

Two-way traffic



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THE government has set an ambitious revenue growth rate of 20 percent for the next three fiscal years. It's undoubtedly true that without collecting local resources in sizeable amount, the development of a country will always remain a far-fetched dream. Such an initiative will definitely lead to the exclusion of Bangladesh's name from the list of LDCs.

Following the turmoil in the world economy, it is clearly understandable that foreign grants cannot be a dependable foundation

for the sustainable growth of an economy. Among all the countries of South Asia, the rate of tax revenue on GDP in Bangladesh is relatively lower.

The improvement in revenue collection during the last decade is not bad. The government has been able to increase the number of taxpayers, and the areas of direct and indirect taxes have also been broadened. New techniques were introduced to stop evasion and avoidance. The revenue collection process has been simplified too. As a result, people have been motivated to become pro-tax minded.

At the same time, it is the government's responsibility to create confidence in the mind of tax payers that the contribution from their hard-earned money will be utilised only for the welfare of the society and the nation, nothing else. If such practice is ensured, tax payers will be directly or indirectly benefited.

But, in reality, opportunists are looting public property under the safe shelter of some immoral politicians. According to a TIB report, at least 67 percent of households are affected by the dishonest people. At a minimum, Tk.55 billion (Tk.5,500 crore) is paid yearly through bribes. It is really very frustrating for the general people that the government cannot ensure proper utilisation of public money.

Sometimes, to meet its own political agenda or to take political revenge, the ruling political party uses public funds recklessly. An example is the recent change of the name of Zia International Airport. It will take Tk.12

billion to implement it.

Many people believe that this change was neither in the manifesto of the grand alliance in the last national election nor badly needed now in public interest. To implement this change, why cannot the ruling party pay this significant amount from the party's fund instead of using public money?

In Bangladesh, we have so many things to resolve on urgent basis. Due to financial constraints, the finance minister could not declare any significant stimulus package for exporters, though this is essential to remain competitive in the global market. The government could not refund the money collected by force by the last caretaker government on the plea that they did not have any allocation in the budget. If this is true, then how could the government spend such a sizeable amount in a non-productive area?

In developed countries, both the citizens and the government are highly concerned about their own responsibilities regarding safeguarding tax money. Both the evasion of tax and the misuse of public funds are punishable offence.

A recent incident in France will give us an idea about the seriousness of people for the proper usage of tax money. Jacques Chirac was placed under formal investigation on suspicion of using Paris City Hall funds to pay for staff at his political party when he was mayor of the capital a few months back. He is accused of using council money to finance staff at the Gaullist movement, which he headed before his election as president in 1995. No one can avoid trial if s/he misuses public fund. Such a culture induces people to be tax-compliant.

Recently, the PM advised the revenue department to check the income and expense of all citizens to detect tax evasion, if any. Which department will make sure that the government will not drain out the money of the tax payers? If anyone wastes public money, which authority will try the responsible government servant for that?

The PM has said that she will remain impartial if someone is proven to be a tax evader. This does not match with the recent presidential pardon granted to the son of the deputy leader of the Parliament, who was sentenced to imprisonment for evading tax. This is a very bad precedent, which will be detrimental to the national interest!

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Arabs fail to unite

The challenging idea from Mousa was that the Arab states should initiate dialogue with Tehran on priority basis. The Arabs are uneasy over Tehran's role and influence in the Middle East. While Syria, Qatar, Algeria and Sudan supported Amr Mousa, others found it difficult to accept Iran's nuclear policies.

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THE 22nd summit of the League of Arab States was held in the Libyan coastal city of Sirte on March 28-29. The meeting came on the heels of the breakdown of the much-hyped US-mediated proximity talks between the Palestinians and Israel, scheduled to have started in mid-March. The proximity talks could not take off because Israel announced that it would build 1,600 new Jewish homes in East Jerusalem, the future capital of the state of Palestine. Palestinian Authority President Mahmoud Abbas declined to talk unless the Israelis rescind the decision.

The Arab League was established in 1945 by six states -- Egypt, Syria, Jordan, Lebanon, Iraq and Saudi Arabia. The League was formed based on the resolution of the Alexandria Protocol "to protect Arab interests and in particular to obtain greater freedom from foreign rule and to prevent further development of Palestine as the Jewish national home under the British mandate." The League now has 22 members and its Secretariat is based in Cairo, headed by the veteran Egyptian diplomat Amr Mousa.

Seven heads of state -- from Egypt, Saudi Arabia, Lebanon, Oman, UAE, Iraq and Bahrain -- were absent from the meeting. Libya's charismatic Moammer Gaddafi, known for his unpredictable manners, chaired the summit. UN Secretary General Ban Ki-moon, Italian Prime Minister Silvio Berlusconi and Turkish Prime Minister Recep Tayyip Erdogan were invited by Gaddafi to speak at the inaugural session of the meeting.

The most important agenda for the summit was to discuss the status of Al Quds, i.e. East Jerusalem. Almost all the leaders criticised and warned Israel over its policies towards the Palestinians. On the question of negotiations with Israel the summit leaders failed to agree whether Mahmoud Abbas should go ahead. There are reasons for Arab ambivalence.

Israeli-US relations are currently at the lowest point. Washington is deeply annoyed with Israel's hawkish Prime Minister

Benjamin Netanyahu, who leads a rightist coalition government. There is speculation that the White House may be considering "regime change" in Tel Aviv. Pressure from the Obama administration on Netanyahu to stop the settlements may actually break the coalition and force fresh elections in Israel. A non-Likud government may be more amenable to peace negotiations with the Palestinians.

The Arabs may be waiting to see what Barack Obama's next move will be. In October 2010 the Arab League will hold an Extraordinary Summit to chalk out the future course of action if Israel continues its policies to "Judaize" the occupied Palestinian land. By then the four-month time limit given by the League for the indirect talks between the Palestinians and Israel will be over. And since the UN General Assembly will go into session in New York at that time, the Arabs may bring up the issue for a debate.

The Arab peace offer calls for normalisation of relations with Israel in return for total Israeli withdrawal from all land, including East Jerusalem, occupied during the 1967 war. Amr Mousa bluntly said that the peace process was coming to an unsuccessful end. He pointed out that over the last 20 years the peace process had failed to contain Israeli aggression. However, to express solidarity with Mahmoud Abbas, the summit promised to give \$500 million for the Palestinians living in East Jerusalem.

There were two other important ideas mooted at the summit. Both these proposals were elaborated by Amr Mousa to the immense discomfort of attending delegates. Mousa asked the summit to adopt a new "Arab Neighbourhood Policy." This, he said, would bring together the Arab League with other Middle Eastern, Mediterranean, South European and African states under a new regional arrangement. The summit however, left the issue pending.

The other more challenging idea from Mousa was that the Arab states should initiate dialogue with Tehran on priority basis. The Arabs are uneasy over Tehran's role and influ-



Still bickering amongst themselves.

ence in the Middle East. While Syria, Qatar, Algeria and Sudan supported Amr Mousa, others found it difficult to accept Iran's nuclear policies. Syria argued that since the Arabs had been talking to Israel despite its policy of occupation and killing of Palestinians, why not talk with Iran? Pro-US Egypt and Saudi Arabia, however, are deeply suspicious and look upon Tehran's policies as "Persian attempts to expand its influence over the Arab region," and use that as a bargaining chip in its confrontation with the West.

The intervention of Turkish Prime Minister Erdogan was rather surprising. Turkey, which recognised Israel in 1949, of late, has been angry with and critical of Tel Aviv's policies towards the Palestinians. Erdogan, condemning Israel's plan to build Jewish homes in East Jerusalem said: "Jerusalem is the apple of the eye of each and every Muslim ... and we cannot at all accept any Israeli violation in Jerusalem This is madness and does not commit us in any way."

Erdogan also supported Mousa's "Neighbourhood Plan" and is keen to play a more active role in the region. Turkey, a strong US ally, has so far remained lukewarm on the Palestinian issue. Since the parliamentary elections in July 2007, the conservative

Justice and Development Party (Adalaet ve Kalkinma Partisi -- AKP) returned with more votes, its relations with Israel has diverged.

The other issue which dominated the debates in the corridors of the summit venue is naming of the successor to the current secretary general of the League. Amr Mousa is scheduled to complete his term of office in May 2011 and has indicated his unwillingness to continue. Egypt has had a monopoly over the post. Out of seven secretaries general since 1945 five were from Egypt. Algeria, Syria and Qatar have shown strong interest to lead the Cairo-based Organisation. The battle for the top post of the Arab League, which many consider an impotent organisation, carries the risk of further dividing the already polarised Arab world.

The only refreshing side of the otherwise mundane summit was the disciplined manners of Moammer Gaddafi. He is known for his tantrums and unrealistic proposals. In the past, he had sharply criticised the Gulf leaders, which led some of them to stay away from this summit. But this time around he behaved as a true leader keen to unify the Arab world.

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Localising power

Civil society organisations and academicians are always crying out for decentralisation and strengthening of local governments in Bangladesh. But the centralisation tendency of the bureaucrats and politicians has so far carried the day pretty well.

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DEMOCRACY is no doubt the most favoured system the world over. Democracy, as we know, stands for majority rule, equality, and uniformity in treatment of the people who elect their rulers through universal suffrage. As a general rule, central the government is at the helm of a country and its inhabitants. But, in reality, it is next to impossible for a central government to ensure equal and equitable development of all areas of a country.

Consequently, decentralisation of power and authority as well as formalisation and promotion of strong local governments have turned out to be possible alternatives round the globe. At the same time, it is also agonisingly true that despite official rhetoric, decentralisation can be and is often used as a means for re-centralisation or reinforcement of central control.

Many critics are rightfully convinced that decentralisation in most of the developing countries has been used as a facade to maintain or strengthen in one way or the other the position of those who hold power. Decentralisation may well be used to destroy local or regional centers of power hostile to the national regime, or to incorporate them into the structure of the state.

I reckon this is very much in practice in Bangladesh and, unfortunately, many decentralisation programs of various regimes have been motivated more by this expediency than other considerations. That democracy is not only electing a party to power to rule a country from the capital is yet to be understood well by both the politicians and the bureaucrats.

Admittedly, there is no viable substitute for effective decentralised bodies for empowering, and giving a taste of governance to, the people, especially for the vast majority that have to stay away from the capital. The tendency to cry out for decentralisation in public and suffocate the sincere efforts in practice is still the order of the day in Bangladesh and most other developing countries.

Though the perennial bureaucratic resistance is the principal culprit in this, collusive and docile political leaders cannot deny their role. However, the World Bank very rightly suggests that decentralisation not only contributes to balanced development of various regions in a country, it also greatly contributes to integrity of a state through providing self-power to remote regions. In this sense, the more powerful a country's decentralised bodies, the more strengthened will be its national integrity.

In fact, the preceding observations apply to almost every country, not least the big ones, and Bangladesh is, of course, no exception. Moreover, local governments are supposed to be the springboards for prospective and ambitious politicians, as in France. The structure of French politics is such that national politics are often geared to attitudes that have their roots at local level. As a result, local elections are keenly contested and a turnout of 75 percent or 80 percent is not unusual. Thus, in France, local government is considered as the training ground for national politics.

As summed up by Professor Dr. Tofael Ahmed and Professor Dr. Niaz Ahmed Khan in Banglapedia, the decentralisation scenario in Bangladesh is hardly encouraging. In their words, evolution of decentralisation in Bangladesh is characterised by: (a) domination by and complete dependence on the central/national government; (b) unrepresentative character; (c) grossly inadequate mobilisation of local resources; (d) limited or lack of participation of the rural poor in the decentralised bodies; (e) successive regimes' marginal and superficial commitment to devolution or decentralisation in practice.

Admittedly, civil society organisations and academicians are always crying out for decentralisation and strengthening of local governments in Bangladesh. But the centralisation tendency of the bureaucrats and politicians has so far carried the day pretty well. It is utterly unfortunate that the upazilla level of Bangladesh local government, which has the potential of being a strong local government body, is not being put into operation only because of resistance from the elected lawmakers who are afraid of losing their supremacy in their constituencies.

It is true that if we opt for good governance we have to carry out democratic decentralisation. We have already lost a lot of time. Thus, sustained measures and sincere efforts are overdue because decentralisation and strong local governments can make democracy truly functional and meaningful, and facilitate the development agenda and activities of a country -- not least Bangladesh.

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