



Trucks loaded with kans grass, locally known as kashful, are seen heading out of the Moghalhat area in Lalmonirhat sadar upazila. As the plant grows naturally on sandy soil, char farmers in the region incur few input costs while earning big by selling it to betel leaf growers.

PHOTO: S DILIP ROY

S DILIP ROY

Kans grass has emerged as a significant source of income for farmers in char areas of Kurigram and Lalmonirhat, where the perennial herb native to the Indian subcontinent grows easily on sandy soil.

Naturally occurring on around 10,000 hectares of land across 150 chars on the Brahmaputra and Dharla rivers in six upazilas of the two districts, the only expense farmers need bear are those associated with transport and labour.

Each bigha of land produces some 2,000 bundles of the straw-like material, called kashful in Bangladesh, with thousands of farmers in the region now fetching up to Tk 17 per bundle weighing around two kilogrammes.

Officials of the Department of Agricultural Extension (DAE) say that kans grass has helped bring prosperity to char farmers in region as they can sell it alongside traditional crops.

Aftab Uddin, a farmer from Char Karai Barisal under Kurigram's Chilmari upazila, said he got 19,000 bundles of kashful from three acres of land this year.

"I sold it all for Tk 286,000 in a local market after having spent a total of Tk 170,000 for harvesting and transporting the plant," he added.

Uddin then said kans grass has become a source of passive income for farmers like him who are unable to cultivate most other crops on the sandy soil of char lands.

"But kashful grows here naturally and so, earnings from the plant help us run



our families well," he added.

Nader Ali, another farmer from the same char, told The Daily Star he had gathered kans grass from six bighas of land last year but this year, he could only collect from four bighas due to erosion.

Wholesalers from different parts of the country, including Rajshahi, Kushtia, Barguna, Meherpur, Chuadanga and Jessore come to buy kashful from suppliers in Lalmonirhat and Kurigram.

"We are happy to be selling the plant at a fair rate this year," Ali said.

Dried kans grass is used to weave together thatch roofs and sheds that are mainly uses by farmers to protect crops

that are sensitive to excessive sunlight or rain, such as betel leaf.

Jobed Ali, a farmer at Char Falimari on the Dharla river in Lalmonirhat sadar upazila, said that even though kashful production has been lower this year, they are making unexpected profits thanks to the currently higher market prices.

Similarly, Sekendar Ali Mandal, a char farmer in the Sardob area of Dharla river in Kurigram sadar upazila, said he expects good earnings from the kans grass grown on six bighas of his land, where no other crops grow.

Kashful grows naturally in the char land between April and May before being

harvested in November.

"We did not get decent prices for kashful just 10 to 12 years ago but now, buyers from different areas pay well for the material," he added.

Dildar Hossain, a wholesaler from Rajshahi who came to Jorgachh Bazar in Chilmari upazila of Kurigram, said he buys kans grass from different farmers in the region before shipping it to other parts of the country by truck or boat.

"We are buying kashful from farmers at high prices and then selling it to betel growers in various districts," he added.

Hossain went on to say that kashful prices are higher this year as the demand has increased among betel leaf growers.

"The market for kans grass in the two districts is worth as much as Tk 300 crore," he said.

Nur Hossain, a wholesaler at Moghalhat area in Lalmonirhat sadar upazila, said they sometimes pay char farmers in advance for getting a supply of kashful considering the huge demand.

As such, the material is loaded onto as many as 80 trucks from the Brahmaputra and Dharla river shoal areas every day.

Also, some 35 boats are being loaded with kans grass for shipment every day, he added.

Biplob Kumar Mohanta, deputy director of the DAE in Kurigram, said local char farmers dream to earn big by selling kashful.

"The naturally growing grass is bringing solvency to many char people," he added.

## The sensitivity of direct tax realisation

MUHAMMAD ABDUL MAZID

Taxation has four main purposes: revenue, redistribution, re-pricing, and representation.

The main purpose is taxes raise money to spend on roads, schools and hospitals, and on more indirect government functions like market regulation and legal systems.

A second is the redistribution. Normally, this means transferring wealth from the richer sections of society to the poorer sections.

A third purpose is re-pricing. Taxes are levied to address externalities. Tobacco is taxed, for example, to discourage smoking and many people advocate policies such as implementing a carbon tax.

A fourth, consequential effect of taxation in its historical setting has been representation. The American revolutionary slogan "no taxation without representation" implied this: rulers tax citizens and citizens demand accountability from their rulers as the other part of this bargain.

Re-framing tax revenue regulations should deserve a very close review of existing rules one by one, if not word by word, in fitting with present day demands of social norms and business practices. If these regulations have to be effectively enforceable, prudently practised and impartially implemented in a free and democratic environment, it has to be such a public law framed by the lawmakers who should also be within its jurisdiction.

Rules should not be framed only for the ruled and should not be a tool for applying discretionary power by enforcement officials, but be applicable to all indiscriminately.

To be sound, a tax system must be economically efficient, inflicting as little damage as possible on the economy. Every tax system distorts economic decisions and leads to less economic activity than otherwise would occur, resulting in what economists call "deadweight loss."

It has been argued that typical estimates of the economic cost of a taka of tax revenue range from 20 paisa to 60 paisa over and above the revenue raised."

What is more, applying different tax rates to different activities or producers exacerbates the distortion of economic decisions and increases the deadweight losses due to the tax system. A sound tax system should be designed to minimise these losses.

A sound tax system should impose the smallest possible compliance costs on taxpayers otherwise people will not be encouraged to pay tax, rather they will be inclined to evade tax.

Ultimately, every tax system diverts a portion of tax revenues raised by the tax to pay the cost of administering and collecting the tax and enforcing its provisions. A sound tax system would minimise these costs.

Just a little bit of effort by the citizens should be required in paying taxes. Otherwise, the government could do and take whatever it wanted.

In democratic nations where the public elects those in charge of establishing the tax system, these choices reflect the type of community that the public wishes to create. In countries where the public does not have a significant amount of influence over the system of taxation, that system may be more of a reflection of the values of those in power.

Debates about taxes usually devolve into "the wealthy can afford it" or "it is unfair to be taxed so harshly". Neither argument has merit. Tax the wealthy too harshly, and they will stop creating wealth. Tax them too leniently, and either society will be unable to govern itself, or the rest of society will be so harshly taxed that it will rebel.

It is entirely a matter of practicality. As pundits have put it, "If you know the position a person takes on taxes, you can tell their whole philosophy. The tax code, once you get to know it, embodies all the essence of life: greed, politics, power, goodness and charity."

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## First factory in Srihatta economic zone starts journey

MINTU DESHWARA

Srihatta Economic Zone has become active as a door and window manufacturing company started production in the special area in Moulvibazar's Sherpur.

Double Glazing Industries Limited—a company run by a woman entrepreneur from the UK—began production in November this year in the 352-acre economic zone developed by the Bangladesh Economic Zones Authority under the supervision of the Prime Minister's Office.

"Srihatta Economic Zone located in the middle of Sylhet division has been equipped with all the facilities that an industry needs to flourish," Moulvibazar Deputy Commissioner Mir Nahid Ahsan told The Daily Star.

The zone is expected to create employment opportunities for 45,000 people, which will be a milestone for trade and commerce in the region, he said.

The economic zone will not only be beneficial for people in Moulvibazar, but also for the ones in Habiganj and Sylhet districts, he said.

The authorities believe the local economy will become stronger when all industrial establishments in the region, including Moulvibazar, will start production, Ahsan said.

Of the six companies which have been given land allotment in the 352-acre zone, infrastructure development work of four domestic companies is going on.

Double Glazing Limited run by Monojaha Polly Islam, also an English immigration lawyer, has so far invested Tk 10 crore in Srihatta Economic Zone.

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Employees of Double Glazing Industries Limited, a door and window manufacturing company, are seen busy at its factory in Srihatta Economic Zone in Sylhet division.

PHOTO: MINTU DESHWARA

## Stocks keep falling

STAR BUSINESS REPORT

Shares on the Dhaka and Chattogram stock exchanges fell for the second consecutive day yesterday as shaky investors went for selling while some adopted the 'wait and see' stance amid the ongoing gloomy market trend.

The DSEX, the benchmark index of the Dhaka Stock Exchange, closed at 6,212 after it lost 12 points, or 0.19 per cent.

The DS30, the blue chip index, shed 0.38 per cent to 2,198 while the DSES, the index that represents shariah-based companies, slipped 0.29 per cent to 1,359.

Trading activities increased slightly, however, as turnover rose to Tk 344 crore yesterday recovering from a 20-month low of Tk 313 crore a session earlier.

Losers were strong as out of the 299 issues traded, 23 advanced, 55 declined, and 221 remained unchanged.

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