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# Asset Disclosure Reinforcing Transparency

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The scale and spread of Covid-19 pandemic has driven the world crazy for a vaccine to root it out. In the same vein, it reminds us of a vaccine for ensuring good governance. Asset disclosure can be a potent vaccine. The Organisation for Economic Cooperation & Development (OECD) framework underscores the importance of asset disclosure, acknowledging it as an important tool to uphold high standards of ethics in governance.



The United Nations Convention against Corruption (UNCAC) included provisions for asset disclosure and conflict of interest regulations. Adopted by the UN General Assembly in 2003, the convention has been ratified by 159 countries. It also finds a place in the UN Sustainable Development Goals (SDGs) urging countries to cut down on corruption and build transparent institutions at all levels. Corruption, bribery, theft and tax evasion cost developing economies \$1.26 trillion each year. Imagine the same fund funnelled into eradicating poverty and improving the lot of people subsisting on less than \$1.25 per day.

# How do we cut ice with policy makers on asset disclosure?

The need for an asset disclosure system is felt for driving the wheels of good governance. Having said this, it's a tricky issue. Who welcomes a system that impinges on their privacy? For me, a sense of personal embarrassment seeps in at the very notion of making public my assets. It's not the weird attachment with wealth. Rather, the thought of my coterie of friends or people in the professional network gaining access to my personal assets and striking up conversations is what ruffles me. I feel hijacked from my private space.

In this backdrop, imposing water tight disclosure systems is no solution. Such a case is analogous to hefty taxation rates which shrinks compliance.

## Technology has the answer to the riddle

Nations and states have to find their own ways for asset disclosure. Indeed, there is no 'one size-fit all' blueprint solution. Here, GovTech interventions promise to deliver outcomes without a major shake-up of the status quo. The solutions are needed both for neutral agencies tasked with overseeing the process and for public servants declaring their income and assets. Automated systems can help streamline collections of asset declarations and a uniform approach in processing them. Such systems can be integrated with electronic registries- income tax records database, land registry and vehicle registry for data validation. Artificial Intelligence (AI) based random allocation injects fairness into the process. Besides, it ensures that the process is faceless as the outcome is independent of the equation between the public servant and the officer. The system also accords respect to public servants by protecting their declared information and overcoming the pain points.

Solutions in asset disclosure can also take cues from Prime Minister Narendra Modi's recent announcement of a technology driven taxpayers' charter on the premise of faceless assessment. Be it tax compliance or the will to declare the assets- the problem is systemic but we need to break free from a cluttered vision to work out a solution.

### **Ethiopia leads in the path of an automated recovery**

Ethiopia, Africa's fastest growing economy has led the way. Its Federal Ethics & Anti-Corruption Commission (FEACC) under Ministry of Justice has opted for an online system - Disclosure of Asset Registration System (DARS), the first of its kind system in Africa. It is automating a backlog of booklets and also creating an online registry of fresh disclosures. The system promises to stage a turnaround for Ethiopia. It mandates all Parliamentarians, political appointees and public officials beyond a certain grade to disclose their assets- moveable or immovable.

## Making other African regimes ready for shifting gears

Automated solutions on asset disclosure embraced by Ethiopia can serve as the benchmark for other African nations. They are resource rich countries where bureaucrats have discretion to allot resources for industrialisation. Public servants are held in high ethical standards and this forms the essence of the Nouakchott Declaration of the African Union. In 2015, the African Union adopted an Assembly Special Declaration on Illicit Financial Flows. Following this, Ethiopia was one of the first to pass a proclamation (668/2011) on disclosure and registration of assets of political appointees, elected officials and some category of public servants. Solutions like DARS would serve as benchmark but they can also be customised to be a fitment into other regimes.

Asset disclosure is and will be fraught with challenges. Still, tuning in to the right GovTech solution can unwrap opportunities for African countries to gain a foothold in the global growth map.



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