

Hundi must be stopped Official channels should be made more attractive to remitters

HUNDI, the remittance of foreign currency through unofficial channels is a double-edged sword as depicted in our lead news item that appeared yesterday under the title: *Tip of a hundi-berg*. For a change, it's the transfer of money from out of our country rather than the other way round that has been highlighted in the news. The report says, Bangladeshi recruiting agents send Tk one thousand crore a year to Saudi Arabian employers as cost of 'visa advice' for 1.2 lakh workers at the rate of Tk 75,000 to Tk 90,000 per head. The fact that agents have to buy the 'visa advice' at such inexplicably exorbitant rates may be perhaps just an euphemism. After all, it is not visa fee.

At any rate, for legitimate payments to be made abroad there is no reason why these would not be remitted through the banking system. That the money is sent to Saudi Arabia by hundi obviously implies a flight of capital out of the country. But far more injurious to the economy is the remittance of Tk 5000 crore from 12 lakh Bangladeshi workers to their motherland through hundi, because that means the mopping up of valuable foreign currency by private parties or agents instead of this being absorbed into our banking system. Beneficiaries are paid in local currency only. The enormity of the loss of foreign currency is made all the more poignant by higher exchange rate nominees of the remitters receive in Bangladesh.

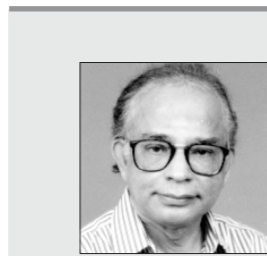
The inflow-outflow ratio centring around one country viz. Saudi Arabia has been touched upon, but there is more to the overall picture. The International Organisation of Migrants (IOM) has assessed that Bangladesh received around US\$20.9 billion during 1976-2001 through official channels and a similar amount might have found its way into the country through the hundi mechanism.

Why the Bangladeshi wage earners overseas prefer unofficial channels to the official ones when remitting their money to their homeland? Apart from the good exchange rate, hundi offers hassle-free quick delivery of money at the point of destination. It is an easily available one-step service with an air of informal confidentiality about the deal that does not compromise on efficiency and trust. By contrast, banking procedures are cluttered and remittance unfriendly, let alone the banks' commission charges.

But things are changing with the government getting increasingly seized of the harmful impact of the hundi business. We have seen a massive drive during the last two years directed at increasing the flow of remittances through official channels. This has started paying dividends, but much more needs to be done to wean the Bangladeshi wage earners away from the hundi's clutch. A 36 per cent increase in the use of the banking conduit from January to May is a speck of an improvement from a poor benchmark. While the bank's exchange rate should compare well with that being offered by the hundi businessmen, it is neither practicable nor desirable on the part of the banking system to be chasing the hundi rate. The ultimate solution to this Catching at the Tartar problem lies in introducing a market-oriented exchange rate.

With more computerised banking outlets put in place to increase the level of accessibility to the official channels it is imperative that we launch a media campaign to popularise the use of official channels. As part of that information dissemination exercise, the fiscal rules and logic behind these should be put across to the audience for a better understanding of their obligation to the national economy. The best safeguard for an optimal utilisation of the migrants' hard-earned money can only come from persuading them to invest in savings instruments, in shares of denationalised industries or in other productive areas of the economy.

From Cannes, with films



HASNAT ABDUL HYE

CANNES basked in glory in May. There was the signature sunshine from the azure Mediterranean sky and rippling sand along the sinuous coast. Holiday makers and the habitués lost themselves in things sensual. But Cannes in May also offers a special fare meant both for the visceral and the cerebral. May is the month when the Cannes International Film Festival is held adding to the cosmopolitan ambience. Over the years the festival has acquired a measure of glamour, too. Arguably, both in form and content, it is the most prestigious film festival in the world today.

Cannes Film Festival tries hard to live up to its name and reputation as an international event. Films made in any language are eligible for participation as long as these meet the criteria laid down. Selection of films as well as award of prizes follows a democratic and eclectic procedure. The jury members for awarding prizes are drawn from different countries and are known for their deep knowledge about the art and science of cinema. There is no room for wizened life members belonging to an anachronistic cabal working in secrecy with conservative ideas about films. In selecting winners for various prizes the jury in Cannes Film Festival puts premium on innovation and experimentation discounting traditional and academic standards. No subject is considered taboo and no technique beyond the pale. Because of this policy young and first time directors have as much chance of winning the laurels as experienced old timers. Above all,

what distinguishes Cannes Film Festival from older and more glamorous events like Hollywood's Oscar awards is its showcasing of the annual crop of best films from all over the world for the benefit of actors/actresses, directors, producers, distributors and the cinegoers present on the occasion. It is not a ceremony merely to announce, "and the winner is" but a veritable film bazaar with a distinct accent on quality. From the very beginning empha-

Blows". Soon afterward, Jean Luc Goddard, a member of the Cahiers clan, made the modern girloveshood picture "Breathless". Critics exclaimed that the wonderfully daring film broke all the pseudo rules of film technique. It also confirmed the arrival of the "New Wave" as it was christened at the 1959 Cannes Film Festival. A new generation of directors in France and around the world embraced this personal -or auteur - way of filmmaking. Unlike the big studio

or director's authorship of films.

In the just concluded Film Festival at Cannes 'auteur' films were the frontrunners in competition and as winners of various prizes. British director Ken Loach's film "Sweet Sixteen", regarded by the critics as his best for years, was tipped by the industry bible, Variety, to win the coveted Palm d' Ore award. Similarly, Mike Leigh's latest film, All or Nothing, was highly praised as a complete product and not for bits and parts. When Roman

problem over the authorship (auteur) of films by focusing on the director's role. Though auteurism emerged sporadically in European film reviews and criticism from the 1920s onwards, it lacked the systematic polemic thrust of the New Wave which in turn owed the formulation of the principle to the evaluative and canonic expositions in Cahiers du Cinema. It is a testament to the continuing relevance and importance of the auteur theory that irrespective of the fluctuating

tative of all experiences (texts) because a film, particularly an auteuristic one, does not attempt at generalization nor aspire to be a documentary of real life. Even when personal experience plays an important part, creative imagination tempers this significantly to transform the text into art. In all probability Tareq Masud has sought to conform to this mould.

It is also learnt from newspaper briefs that as the context to the text he has heaved the contemporary social and political milieu into the overall theme which is purportedly about syncretism favoured by Islam and multiculturalism in the Bangladeshi ethos. Putatively, the movements for democracy also figure prominently. These are positive points for the film. If there are objectionable sections according to censors these can be excised and the reedited version can be given clearance for public exhibition. A film made with creative zeal and good intention cannot be wholly objectionable. In the auteuristic critical enterprise, the author (director) is impressionistically read off from thematic and/or stylistic properties in the film. The purpose of this process is to construct the rational entity i.e. author. If critics read certain textual characteristics as signifiers (views) of a particular signified, i.e. the director, much interpretative latitude is possible. From this viewpoint Matir Moyna should not appear as a definite statement on the text i.e. life in madrasa. A particular perspective, however authentic because of personal experience cannot claim to be representative of the whole. It is, therefore, hoped that the authorities will reconsider their decision and allow Matir Moyna to be exhibited, with or without censoring. A film that can be seen outside Bangladesh should not be banned from screening in the country. It will not strengthen our democratic credentials.

Hasnat Abdul Hye is a former secretary, novelist and economist. He was the chairman of the sixth and the seventh International Short Film Festival.

IN MY VIEW

If there are objectionable sections according to censors these can be excised and the reedited version can be given clearance for public exhibition. A film made with creative zeal and good intention cannot be wholly objectionable...it is, therefore, hoped that the authorities will reconsider their decision and allow Matir Moyna to be exhibited, with or without censoring. A film that can be seen outside Bangladesh should not be banned from screening in the country. It will not strengthen our democratic credentials.

sis on innovation and experimentation has ensured that films acclaimed in the Festival have the signature of their directors. This particular patronage, though subjected to occasional criticism, has been instrumental in canonizing independent films as worthy of standing side by side to the mainstream films. Nowhere is this success seen more convincingly than in France where the New Wave began as a parallel film movement with the official blessing of the Cannes Film Festival.

The New Wave school of films had its beginning in film criticisms published in the journal Cahiers du Cinema in the 1950s. A slew of young French film critics decided that they could make movies better than the ones they were reviewing. First, the Cahiers group made a number of short films just to have the hang of film making. Truffaut's 1957 experimental short "Les Mistons" was so different from traditional mainstream films that it prompted the critics to exclaim that Truffaut had reinvented cinema. Two years later, Truffaut made the riveting coming-of-age film "The 400

films where teams of writers wrote scripts and scores of technicians filmed them the New Wave directors did everything, from A to Z, as it were. It had ripple effect throughout the world where "New Wave" became a byword for revolt against crass commercialism of the mainstream. After Neorealism in Italy this was the most important film movement which rescued cinema as an art as well as a socially committed entertainment medium. For film makers in third world countries "New Wave" opened the way to deep introspection which, together with the Italian Neorealism and Russian Socialist Realism schools, helped establish individualism as well as national identity in film. Today, after forty years, even though there is a whiff of backlash against New Wave films for effecting separation between auteur and commercial cinema, young directors around the world including American Quentin Tarantino, German Wim Wenders, Hong Kong's John Woo and France's Kassovitz still follow the New Wave director's principles of film making in many respects, not the least for its emphasis on auteur

Polanski's "The Pianist" won the Palm d' Ore it was another triumph for the director-auteur film genre. Based on the memoirs of a Jewish pianist and Polanski's own experience, the film was credited by critics with a personal authenticity that gave it an edge over Spielberg's "Schindler's List". The Finnish comedy, "The Man without a Past" and the Palestinian satire, "Divine Intervention", that own other prizes, bore the distinct stamp of their directors. Auteurism, however, was taken to extreme by the French director Gaspar Noe, in his violent raprevenge film "Irrversible". The film pushes the director's taste in extreme subject matter and his penchant for even more extreme style. It divided the critics, a few hailing it as a masterpiece and many more loathing it and walking out. That the controversial film was shown without censorship and interruption speaks volume about the libertarian atmosphere of the Festival and the importance it still attaches to director's personal statement.

The enduring legacy of New Wave has been the resolution of the

popularity of New Wave type of films it still finds pride of place in the format of the Cannes Film Festival. The Festival still opens with a director's fortnight where films with distinct mark of director's authorship are exhibited and many of these are the first time offerings of young directors. It is a matter of great pride and satisfaction that for the first time a Bangladeshi director's feature film was selected for the director's fortnight in the last Cannes Film Festival. Matir Moyna by Tareq Masud is reportedly based on his childhood experience as a madrasa student and the narrative covers students' life and studies in a madrasa. Though the film has not been cleared for public exhibition it can be surmised that it is his unique personal experience that has been brought out as the text which may be different in the case of others because their contexts i.e. perceptions of socioeconomic conditions may be different. The text as the core of the film, should not, therefore, be seen as anything more than the personal statement of the director. It will not be reasonable to consider his statement as represen-

Whose country is it, anyway?



MOHAMMAD BADRUL AHSAN

WHOSE country is it? The quickest mind would readily retort that whose if not the people's, since we are living in a people's republic. If you turn to the people, they will tell you a different story. They will talk about crime, corruption, inflation, and crisis of conscience, sublimating in the surfeit of their collective concerns an escalating worry that they don't know where this country is heading.

So, who knows where this country is heading? The government? The opposition? The intellectuals? The fundamentalists? The bureaucrats? The businessmen? Who can tell us what is happening if launches sink, gang wars thrive, murders remain unresolved, criminals are on the loose, and nobody is safe in this country? Who amongst us can tell what lies ahead of us in future?

Let us concentrate on this question without trying to belittle any particular group or individual. Let us not find fault with one government or another, one political party or another, one charismatic leader or another. It is not a political question that deals with the existence of any particular gov-

ernment, but a metaphysical question that determines our right to exist as a nation. Who is looking after that particular interest? Who is responsible for the zeitgeist, our national spirit of this particular time when our fate is embroiled in crisis and chaos?

Not that crime and corruption do not exist in other countries. Not that politicians do not fight amongst themselves and crime and corruption are not condoned in other countries in lieu of political

way to survive is to eliminate the opponent. Are these people at grips with their destiny?

Are we at grips with our destiny as a nation? It seems that we are not, and that there is a general sense of incontinence in everything from air pollution to foreign relations. The police cannot control the criminals, teachers cannot control their students, traffic police cannot control the traffic, parents cannot control their children, party cannot control its workers, gov-

parents bury their children in the reverse flow of life, and the future folds into the past.

Who is responsible for this dysgenics, this degeneration of life from father to son? The core strength of the American dream is that the world will be left better every time it changes hand from father to son. In this country, the father is no longer at grips with the future of his son, and neither knows which of them will live to pass the torch to the other. It

Haji), and we are more health-conscious than before (considering the growing demand for fitness centres, diet controls and medical check-ups in foreign lands).

Still the quality of life continues to decline no matter how much we consume and how much we possess. The air is polluted, roads are unsafe, parks are perilous, neighbourhoods are violent; it seems we are piling up wealth, constructing buildings and enhancing facilities only to become trapped

there is no tomorrow, and we live selfishly without consideration for others. And there is a great deal of anxiety that swells and shrinks inside us as we live on the edge of our scurrilous minds.

As a result, we are a nation that lives in contradictions. We accumulate wealth but live in the fear to lose it. We send our children abroad but don't know if we want them to come back home. We eat well but worry about cholesterol. More education brings us less enlightenment, more consumption less satisfaction, more piety less devotion, more populism less democracy, more security less safety and more mandate less execution.

We try to make up for these contradictions with hypocrisy, which leads us to deception, and deception leads us to arrogance, arrogance to intolerance, intolerance to extreme prejudice, which again leads us to violence. From the frivolous to the fundamentalist, everybody rotates in this cycle of transformation irrespective of their education, erudition, affluence, pedigree, profession, idealism, sophistication and everything. And this rotation is spinning its own confusion. We are losing our grips at our destiny. We are dissimilar in our characteristics, but we also similar in our character. We stonewall each other, people do it to politicians and politicians do it to people, and the same thing is true for everybody else. So, whose country is it then?

At once, it belongs to all and it belongs to none.

Mohammad Badrul Ahsan is a banker.

CROSS TALK

The fortunate wants to flee this country, while the unfortunate seeks escape in faith. But nobody believes in the future of this country, and that is reflected in the erosion of our character and confidence. We live for today as if there is no tomorrow, and we live selfishly without consideration for others. And there is a great deal of anxiety that swells and shrinks inside us as we live on the edge of our scurrilous minds... As a result, we are a nation that lives in contradictions.

and monetary benefits. Yet the effort to uphold a moral system is not subliminal. The president's son gets arrested in South Korea for bribery and influence peddling. Ken Lay, the Enron chief, who urged employees to buy doomed shares of the company, which he himself was dumping, is indicted and brought to trial in the USA.

In his book *The Rebel*, Albert Camus writes that the only protection from nihilism is the long complicity of men at grips with their destiny. Thus a rebel demonstrates by sacrifice that his real freedom is not freedom from murder but freedom from his own death. On the contrary, freedom in this country appears to exist in another man's death as if the only

ernment cannot control its ministers, and we as a nation cannot control what a foreign journalist has to write about us. It seems that this entire nation is in a helter-skelter, that its past, present and future are tumbling in the Brownian motion of a great turmoil.

Several weeks ago, a stray bullet killed a child who was nestled in the father's bosom. It created controversy and shock amongst us. This week a student died in the crossfire between two factions, her death unmeasured in any sequence of cause and effect. These are the characteristic signs of a wretched nation, which can no longer hide from its own violent convulsions, a nation where

seems there is a breakdown in the sequence of generations -- a Spenglerian gloom, a Kafkaesque nightmare, a Dickensian doom, a Beckettian dilemma raging in the heart of this nation.

Whose country is it then? Who has the ownership of its future? Everyone is tempted to succeed and flourish, our minds, suddenly injured with free-market liberalism, our judgements eclectic in values, our considerations clouded by opportunism and greed, our intellects wobbling in vapid idealism and hollow morality. We are better educated than before, we are more religious than before (considering the number of candidates in the parliamentary and mayoral elections who had performed

within the futility of life like a spider in its own web.

Ask the rich, the educated and the famous as to how they wish to overcome that futility. They will tell you about immigration to Canada, Australia, New Zealand and USA, as if most of them are living in this country as recourse to settle somewhere else. Ask the same question to the poor, the uneducated and the unknown. They will look puzzled, and then, in resignation, skyward at the Heaven.

Thus the fortunate wants to flee this country, while the unfortunate seeks escape in faith. But nobody believes in the future of this country, and that is reflected in the erosion of our character and confidence. We live for today as if

OPINION

Budget: Making the rich, richer and the poor, poorer?

MOHAMMAD MUJIBUR RAHMAN

THE Finance Minister in his Budget speech has proposed to whittle down income tax exemption limit from Tk 1 lac to Tk. 75000/- considering the present limit too high "in the light of our per capita income and exemption limits prevailing in our neighbouring countries." It is difficult to subscribe to his views on the following grounds:

1) We are not bound to follow whatever our neighbouring countries do. If, for example, they are awfully corrupt, should we follow the suit?

2) Both India and Pakistan are militarily very strong. But M Saifur Rahman has made no attempt to do so, rather he has proposed to reduce our defence expenditure!

3) As early as 1992-93, when

India had been following a strictly protectionist policy (as it is more or less doing the same still now), M Saifur Rahman, then also finance minister, made a vigorous attempt at trade liberalisation by drastically reducing the total number of HSH (Harmonised System of Heading) under negative and restricted lists from 326 in the Import Policy of 1989-91 to 203 in the Import Policy of 1992-93. As a result imports from India sharply increased and it widened our adverse balance of trade with India from \$223 million 1991-92 to \$334m in 1992-93. At this stage M Saifur Rahman should have paused and reassessed his cursory trade liberalisation policy. Instead, he went wild with his liberalisation policy, further drastically reducing number of HSH under negative and restricted lists to 115 in the Import

Policy of 1993-94. The result was disastrous but not unexpected. The trade gap with India sky-rocketed to \$647m in 1994-95 and now to \$ 1.1 billion! After almost one decade of his trade liberalisation policy, will the Finance Minister tell the nation what has he thereby got, except helping the Indians to increase their exports to our country, in the process ruining our industries and depleting our meagre foreign exchange resources!

4) In spite of much higher per capita income, Pakistan has not yet introduced Value Added Tax (VAT). India has also made little headway in this respect. But the Finance Minister has not made it convenient to follow the examples of India and Pakistan in this regard. It may be noted that Value Added Tax is more repressive than excise duty, for the latter is levied on some selected

items, and commodities falling outside the list of these items are exempted from duty. On the other hand, in case of VAT, all the commodities falling outside the list of exempted items are levied tax. As Value Added Tax is an indirect tax, it is ultimately borne by the general public, 50 per cent of whom live below poverty line. Probably this is the reason why India and Pakistan are still wavering to introduce VAT in their countries.

Since the imposition of Value Added Tax in 1991, more and more commodities and services have been brought under VAT net and a huge amount of tax is being collected from the general public. As the public is groaning under the burden of VAT, reduction of income tax exemption limit will further aggravate public suffering adding insult to injury.

5) In the Budget Speech, the Finance Minister has said that he has reduced income tax burden. In order to substantiate his claim, he said that "a tax payer having income of 10 lac taka will pay income tax under the proposed rate Tk. 158,750/- as against Tk. 2,07,000/- he is required to pay under existing rate. Similarly, a tax payer having income of 5 lac taka will pay tax of Tk. 57,500/- in place of Tk 82,000/- and a tax payer having income of 2 lac will pay Tk. 12,500/- in place of Tk. 14,000/-." But he has not disclosed what will be the tax burden for income below Tk. 2 lac; for below taka 2 lac income the tax burden has not only been increased but it will be very heavy. Thus a tax payer having income of taka 75,001/- will pay tax Tk 2,400/- under the proposed rate against nil under the existing rate; a

tax payer having income of Tk 1 lac, shall have to pay Tk. 2,500/- under the proposed system against nil under the existing system; a tax payer having income of Tk 1,50,000/-, shall pay Tk 7,500/- under the proposed system while he pays Tk. 5,000/- under the existing system!

6) The Finance Minister has proposed to impose ban on the import of reconditioned car which is available say, at Tk. 3.5 lac. As the price of same new car is Tk. 10 to 12 lac, it will be impossible for the middle class to purchase a car other than an Indian car the cost of which is 6 to 7 lac taka and is much inferior in quality, said Bangladesher Reconditioned Vehicles Importers and Dealers Association in a press conference on 8-6-2002.

On the other hand customs duties on imported cars have been

slashed down. As a result, the rich people will be able to purchase posh cars at much lower price. Corporate tax has also been reduced which will help only the rich people of the country.

In view of the facts stated above, I would suggest that, as the cost of living is going up day by day, the minimum income tax exemption limit, instead of being reduced, should be raised to Tk. 1,25,000/- and the income tax rates should be fixed as follows: Income Tk 1,25,000/-, tax rate nil, Tk 1,25,001/- to Tk 2,50,000/- at 10%; Tk 2,50,001/- to Tk 4,00,000/- at 15%; Tk 4,00,001/- to 10,00,000/- at 20%; Tk. 10,00,001/- to Tk. 20,00,000/- at 30%; Tk. 20,00,001/- to Tk. 30,00,000/- at 40%; above Tk. 30,00,000/- at 50%. And the minimum tax for an individual should be fixed at taka one thou-

sand. Secondly the proposal for compulsory submission of assets and liabilities statement under self-assessment systems should be rejected, as it will create undue hardship to small income tax payers.

Lastly the proposal for ban on the import of reconditioned cars should be rejected. As there is no justification to reduce duty on car exceeding 1700 cc, there should be no reduction of duty on these cars.

I am sure if the above suggestions are accepted, the Finance Minister will get much more revenue and the appalling income disparity between the rich and the poor will be reduced to a certain extent.

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