



TAX JUSTICE

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8th CRAFT strategy meeting held in Dhaka



SUPRO, Oxfam Novib and Tax Justice Network-Africa (TJN-A) organised the 8th stakeholder meeting for the Capacity for Research and Advocacy for Fair Taxation (CRAFT) project in Dhaka in March 10-12 this year. The meeting was organised to share knowledge on the new developments regarding fair taxation, facilitate cross fertilisation between CRAFT members, international NGOs and regional civil society organisations, share new achievements of CRAFT, discuss the constraints the project is encountering and their possible solutions, and identify future priorities for advocacy and fundraising for CRAFT.

The first day of the meeting was an open conference for the external and internal participants. MA Mannan, state minister for the ministries of finance and planning, attended the opening session as the chief guest. Snehal V Soneji, country director of Oxfam Bangladesh, chaired the session. Martine van Hoogstratem, deputy head of mission of the Netherlands embassy, Conor Molloy, programme manager of Oxfam Novib, and Sandra Kidwingira, programme manager, TJN-Africa spoke at the session as guest of honors. Ahmed Swapan Mahmud, chairperson of SUPRO, delivered welcome speech while Dhana Ranjan Tripura, campaign and policy officer of Oxfam, moderated.

M A Mannan underscored the need for ensuring good governance in the country, though he admitted that it is a difficult task. Different rules and regulations, made on taxation for private sector, are not for impeding them rather than facilitating them, he said, adding that the government is strengthening measures to realise the value added tax (VAT). Martine van Hoogstratem said better progress in education and healthcare services will reduce general citizens' hassles. She also emphasised creating conducive business environment for equitable growth. Snehal V Soneji, while mentioning Oxfam was the first INGO delivering humanitarian aid since 1971 liberation war, observed that Bangladesh economy is rapidly growing.

Two panel discussions followed the opening session respectively on 'Tax incentives and exemptions, double taxation' and on 'Financing for development'. Nazmul Huque Prodhan MP, who is also the general secretary of the Parliamentary Caucus on National Planning and Budget, Dr. Muhammad Abdul Mazid, former chairman of the National Board of Revenue, and Towfiqul Islam Khan, research fellow of the Center for Policy Dialogue (CPD), Wilfred Sikukula, group director, World Vision Bangladesh, and KAM Morshed, assistant country director, policy, innovation and communications, UNDP, Bangladesh spoke at the sessions. Marion Nelly Busingye, programme manager of SEATINI, Uganda, and Abdul Awal, member, Executive Board of SUPRO, moderated the sessions respectively. Among others, representatives of national and international organisations, CSOs from 14 CRAFT countries in Asia, Europe and Africa and journalists were also present. Following is the highlights of the open conference:

- Importance of South-South cooperation and expertise sharing between African and Asian countries on tax issues
- Importance of domestic revenues in other developing countries as well as in Bangladesh, which has a fast growing economy that helped reduce people living in absolute poverty and grow the middle class while the number of taxpayers remains at very low
- Low Tax/GDP ratio (10-11 per cent) compared with neighbouring countries, Bangladesh is missing 7 per cent of GDP collected domestically
- Link between the willingness to pay taxes and government responsibility to put in place an efficient revenue collection system
- Importance of stressing the objectives of taxation such as redistribution, revenue, re-pricing, representation
- Importance of changing revenues from overseas development assistance (ODA) to domestic resources

- Negative impacts of exemptions provided by the Bangladesh government without evaluating their impacts and calculating how much revenue is lost to incentives
- International body on tax issues missing
- Lack of demographic data essential for planning to broaden the tax base in Bangladesh
- 2015 has been marked as an important year for development financing
- Importance of reflecting the perspective of developing countries for negotiations about new financing models, planning fights against inequalities and corruption, strengthening institutions and able management of financial resources
- Bangladesh economy's growth needs to be reflected in better living conditions, education and healthcare
- Importance of quality spending, not only quantity and that of monitoring government spending

- Importance of adopting bottom-up approach with the Sustainable Development Goals (SDGs).

The second and third days were business sessions of 26 internal CRAFT participants from 14 countries namely, Zimbabwe, Senegal, Nigeria, Kenya, Uganda, Mali, Umurundi, Netherland, Czech Republic, Pakistan, Morocco, Niger, Tunisia and Bangladesh. The participants engaged in a number of meetings to share their work progress and lessons learnt from CRAFT campaigns, review advocacy strategy and theory of change, and discuss the concept, methodology and indicators for the research on the fair tax index (FTI). The research is to be done in three countries, Bangladesh, Senegal and Uganda, this year and is expected to present among others, its preliminary findings on FTI indicators.

SUPRO and DU organise seminar on resource mobilisation, budget governance and tax justice

SUPRO in collaboration with the Master in Governance Studies (MGS) of Dhaka University organised a seminar on resource mobilisation, budget governance and tax justice at DU on March 13, 2014.

Pro-vice chancellor (administration)

Professor Shahid Akhtar Hossain opened the seminar as the chief guest, while Professor Nurul Amin, director, MGS, chaired the session held at the Professor Mozzaffor Ahmed Chowdhury Auditorium at DU. Professor Farid Uddin Ahmed, dean, Social Science Faculty, DU, and Alison Subrata Baroi, director, SUPRO, were present as the special guest and guest of honour respectively.

Welcoming the collaboration between SUPRO and DU to organise the seminar, Professor Shahid said, 'This kind of discussions should be organised more as it will help create a new arena for the academics, researchers and students to delve into. This seminar is all the more important as the issue is closely related to our national development'. He also stressed ensuring a revenue administration that will not harass the taxpayers. 'There is no alternative to developing a hassle-free tax administration to increase our domestic resource generation', he added.

Professor Farid Uddin Ahmed observed that lack of transparency among the NBR officials has resulted in frustrating response from the public, depriving the government of larger revenue earnings. 'Despite the NBR has adopted a number of praiseworthy initiatives, it has, so far, been largely unsuccessful in ensuring optimum transparency in its administration,' he added.

Alison Subrata Baroi called upon the NBR, academics and CSOs to come forward to transform the present public apathy toward taxation into active public engagement, which will work to curb tax evasion. He also stressed broadening and deepening the advocacy campaign to mount political pressure for reforms in tax system with active public participation.

The opening session was followed by presentation of papers, chaired by Professor Hasanuzzaman Chowdhury,



Department of Political Science. Marketa Drozdokova from Oxfam Novib, Md Anwar Hossain, director general, Customs, Excise & VAT Training Academy (CEVTA), and Professor Dr Farid Uddin, among others, addressed the session.

SUPRO general secretary Md. Arifur Rahman

presented the keynote paper. The main focuses of paper were: 1. SUPRO perspective of the importance of domestic resource mobilisation, 2. Budget governance and tax justice, present context, challenges and opportunities of domestic resource mobilisation by NBR, 3. A brief critical review of current national budget formulation, spending and monitoring process, 4. A brief on a theory of change, and 5. A set of recommendations.

Some of key recommendations from the keynote paper:

- Tax system including its enforcement should be fair, transparent and inclusive, treating every taxpayer equitably and ensuring easy and regular access to information on revenue collection and spending
- NBR and civil society should come forward to transform the public frustration into active public engagement to curb tax evasion and ensure spending of tax revenue for public benefit
- Advocacy and campaign should be strengthened to mount political pressure for reforms to ensure a fair and transparent tax system by engaging a broad public constituency
- Government officials and policymakers should strengthen their strategic relation to ensure tax system reforms for greater public benefit, keeping vested groups at bay
- Measures are imperative to ensure direct-tax-based budget and increase budget allocation for essential public services, particularly in education, health, agriculture and social protection
- Citizen participation from every tier namely, ward, union, upazila and district, should be included in national budget formulation, spending and monitoring
- Lawmakers should become more active and visible at all the local and national level and in parliament in national budget formulation

- Parliamentary standing committee and the caucus on national planning should be more functional active in addressing the grassroots demands and aspirations in national planning and budget formulation.

Professor Hasanuzzaman observed that the current national politics is overly dominated by the business community, which ultimately benefit their community in terms of enacting and implementation of laws. 'This situation has its bad impact upon the marginalised community and often aggravates poverty by increasing gaps between the rich and poor,' he said.

Anwar Hossain reiterated the need for good governance to increase revenue base. 'Though there are still some problems in the tax system, we should take note of some good initiatives by the government, which should help increase the domestic revenue earnings'.

Marketa also emphasised transparency and accountability of the tax administration to ensure economic justice for the marginalised. She also suggested that there should be more budget allocation for education and health that for the defence.

Over 200 teachers, students, researchers, civil society representatives and media people attended the seminar.

SUPRO proposes to form south Asia tax justice alliance



SUPRO at a recent workshop on tax justice in Nepal proposed forming a regional alliance of south Asian countries to promote and strengthen the tax justice campaign in the region. The event titled 'Bangladesh experiences: Promoting tax justice and regional collaboration and networking' was held on November 23, 2014. The workshop was a part of a 3-day event titled 'People's SAARC convergence', organised by a south Asian platform People's SAARC, to highlight the people's perspectives and demands to the region's political leadership on the eve of SAARC summit held on November 27 in Kathmandu.

Abdul Awal, executive board member of SUPRO, presented the keynote paper at the workshop, chaired by SM Harun-or Rashid Lal, organisation's national council member. Sujita Shakya, member, of Communist Party of Nepal (UML) and Sudha Reddy, director, Eco Foundation for Sustainable Alternatives, from India, attended as panel speakers.

Saying that the situation of tax justice issues are similar in the whole south Asia region including Bangladesh, Abdul Awal stressed building a regional alliance of campaigners to put the campaign on a larger and stronger platform. 'The tax justice advocacy campaign in the whole region is facing similar kinds of challenges to push for its demand for increasing spending for public services and policy advocacy to ensure a fair, transparent and pro-poor tax and fiscal policies,' He said.

'A comparison of tax revenue in south Asian countries gives us clear indication that these nations are losing great amounts of revenue earning every year, while at the same time the wealthy people are securing financial advantages, piling up burden on the poor,' Abdul Awal further said.

The speakers also raised concern about the multinational corporations' involvement in illegal capital flight, indicated in different research works. People's voice must be raised to prevent tax avoidance and evasion by the MNCs, they stressed.

Sujita Shakya said, 'Not only multinationals, but we have to raise our voice against any foreign investor's trying to avoid taxes'. Sudha Reddy added that a proper sense of responsibility and proactive attitude are vital for establishing a fair and transparent tax system in a country. Among others, representatives from 17 civil society organisations of Nepal, India and Bangladesh, including SUPRO's chairperson Mustafizur Rahman Khan and national council members Manju Rani Pramanik, Lalit C. Chakma and Shamima Akter Moonmoon took part in the discussion.

Garment workers voice for tax justice

Garment workers at a public gathering urged the government to ensure tax justice to ensure quality public services and pace up the national progress. More than a hundred garment workers gathered at the event SUPRO organised in Dhaka on March 20, 2015 this year as part of its campaign to increase public awareness about fair taxation.

Md. Israfil Alam MP, member, Parliamentary Standing Committee on Labour, attended the programme as the chief guest while Madhab Chandra Dutta, national council member of SUPRO chaired. Daisy Ahmed, executive member of SUPRO read out the position paper. MA Salam, national council member, SUPRO and Shamima Nasreen, president, Bangladesh Garments Worker Association, addressed the session among others.

Israfil Alam stressed creating people's awareness about taxation and its legal affairs, saying that mass awareness is imperative to ensure tax justice for all. He also agreed with the campaigners' demand for reducing VAT for essential goods and services consumed by the poor and marginalised communities. Reforms should be carried out in the VAT and tax laws in favour of the poor, he further said.



Shamima Nasreen said, 'We, the workers community, are now earning the nation the major share of its income. We also pay tax as we buy our everyday essentials. But what return we get for our greater contribution to the national income? There is hardly anything for us, while those who own the industries are getting subsidies from the government'. Although the government has declared a minimum pay scale for garment workers but there is hardly any monitoring if the wages are paid according to the law, she further said.

SUPRO reviews policy advocacy on tax justice



The National Council members of SUPRO met in a workshop on February 22, 2015 in Dhaka to review its policy advocacy and campaign strategy, based on the lessons learnt through tax justice campaign. General Secretary Md.

Arifur Rahman and Executive Board member Abdul Awal facilitated the discussion. Following recommendations were drawn at the workshop.

- Review baseline study and research to identify policy advocacy issues with particular focus on redistributive justice and policy reformation.
- Both domestic and international arenas should be focused for advocacy and networking and micro-macro linkage
- Stronger voice should be raised on tax evasion and capital flight with particular focus on multinational and transnational organisations.
- An inclusive approach has to be embraced to engage stakeholders that include corporate and public sectors, political actors and duty bearers.
- Capacity building programmes should be undertaken to improve the understanding and knowledge of the campaigners on tax and fiscal justice.

Training workshops held

SUPRO organised three 3-day training workshops on advocacy capacity building in late 2014 and early this year. Three sets of activities were carried out in the workshops: 1. Review knowledge and understanding of the issues of fair tax campaign 2. Share each other's experiences, best practices and challenges and 3. Develop future course of strategy and actions.



The first workshop was held in October 20-22 of 2014, the second one in 27-28 of the same month and then in February 23-24, 2015 all at the SUPRO Training and Resource Center (STAR). The participants were 22 NC members, 20 district campaign facilitators and seven secretariat staff members - 35 males and 14 females in total. A number of issues were focused in the workshop discussions, including updated data and information on tax

policy and system, utilisation of tax for citizen welfare, tax collection and payment process, unwillingness to pay tax, tax evasion, illicit financial flow-transfer pricing, trade mispricing, black money whitening and money laundering. The participants discussed the issues with the campaign for pro-poor tax policies and perspective.

Muhammad Abdul Mazid, Chairman, Chittagong Stock Exchange, also former chairman of NBR, and Md Towfiqul Islam Khan, senior research fellow, Centre for Policy Dialogue, were the key facilitators. SUPRO director Alison Subrata Baroi, training coordinator Md. Shariful Islam, campaign coordinator Shakera Nahar, associate coordinator, tax justice campaign, Md. Areful Islam and networking & mobilization, Dil Afrose Duetee among others, also took part as facilitators.

Campaigners raise citizen concerns to local tax administration

SUPRO's 35 district campaign committee leaders met in a number of formal and informal meetings and dialogues with 61 local tax officials in their working areas between October 2014 and March this year. The officials they met include divisional tax and VAT commissioners, deputy tax and VAT commissioners, assistant tax and VAT commissioners, tax inspectors and tax collectors. They raised citizen concerns to the tax officials on issues including automated tax system, hassles people face in paying tax, increasing income tax net, excessive VAT on essentials and policy and system reforms.

