMED

THE global economic recession has come when we are still trying to build and strengthen our democratic institutions. Undeniably, it has been the absence of good governance that has spawned corruption and engendered much of the ills that we are faced with today.

The sailing has not been smooth so far for Prime Minister Sheikh Hasina and her government. Corrupt and undemocratic elements within the ruling party are prepared to make hay while the sun shines, and those who have been eased out of power are intent on pulling this government down by any means.

The BDR massacre has exposed not only the fragility and vulnerability of the government but also its inability to measure up to the democratic expectation of accountability. Those who failed miserably in their duties to prevent the mutiny and those whose post-mutiny inertia led to deepening of the scar of massacre and fleeing of the mutineers have not lost their jobs, which they should have.

The government faces serious challenges, both on the political front and on the economic front. On the political front, it has a formidable opposition in the shape of BNP-JI alliance, which is a combination of pro-liberation and anti-liberation forces. In the name of Islam

and Bangladeshi nationalism, the alliance has successfully played the anti-Hindu and anti-India card among the Muslim majority population and gained political support.

The anti-liberation forces in the opposition will not rest until they can foil the government's bid to bring the killers of Bangabandhu to justice and put on trial the collaborators accused of war crimes and crimes against humanity in 1971. The BDR massacre and the vile attempt to foment dissatisfaction among the officers in the army seem to be a calculated move by these forces.

The only way to meet the challenge is not to tread the path of political confrontation but to demolish all the impediments in the way of establishing democracy and democratic culture in our politics. To this end, the government may consider doing the following:

- Establish the EC, the ACC, the Public Service Commission and all other state institutions as strong and independent democratic institutions.
- Build the police force, the bureaucracy and the armed forces as truly national institutions.
- Make Parliament the focal point of all politics and political activities. The opposition should be given due space to make objective criticism of the government. No major policy decision should be made by the government

without discussing the issue in the Parliament. Parliamentary standing committees must be formed with due representation from the opposition. Important committees may be headed by opposition members. Leader of the opposition be given due courtesy and honour in line with practice in democracies all over the world.

- Introduce genuine democratic reforms within the political parties. Let the political party leadership at all tiers be elected properly and let no one hold office for as long as he or she wishes to, as is the case now with the party top leadership of the two major political parties.

- Let the political parties be organised, guided and controlled by the EC as per rules and regulations framed by the government. Political parties must be registered with the EC before they can take part in election. The existing RPO should be suitably amended to promote responsible and democratic conduct of political parties.

- Consider limiting a person to a maximum of two terms as prime minister. This will help curb the tendency for a superannuated politician to seek election as prime minister again and again to the exclusion of more competent and younger politicians.

On the economic front, the government has done well by forming a National Task Force comprising noted economists and other eminent personalities to help formulate policy guide lines to face the adverse impact of recession. Ours is a nation where poverty and deprivation are nothing new. Our resilience in the face of floods and cyclones



Beset by problems.

is now known the world over. There is no need to panic. There is no need to overreact by announcing a bailout package as America and other developed countries have done. The demand for a Tk 6,000 crore bailout package by our apex business organisation is simply preposterous. Where do they think the money is going to come from? It has to be money from our taxpayers, who happen to be poorest of the poor.

This country is not America, where rising unemployment is simply unacceptable for any government and bailout packages to stimulate economy are well

within the capabilities of the American taxpayers. Nor do our business barons run giant business conglomerates like AIG, where it is unthinkable for big bosses not to receive annual bonuses.

Let our National Task Force come up with their prescriptions. Meanwhile, the government may start mobilising funds, like we do when struck by natural calamities, by receiving donations from the affluent members of our society. But it is of utmost importance for the government to tighten its belt and practice utmost austerity right now.

The government may consider the follow-

- ing:
  - As charity must begin at home, the president, prime minister, ministers, speaker, deputy speaker, whips, MPs and all elected leaders of equivalent rank and status in local governments and elsewhere may donate 50% of their pay each month, beginning from April, until the recession ends. This money can be deducted from their monthly pay bills by the concerned accounts authority and reimbursed in the National Financial Rescue Fund.

- All government officers of the rank of joint secretary and above and their equivalent in autonomous and semi autonomous bodies and in the armed forces and elsewhere will donate 25% of their pay every month beginning from April towards the above mentioned rescue fund.

- Declare a moratorium on import of new and reconditioned cars and all other luxury items, initially for a period of six months beginning from April.

- Rationalise existing rentals of NAM flats in the light of prevalent rental rates in posh residential areas, and recover rentals from the occupants at the revised rates with retrospective effect from the first day of the ninth parliament.

There is no better way for the government to face the challenge on the political front than strengthening democracy and democratic institutions in the country. Similarly, there is no better response to the challenge of global recession than our home-grown strategy of practicing utmost austerity at the national level.

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## Branding Bangladesh

We are known for the sufferings we face due to natural calamities. This can be transformed into a major brand identity if we can positively project the courage, commitment, and resilience of our people.

MAMUN RASHID

BANGLADESH has a persistent grievance that Bangladesh is not justly portrayed in international forums. It has become commonplace for the country to be associated with natural

calamities, wavering political situation, corruption and other negative attributes. In most cases, propaganda is blown way out of proportion relative to other parts of the globe.

It is unfortunate that the commitment and resilience of the people to enhance the

image of the country goes unnoticed. There is a general tendency among the international community to draw parallels for Bangladesh with countries facing difficulties, completely overlooking the fact that Bangladesh, with its backwardness and structural deficiencies, has made significant progress in fields that would make many emerging countries envious.

It would be self-defeating for us to engage in the blame-game and put the responsibility of such misrepresentations on the international community. We have to admit our inability, thus far, in projecting the country and the true spirit of its people, necessitating the brand building of Bangladesh.

The "Brand Forum" seminar is a timely effort, and the organisation should be lauded for spearheading this initiative. However, in approaching the problem and formulating an effective strategy to resolve the issues, we need to be systematic and consistent.

In developing a brand identity for Bangladesh, we must understand the essence of the term "branding." Marketing Guru Philip Kotler defined brand as "a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors."

He explains that a brand is basically a seller's promise to deliver a specific set of features, benefits, and services consistently to the buyers. The best brands convey a warranty of quality. Branding can convey up to six levels of meanings; attrib-

utes, benefits, values, culture, personality, and user. The branding challenge is to develop a set of positive associations for the brand.

Nation branding aims to measure, build, and manage the reputation of countries. It applies some approaches from commercial brand management practice to countries, in an effort to build, change, or protect their international reputations or external perception.

It is based on the observation that the "brand images" of countries are just as important to their success in the global marketplace as those of products and services. Simon Anholt is credited as a pioneer in the field. Nation branding is practiced by many states, including US and UK (where it is officially referred to as Public Diplomacy) and most West European countries.

There is increasing interest in the concept from less developed countries because an enhanced image may help to promote FDI, tourism, trade, and even political relations with other countries.

We often come across slogans like: "Malaysia: Truly Asia," "Dubai: The Jewel in the Desert," "China: The Factory of the World," "Sri Lanka: The Pearl of the Indian Ocean," etc. When we open Newsweek, Time, or The Economist, we see that some Latin American countries are doing the same.

Though "Shining India" could not achieve enough votes for BJP, the respect for the "India" brand with its continuous institutional reforms, quality of education, industrial innovations, IT revolution, and

the "Indian Knowledge Bank," with its ability to deliver, reaches the intended target markets.

With the benefit of precedence, we must now strategise to develop our own branding. What factors should drive our branding, and how should it be driven?

The key to attaining an effective brand identity is to activate adequate positive association with experiences of both obstacles and achievement. For example, we are known for the sufferings we face due to natural calamities.

This can be transformed into a major brand identity if we can positively project the courage, commitment, and resilience of our people, who have continued to develop the country with some remarkable achievements despite being faced with such natural adversities.

We invented micro-credit to fend off poverty, and are willingly sharing it with the rest of the world. We are competing with the giants of the world in ready-made garments and successfully growing each year. Our nation was created with the dream of justice and equal opportunity for everyone, and a commitment to change the fate of the deprived.

Our ancestors made great sacrifices so that their descendants may enjoy these universal attributes. Thousand years of culture and civilisation have given our people humility, perseverance and hope, which enable us to fight against adversities.

We are truly a "nation-state" with almost the same culture, religious tolerance, and social values. In developing a

brand, we must believe in what we propose to deliver. We must be open to our weaknesses and backwardness, and leverage on the strength of our achievements.

The brand building initiative has to be a coherent approach driven by various sectors -- the government, political parties, civil society, media, professionals, private sector, cultural world, workers and farmers, urban and rural people, etc. When all of us can share a common identity, we shall be able to establish Bangladesh with a rejuvenated brand that the world will respect.

All the stakeholders in a transition economy like Bangladesh must be clear about the destination, in line with similar countries that have transitioned to the next growth trajectory. However, in the process of developing an energetic brand, we should not sideline critical issues such as the anti-corruption drive, generation of economic activities for poverty alleviation and gaining the trust of the citizens through actions.

We need to send a message to the international community that we mean business, there is policy continuity despite change of the government, democracy means the same thing here as elsewhere, and that we are continuously striving to build respectable institutions. All these will be a continuous battle, just as creating a vibrant brand for "Bangladesh" is.

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Project our courage and resilience.

## Whitening black money

Since we will be thrown into an extraordinary economic turmoil soon, we may have to go for extreme measures devoid of morality and even business ethics to minimise national suffering.

MOAZZEM HOSSAIN

LET me begin with a conversation with a former colleague. He is a professor of history, and came to our campus to attend a seminar on Sufism in Indonesia. After exchanging pleasantries, I was rushing to my class. Suddenly, Bob whispered: "You guys (economists) should return half of my superannuation money back which I lost due to the current global meltdown in the stock market. I will be retiring soon and would blame the economists who made my super worth half now."

I replied: "Bob, it seems you do not know of a saying about economists. If you seek an opinion from a bunch of three such creatures on a problem, they will come up with four alternatives and one would have two contradicting. Economics is a science of making alternative choices. It is up to you, take it or leave it. You people flirt with economists in good times and blame them when in trouble." He smiled and said: "Indeed, you impressed me."

The arguments I put forward below on the subject of whitening black money are one such choice. However, I would not have proposed all this had we been living in normal times. Since we will be thrown into an extraordinary economic turmoil soon, we may have to go for extreme measures devoid of morality and even business ethics to minimise national suffering.

During the recent debate on money whitening the president of the FBCCI proposed allowing alleged black money holders to invest in five-year period government bonds at 7.5% rate of interest. The former finance secretary and adviser, Dr Akbar Ali Khan, recently spoke against such a move.

Dr. Khan made his views clear and offered convincing arguments. He also argued that this measure was allowed in the past but was not taken seriously by the offenders and the response was muted, except during the BNP-Jamat regime.

Certainly, the question is, why would the offenders take such an opportunity again? There is no easy answer. One is,

however, convinced that since the president of the business association has been appealing for whitening black money, he has an estimate of the amount of money, which is lying idle.

While, on the ground of business ethics, it is unlikely for an honest government to indulge in such a scheme, economic necessity sometimes compels such a step during a financial crisis. In my opinion, the move certainly deserves consideration, given the present economic conditions globally. There is an extraordinary multiplier effect if such idle money is circulated as legal tender during a period of downturn.

Having said all this, one must be careful about such a compromise and should go for a less sensitive measure to whiten black money. The proposal put forward by the FBCCI has taken the interest of the black money holders only, and encourages impunity.

There must be some penalty imposed in the process to make the move less sensitive from the viewpoint of business ethics. In this regard, instead of a five-year bond with a high rate of interest, I would like to propose an alternative.

Let us devise a tax concession regime for those businesses that want to participate in the whitening scheme. The businesses would be subject to concessional regressive rate of tax, as one-off measure only, on the amount of money to be whitened. The more the amount declared for

whitening the less the tax rate applied (regressive). For example, there will be a maximum tax ceiling available for the amount of money whitened at each stage. Say, for Taka 5 lacs the concessional tax rate will be relatively higher than for Taka 5 crore. This will make the holders of large money participate in the scheme with increased incentive due to a larger gain they could accrue.

The rate of tax ceiling at each stage could be worked out by the NBR through benchmarking or making it equivalent of the yield of a two-year bond with 5% rate of interest. For example, if he/she wants to whiten Taka 100 with a concessional tax rate of 10%, the black money holder needs to pay Taka 10 as tax on the undisclosed money. In normal circumstances, he/she would have been paying Taka 20 as tax, if the tax rate were flat 20% for businesses.

If one converts this into a yield with a two-year bond rate of 5%, the cumulative yield would have been a little more than Taka 10. With this approach, the cost-benefit of a holder can be balanced and a solution could be found, keeping the interest of all the stakeholders in the scheme.

The proposal presented above certainly is in crude form. It needs more thought by the NBR and finance ministry officials and should be made clear to the holders of black money. The major attraction of this approach from the NBR's



Money for free?

point of view, however, is that it considers only one-off tax concession for the offenders, which has limited revenue implications and has incentives for the large holders of black money to come clean.

The FBCCI must realise that, all over the world, monetary policy has been put on the back burner and, instead, fiscal stimulus funds have been put in place. They must also realise that business cannot eat cake and keep it as well. A tax concession measure is a fiscal solution to the problem, and alleged offenders pay

for the wrongdoing while upholding moral values to a certain degree.

The government has limited time for seeking solutions from outside for all the problems that it faces. One must remember that, at the end, the buck stops with the honourable finance minister. The nation is looking towards him for direction. As said earlier, one may end up with four solutions by three economists. It is the minister's responsibility to choose one and place it to the cabinet before it is too late.

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