

The India factor

PLEASURE IS ALL MINE



SHAH HUSAIN IMAM

Admittedly, if the people of Bangladesh had seen tangible benefits accruing from closer Indo-Bangla relations they would have been enthusiastic over the 'new push' to the relations. But here we are after four and a half years of AL rule, which beginning on a high note of optimism towards India, is left with some core unfinished agendas.

last November, New Delhi had felt assured that if she came to power she would not provide 'sanctuary' to Indian insurgents in North East or allow passage of arms through Bangladesh territory. So, India apparently got what she had sought from the BNP leader.

Granted, BNP leaders would not go that far in explaining what is generally seen as a shift in attitude except to concede that it was a sign of maturity and realism on its part to propitiate India. Even Ershad was welcomed in the Indian capital, a gesture evincing a broader interest in Bangladesh's electoral politics.

Apart from assurances from the BNP chief on a security concern, the second point of India's confidence perhaps draws on the fact that economic and infrastructure-related ties with Hasina government have been so intertwined and structured that a reversal or a radical alteration of them is to be normally ruled out. In other words, India has got very substantially what it aimed to achieve with Hasina government without reciprocating in kind except on a limited scale.

BNP, once known for its anti-India rhetoric, has abjured it since its leader's last visit to New Delhi. The media in India notes the absence of tirade against the neighbouring state in the city corporation polls, and more to the point, even in the broader theatre of Bangladesh politics.



A former Indian High Commissioner to Bangladesh, Deb Mukherjee, hits the nail on its head when he says, "in the event BNP comes to power, what attitude the people of Bangladesh adopt to Indo-Bangla relations will have to be watched out for."

Our people's feelings towards India have been palpably constant and static, regardless of which party came to power. One would have thought that Deb Mukherjee was perhaps hinting at this reality on the ground. Admittedly, if the people of Bangladesh had seen tangible benefits

accruing from closer Indo-Bangla relations they would have been enthusiastic over the 'new push' to the relations. But here we are after four and a half years of AL rule, which beginning on a high note of optimism towards India, is left with some core unfinished agendas. Such issues as Teesta water sharing (a scheduled JRC meeting having been unceremoniously postponed!) and border demarcation including exchange of enclaves hang fire due to lack of cross-party consensus topped up by West Bengal Chief Minister Mamata Banarjee's conflict with the centre. When will such a scuppering of perfectly legitimate expectations of a smaller neighbour come to an end?

Particularly intractable and immensely off-putting has proved to be the reckless border killings by BSF that can only be associated with a hostile frontier. Ironically though, it is politically professed and apparently willed, as well at the highest Indian level that Indo-Bangladesh border be one of peace and tranquility. Sadly, the tenor set after each high level dialogue does not permeate lower down the order.

The former West Bengal chief minister Buddhadeb Bhattacharya at one point had suggested that Bangla-speaking BSF personnel be deployed along the border with Bangladesh to mitigate miscommunication. There was no follow-up on the suggestion, although it merited consideration as a special case, albeit in a context where international border is a central subject.

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One for you, nineteen for me

HUMOROUSLY YOURS



NAVEED MAHUB

THE magician takes my Tk.1,000 note and makes it disappear. He then pulls it out from behind my ear and hands me a Tk.500 note. "Here's your Tk.1,000 note...minus taxes."

I earn money from my job after paying income taxes. I take that money and buy things for the family, paying VAT. I put the remainder in the bank where there are savings taxes. Once I take out the earned interest, I pay capital gains taxes.

Put two and two together...plus taxes. It's a game of give and take. When we earn something, it's minus taxes.

Taxes. Talk of the town, or at least, at the Second Capital.

June 30. A stampede to buy 5 year shonchoy potros. Thank Heavens for the tax rebate.

July 4. The US celebrates Independence Day. A second stampede in Bangladesh to encash the 5 day young 5 year shonchoy potros. Our little gimmick gets us highly in-tax-icated.

Then a calm before the next storm... September 15. Everybody scrambles to file their tax returns. But there are the enviable few, also known as psychopaths, who file their returns a full month before the deadline.

September 16. The whole country is declared a disaster area. We realise how a cow feels after it's been milked. This is one time there is equality among the rich and the poor - collective swearing. By the time we're done swearing, it's time to file the

Death and taxes are inevitable (though death doesn't repeat itself and hence, the definition of death is that you stop paying taxes suddenly). Taxes are a nation's source of revenue. Taxes are collected to balance the budget (that leaves me confused on how to budget the balance).

Some are clever. They save so that they don't have to borrow on September 15 for the taxes owed. A penny saved, is a penny taxed. Seems like breathing is the only activity that isn't taxed...yet. The best things in life are still free, but the tax experts are working overtime

on the problem. For everything else, there's VAT. But the fact remains that death and taxes are inevitable (though death doesn't repeat itself and hence, the definition of death is that you stop paying taxes suddenly). Taxes are a nation's source of revenue. Taxes are collected to balance the budget (that leaves me confused on how to budget the balance). Hence, the constant need to find new, profitable industries to tax, like Yaba. Or, how about investing in taxes, they're guaranteed to

appreciate. Sometimes it is necessary to raise existing taxes. But trying to curb inflation by raising taxes is like giving a drunk another drink to sober him up.

Nevertheless, one of the great blessings about living in a democracy is that we have complete control over how we pay our taxes...cash or money order.

So, I say again, taxes are a necessary evil. We pay our taxes and keep the economy white. Hence, our wrath on the tax dodger, who may not necessarily love his country less, but just loves his money more.

Sigh! The good old days. There was a time when we considered a person wealthy who had to pay taxes. There was a time when Tk.2,000 could buy us a piece of land. Now, it's VAT.

Making your head spin? Relax. Stay safe on the roads, we can't afford to lose any taxpayers.

The writer is an engineer & CEO turned comedian (by choice) and the host of NTV's Grameenphone Presents The Naveed Mahub Show.

How frauds make money in Bangladesh

A few months ago, I went to the office of a Bangladeshi investment company with a relative of mine who went to claim funds she had invested in this "e-commerce" company two years ago. Needless to say, she never got more than one interest repayment and now her entire investment is locked up in the company bank account, which was seized by the government over a year ago.

First let me tell you the story of the company: This company started operations in Bangladesh in 2009. Apparently, it was an "e-commerce" company generating funds from "e-commerce." It takes in investment from the private investors and promises annual interest rates of 20%, well above the 12% annual rate on most deposit accounts of local commercial banks. The company operated well for a while, which brought in an influx of small private investors (mostly from middle-income families). Then, as is often the case, the company started performing poorly and soon the government "realised" the scam and "took necessary actions."

At present, the management officials are on the run while one of the directors is behind bars pending trial. The investors have formed their own organisation dedicated to recovering their lost investment by selling company assets (if there is any apart from a five-storey office building) and from government seized bank accounts. Sources say that the company owes about Tk.4,500 million to its investors.

This, in a nutshell, is the story I heard from one of the members of the investor-formed organisation dedicated to rescuing their investment funds.

This story of one of several similar scams raised three questions in my mind.

•How did such a "shady" company even get permission to begin operation in Bangladesh from the Registrar of Joint



One should not invest in a company whose business model one does not understand. If the management says the company activity is sound but complicated and beyond your comprehension, it is a clear warning. Avoid such companies at all cost if you do not want to lose your hard earned money.

Stock Companies? •How did it so quickly expand its operation? •Why did so many small, private investors invest their life savings in a company with sketchy "e-commerce" activities.

The answers to these questions hold the key to understanding such frauds and stopping such scams in future.

Firstly, the private sector regulation and supervisory infrastructure of the government is extremely weak. Bribing of some government officials to open companies to do mischief is almost an open secret in a country fraught with corruption.

Hence, one of the solutions is to develop a stronger regulation and supervision framework to monitor the private sector, typically during the first few/five years of the companies when they expand their activities. I believe this would drastically bring down the rate of such scams as most company founders and management look to make as much money as possible in the initial days before vanishing into thin air. So, the more the framework can keep a check on their activities, the less they can conjure such money making scams as, inevitably, the incentive will go down with reduced prospect of profit in the near future.

The answer to the second question is rather simple. Most private, small investors rely on words or recommendations from other private investors who are typically family, friends, relatives or acquaintances. The company had a good track record in the first one year, which instantly pulled in small investors.

Now, you might wonder how the company did so well during the initial days. Firstly, such company founders bring in investment of their own to pay the initial investors. When investment starts pouring in, new investment funds are used to pay returns on older investments (much like how government pays sovereign debts). Of course, once the new investments start drying up, the companies start performing poorly before failing. By that time, the management had already made a huge amount of money, most of which most likely goes offshore or remains inside the country as black money. Surely, one should not expect a "shady e-commerce" company to make so much money as to pay 20

% return on investment in a country like Bangladesh. To prevent such scams, investors need to closely monitor and understand a company's activities at least for as long as three years before making investment cautiously. One should not invest in a company whose business model one does not understand. If the management says the company activity is sound but complicated and beyond your comprehension, it is a clear warning. Avoid such companies at all cost if you do not want to lose your hard earned money.

At the same time, do not rely on words of others when making investment without doing your fair share of research. Otherwise, you should prepare yourself for a disaster as you might witness the unfolding of such scams. Over 90% of the investors barely understood the activities or operations of the company I was initially talking about. They only knew that it was some "e-commerce" business paying 20% return on investment.

To conclude, my recommendations of averting such frauds in Bangladesh are as follows:

- The government needs to drastically improve its regulation and supervisory framework, particularly to keep a check on private companies during the first few years of operation at least, with a high emphasis in the first three years.
- The small private investors, main targets of these scams, should not make large investments without understanding the company operations or business model.
- Investors should only invest gradually after personally observing the company operations for a while. There is no harm in diversifying investment portfolio to include investment in both high and low risk companies/ventures. After all, that is one of the oldest common sense advice given to investors.

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Crossword puzzle grid with clues for Across and Down.

Cryptoquip puzzle with word lists and a clue: "Yesterday's Cryptoquip: IT ISN'T POSSIBLE FOR THAT HARD DIVE TO RECEIVE A PERFECT SCORE. I SUPPOSE IT'S UN-TEN-ABLE. Today's Cryptoquip Clue: P equals T"

Beetle Baily comic strip by Mort Walker. Beetle says his G.P.S. died and he's lost. He asks for help describing his surroundings. Greg Mort Walker.

Henry comic strip by Don Tranchte. Henry is looking for a hamburger, a soda, a napkin and a fork.

Quotable Quotes by Brigham Young: "You educate a man; you educate a man. You educate a woman; you educate a generation."