

Restore faith in the tax system

Govt must simplify the system, fight corruption, and stop wasting funds

The findings of the Centre for Policy Dialogue's recent survey—that nearly three-quarters of businesses identify corruption among tax officials as their greatest barrier to growth—lay bare the weakness of our tax system. Instead of being the bedrock of state capacity and economic progress, this system has become quite predatory.

The problem, however, goes beyond poor administration. According to the survey, 82 percent of firms opined that tax rates are unfair, while 65 percent are entangled in disputes with tax authorities. Company executives complained that arbitrary levies imposed without explanation added to "invisible costs," eroding trust and discouraging compliance. Furthermore, the VAT regime is so convoluted that its rules have become an obstacle in their own right. Unsurprisingly, evasion is thriving, reaching an estimated Tk 226,236 crore in 2023.

This failure comes at the worst possible moment. As Bangladesh approaches graduation from LDC status, it will lose concessional loans and preferential trade benefits. National resilience will depend on strong domestic resource mobilisation. Yet the tax-to-GDP ratio, already among the lowest in the world, is inexplicably declining, falling to a perilous 6.6 percent. The state is failing to collect the revenue it needs most, just when the imperative to do so has never been greater. Even the National Board of Revenue chairman has acknowledged the system's flaws. His description of the minimum corporate tax, a provision that forces even loss-making companies to pay, as a "black law" is a stunning admission of inequity. It reflects a climate defined by low trust, low compliance, and low revenue.

The way forward demands more than cosmetic fixes. Bangladesh needs a radical simplification of tax codes, sweeping digitisation to limit discretionary human contact, and genuine accountability for corrupt officials. VAT rules must be stripped of their labyrinthine complexity and replaced with a simple, transparent, digital system. Automating audits would reduce compliance costs for companies, close off avenues for corruption among officials, and create a system designed to serve the taxpayer, not the tax collector.

But reform cannot stop at the administration. Public trust must be rebuilt, and that requires fiscal discipline. Citizens must see that tax revenues are not squandered on vanity projects but rather invested in essentials such as education and healthcare. Similarly, the culture of blanket exemptions must end; tax holidays should be temporary, targeted, and time-bound incentives. Above all, profitable enterprises must contribute their fair share to state coffers. Anything less will perpetuate unfairness and starve the state of resources it desperately needs. Finally, no reforms will restore faith in the system unless tax officials face consequences for corruption and are made accountable for their actions. Only through trust, transparency, and fairness can Bangladesh build a tax regime capable of funding its future.

Don't compromise public service rules

Proper revisions crucial to make the ordinance watertight

We are quite concerned to learn about the errors and inconsistencies that remain in the Public Service Ordinance, 2025 despite two rounds of revisions. Following administrative unrest after the July 2024 uprising, the interim government amended the Government Service Act, 2018, to address issues related to discipline, accountability, and efficiency in public administration. As the amendment issued on May 22 sparked protests among civil servants, the authorities revised the ordinance again and published a second amendment on July 23. Yet, quite a few inconsistencies have still remained, drawing criticism from both service holders and experts who warned that the ordinance will remain ineffective unless its flaws are addressed.

Take for example Section 37(Ka-9), which empowers either the "appointing authority" or "the individual framing the charges" to impose penalties on an official found guilty of breaching service rules. But allowing the individuals framing charges to impose penalties contradicts Article 135(l) of the constitution, which states that only the appointing authority may dismiss or penalise a civil servant. Besides, there is ambiguity regarding the scope for a public servant to seek a review of disciplinary punishment. While Subsections 10 and 11 outline punishments for misconduct, Section 37(Ka) is not referenced in Sections 34 and 36, which grant employees the right to appeal and request reviews. This raises concerns that those punished under Section 37(Ka) may be excluded from these protections.

Moreover, the recently amended ordinance allows only one show-cause notice to the accused employee before punishment is imposed. But imposing a different penalty than stated in the notice, after the accused's reply, would violate Article 135(2) of the constitution, which guarantees a fair chance to respond to the specific proposed punishment. Furthermore, Section 37(Ka-1)(a) of the ordinance defines disobedience or violation of official directives as "misconduct," which is already covered under Rule 2(b) of the Government Servants (Discipline and Appeal) Rules, 2018. This overlap creates a risk of dual punishment under two separate legal frameworks.

It is baffling how such glaring inconsistencies could persist in the ordinance despite being reviewed by a high-level government committee. This clearly reflects the inefficiency and lack of sincerity of the team responsible for the amendments. Rules or laws of this nature should not be rushed; rather, adequate time and care must be taken to ensure they are comprehensive. We, therefore, urge the government to revise the ordinance once more and eliminate the existing flaws and inconsistencies. In doing so, it should also seek input from relevant experts.

EDITORIAL

Amid rising poverty, what we can learn from China's experience



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Since independence, poverty alleviation has remained a consistent priority for every government in Bangladesh. Despite notable economic growth in recent decades and various initiatives aimed at tackling poverty, a significant portion of the population still lives in hardship. Many people continue to suffer from malnutrition, poor healthcare, inadequate housing, lack of sanitation, and limited access to education. According to UNDP's Global Multidimensional Poverty Index 2024, around 41.7 million people in Bangladesh are currently living in extreme poverty. In April, the World Bank estimated that this number could rise by a further three million this year, pushing the national poverty rate to 22.9 percent. A recent study by the Power and Participation Research Centre put the poverty rate at 27.9 percent, a nine-percentage point increase from the 2022 poverty rate. In this context, Bangladesh can draw valuable lessons from China's remarkable success in lifting 800 million people out of poverty over the past four decades through strategic planning, proper investment in infrastructure, education and healthcare, and strong leadership.

Over the years, China invested substantially in infrastructure, particularly in building high-quality roads that link industrial hubs. During its 8-7 National Poverty Reduction Programme (1994-2000), around 42,000 kilometres of new rural roads were constructed each year. By the end of 2024, China's total rural road network had reached 4.64 million kilometres, according to the Chinese Minister of Transport Liu Wei. China also invested heavily in railways, electricity, ports, and airports, thus improving connectivity in rural areas, linking people to markets, services, and opportunities, which helped lift millions out of poverty. According to the World Bank, in 1980, China's per capita GDP was around \$195, and by 2024, it reached \$13,303.

Another effective tool used by the country was the Targeted Poverty Alleviation (TPA) programme that identified the poorest households through village-level data collection and mapped each family's needs, strengths, and challenges. Since poverty often stems from various causes, such as illness, lack of education, or unemployment, tailored solutions were designed to suit each household. These included job

training, micro-loans, relocation to more developed areas, or improved access to healthcare and education. Progress was closely monitored, and accountability was ensured. TPA has been described as China's "magic weapon" in the battle against poverty and is considered a major innovation in poverty alleviation theory and practice, offering valuable lessons for the rest of the world.

China's long-term investment in human capital through a robust education system was another important tool in poverty reduction. Since 2012, government spending on

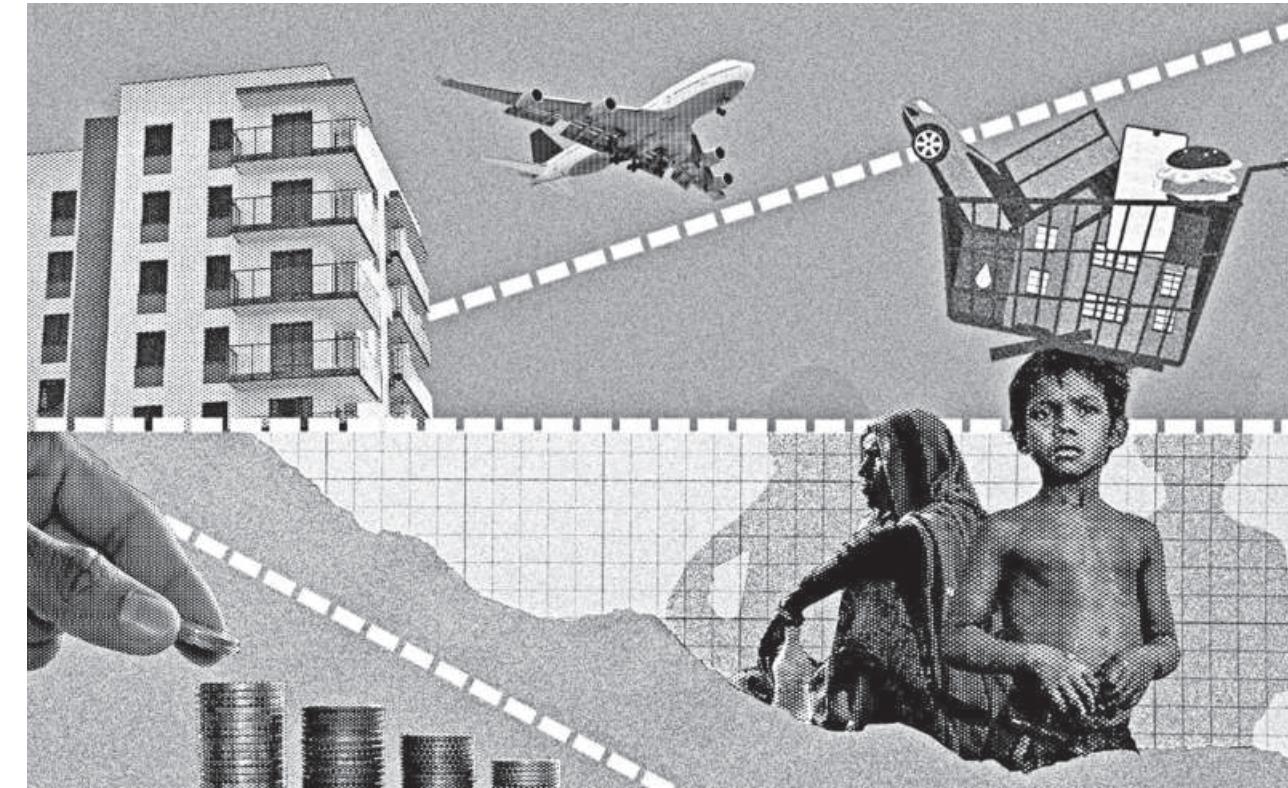
system was established, offering financial assistance to students from disadvantaged backgrounds, from pre-school through to postgraduate education. Since 2011, the Chinese government has invested 47.2 billion yuan (approximately \$7.7 billion) in its rural nutrition programme, which has benefited 32.2 million children.

China's education system also includes a built-in mechanism to guide students into academic, technical, or vocational streams based on their aptitude. After completing nine years of compulsory education, students are directed to senior secondary or vocational schools, where they acquire specialised skills to prepare for the job market. This skilled technical workforce has been critical to China's rapid industrialisation, which in turn has helped eradicate poverty. According to China's Ministry of Education, the number of students dropping out during compulsory education fell from over 600,000 in 2019 to just 831 in 2020, a testament to the country's focus on educational inclusiveness and

the National Institutes of Health (NIH) found that nearly 20 million people in China had fallen into or returned to poverty due to healthcare costs. In response, the Chinese government launched the Health Poverty Alleviation Project (HPAP) in 2016 to shield vulnerable families from the financial burden of illness. This project focused on improving access to affordable healthcare and reducing the risk of medical expenses pushing people back into poverty.

Perhaps the most decisive factor in China's success in reducing poverty has been its leadership. The Communist Party of China (CPC) played a central role by mobilising its 90 million members and assigning over three million officials to work directly on poverty alleviation. Party leaders at all levels were made responsible for meeting poverty reduction targets. They led by example and ensured that resources were effectively allocated to the task.

While some may criticise various aspects of China's approach, its



FILE VISUAL: ANWAR SOHEL

education has consistently exceeded four percent of GDP. While only a quarter of primary and secondary schools had internet access in 2012, today all of them are connected, of which 95.3 percent are equipped with multimedia classrooms. Recognising that poverty alleviation would only be sustainable through long-term investment in education and human development, the Chinese government introduced policies to promote compulsory education and reduce the education gap between urban and rural areas. It ensured that no child is denied schooling due to financial hardship. A comprehensive financial support

skill-building.

Another important factor behind China's success in reducing poverty has been its substantial investment in healthcare. Since 1978, China has worked to improve access to medical services, cut down out-of-pocket expenses, and prevent illness from driving families into poverty. To close the gap in healthcare access between urban and rural regions, China introduced the Rural Cooperative Medical Scheme (RCMS) in 2003, funded mainly through government subsidies. By the end of 2012, the scheme covered 805 million rural residents, 98 percent of the rural population. However, a 2015 study by

experience offers valuable lessons for developing countries like Bangladesh. First, poverty reduction is not just about boosting economic growth, it also requires inclusive policies, good governance, and investment in public services such as healthcare, education, and infrastructure. Second, each country must chart its own course, based on its unique reality. And most importantly, strong and responsible leadership, with the courage to face challenges, is vital. With political will, a clear strategy, and practical steps, any country can make real progress in overcoming poverty and building a more equitable society.

The hidden struggles of single mothers



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Beneath the surface of the city's fast-paced life, single mothers in Dhaka fight a quiet battle as they try to raise their children alone while confronting social stigma. A recent academic study has shed light on their untold stories, revealing how cultural and patriarchal norms, along with societal misconceptions, continue to define and often minimise the experiences of this marginalised group.

The study, conducted by University of Liberal Arts Bangladesh (ULAB) researchers, explored the lived experiences of nine middle-class single mothers—who were divorced, separated, and widowed—through in-depth interviews. Despite diverse scenarios, each respondent described experiencing prejudice, rebuke, and social exclusion due to deeply rooted beliefs that motherhood outside of marriage is morally flawed or socially shameful.

"People assume that because I've been divorced twice and have a child, I must be a bad woman. But no one questions a man for the same," said one respondent.

The same experience was echoed by others who shared accounts of character assassination, harassment at work, and being unfairly blamed

for failed marriages. The study found that many of the women were openly accused of being responsible for their circumstances. Widows, typically viewed with sympathy, were often labelled "unfortunate."

Single mothers often face social shame for daring to survive and sometimes thrive on their own. Women with stable jobs in media, finance, and business reported being targeted when they achieved success. Despite earning a handsome income per month, the stigma persisted. One respondent said that "even now, my relatives talk about my earnings and how I make a living. They still feel I haven't been able to raise my child properly."

In the study, single mothers reported being labelled as "bad mothers" and "reckless or irresponsible," mostly because of societal beliefs that they were unable to raise their children well or spend enough time with them.

The stigma also affects their children. One mother explained how neighbours stopped allowing their children to play with hers once her relationship status became known. "No one came to my child's birthday party," she said quietly. Another expressed concern that as her daughter grows older, she might face harsh questions

about her family situation.

The impact of the stigma on mental health is profound. Several women reported suffering from anxiety, depression, and emotional exhaustion. Two admitted having attempted suicide due to the overwhelming pressure and judgment. Most of them began to withdraw from social life, avoiding family gatherings, limiting interactions, and remaining silent in the face of criticism.

The study emphasised that financial independence alone does not shield single mothers. In fact, at times, higher income tends to make them more visible in the society and subsequently, subject to criticism.

To survive, single mothers have developed a range of coping strategies. Some choose to conceal their marital status to avoid judgment, while others draw strength from religious faith, meditation, or supportive friends.

Several women reported that their in-laws or neighbours strictly monitored their behaviour, dictating what they wore, who they met, and how they conducted themselves in public. One mother explained how wearing a hijab helped her avoid public scrutiny, while another said she avoided discussing her separation, fearing backlash from co-workers or acquaintances.

"This society doesn't feed me, teach me, or help me. So why should I care what they say?" one woman said defiantly.

The study categorised these responses as "survival tactics," deliberate efforts to maintain dignity, reduce exposure to stigma, and protect their children from harm. These included drawing on inner

courage, maintaining a limited group of trustworthy people and staying silent in the face of allegations.

Most single mothers who participated in the study expressed gratitude for the limited support they received, often from close friends and family. Although they also made it clear that there is a significant lack in institutional and societal support.

None of them were aware of any government or NGO programmes specifically supporting single mothers in Dhaka. Several suggested the establishment of counselling centres where women could safely talk about their experiences. Others called for legal reforms, such as allowing children to name their mother as their sole legal guardian on official documents.

"The government should give us recognition. If I am raising my child alone, I should be acknowledged as the child's legal guardian," said one respondent.

The study concludes that the real burden faced by single mothers is not personal failings but rather cultural views. The women who were interviewed were survivors of divorce, husbands' demise, abuse, and abandonment. They are not victims by choice.

The researchers concluded the study by urging for greater social awareness, educational initiatives, and inclusive policies to counteract the discrimination faced by single mothers and ensure equal rights and dignity for them.