

Time to focus on equitable distribution

Inequality in society has reached record levels

BA NGLADESH'S economy apparently grew at 8.13 percent in the fiscal year 2018-19, the highest in the country's history. But what do these impressive growth rates indicate? Do they say anything about the quality of that growth or whether the benefits of higher growth have been equitably distributed? These are the questions that economists and researchers have consistently been asking since GDP growth has somehow become synonymous with development with no regard to distributive justice.

The fact that inequality in Bangladesh today has reached the highest level in its history, at the same time as the highest-ever GDP growth has been recorded, leaves no doubt that inclusive quality growth remains as elusive as ever. According to the latest Household Income and Expenditure Survey (HIES) of Bangladesh Bureau of Statistics (BBS), the Gini coefficient in the country—which is a measure of equality—reached 0.482 in 2016, a marked increase from 0.458 in 2010, which indicates greater inequality.

One of the dangers of excessive focus on GDP growth figures is becoming afflicted with tunnel vision: issues affecting the poor and the marginalised are sidelined and the status quo remains in place. The rich continue to accumulate wealth, both by legitimate and illegitimate means. The result is a no-brainer: greater inequality. GDP growth does not take into account a number of things such as distribution of wealth or quality of life. GDP growth also does not consider the extent of institutional corruption which is one of the biggest obstacles facing Bangladesh in achieving equitable, quality growth. A good example is the miserable state of the banking sector which is plagued with a mammoth size of nonperforming loans and where defaulters have been enjoying near-impunity.

It's time we focused on the quality of growth, not quantity. This means the government needs to focus on increased access to affordable healthcare and education, especially for the poor; de-politicisation of institutions; planned urbanisation; maintaining rule of law and ensuring justice; and tackling corruption at all levels.

Empower the river commission

Blatant defiance of govt. order

WE are surprised at the indifference of a private company to the government orders as it is building two slipways in the Meghna river in Munshiganj's Gazaria upazila, ignoring the directions of the National River Conservation Commission (NRCC) and the BIWTA. Reportedly, the company has neither the licence to use the river foreshore nor the clearance from the shipping and environment departments to erect such structures on river land.

This particular case is representative of the general state of affairs prevailing in this matter—of grabbing rivers with impunity, with the river commission helpless to take any action. Added to this is either the reluctance or direct collusion of the relevant agencies with the perpetrators. These illegal activities have been going on under the nose of the administration, with no apparent reaction on its part.

Legal action needs to be taken against this company as well as others who are grabbing and polluting our rivers ignoring the laws. And to do so, the government needs to empower the river commission. Although the commission was formed to protect the rivers, it doesn't have the legal or institutional capacities to perform its duty properly. It does not have the power to punish those who are not complying with the rules. All it can do is issue warnings and make recommendations. But only good intentions and issuing warnings will do little to save our rivers. As the High Court has declared the commission as the legal guardian of our rivers, the government must empower the institution so that it can do its job without any obstructions from any quarters.

LETTERS TO THE EDITOR

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Chaos in the jute sector

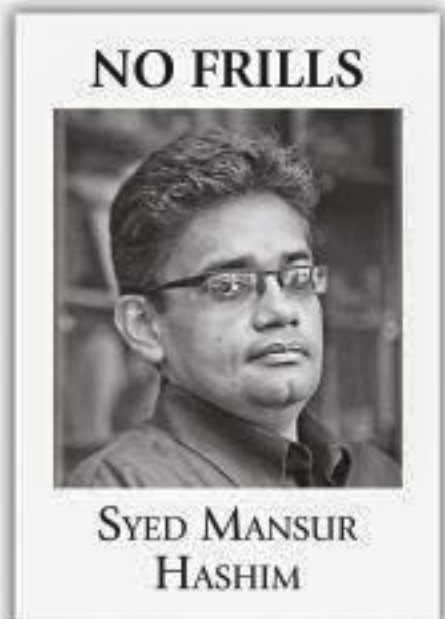
It is with great discomfort that we are witnessing the indefinite strike enforced by the state-run jute mill workers, which is causing sufferings to the general public. The workers have been protesting for more than a week now, pressing for a set of demands related to their arrears, a new wage commission and fair wages.

While private jute mills are making profits through domestic and export sales, the public jute mills are suffering from huge losses despite the government investing heavily in this sector. Inefficiency, corruption, lack of competition, the prevalence of "ghost" workers and other reasons have contributed to the stagnant condition of the jute industry.

It is high time the government installed a proper monitoring system to check the performance of the management. Furthermore, new technology should be introduced to increase the efficiency of the production process, and jute products should be improved so that both domestic and international demands for these products can be created. But the former glory of the jute industry, which once commanded the respect of consumers around the world, cannot be restored unless corruption is eliminated from its very core.

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Bringing more people under the tax net



THE finance minister recently stated that it is the government's intention to bring 10 million people under the tax net. That is a mammoth target since presently, only about 2.0 to 2.2 million people are connected to the taxation system through their Tax Identification Number (TIN). It is good that the issue of expanding the tax net is now actively under consideration as a major source of tax revenue and is being prioritised. We are told that the potential number of tax payers in the country is 40 million. At present, only a paltry 5 percent are paying taxes. The tax-GDP ratio points to the health of an economy and Bangladesh is at the lower end of world rankings. European countries are at the top of the rankings while South Asian nations form the lower rung of rankings. It is not clear how the target of 10 million will be achieved but aiming higher will certainly help the National Board of Revenue (NBR) break out of the historically lower rates of people actually paying taxes.

However, to break from the past, something needs to be done to make the tax regime more people-friendly. Several steps have been taken by NBR over the last few years to make the process of paying taxes easier, which has actually helped people to file more tax returns. These include tax fair, tax rebate, e-information services and making filing tax returns easier. But as pointed out in a survey carried out by the Centre for Policy Dialogue (CPD) in 2018, which covered 1,200 respondents with taxable income, only 32 percent had paid income tax the previous year. About a quarter of

the participants belonged to the affluent class but failed to pay taxes. The study titled "Potential of Personal Income Tax in Bangladesh: An Examination of Survey Data" sheds light on the issue in some detail.

We find that three-fourths of the respondents are of the opinion that the tax system favours the elite while 65 percent believe that corruption is prevalent in the taxation system and the system overall is very complex. So, there is a negative perception about paying taxes

to the caretaker government has pointed out that Bangladesh's per capita income is almost double that of Nepal and yet the tax-GDP ratio in the country is lower than Nepal's by 14 percentage point.

The focus of the upcoming budget (FY2019-20) revolves around a much higher revenue collection of Tk 3.97 trillion, where NBR's revenue target is around Tk 3.4 trillion. The cornerstone of that target is the expansion of income tax and VAT net which will help reduce dependence on foreign aid and grant and

There are not enough tax offices in the country. These need to be established and fresh recruitment should be initiated if the government wishes to tap into rural incomes for the purposes of tax collection. Human resource constraints within NBR need to be tackled. Hiring of staff with special skills is mandatory for a modern tax administration.

Some of the CPD study's findings point out that more educated people employed in the formal sector of the economy were likely to pay taxes. Hence, it is imperative for the policymakers to concentrate on the formal sector to bring a greater share of the workforce under the income tax net. The return form for tax return should be simplified to help encourage self-assessment for people belonging to lower-income groups. To encourage lower-income households to become tax payers, incentives can be given in the form of public services like easy access to education for children, health care in public hospitals, etc.

One of the biggest stumbling blocks to getting more people to pay taxes is the fear of the tax man. This needs to change and that can only happen if the process of paying taxes can be done in a transparent manner. While reforms have been talked about for many years, things have not changed much due to internal resistance. The general perception that the tax office is not graft-free is a problem. That, coupled with the feeling that taxes are not for the wealthy and well-to-do, has much to do with the generous tax exemptions given to richer groups. People need to feel that the money they are paying in taxes translates into better public services like education, health, infrastructure and social protection. These issues need to be tackled head-on if there is to be a meaningful expansion of the tax net.

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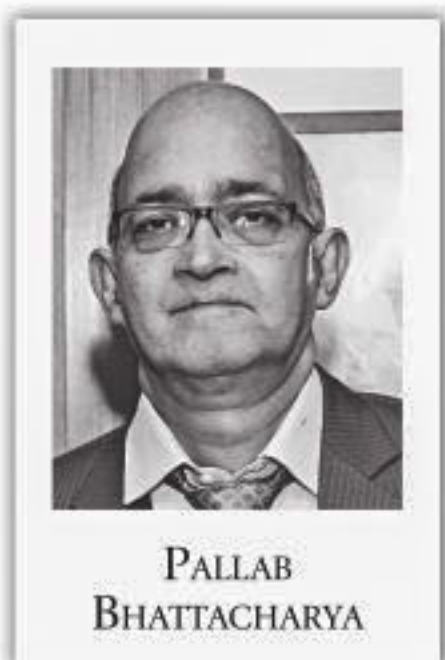


SOURCE: ROCK-CAFE.INFO

and one that fails to promote payment. As pointed out by the NBR chairman, although there are 3.5 million registered tax payers in Bangladesh, around two million submit returns. And although tax return submission is increasing, much more needs to be done. A former advisor

also help the government to carry out its development work in infrastructure, social and education sectors. While the finance minister has been talking about not raising income tax, the additional resources will inevitably have to come from an improved revenue collection.

What it takes to organise India's national election



TRUDGING across the world's largest inhabited island (Majuli) on the Brahmaputra river in Assam for three days carrying EVMs, VVPAT units and other election materials, scaling rugged mountains in eastern Himalayas to reach just one voter in Arunachal Pradesh, walking through the deep snow to the world's highest battlefield Siachen Glacier, where oxygen is scarce, or risking Maoist ambush

in a dense forest—these are just a few vignettes from the Indian parliamentary election, a mind-boggling exercise in the world's largest democracy, that aim to ensure that no eligible voter is left out. This is in sync with the foresight of the framers of the Indian Constitution who set up the Election Commission a day before the promulgation of India as a republic at the heart of which are the people and the universal right to vote. The message was unambiguous: every vote matters.

After the last votes have been cast in this edition of the election, on May 19, it is time to have a look at the efforts that go behind the conduct of the franchise exercise on such a scale. Months of planning, mobilising resources and establishing coordination among a plethora of

Ministry, the Election Commission, the Central Reserve Police Force (CRPF) and different state governments—have had multiple brainstorming sessions firming up the final plan and finetuning them. The EC remains the supreme body for organising the election, beginning from deciding the poll schedule to allocation of resources and coordinating various government departments. The home ministry provides the security forces in consultation with the EC and ties up with other ministries such as railways and state governments for movement of forces across a diverse topography. The CRPF is the nodal force coordinating deployment and movement of all other forces, including states' police, on election duty.

The first challenge for the EC is zeroing in on the election dates, factoring in the fact that every state has its own religious practices and so the dates should not clash with them. Secondly, the EC has to take into account the school examination schedule as most of the polling booths are set up in schools and their teachers are engaged in poll-related work.

The CEC and ECs, all of whom are retired senior bureaucrats, are appointed by the President of India to a tenure of six years, or up to the age of 65 years, whichever is earlier. They enjoy the same status and receive the same salary and perks as judges of the Supreme Court. The Election Commission of India derives its authority from Article 324 of the Constitution which states that

one head is better in a constitutional body. However, on January 2, 1990, the National Front government of Prime Minister VP Singh changed the rules and reverted the commission to a single-member body. On October 1, 1993, the Congress government of Prime Minister PV Narasimha Rao restored the provision of two more Election Commissioners. The office of the Chief Election Commissioner is assisted by Chief Electoral Officers in various states and federally-administered territories; all of them are senior bureaucrats.

Besides organising the logistics for the election, the EC also keeps a tab on the use of muscle and money power by parties and candidates and the violation of the model code of conduct and other electoral laws through their actions and utterances during campaigning. Recently, the EC came out with a c-Vigil Application that seeks to empower the citizens to report instances of violations of the model code of conduct for poll and play a critical role in the entire electoral process. To stop abuse of money power in elections, which is widely recognised as the greatest challenge faced by both established and emerging democracies across the world, the Indian EC has made elaborate arrangements for effective implementation of an election expenditure monitoring mechanism—deployment of general, police and expenditure observers as micro-observers to ensure the sanctity of the electoral process.

Notwithstanding the by-and-large free and fair elections organised by the Election Commission, the poll body has often come under criticism for being "biased" and turning a blind eye to irregularities and violations of the poll laws and the model code of conduct. The 2019 general election was no exception. But overall, the EC's conduct has been beyond reproach, and parties have always accepted the conduct of the poll and its mandate.

However, the Indian democracy does have its share of flaws like the use of muscle and money power, presence of candidates with criminal cases, and inadequate representation of women in the parties' choice of nominees. Just look at the figures in the just-concluded election—the Election Commission seized Rs 3,439 crore of cash, more than double that it had confiscated in 2014 (Rs 1200.25 crore), meant for distribution among voters. In fact, the use of money power led to cancellation of polling in Vellore constituency in the state of Tamil Nadu.

The proportion of candidates with criminal and serious criminal cases against them in the 2019 parliamentary election has shown an upward trend, according to a report by election watchdog Association for Democratic Reforms (ADR). The report, based on an analysis of the mandatory affidavits filed by the candidates with the Election Commission, says that 19 percent of the over 8,000 candidates contesting the 2019 general election have declared pending criminal cases against them. Now, compare this to 17 percent in 2014 and 15 percent in 2009. Similarly, 13 percent of the candidates in this year's polls have declared serious criminal cases against them as opposed to 11 percent in 2014 and eight percent in 2009, says the report.

A mere 711 of the total 8,048 people who contested this year's national election are women. That works out to 8.8 percent, according to a study done by Gilles Verniers, a professor of Ashoka University. This is a sad reflection of the participation of women in the electoral contests even though the number of female voters in this year's election touched an all-time high closing the gender gap in turnout, as per the Election Commission's update on the night of May 19, soon after the final phase of polling. The difference between the male and female voters narrowed from 9 percent five years ago to 0.4 percent this year, said Deputy Election Commissioner Umesh Sinha. In fact, the number of women voters was more than that of men in nine states, including West Bengal and federally-administered territories.

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Indian voters queue to cast their vote at a polling station during India's general election in Aligarh, in the northern Indian state of Uttar Pradesh on April 18, 2019 in the second phase of the mammoth Indian elections.

PHOTO: MONEY SHARMA/AFP/GETTY IMAGES

state governments and the federal administration. From just 170 million voters with 200,000 polling stations in 1952, when India had its first parliamentary election, to more than 910 million electors and over one million polling stations in 2019—the Indian democracy has come a long way, silencing those who were sceptical if a newly-independent country can manage democracy. Adoption and adaptation of technology as embraced by the Election Commission of India has helped manage the gigantic electoral process, making it one of the largest management exercises in the world. But that is only a part of the story. What is fascinating is the human involvement behind the poll.

During the entire election process this year, India has ferried more than 2.5 lakh security personnel using helicopters, trains and other vehicles, hundreds of horses and mules as well as boats and ships at an estimated cost of more than Rs 200 crore as part of the logistics for the election. The key players in poll management—the Home

the powers of "superintendence, direction and control of elections" are to be vested in an Election Commission. The Constitution does not, however, stipulate the size of the commission. Article 324(2) only says that "the Election Commission shall consist of the Chief Election Commissioner and such number of other Election Commissioners, if any, as the President may from time to time fix."

Initially, the Election Commission of India consisted of just the Chief Election Commissioner. However, on October 16, 1989, the Congress government of Prime Minister Rajiv Gandhi appointed two more Election Commissioners, making the commission a broad-based body just before the national election, a move that came under fire from opposition parties who saw it as an attempt to undermine the independence of the Election Commission. The then CEC RVS Peri Sastri challenged the government action in the Supreme Court which rejected his plea, saying that more than