

Legalising black money

A futile exercise

DESPITE having made public statements about the futility of providing facility to whiten black money, the finance minister has allowed it to happen once again in the current budget. Interesting to note that what had been admitted to be an "immoral practice" has been allowed in every national budget since 2009. The fact remains that holders of black money have always shied away from this special privilege except during the two-year interim caretaker government. The facts speak for themselves: since independence 42 years ago, a mere Tk 13,515 crore, have been "whitened" and the earnings for the national exchequer has been a paltry Tk 1,407.21 crore.

So where does that leave us? When immorality takes precedence over principles and ill-gotten monies are allowed to be streamlined into mainstream economy, why should people be encouraged to pay taxes in the first place? On the one hand this year's budget is placing huge importance on revenue collection from taxation, and on the other, it is allowing legalisation of "black" money. This double standard can never be an acceptable practice. Allowing "black" money to be invested in apartment and land purchase will only fuel prices of land that is already over-inflated, which cannot be a good thing. In the final analysis, allowing for such provision to remain only encourages the belief that it is an acceptable risk to make money illegally since policymakers will allow for its legalisation sooner or later.

Pavement encroachment

Thumbing nose at law

THE report and the accompanying picture in this newspaper yesterday depict yet another instance of flouting of rules by construction companies. A construction company building a shopping mall at Mouchak has encroached upon an entire stretch of the footpath on one of the busiest intersections of the city. It so happens that the majority of the directors of the shopping mall happen to be also directors of the construction company. How convenient! The construction is illegal, it having deviated from the approved design of the building.

Regrettably, flouting of rules and violation of laws have become so commonplace that the public, and those that suffer due to such excesses, have taken these as fait accompli, since, apparently, there is no one to address the violations.

Rajuk appears ludicrous when it says that it had served notice on the violators, not once but twice, and that it is waiting to serve a third notice and then declare the construction illegal. It appears that the directors of the shopping mall are all too powerful since they did not bother to respond to the Rajuk notices. And the state apparatus has been helpless in preventing the illegal construction.

Unfortunately, Fortuna Mall violation is symptomatic of the malaise that is eating into the moral fabric of the nation. We are concerned because it is exactly such disregard for law and failure of the oversight agencies to act timely that had caused the Rana Plaza disaster. And unless these errant construction companies are made examples of, Rana Plaza will

Dalliance with black money

KALEIDO-SCOPE



What is then the point of endlessly buttering up the criminal owners of black money, while at the same time demanding that the otherwise hardworking and honest people should abide by law and pay taxes?

THE governments since independence have been courting black money to come into mainstream economy. But so far the unwilling horse of black money could hardly be led to water, far less made to drink. Even so, our finance ministers won't ever give up the pursuit!

So we have again kept some provisions for the black money in the proposed budget for FY 2013-14. They will not be asked to invest in any kind of venture that might generate legal income. And like last fiscal, they won't even be asked to get into the stock market, but they can gleefully put their money in the real estate sector and buy lands, flats and so on. How considerate! How could the finance minister know what was in their mind?

In fact, by making this allowance for the black money holders, the government is not helping the economy in any way. Rather, it is encouraging them to go ahead with their illicit means to make more illicit money. Is it then any wonder that the nether world economy has only grown bigger over the years! And according to an estimate, the size of our underground economy has become as large as 82% of our Gross National Product (GDP).

How could the shadow world of black economy grow into such humongous proportions over time? Can we say that it could reach this stage only under the kind patronage of the successive governments? And if this patronage culture continues, the day is not far off when the black economy might get even bigger than the national economy and then gobble up the whole of it.

What is the secret of this love affair with black money? And why is it so hard to please?

The secret of the love affair is nothing hard to imagine. It is pressure from powerful quarters from within and without the government. Who are the powerful quarters? Obviously, political leaders, bureaucrats and businesses linked to them.

Needless to say, those powerful quarters themselves are directly linked to the sources of the unearned money by whatever names you may call it: undisclosed, or untaxed. But once they are granted the sought after legality, few holders of black money are found to take the opportunity



to whiten their money. The reason is simple: they want the seal of legality only, but don't really want to show or disclose their money.

The policy think tank, Centre for Policy Dialogue (CPD), showed that in four years between 2009 and 2013, the government earned a paltry sum of Tk 38 crore as tax out of the declarations of total of Tk. 1305 crore they made.

And since 1975 until 2013, the total amount of undisclosed money whitened stands at only Tk. 14,467 crore. Interestingly, about 57% of this total amount (Tk. 9682 crore) till date was whitened during the last military-backed caretaker government of 2007-08. One may well recall that unlike the lenient approach of the present or past elected governments, the caretaker government of 2007-08 did not treat the tax-dodgers and black money holders with kid gloves.

Evidently, if ever any keenness was shown by black money holders to declare and whiten their unearned income, it was during the time of the last caretaker government. The reason why they were relatively more accommodating at that time is also as plain as daylight. But when compared with the actual size of the black money in the economy, even that amount of highest disclosures made so far proves to be a mere drop in the ocean.

The political as well as the administrative connections that had been giving patronage to the powerful quarters holding black money were themselves on the run during the caretaker rule of 2007-08. Obviously, it was the mortal fear of being caught and grilled that drove a few of them to respond to the offer of disclosing and whitening their unearned money. Even then, the large majority of the black money owners remained beyond the reach of that government.

What is then the point of endlessly buttering up the criminal owners of black money, while at the same time demanding that the otherwise hardworking and honest people should abide by law and pay taxes? Is not the government setting a double standard and being immoral by continuing this practice year after year?

The Transparency International, Bangladesh has rightly said, "Not only is the government pushing the real estate sector to be captured by corruption, but sending out a message to society that the government is the protector of corruption and illegality."

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LETTERS

TO THE EDITOR

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Make budget pro-people

Finance minister has unveiled the Tk. 222,491 crore national budget on last Thursday. It is certainly a lavish budget but the finance minister has claimed that the budget is achievable, even though it is ambitious. People have blasted the government's decision to allow money whitening again. Some expressed frustration over the rising prices of essentials. We think, national budget should be people-oriented, keeping political interests aside.

Rafik Alamgir

International Islamic University Chittagong

Match-fixing and Ashraful



All our hopes and aspirations about cricket have shattered because of Ashraful. Now we know why Ashraful had been failing to perform well and how he betrayed us. He should be banned forever from cricket without showing any mercy. His accomplices whose names came in the media must be given severe punishment also. Senior players who introduced him to the gamblers must be brought to book, as Ashraful could not do this without their patronisation.

Md. Nahid Iftekhar

Muradpur, Chittagong

Chemical-added bananas

All bananas in the market are now ripe and yellow. This is very uncommon at this period of time. I have seen in the village that bananas have just started ripening. Maybe chemicals are spread on bananas in order to ripen them. It is learnt that carbide is used to ripen bananas, which is very dangerous for our health. Bananas contain a lot of iron, protein, dietary fiber, vitamins and many other nutrients. The authorities concerned should take punitive action against the sellers who resort to such unethical means.

Shafkat Rahman

BIAM Laboratory School

Dhaka

Election time government

A more democratic as well as sustainable governance system during national election can be evolved following the principles given below:

1. The president will be the head of the government during the election period as were Justice Shahabuddin in 1991 and Professor Eazuddin during the first caretaker government of 2006. It may be noted that the ministry of defence used to be always under the sitting presidents during all past erstwhile caretaker governments. Therefore, why the president can not head other ministries as well?

2. Equal number of advisers, five from the opposition and five from the ruling party will constitute the cabinet. The opposition can choose all non-party non-political advisers if they so wish, or they can go for a mix of political (elected or non-elected) and non-political advisers. Likewise, the ruling party can choose all its advisers from political (elected or non-elected) arena. It may also go for a mix of both political as well as non-political sources.

We believe that the present impasse as well as recurrence of similar political crisis in future can be overcome by following such a flexible method.

Abu Shahjalal Azad

Dhanmondi RA

Dhaka

Comments on news report, "Taxmen to get more powers to catch dodgers," published on June 8, 2013

Niloufar Sarker

Here is an opportunity. Taxmen can catch a dodger and get a portion of his money. Then both can whiten the money by buying properties like apartments and plots.

Iftekhar Hassan

I pray this law will be applied to all without any bias or political affiliation. As Niloufar Sarker said, property owners have already started contacting the taxmen.

"London asked to take steps on court order"

(June 8, 2013)

Straight talk

Getting an agreement singed under compulsion can not be an agreement. If such an agreement is signed, it will be illegal. Getting such agreement done is an offense punishable everywhere in the world by custodial sentence.

Ananda

He should be brought to book if proved guilty.

Ripa

I think the government has more important duties to perform than chasing Tarique.



They said...

THERE is a class of intellectuals who do not like anything." So said the prime minister on Saturday while exchanging views with the grassroot-level members of Awami League, Sunamganj district.

Apparently, the prime minister was taking on the critics of the budget, particularly those that feel that the revenue target of the government is highly ambitious and is unlikely to be met.

Well, it is not only the PM alone but also some of her senior cabinet colleagues who have been at the critics too, indirectly comparing some of the talk-show participants to ruminant quadrupeds.

We say...

SUCH utterances, unfortunately, are signs of a government growing testier by the day. The PM and her colleagues must understand that they are not above criticism. That government actions, policies and utterances will be subject to scrutiny and criticism. And it will do well for them to address the rational ones objectively and not dismiss them out of hand. That is the sign of a mature government.



The writer is an eminent Indian columnist.