

Budget with a long term vision

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NOTWITHSTANDING the apparent global economic recession, the Bangladesh economy fared well with an impressive GDP growth rate of 5.9 percent in the fiscal year 2008-09. One of the reasons for this growth is the inherent strength of the economy which lies with its agriculture and external sectors. The bumper agricultural production has not only helped reduce food prices and inflation rate, it has improved the purchasing power of the people and contributed to poverty reduction.

The robust performance of the export sector, particularly of the ready made garments and the increased flow of the remittances have also made it possible for the economy to progress at a steady rate as opposed to the slow or even negative growth in the larger economies. However, the risks of being affected as a result of the global financial crisis are not over as yet since it is apprehended that Bangladesh may have to bear the brunt of the crisis at a later stage due to the lagged impact of the global meltdown.

In this backdrop the budget for the FY 2009-10 has been prepared with a conservative growth target of 5.5 percent but announcing a host of promises including job creation, increase in social safety net allocations, reduction in regional inequality to achieve balanced growth, agricultural development, achieving power generation targets towards industrialisation, and improvement in infrastructure for the creation of digital Bangladesh. Ironically, the discussion of the budget concentrated mostly on the issue of the undisclosed money getting

the opportunity to be invested in a number of sectors after paying only a nominal tax at a rate of 10 percent.

While this cannot be supported on economic and moral grounds, and thus voices should be made stronger and louder to withdraw such an unethical and inequitable measure, there should also be debates on other measures proposed in the budget. Clearly, this latter task has been less pronounced this time notwithstanding the fact that the importance of an overall assessment of the budget is undeniable as it has long-term implications for poverty reduction and social justice.

Such expectations arise from the simple reason that the national budget is not a mere annual statement of income and expenditures which can only delineate the sources of revenues and identify the channels of resource flow towards various directions of the economy. In a modern democratic society, the government gains the right to manage an economy through the budget. It is through this particular document that the government can collect taxes from various sources in the country, and plan expenditures for its development programmes.

The budget is also about the long-term vision of sustained growth which can, in fact, be attained through budgetary allocations and policy incentives. The proposed budget for FY2009-10 does actually spell out a number of medium and long-term objectives, some of which looks forward as far as 2021. These include, among others, secure and sustain GDP growth of 10 percent by 2017, self sufficiency in food production by 2012, increase the contribution of the industrial sector to 40 percent in the GDP by 2021, addition of 5000 megawatt power

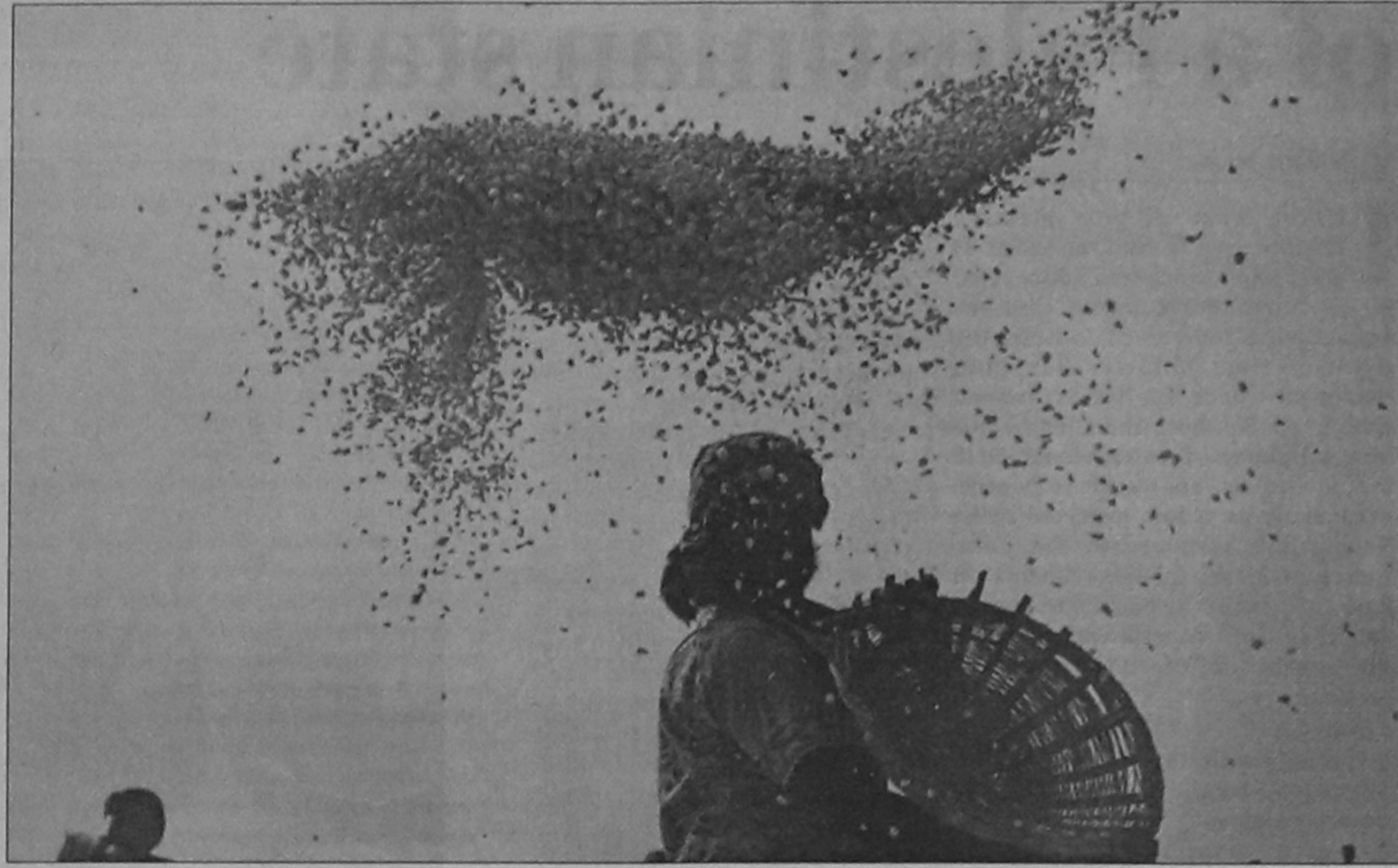
to the national grid by 2013, poverty reduction to the level of 15 percent by 2021, employment for at least one member from each family by 2014, reduce child mortality to 15 per thousand, maternal mortality to 1.5 percent and increase life expectancy to 70 years by 2021, remove illiteracy within 2017, housing for all by 2021, safe water for all by 2011, and bring 20 percent of land under afforestation by 2015. Inevitably, these aims are in line with the promises made in the election manifesto of the ruling party.

On the other hand, the absence of adequate importance on some of the crucial areas has created frustration. Particularly, the reduction of allocation for the agriculture sector compared to FY 2008-09, and lack of sufficient allocation for the power sector do not seem to be compatible with the objectives of food self sufficiency, higher GDP growth, employment generation, and poverty reduction.

Undeniably, these long-term objectives do not conflict with several other short-term goals mentioned in the budget which also aim for economic growth through sectoral allocations and fiscal measures. However, in order to achieve these desired goals through proper management of the budget, several pre-requisites need to be in place which involves administrative and political matters.

Tax revenue is just 8.6 percent of GDP (2008-09) in Bangladesh, a rate that has risen from 5 percent in the early eighties and is much lower compared to even the neighbouring countries. Additionally, the tax structure is weak as it is dependent on indirect tax rather than direct tax. In the next fiscal year, however, the proportion of income tax (29.4 percent) is greater than the proportion of VAT (26.1 percent), which is a positive change. The tax-GDP and revenue-GDP ratios for the next fiscal are targeted at 9.3 percent and 11.6 percent respectively, only a slight increase than the current fiscal.

Such conservative efforts in resource utilisation and limited success in revenue earnings do not bode well for the economic development, and do not allow provision of adequate funds for employment generation and social safety net



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programmes. An equitable tax structure backed by motivated and efficient human resources and modern, transparent and accountable tax management system is essential to meet the objective of successful revenue management.

On the other hand, expenditure management with limited wealth is a challenge for Bangladesh. Though even with limited resources and competing priorities a portion of the public expenditure is always allocated for the social sector and the poor, the amount is scanty compared to the requirement of the poor. Only 3.1 percent of the GDP has been allocated for education and health sector for the next fiscal year whereas this is 5 to 6 percent in many Asian countries. The quality of expenditures is also questionable since expenditures are often ill planned and politically motivated, due to which the

continuity of projects suffers with the change of governments, resulting in wastage of resources.

The efficiency of government expenditure has to be judged by the quality and effectiveness of the expenditure in improving the lives of the common people instead of the traditional way of looking at the amount spent out of total allocation. The imbalance between expenditure and revenue is another perennial phenomenon, which leads the government to borrow both from domestic or foreign sources. The long-term vision for resource mobilisation should also aim to be less dependent on expensive foreign aid.

In order to have a sustained high growth with low income and human poverty, and reduced social disparity as has been pronounced passionately at the outset of the budget speech, well

designed projects with concrete implementation targets and outcomes should be formulated. Intentions to initiate the Five Year Plans (2010-2015), Perspective Plans (2010-2021), and the introduction of spatial planning and district plan are commendable as these will set off the journey towards long-term development.

The operationalisation of these objectives, however, requires dynamism and strong leadership with far-sighted vision. It is indeed the political commitment, which can plan and implement a budget that will not only strive to deliver on the annual targets but also veer towards achieving long term objectives.

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For innovative police management

There is a desire amongst young police officers to bring about a change. But they find themselves helpless and soon get frustrated. Let's give them a chance.

MUHAMMAD NURUL HUDA

THERE is no denying that serious efforts to understand the dynamics of disorder in our situation has to focus on identifying the causative factors and then possibly arrive on a broad consensus. The unfortunate part is that somehow the callousness of the police, their role as militarised force, and the alleged incompetence in preventing or detecting crime, the widespread corruption and indecorous behaviour have been taken for granted.

The reality in Bangladesh is that the increase in crime and the deterioration in the law and order situation are often rationalised on one flimsy or another untenable ground. While patronage of criminals by politically powerful people, weakening of governmental authority, political interference in police recruitment, transfers and postings, promotions and lack of proper training do have substantial impact the inescapable fact remains that police officers themselves will have to clear the mess.

However, if the causes behind the

constraints are not looked into in serious earnest then we would have to believe in the magical powers of the police in performing their statutory functions.

Whenever order breaks or crime registers an upward trend, the normal reaction or prescription is to demand more manpower, more vehicles, more arms and ammunition, more powers or special cadre of personnel. The question is, can we make do with less powers and resources?

How about serious and sustained campaign to win the trust and confidence of the general population? It would not be realistic to deny that there is a general sense of alienation and fear mixed with hatred that has given rise to an adversarial relationship between the police and the general people. This task, however, cannot be accomplished if the political leadership continues to ignore the requirements of a free and democratic society.

Our police have not changed behaviourally because even after 38 years of independence our people have little sense of participation in the

process of governance. Our people cannot demand protection or security as a matter of right because they have not been empowered by political education and institutional reforms. Therefore, in relation to police as also other public servants the worst form of patron-client relationship continues.

People do not consider police institutions as their own. In fact, at places it has acquired a fearful dimension. However, very few amongst us appear to be serious and concerned about the increasing brutalisation of our police force.

The unlimited powers of arbitrary arrest by the police, a legacy of colonial rule, have not been sobered by the proper inculcation of skills in scientific detection and investigation of crimes, as should be the case in an independent polity. On the contrary, we have the unfortunate experience of seeing successive governments using the police to harass and intimidate their political opponents.

When police gets politicised and is used as the instrument of coercion, it naturally changes its outlook, behaviour and attitude. Quite naturally, that has far-reaching implications for the work ethic and efficiency. In seminars and symposiums animated discussions point to the inevitability of an independent, neutral, non-partisan, humane and professional police ser-

vice but what is done in practice is quite the opposite.

The question is how much physical changes have taken place in our police station buildings since independence? The living conditions are quite often dehumanising. Therefore, perhaps not much can be expected in terms of appropriate behaviour from stressed personnel at the prime service delivery point.

The need of an innovative approach in our police management perhaps merits consideration at this point of time. Can we examine the whole problem of law and order from a sociological angle? We may do the proposed experimentation in a particular district.

The first conditionality for this new approach will be that there would be no political interference in the working of police. Selecting a committed, upright and hardworking officer for this experimental district would be the Inspector General's exclusive choice. The officer's tenure should be three years.

The distinctive features of such experimental district would be the creation of liaison committees in each police station; free and unhindered access to all police stations shall be ensured; police strength would be reassessed and unnecessary duties would be curtailed; communities and



Police management needs an innovative approach.

social institutions would shoulder responsibilities in consultation with police; arrangements would be made whereby trade bodies and industrialists may be able to contribute financially in exchange of firm assurances of improvement in order and crime situation.

The whole approach is attitudinal and the issue is one of management. The necessity is one of rationalising police manpower and allocating greater resources for training while ensuring better working conditions in the police stations, the primary service delivery point. These are not tall orders

and do not require much money.

Let's make a beginning in a district, and if the experiment is successful it can quickly be adopted elsewhere. There is no dearth of men and women of character, honesty and integrity even now. There is a desire amongst young police officers to bring about a change. But they find themselves helpless and soon get frustrated. Let's give them a chance. The basic question is, do we, as a nation, want to make police reform possible? Do we want to abide by the rules?

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Row over front row seats

The opposition's adding of new pre-conditions seems to be clouding the prospect of their coming to parliament. It is asking the government to do what seems unlikely to be done now. Take, for instance, their new pre-condition to settle the 'cantonment house' issue, which is pending with the HC.

MD ALI AKBAR

FOR the first few days, the opposition sought to justify its boycotting of the ongoing budget session, complaining that they were not given adequate number of front row seats (FRSs) in the parliament. Since the end of the first session, they have been pushing hard for more FRSs as a precondition for joining the second session.

The chief whips of the treasury and the opposition met the Speaker over the issue before the current session opened. Then, the Speaker allotted one more FRS to the opposition raising the tally to five, and

urged the opposition to join the budget session. He also made it clear that there was no more scope of increasing the FRSs for the opposition.

In immediate reaction, the opposition whip let it be known through the media that the dispensation of five FRSs to them just fell short of being 'respectable' and they would come back to parliament if a 'respectable' number of FRSs were allotted to them. He however did not elaborate on the 'respectable' number of FRSs.

As the squabble over the FRSs goes on, a string of interpretations on the opposition's boycotting of the parliament are

heard from various quarters. Some view it as a strategic ploy on the part of the opposition, buying time to settle its internal feud over nomination of the deputy opposition leader in the parliament.

Some others are apprehensive of a yet-unlikely prospect of the opposition's reverting to the old culture of boycotting parliament on this petty excuse. This apprehension is not totally irrelevant. It remains a fact that the opposition has yet to come to terms with their last election debacle. And given their miniscule position, they might not quite feel confident about playing a strong role in the parliament.

Obviously, the opposition seeks to play the matter of FRSs as an issue. Does that lend them a strong, sensible ground to stay out of the parliament? Indeed, not. As per convention, the opposition was allotted four FRSs. Now, they have been given one seat more than what is due proportionately to their numerical standing in parliament.

They, however, do not talk about their

numerical strength, but vaguely demand an 'honourable presence' (?) in parliament. Asked about the opposition's stand, the hon'ble Speaker said he could not yet make out what the opposition actually indicates by 'respectable FRS allotment'.

He, however, suggested that they should come to highlight their demand in the parliament rather than raise tempest in a tea-cup outside of the parliament, and that it would then be possible to address their demand. But, the latest statement of the opposition chief whip that they would not join the budget session until the government settles Begum Zia's house issue in addition to allotting the 'respectable' number of FRSs in parliament represents a new turn in the opposition's outlook.

The treasury takes the inflicting of a new pre-condition with surprise. With the hardening of opposition's attitude, the conscious citizenry tends to make a few scathing remarks on their sense of accountability to their electorates. What

of their tall promises they made before the election? Who will project the grievances of their constituents? Did the electorates vote them to boycott parliament?

Even some of the opposition admirers have voiced disagreement with their boycott tactic for one, or two FRSs. The other day veteran political scientist, Dr. Emaj Uddin, adversely reacted to the opposition's obstinacy. He said the opposition could have rendered a great service to the country by focusing on the serious national issues like Tipaimukh, Asian Highway etc. in the parliament.

The opposition is now expected to demonstrate political maturity leaving aside all such matters that do not have significant bearing on our national interests. For now, they should give up their ego play centring on the FRSs. After all, the FRSs are not what the elected representatives should attend the parliament for. Basically, it is 'public interests' that they are mandated to uphold in parliament. And they could play that part from a 'back seat' as well.

Not long ago, one may recall, the opposition assured the treasury bench of their co-operation. In the same spirit, they did a few positives like attending the cabinet's swearing-in ceremony, as well as the inaugural and the concluding sittings of the first session. Particularly, the opposition leader delivered a significant speech in the concluding sitting of the last session, which was widely commended as a pleasant exercise in our parliamentary culture.

But, the opposition's adding of new pre-conditions seems to be clouding the prospect of their coming to parliament. It is asking the government to do what seems unlikely to be done now. Take, for instance, their new pre-condition to settle the 'cantonment house' issue, which is pending with the HC, and cannot possibly be settled now, as it is a sub-judice matter. So, the nagging FRSs row appears to be a façade behind which there might be some hidden thinking(?)

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