

## Will there be relief from waterlogging?

City authorities must bolster efforts to prevent it this monsoon

With the monsoon season approaching fast, there are growing concerns about waterlogging which seems certain to haunt residents and commuters in major cities, like in the past years. Already, intermittent rain has exposed cracks in the fragile defences put up by city corporations and other relevant authorities. On Wednesday, Chattogram, where waterlogging has long been a major issue, saw heavy rainfall causing waterlogging in various low-lying areas. People had trouble move freely as traffic was slow on many roads, because excess water could not be channelled away. Over the last week or so, we have had similar reports from Dhaka, Khulna, Sylhet, Cumilla and other cities on waterlogging thanks to clogged drains, blocked canals, and streets full of potholes.

The sufferings caused in the process are not unknown. First, there is the public health issue as stagnant water becomes a breeding ground for mosquitoes, leading to risks of diseases such as dengue, which last year saw the highest death toll on record. Moreover, waterlogged areas may cause accidents and hinder mobility, making it difficult for people to commute, access healthcare, etc. The question is, why does the problem persist to this day despite the many crores spent in upgrading infrastructure, clearing blockages in canals, and building drainage systems to dispose excess water?

In Dhaka, both city corporations have various projects in place, and the authorities are confident that streets will not be submerged after light rain. But in recent days, intermittent rain was invariably followed by waterlogging in many areas, suggesting that there will not be expected relief when the monsoon brings more frequent and heavy precipitation. At the DNCC, 103 places were apparently identified where sustained waterlogging is anticipated. At the DSCC, delayed dredging of four major canals, which remain clogged with garbage, is expected to exacerbate people's suffering come monsoon. In Chattogram, ward councillors at a city corporation meeting on Wednesday blasted the Chittagong Development Authority (CDA) and Wasa for lack of action and coordination on this issue.

Clearly, the authorities have a lot to do to address the impending waterlogging menace but little time to do it. This is totally unacceptable. Already, dengue is threatening to come back with greater force than last year. We urge the government to take the situation seriously, and direct all departments and agencies to bolster their efforts to prevent waterlogging and associated problems.

## A reckless exercise in harming nature

Jashore government employee must be held accountable for filling up a pond

At a time when the need for protecting our rivers, lakes and ponds has become very urgent, it is frustrating to see the lack of efforts to stop those grabbing or polluting them. The result is, one by one, these waterbodies are disappearing or being degraded, with nothing being done to punish those culpable. The latest example of this has been reported at the Manirampur upazila of Jashore, where, according to a *Prothom Alo* report, a government employee has been filling up a public pond situated next to his house.

By doing so, he has committed at least two crimes. First, he disregarded the law prohibiting the fill-up of any such waterbody. Secondly, he extracted sand from a nearby river to fill it, which is also illegal. Reportedly, when the residents of the area brought this to the notice of the local Upazila Nirbahi Officer (UNO), the latter directed him to stop it and the work remained suspended for a few days. But it started again soon afterwards, with soil brought from another place.

We wonder what emboldens a person to carry on with such illegal and environmentally destructive activities despite being duty-bound to uphold the law. It may be mentioned that section 4 of the Sand Quarry and Soil Management Act, 2010 strictly prohibits sand or soil extraction in such manner. The Environment Conservation Act 1995 (last updated in 2010) also prohibits it.

Unfortunately, as various reports suggest, these legal provisions are often flagrantly disregarded by powerful land grabbers and encroachers with their political connections shielding them from any legal consequences. The involvement of government employees, or even institutions, in such activities is no surprise either. The truth is, unless we create an environment respectful of the law and our precious natural resources, such activities will continue to happen.

We, therefore, urge the local administration of Jashore to save the pond from being destroyed and take action against the person responsible. With Bangladesh fast losing its natural resources, the government must take stern action against such grabbers and polluters.

## LETTERS TO THE EDITOR

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### No more VAT on sanitary pads

Owing to the price of sanitary pads in Bangladesh, many women consider this essential item as a luxury. Pad use among menstruating women is 40 to 50 percent in urban areas, while it is only 12 to 15 percent in the country as a whole. A VAT waiver can reduce the cost of sanitary pads by 40 percent. All educational institutions and workplaces in the country should ensure that menstrual products are freely available to female students and working women. Money should be invested or budgeted for free distribution of sanitary products to the women of the country.

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# EDITORIAL

## What the upcoming budget must deliver



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There is no denying the fact that the national budget for the 2023-24 fiscal year is facing at least three core economic challenges: recovering the economy fully in the aftermath of Covid, maintaining macro-stability, and containing the inflationary pressure. There are certain long-standing issues that need to be addressed as well – namely sluggish private investment, dismal performance of revenue mobilisation, inefficiency in the implementation of development projects, lack of effective governance in the financial sector, etc. Resource allocation of the budget must also address the fundamental issues of reducing poverty, stemming the rising inequality, sustaining growth, and generating employment. Though the recent budget structure is determined on the basis of medium-term budgetary framework (MTBF), a certain degree of adjustment based on short-term challenges is feasible as well. In addition, given the conditionalities associated with the recent IMF loan of \$4.7 billion, a number of reforms need to be initiated and effectively implemented, which is quite a challenging task in this election year.

Revisiting the key budgetary targets of the current fiscal year, it can be inferred that they have not been fully achieved. Both in the context of revenue earnings and the development expenditure, data till April 2023 shows that the actual figures are far below even the revised targets of the budget. For example, the initial target of GDP growth was set as high as 7.5 percent, though later revised down to 6.55 percent, but the provisional actual figure is just above six percent. Inflation was projected to be 5.6 percent, later revised upward to seven percent, but the actual data as of April reveals it reached as high as 8.6 percent on average. The performance in terms of implementing the current budget is, therefore, not satisfactory.

The most challenging task of the upcoming budget is addressing revenue earnings. While designing the tax structure, it should be kept in mind that it can be an effective tool in reducing income inequality. According to the Household Income and Expenditure Survey (HIES) 2022, inequality has increased in recent years, and that has been reflected in both income and consumption Gini (measure of inequality). For example, the income

the surcharges more progressive, redesigning the income tax brackets, etc can have important impacts. Besides, in order to boost trade-related taxation as well as put a constraint on the outflow of foreign currency, luxury commodities need to be taxed at higher rates.

The most important concern at the moment is to contain the inflation. The

e.g. agriculture (fertilisers, pesticides), subsidies should be continued, at least for the short run. In the case of energy subsidy, prices in the domestic market need to be aligned in a systematic manner, with price changes occurring at specific intervals. In this connection, a strict reform of the Bangladesh Petroleum Corporation is crucial to reduce losses and inefficiencies.



ILLUSTRATION: REHNUMA PROSHOON

Gini coefficient has increased to 0.499 in 2022 from 0.482 in 2016, and the consumption Gini coefficient has risen from 0.324 in 2016 to 0.334 in 2022.

Here, we must remember that due to underrepresentation of those at the upper income decile as well as misreporting of income data, survey data like that of the HIES tend to underestimate the true picture of inequality. In order to reduce and reverse this trend, a progressive and transparent tax structure focusing primarily on direct taxation can be effective. In this context, a massive reform is needed, gradually shifting the focus towards direct taxation, while emphasising expanding the tax net and redesigning the income tax structure in a progressive manner.

In this regard, digitalisation at every level of monetary transactions and making the revenue collection mechanism fully automated can have a significant impact. Adoption of innovative strategies implemented in other countries can be considered, too. In addition, decentralisation of the tax system and tax offices, arranging tax fairs at different localities with certain incentives, severe penalty in case of corruption or harassment of clients, making submission of tax return certificates in as many cases as possible, redesigning wealth tax, making

government should make necessary downward adjustments of value added tax, regulatory duties, etc to give some relief to the general people from the rising prices. Import taxes on essential commodities need to be adjusted. As part of the government's safety net programme, the open market sale (OMS) activity should be expanded significantly. The number of items on the list should be increased, and they should be provided at even lower prices. At the same time, allocations for safety net, pension and interest payment should be increased substantially. In this context, a quick implementation of the National Social Security Strategy (NSSS) is extremely crucial, focusing on the urban poor living in slum areas. Given the high rate of inflation, the government can consider increasing the per capita allocation of safety net coverage. In order to contain the soaring inflation, it is also essential to minimise the involvement of middlemen and thereby make the supply chain efficient, and also to emphasise strict market monitoring mechanisms.

Another critical issue for the FY2023-24 budget will be allocation for subsidies. Given the IMF conditionalities of reforms and the necessary austerity measures, a specific plan of action in terms of subsidy/subsidy phaseout should be revealed in this budget. In certain areas,

There is no denying that the implementation performance of our development programmes is a key concern. Till April 2023, only 50.33 percent of our Annual Development Programme (ADP) allocation has been spent, which is even lower than that in the previous fiscal year (54.57 percent). Given our limited fiscal space, we cannot afford any wastage or inefficiency; therefore projects should be selected carefully, considering their implications on the development efforts of the country. In this connection, a regular (preferably quarterly) ministry-wise project-based micro-level monitoring and evaluation practice should be adopted and strictly followed.

Another crucial area that needs greater attention in budget allocation is the areas of social sectors, e.g. education and healthcare, along with social safety nets. An increased allocation that is consistent with the practice in other South and East Asian economies while focusing on better implementation is crucial in this context.

Given the challenges that our economy is going through, the government needs to prioritise its development targets. In this context, the core concern of the upcoming budget should be containing the inflationary pressure while generating employment and maintaining macro-stability.

## C5 SUMMIT

# Strong message from Beijing to Washington, Moscow



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Was the timing of the recent China and the five Central Asian countries' summit (C5) a mere coincidence? It took place almost simultaneously with the G7 event in Hiroshima, making similar headlines all over. The venue, the historic city of Xi'an at the eastern end of the ancient Silk Route that connected China with Central Asia and many other cities all the way to the Middle East, was no less significant either, aptly symbolising the summit's theme of connectivity and shared future shaping up in extensive transport and energy networks.

In stark contrast, the G7 summit in Hiroshima was mainly on two not-too-benevolent agendas: strangle-holding Russia and containing China. But is the rest of the world with them?

Indian Foreign Minister S Jaishankar was blunt about how Europe (and the US) is trying to impose its problems on the rest of the world. Delhi, defying Western sanctions, is also leading the "Laundromat" countries (India, China, Turkey, UAE, and Singapore) that are increasingly buying Russian crude and selling refined products to Europe.

Brazil's President Lula de Silva squarely pointed out who should be responsible for the Ukraine war and suggested that Kyiv should come to a settlement with Moscow. South Africa's Foreign Minister Naledi Pandor made scathing remarks about selective applications of "international order," referring to the different ways it applies to Palestine and Ukraine. The oil producing group OPEC+, led by Saudi Arabia, angered the US by refusing to increase production, and maintained warm relations with both Russia and China. Turkey, a Nato member country, positioned itself as a neutral player in the Ukraine war. Most other countries are watching precariously, trying hard not to appear to be on either side.

Amid such strong voices of dissent, China is steadily rising on the world stage as it brokered the Iran-Saudi Arabia deal, challenging US monopoly. It has also become a major player in the global arms trade on the back of its economic growth coupled with sustained military modernisation campaigns. Then there is the increasing push for de-dollarisation in the BRICS

and other economies such as Saudi Arabia. All these are telltale signs that Washington's global grip is steadily loosening.

The C5 Summit was just one of many ways the world is changing. But will the US and other G7 members care to admit?

Now let's see how Moscow may perceive its smaller neighbours' cosying up with Beijing.

Russia and China have long been competing for influence in the huge landmass that lie between these two powerful nations. Neither wants an Afghanistan-like situation to spill over, and both want to reduce American influence in their neighbourhood. Despite such common interests, they remain competitors and vie for influence that has a long history since the 1600s. It continued after the Bolshevik revolution as the Kremlin followed a cold-blooded geopolitical strategy against Mao's Communist Party and supported Chiang Kai-shek.

Later, as the Communist Party defeated the Nationalist regime, they became strategic allies, though occasional border clashes continued.

During the Soviet era, Central Asia was under Moscow's control. Even after its dissolution in 1991, it acted as the power broker and security provider. But that started to wane as China's economic and military might grew. It became more prominent as Beijing launched the Shanghai Cooperation Organisation (SCO) in 2001, which has all countries in the region as members

including Russia, India, and Pakistan, with Iran and Afghanistan as observers. After many years of watching from the sidelines, China has now secured a strong foothold in Central Asia, almost replacing Russia. In 2022, President Xi Jinping travelled to the Central Asian countries in a whirlwind tour that nearly resembled a victory lap, and inked several wide-ranging deals. The C5 Summit is a culmination of the last few decades of carefully choreographed plans where Beijing has made it clear that Central Asian countries should better turn to it for trade, commerce and security, more so when Moscow is bogged down in Ukraine.

The Central Asian countries have their own security calculations too. Moscow's invasions in Georgia in 2008 and Crimea in 2014 made the former Soviet republics nervous about what may happen if they don't abide by Moscow's wishes. Now that the power balance has shifted significantly towards Beijing, especially after Russia's Ukraine quagmire, they feel more comfortable in freely choosing a trading and security partner, allowing China to increase its influence. The C5 Summit has made it abundantly clear, sending an unmissable message to Moscow.

Potentially, that is also opening another front for China-US rivalry – famously known as the Eurasian Heartland, a landmass of immense strategic importance that no superpower would like to let go of.

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