

Bangladesh Budget 2009-10:

THE LIES & SLOGANS OF THE LEADERS CONTINUE WHILE THE UMMAH BRACES FOR MORE ECONOMIC HARDSHIP

INTRODUCTION:

The announcements of national budgets in the developed world are considered key events for ruling parties. The delivery of the budget with its details such as how money will be raised for new projects and exactly what the budget will be spent upon are scrutinised by economists and financial analysts across the world. The new 14 party alliance government in Bangladesh led by the Awami League has also announced the budget for 2009-10 fiscal year with stated targets '*....we would like to proceed with a vision of a happy and prosperous nation rising above all prejudice and parochialism*'. As per the government vision 2021 the finance minister Abul Maal Al Muhith stated that, '*Bangladesh will reach a trajectory of high performing growth supported by advanced and innovative technology with prices of commodities stabilised, income and human poverty brought to a minimum level, health and education for all secured and capacity building combined with creativity enhanced, social justice established, social disparity reduced, participatory democracy firmly rooted and capacity to tackle the adverse effect of climate change achieved. Information and communication technology will, by that time, take us to a new height of excellence giving the country a new identity to be branded as digital Bangladesh.*'

How true are these commitments? How objective the finance minister of Bangladesh is in formulating such goals? Are these goals achievable? Would it be that by 2021, Bangladesh will be 'digital Bangladesh'? In fact, this is not the first time in Bangladesh that the finance minister is making such claim. There has been almost 38 budgets placed before the Ummah of Bangladesh, starting from 1972, with same goals of '*.....prices of commodities stabilised, income and human poverty brought to a minimum level, health and education for all secured and capacity building combined with creativity enhanced, social justice established, social disparity reduced*'. So this speak for itself that this is simply a repetition of words and sentences, a mere rhetoric. In this article a through investigation of the budget 2009-10 of Bangladesh will be undertaken as a sample of Muslim lands across the world to show if this budget will be able to achieve what it says even though there is a historical reality of total failure. Focus will also be made on how the coming Khilafah state will not just deal with the issue of poverty, unemployment, economic stability, but also how it will make the Khilafah state the economic superpower in the world.

PROPOSED BUDGET 2009-10: ALLOCATIONS

The current year's budget is approximately Tk. 1.14 trillion or \$16.50 billion with highest allocation in public administration 16.4%, interest payment on foreign loan 13.9%, 7.3% for social safety needs for more than 60% of the poor people (!) agriculture sector 4.5%, energy and power 3.8% and the lowest allocation of 0.8% goes to industrialization which is equal to the allocation for cultural and entertainment sector (Daily New Age 12/06/2009)! On the other hand in terms of financing, tax revenue will account almost 53.6% out of which 34.7% will be value added tax (VAT) and 27.1% will be income tax. The foreign loan will account 4.6% with approximately 3% grants, while domestic loan will be 18.1% of the total budget.

THE BIG BOSS IS VERY VISIBLE:

Interestingly those who provide us only 7.6% and yet take 13.9% have the only say or dictate to us in formulating our budget. World Bank and IMF with a policy called *public resources management credit* (PRMC) dictates the internal sources of revenue creating more tax and VAT net as well as the uses of fund. To solve the issue of poverty, World Bank at first suggested the liberalization of interest rate regime in 1990s and then it came up with PRMC. Later on they came up with a lethal weapon of killing people known *Poverty Reduction Strategic Plan* (PRSP); with its total failure to reduce poverty, income inequality, they have given another prescription called SAP (structural adjustment program). This was intended to open the market along with call of trade liberalization and privatization program. They have argued that, with free trade the economic well being of the country will improve. In reality the idea of free trade was to open Bangladeshi market to foreign companies ending up with heavy trade deficit, resulting in more debt burden on the people. Again with visible failure of SAP (*openly to reduce poverty and income inequality and covertly to gain total control on the economy*) in this year they have come up with the idea PPP (public private partnership) which is nothing but a new form of privatization policy in disguise. In fact like the political dictates of the imperialists, WB & IMF has domination and dictate over the economic affair of the country as pointed by one WB, Dhaka officials '*.....the thing is that we don't want to reach an agreement with the government every time we make an engagement, rather we want to impose our policy, that will work best*'

While IMF & WB has all the say about the economy, the public who pays 53.6% as tax and 18.1% as domestic loan (which goes from public to government via banks and government certificates) has no say what so ever. Therefore the claim that the budget will fulfill its objective if properly implemented is a hypocrisy and lie from the finance minister. In a country with estimated 60% poor people, budget has allocated only 7.3% for social safety needs. Yet in their democracy these people have 60% votes. What a model of representative democracy! Those who did not have any vote (the IMF and world bank) receives almost double only as interest.

MAKING SENSE OF A NON-SENSE BUDGET: THE ISSUE OF REDUCING POVERTY

Looking more closely at the nature of sources and allocation of funds, it seems that, Bangladesh will take \$7.6 as foreign loan and will pay \$13.9, as only interest on foreign loan! What a budget!! You beg to the western government \$7.6 and pay them \$13.9 as interest!!! Despite this raw fact, still it is widely circulated to the public by the ruling elite & the western intellectual cronies that, Bangladesh cannot live without foreign aid and loan. In this context a study by one professor of Dhaka University is worth mentioning. According to the study a total of Tk. 184,000 crore has been taken as foreign loan by various governments of Bangladesh since its independence up to year 2006. Out of which Tk. 143,000 crore has no proper record! It simply vanished and no body knows where the money has gone!! Out of the remaining Tk. 41,000 crore only 22% has been effectively used for the poor in whose name these ruling elites have borrowed money only to increase the debt burden on the Ummah and remaining 78% has been eaten up by the system of democracy in the name of corruption! Thus we see instead of reducing poverty, per capita debt is increasing. A study report suggests that while in 1970–1980s the per capita foreign debt was \$6.7, this has increased to around \$120 in 1990s and currently standing at \$140.

Over the years the budget announcement has talked about poverty. As per the prescription of IMF & World Bank and so called development partners from the period 1990s when democracy has become the system of governance, Bangladeshi leadership has promised to eliminate poverty by 2016. However, instead of reducing poverty they have increased it. Therefore after some years they have dropped the word “eliminating poverty” and replaced it with ‘reduction of poverty’ under a lethal weapon of killing people known as PRSP across the globe. Moreover, instead of creating new jobs they have destroyed millions of job by closing number of mills and factories including the biggest jute factory in the world, the Adamjee Jute Mills. Ironically, while system loss was cited as the reason for its shut down as pressured by IMF and WB, Bangladeshi government has not closed BTV (the national TV station) for the same reason, even though the system loss of BTV is more in amounts than the loss of Adamjee Jute Mills. Moreover, in this year the government has announced Tk. 6000 crore financial crisis rescue package by the order of IMF. The poor of Bangladesh are paying the price for western financial crisis. So its very clear when the IMF & world bank asks the government to do something they have the money but they did not have it when our industry was closed in the pretext of being a losing concern. Moreover, in the year when Adamjee was closed making more than 600,000 people unemployed, the government of Kolkata (an Indian state) has been given fund by same WB to open 13 new jute mills! What a co-incidence. And in the following year a study has suggested that world demand for jute products in a year is equivalent to 4 year production. This is just one of the examples of the priority of the government.

In another case in the year of 2004 the government was requested to increase allocation for food of Tk. 300 crore. However, citing the shortage of fund the then finance minister Saifur Rahman has allocated only TK. 70 crore to feed more than half of the 15 crore people in Bangladesh. However, in same year due to the order of World Olympic body, the government allocated around Tk. 700 crore to build NSC (national sports complex). Which one is more important-feeding the Ummah of Muhammad (saw) or construction of national sports complex? How come it is that, a mere 7.3% is allocated (in the current budget) to feed almost 60% poor people of the country under social safety need? Are these the way to solve poverty?

THE ISSUE OF UNEMPLOYMENT:

Regarding employment, like any other Muslim country Bangladesh has one of the highest unemployment rates. According to a study of the International Labor Organization (ILO), the rate of growth of unemployment in Bangladesh was 1.9% in the decade of the nineties. But the growth in unemployment currently is 3.7% while population growth rate is 1.8%. This makes it very clear that current government and the previous government’s paper-based initiatives has failed (or even worse) to create new jobs in line with the requirement. *This also proves that the country can never provide jobs for its entire citizen by trying in this way up to a period of infinity!* The ILO figures also show Bangladesh in the twelfth position among the top twenty countries in the world where unemployment is rising. The number of the unemployed in Bangladesh now is estimated at 30 million. The way the rate of unemployment is increasing, it is feared that at this rate unemployment would soar to some 60 million by 2015. According to another estimate, every year some 2.7 million young persons are becoming eligible for jobs whereas only about 0.7 million of them are getting employment. The number of the ‘disguised unemployed’, an economic term meaning underemployed people or employed to a degree less than their potential, is some 32 per cent. In this context the government announcement of 700,000 new jobs creation is nothing new & will not any way be enough (Financial Express 26/01/2008). Even these jobs can be secured by paying bribery of TK. 5-10 lakhs (0.5-1 million) with strict condition filled in a printed form that the job seeker is an Awami League (the ruling party) activist or strong supporter & his/her parents is a dogmatic Awami.

Therefore these governments under the capitalist secular democratic system have never given any form of priority to the issue of poverty and unemployment except in their lips. Moreover, the issue of VAT and income tax is the operational cause in itself to increase poverty and income inequality level.

REDUCING INCOME INEQUALITY:

The prime minister in her election manifesto talked about the issue of controlling the price hike that has increased by around 300% during the 2 years of western backed military dictators. Her finance minister has promised '.....prices of commodities stabilised, income and human poverty brought to a minimum level... social disparity reduced'. However if we analyze the tools employed for such purpose it will be clear like, when Allah says...

مَا لَهُمْ بِهِ مِنْ عِلْمٍ وَلَا لِلْبَاطِلِ عَلَيْهِمْ كِبْرًا كَلِمَةً تَخْرُجُ مِنْ أَفْوَاهِهِمْ إِنْ يَقُولُونَ إِلَّا كَذِبًا (٥)

"Mighty is the word that comes out of their mouths. They utter nothing but a lie." [al-Kahf: 5]

1. VAT (Value Added Tax):

The term VAT is elaborated as value added tax and one of the most common measures of financing the budget. As per the order of World Bank the government of Bangladesh in 1994 started this expenditure taxation process. Since then this has become one of the primary revenue generating sources in the budget (around 36% of tax revenue; the highest in Bangladeshi budget). This is a tax levied upon people irrespective of their economic condition while they buy any product and services. The percentage of VAT is different on different products and services with the highest rate of 15%. This is a common phenomenon in all the countries in the world be it Muslim lands or Kufr states. This is going on and taking more roots in economics (mis)management despite the saying of the Prophet (saw) '**the one who collects tax will not enter in paradise**'

Any one who studies deeply about VAT finds that, on certain products say for example on salt, a taxi-driver or a slum dweller pays 15% VAT on the price of per Kg. salt of Tk. 20, while Salman F Rahman, one of the richest person in the country & the owner of Beximco Group buys the same 1 kg salt at Tk. 20 and pays same 15% VAT! This is the reality of VAT. The question is, is it fair to charge a taxi-driver and a richest industrialist with same tax rate? Is this the way to eliminate poverty and reduce the income gap between the poor and the rich? How irrational and unjust this capitalist system is!

2. Income tax:

Another important source of revenue under capitalist secular democratic system of budget is income tax. There are different tax bracket with different levels. However, under any income level if two persons i.e. Md. Abdullah and Md. Kamran earn yearly Tk. 200,000 because they are in same post and in same job, both have to pay same income tax. The problem is no regard has been made what so ever that, it may be Md. Kamran is an unmarried and youngest son in the family (so usually don't have family burden); whereas Md. Abdullah may have a family and other relatives to take care. How can the both be charged with same tax? This is only possible in this unjust secular democratic government system of the *kuffar* that the Muslim lands have imported via their tyrant rulers.

3. Amazing tax rebate: For whom?

Under current system a tax payer is entitled to tax rebate (reduction of tax burden) in certain circumstances. Remember we are talking about tax rebate under capitalism and no wonder a person is entitled to tax rebate if he invest his money in stock market shares or government securities which again goes back to the wealthy and the government. However, there is no tax rebate if some body uses his income to pay the hospital bills for his parent's illness. There is no tax rebate if someone sends their sons to colleges or universities and pays tuition fees. There is no tax rebate for paying essentials like house rent, food staffs (moreover there is vat applicable). There is no tax rebate if somebody uses his money in arranging his daughter's wedding. Why this is so? The answer is as a western political scientist explains '*capitalist democracy is a system by which politician rapes public.*' Therefore it is self-evident that the flow of fund is one way, to one direction i.e. towards the capitalist. Is this the way the western model of governance and economics will solve the issue of poverty and economic disparity? Indeed the history of western countries is a testimony of increasing income gap between the poor and rich. In a 2005 Harvard report it was calculated that 10% of the population owned 71% of the wealth, and the top 1% controlled 38%. On the other hand, the bottom 40% owned less than 1% of the nation's wealth. Therefore our politicians' claim that they want to reduce income gap and poverty is a plain lie & hypocrisy. Indeed the problem of the world is not poverty, but it is a symptom. The problem is western secular capitalism regards no emphasis distribution. Allah (swt) says

كَيْ لَا يَكُونَ دُولَةً بَيْنَ الْأَغْنِيَاءِ مِنْكُمْ

Lest it circulates amongst the wealthy from amongst you [Hashr: 07]

ISLAMIC VIEW POINT ABOUT BUDGET:

In Islam, the idea of budget is not something whimsical in terms of the wish of the finance minister to decide the sources and uses of fund. In fact in Islam there is nobody called 'finance minister' who will visit London and Washington each year to decide the sources and uses of the fund or to decide the priority of the uses of fund etc. Islam's view point towards budget is something like a financial plan which not necessarily has to be announced in a

particular time of the year. In Islam there is no open source and uses of fund decided by the mind of the limited human, rather the shari'ah has fully outlined the sources and uses of fund for the management and security of the Ummah's affair, while leaving some specific areas to the Khaleefah's *ijtehad* based upon *Daleel*. In Islam the idea of passing the budget which is one of the eventful moments in current secular democratic system is not required. Indeed the Khaleefah (Caliph) is a responsible over his subjects (Ummah) and therefore he has to maintain their basic needs and has to maintain the state's affairs.

THE PRIORITIES OF KHALIFAH IN MANAGING THE FUND OF THE STATE:

From the current year budget it is quite clear that the priorities of the government in Bangladesh in terms of the use of the fund are public administration and then it is payment of interest. The 0.8% allocation to industrialization is equal to cultural and entertainment sector!

So the current system of governance has not given priorities to tackling poverty and inequalities. Whereas in Islam the priorities of the government is very clearly and divinely decided. Under normal circumstance (with no war with other states) Khilafah will give priority to the issue of feeding and taking care of the citizens in terms of basic rights. Because Prophet (saw) said in a famous ahadith '**The son of Adam (all peoples including non-Muslims) has no better right than food with which he may satisfy his hunger, shelter wherein he may seek dwelling and clothing wherein he may hide his nakedness** [Tirmidhi]'. Moreover, Prophet (saw) also said '**The imam is in charge (ra'i) and he is responsible for all citizens (subjects)**'. The second of the list of priorities will be the security of the state. However, in case of war, the security of the state may take first priority over the issue to taking care of the basic rights of the citizens. This does not anyway mean that the Khilafah will dismantle or ignore the basic right of the citizens. All it means is that, in case of allocation of fund the first priority of the state will be making the best preparation for *jihad*.

وَأَعِدُّوا لَهُمْ مَا اسْتَطَعْتُمْ مِنْ قُوَّةٍ وَمِنْ رِبَاطِ الْخَيْلِ تُرْهَبُونَ بِهِ عَدُوَّ اللَّهِ وَعَدُوَّكُمْ وَعَدُوَّكُمْ وَآخَرِينَ مِنْ دُونِهِمْ لَا تَعْلَمُونَهُمُ اللَّهُ يَعْلَمُهُمْ وَمَا تُنْفِقُوا مِنْ شَيْءٍ فِي سَبِيلِ اللَّهِ يُوَفَّ إِلَيْكُمْ وَأَنْتُمْ لَا تُظْلَمُونَ (٦٠)

Make ready for them all thou canst of (armed) force and of horses tethered, that thereby ye may dismay the enemy of Allah and your enemy, and others beside them whom ye know not. Allah knoweth them. Whatsoever ye spend in the way of Allah it will be repaid to you in full, and ye will not be wronged. (Anfal: 60)

The third priority of the state will be industrialization and education of the Ummah. Because the Khilafah will pursue a policy to improve Ummah's understanding of this *duniya* and *akhirah* which will include developing the basics of the Islamic *aqeeda*, knowledge of *Halal* and *Haram*, knowledge of Islamic rituals, knowledge about Islamic ideological foundation and branches of the systems that emanates from her *aqeeda*, etc. Moreover, the Khilafah will develop industrial policy that suits its pursuits of *jihad*. This will lead to creation of more employment. Along with all of these the management of the administration, judiciary of the state will find important consideration in the list of priorities of the Khilafah.

SOURCES OF FUND OF KHALIFAH STATE:

Unlike the current capitalist system, the Khilafah state has specific sources and specific uses of fund from particular sources. The shari'ah has clearly spelt out these sources. Moreover these sources and uses of fund highlight the intellectual and visionary leadership of the Islamic ideology, while drawing proper attention to important as well basic issues of the states.

THE REVENUES SOURCES:

In case of the revenue of Khilafah state the fund no two sources of fund would be mixed together, for each of the sources of fund has specific uses.

1. Revenues from Booties (Fai') and Kharaj: These includes: the *Al-ghana'im* which includes the war booties, spoils, booties and the fifth; revenues of land tax (*Kharaj*) which is the right of the Muslims imposed on the land that is conquered from the *Kuffar*, either by the use of force or by peaceful means; '*Ushr* is the right of Muslims taken from the people of *Zimmah* (*Zimmis*) and their trading goods, and from the people of the land of war (*Dar ul-Harb*) who are crossing through the frontiers of the *Khilafah* State. Moreover '*Ushr* is what is taken from the produce of '*Ushri* land, and the '*Ushri* lands; the '*Fai*'; *Jizya*, which is a right that Allah (swt) allowed the Muslims to take from the *Kuffar*, in return for their submission to the ruling of Islam.

قَاتِلُوا الَّذِينَ لَا يُؤْمِنُونَ بِاللَّهِ وَلَا بِالْيَوْمِ الْآخِرِ وَلَا يُحَرِّمُونَ مَا حَرَّمَ اللَّهُ وَرَسُولُهُ وَلَا يَدِينُونَ دِينَ الْحَقِّ مِنَ الَّذِينَ أُوتُوا الْكِتَابَ حَتَّى يُعْطُوا الْجِزْيَةَ عَنْ يَدٍ وَهُمْ صَاغِرُونَ (٢٩)

"Fight those who do not believe in Allah and the last day and who forbid not what Allah and His Messenger have forbidden, who do not practice the religion of truth, being of the people of the Book, until they pay the Jizya out of hand and are humbled." (At-Tauba: 29)

Jizya is taken from the people of the Book, the Jews and the Christians, as well as also taken from people other than the people of the Book namely from the Zoroastrians, Sabians, Hindus and the communists. It is not taken if a person becomes Muslim as prophet sws says ‘**The Muslim does not pay the Jizya**’. It is not taken when the protection of the non-muslim is no longer possible by the Khilafah state.

2. Revenues form Public Property: In Islam the ownership of property is entirely different form the ownership structure of property in capitalism or in socialism. In Islam the public property is one of the three types of property that can be sources of fund for the state and these funds are not mixed with other funds. These funds includes, revenues form oil and gas, electricity, minerals, seas, rivers, lakes and springs, forests and grazing lands, protected lands (*Al-Hima*). The *Khalifah* would spend such funds according his own *Ijtihad* within the *Shari’ah* rules.

3. Revenue from Zakah: The revenue earned form zakah may come from following areas with specific measures. Allah (swt) says,

وَأَتُوا الزَّكَاةَ
“Give the Zakah” [Al-Muzzammil: 20]

Prophet (saw) said: “**No owner of gold or silver who fails to give its due right except that he will have sheets of fire made for him on the Day of Judgment. They will be heated in the Hellfire then used to burn his sides, forehead and back. Whenever they cool, they are reheated to him in a Day which is 50,000 years long, until it is judged between the people and he is shown his path, either to Paradise or to the Fire.**”

4. The fund collected form the money attained illegally by the rulers, the employees of the State, illicit money and money from penalties, the inheritance property of the one who has no inheritors, the property of apostates etc.

5. The Revenue from Taxes: In origin, the permanent sources of revenue for the *Bait ul-Mal* should be enough to meet the obligations. However, if these sources of revenue become insufficient, and Muslims are unable to voluntarily contribute enough of their own accord to cover expenditure on the needs and interests of the Ummah, then the obligation to spend on these needs and interests is transferred to the Muslims. So Allah (swt) has obliged the State to collect money from Muslims to cover expenditure only on these needs and interests.

Moreover, Prophet (saw) said “**whoever collects tax he will not enter paradise**”. Therefore, the tax charged in case of shortage should be for the reasons for which the Khaleefah is responsible under his contract. This tax is not like the income or expenditure tax (VAT) that we see today, which is prohibited in Islam.

THE EXPENDITURE OF FUND:

Unlike the current capitalist system, where funds are allocated whimsically as evident by the allocation of the same amount of fund in Bangladesh for industrialization and entertainment or like Pakistan where the leaders tax the Ummah and borrow money to use it in offensive and killing of Muslims as happening in Swat. Rather the Khaleefah is obliged to follow the *Shari’ah* completely in allocating the funds that has been collected as form of revenue. These include:

1. Expenditure on Basic necessities of the Ummah: As mentioned earlier, one of the priorities of the expenditure of the Khilafah is to look after its subjects. This is done in various ways i.e. distributing the *Zakah* funds in restricted eight categories as ordered by Allah (swt). He (swt) mentioned in the Qur’an:

إِنَّمَا الصَّدَقَاتُ لِلْفُقَرَاءِ وَالْمَسْكِينِ وَالْعَمَلِينَ عَلَيْهَا وَالْمَوْلُفَّةِ قُلُوبِهِمْ وَفِي الرِّقَابِ وَالْغَرَامِينَ وَفِي سَبِيلِ اللَّهِ وَأَبْنِ السَّبِيلِ فَرِيضَةً مِّنَ اللَّهِ وَاللَّهُ عَلِيمٌ حَكِيمٌ (٦٠)

“Verily the Sadaqah are (only) for the poor, needy, those employed upon it, those whose hearts are to be reconciled, slaves, debtors, those in the way of Allah and the wayfarers” [At- Tauba: 60]

Moreover in case of emergencies the Muslims may suddenly face, such as earthquakes, floods, famines etc revenues of booties and *Kharaj*, and from revenues of the public property’s will be used and if these are not sufficient, funds would be raised from the Muslims.

3. The Expenditure on Khilafah House & government administrations: This expenditure is essential in managing and maintaining the system of Khilafah and the payment for those who works in governmental system of Khilafah. This includes *Dar ul-Khilafah*, the office of delegated assistants, executive assistants, government administrations.

4. The Expenditure of Jihad: This includes the *expenditure of* armed forces covering their establishment, formation, equipment and training, the department of armament, the department of weapons industry. The expenditure of *jihad* would be covered by the revenues from the booties and the *Kharaj*, the *Hima* (protected properties), revenues raised from public properties, from the revenues of *zakah*.

5. The other expenditure including Public Property's expenses, charge of controlling all the State's funds, i.e. accounting its existing funds, its credits, revenues and expenditures, be it those already collected and those due for collection

HOW KHILAFAH WILL DEAL WITH THE ISSUE OF UNEMPLOYMENT AND POVERTY?

KHILAFAH'S RESPONSE TO THE ISSUE OF POVERTY

Solving the issue of poverty is a million dollar question. How it can be done? Historically it has been argued that, Bangladesh is a poor country and it has fewer resources than it should have. This has been used a pretext by the rulers to give access to organizations like IMF, World bank, which serve the interest of their master, the colonist USA, Britain and the West in general. In fact Bangladesh is the only country in the world whose central bank (Bangladesh Bank) hosts the office of IMF in its own compound! Year after year budget has been passed but the issue of poverty and unemployment has remained where it was or has worsened in many dimensions.

How Khilafah will solve the issue of poverty in Bangladesh? Indeed the Khilafah will take the issue of poverty in its priority as commanded by the Shari'ah. Prophet (saw) said **'The son of Adam (all peoples including non-Muslims) has no better right than food with which he may satisfy his hunger, shelter wherein he may seek dwelling and clothing wherein he may hide his nakedness [Tirmidhi].'**

The question arises whether Bangladesh has the money and resources to pay for its 150 million people? If we take a close look we see, the per capita income in Bangladesh is around \$650 equivalent to TK. 45,500 annually. The average family size is around 5.6 persons. This makes per family yearly income of Tk. 254,400 or monthly Tk. 21,250. Now any one in Bangladesh or who studies about Bangladesh can quickly recognize that, if per family income of Tk. 21,250 is distributed properly, this is enough to end poverty. **Thus the problem of Bangladesh is not it is poor or has not been blessed by abundance of wealth by Allah (swt), but it is the problem of distribution.** Allah (swt) says,

كَيْ لَا يَكُونَ دُولَةً بَيْنَ الْأَغْنِيَاءِ مِنْكُمْ

Lest it circulates amongst the wealthy from amongst you [Hashr: 07]

Moreover, in Bangladesh there are around 50 banks. In each bank on an average there are around 100 branches. In each branch there are around 15000 accounts. In each accounts there are around Tk.5000 minimum deposits. What is the figure! This is Tk. 37500 thousand crore Tk. idle in the usurious banking system. The moment Khilafah will assume the power in Bangladesh (insha'Allah), this banking system will be shut down and this fund will be released primarily for the poor and will be given to the holder of accounts to invest in real sector. Nevertheless, the huge amount of fund in itself suggests that this country is not poor not it is resources-less that it can not feed its people.

Moreover, the statistics suggest that Bangladesh with around 150 million people who if they consume 500 gram of food grains daily (enough to cover their feeding needs) it only requires 25.3 million metric ton of food grains. However, last year's and some previous year's consecutive data suggest that, the total production of solid food grains like rice, wheat, burley, potato etc. is more around 30 million metric ton. In some year with bumper production it has reached even 39 million metric ton. The current agriculture system (which will be grossly changed under Khilafah to deliver more productivity) is enough to feed the people. So the question is why the Ummah of Bangladesh is poor (around 40%), its ministers beg for foreign loan, why its people are homeless? Why??

Finally, Khilafah will abolish the current system of taxation called VAT, where 100% of the people have to pay this indiscriminately in the same percentage. It will abolish the idea of income tax, which also charges two people similarly only on the basis of their equal income without any consideration of their family burdens. Khilafah will charge zakah on wealth on the rich and industrialist in the appropriate manner, some of whose proper zakah can feed lacks of people through out the year.

Above all of these, will the Ummah remain idle and sit down and not go for any work. No! They will work. Earn their bread. Therefore, combined with more than enough available recourses (subhannallah), people being active in work and the rightly guided system of Khilafah, the poverty will be in the museum (insha'Allah)

KHILAFAH'S RESPONSE TO THE ISSUE OF UNEMPLOYMENT

Khilafah will not pursue a policy of industrialization like the current one where the allocation for industrialization and entertainment receives equal allocation (0.8% only)! Khilafah will pursue an industrialization policy that will develop heavy industry, war industry, ship industry, the supplementary industry etc all in pursuit of taking the Ummah to its highest level of success. The public property will be great sources of revenue, material development and employment opportunity for Khilafah. Of course Khilafah state's industrialization policy will solve the problem of unemployment.

Moreover, Khilafah will close the casino of stock market, insurance, banking and other usurious financial system which produces nothing but concentrates the wealth of the Ummah and lead them to Hellfire. Therefore with the closure of these financial systems, a great amount of wealth will be released from these unproductive financial sector and will lead to investment in real sector. The reason is because, even if Khilafah will have branches of *bai'tul mal* where people can deposit their excess money, they will not earn any interest; rather a charge will be imposed for granting security to this fund. Therefore, if someone saves TK. 1000 in *bai'tul mal* his amount will get reduced in next year. So, no body will be interested to save. Therefore they have to invest or find partners to start a business.

Moreover, all limited liability companies will be closed and a different company structure according to shari'ah will be established where financing can be received with zero % interest, which will reduce the cost of production and increase productivity. This is because of the saying of Prophet (saw). Al-Bukhari reported on the authority of Abu Hurayrah that the Messenger of Allah (sws) said: **"He who takes money from people with the intention of paying it back Allah will pay on his behalf, and he who takes it with the intention to waste it Allah will waste him."** Ahmed also reported on the authority of Abu Hurayrah who said: The Messenger of Allah (saw) said: **"You shall return the rights to their rightful owners on the Day of Judgment, even the ewe with no horns will get even with the ewe with horns by butting it back."**

So with the closure of these financial system (which has led the west into their miseries) and such limited liability company structure which is another form of wealth concentration, the only option remains is to invest in real economy. Therefore, at individual level millions of entrepreneurs will emerge in real economy, leading to a stable, independent and tranquil economic prosperity along with solving the problem of unemployment.

Now someone may argue, that, with the closure of banking system, it will be difficult to find an appropriate borrower and lender, because bank is efficient at intermediation. Someone may claim why close banking sector, it formulates capital; someone may argue that, if there is no interest rate, there will be no incentive for deposit and investment, some may argue that, bank is very vital for modern economy because it can appropriately investment risk leading to profitable and safe investment.

All of these are nonsense argument. It has been published that in Bangladesh top 20 borrowers from bank have bad debt of TK. 2130 core for one Bangladeshi bank; the Lehman Brothers has collapsed with their efficient risk measurement in deciding investment! Moreover, bank does not form capital rather it holds back public money out of circulation without letting someone to use it. Finally, without banks finding appropriate borrower and lender will be impossible is an argument of declined mentality. Gotok Pakhi Vai (a match making firm or marriage bureau) has started operation in Bangladesh for last 8-10 years. Does that mean, before the establishment of Gotok Pakhi Vai in around year 2000, no one in Bangladesh got married!! Before the emergence of banks did the people not lend and borrow?

CONCLUSION:

The west has conspired and conspired enough against the Ummah of Muhammad (saw). Their slogan of poverty reduction and economic emancipation was a mere rhetoric. One billion people throughout the world suffer from hunger, a figure which has increased by 100 million because of the global financial crisis, says the UN. Asia-Pacific with 642m and sub-Saharan Africa with 265m is the highest in the tally, even though they are the one with highest amount of material resources blessed by Allah (swt). The failure of this system of capitalism has become clear and even their proponents has candidly agreed by saying "It's the first time in human history that we have so many hungry people in the world," still the rulers of the Muslim world follow their prescription, and lie that the Ummah of Muhammad (saw) is poor while they live in luxury and serve their masters.

We, the Ummah of Muhammad (saw) are the only one left in this world with a book revealed upon Him (saw), to help and guide the mankind. Allah (swt) says in Sura Baqarah,

الم (١) ذَلِكَ الْكِتَابُ لَا رَيْبَ فِيهِ هُدًى لِّلْمُتَّقِينَ (٢) الَّذِينَ يُؤْمِنُونَ بِالْغَيْبِ وَيُقِيمُونَ الصَّلَاةَ وَمِمَّا رَزَقْنَاهُمْ يُنْفِقُونَ (٣) وَالَّذِينَ يُؤْمِنُونَ بِمَا أُنزِلَ إِلَيْكَ وَمِمَّا أُنزِلَ مِن قَبْلِكَ وَيَتْلُوهُ هُمْ أَوْ يُؤْفِقُونَ (٤) أُولَئِكَ عَلَىٰ هُدًى مِّن رَّبِّهِمْ وَأُولَئِكَ هُمُ الْمُفْلِحُونَ (٥)

Alif. Lam. Mim. (1) This is the Scripture whereof there is no doubt, guidance unto those who ward off (evil). (2) Who believe in the Unseen, and establish worship, and spend of that We have bestowed upon them; (3) And who believe in that which is revealed unto thee (Muhammad) and that which was revealed before thee, and are certain of the Hereafter. (4) These depend on guidance from their Lord. These are the successful. (5)

Abu Hamza Md. Al-Mamun
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