

Press Release

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

**Capitalist Budget is a Means of Systematic Extortion of Public Money to Finance Organized Looting and Plundering**

On June 1, 2023, Hasina government has unveiled the national budget titled "Towards a Smart Bangladesh after the march of development" for the fiscal year 2023-24. Finance Minister AHM Mustafa Kamal placed Taka 7.6 trillion budget which is 13.5-percent bigger than FY 23 with a 'supposed' focus on tackling inflation, generating jobs, and efforts towards 'Smart Bangladesh' by addressing the challenges of the fourth industrial revolution with 40 new mega projects. This budget is yet another deceitful means of this Capitalist government to influence the upcoming election by using lies and false promises. Minister Kamal said in the parliament that the aim of the budget is to address the problems of the marginal people and elevate their living standard further from the present status. In reality, the government has already eroded general people's living standard by using Bangladesh Bank (BB) to inject Taka 700 billion new money into circulation in the current fiscal year to support its budget expenditure that has caused inflationary pressure. For this upcoming budget, it has again set the target of borrowing Taka 1323.95 billion from the banking system to finance its deficit which will further worsen the inflationary condition. Moreover, people's cost-of-living crisis will be aggravated more as the government is set to please International Monetary Fund (IMF), which has extended a credit of \$4.7 billion against some tough anti-people conditions. To implement IMF condition to raise revenue collection, government has set Taka 4.3 trillion target and declared its reliance more on torturing people by direct tax and indirect tax (VAT) and subsidy withdrawal instead of stopping the looting, corruption, and the systematic money laundering by the elites and influential people. People are already suffering from the so-called existing mega power projects that have created \$2 billion debt a year. People will be taxed more and more to pay for the interests on foreign loans taken for the various mega 'developmental' projects and the capacity charges of the IPPs even though the countrywide ongoing load-shedding is making people's lives a living hell. On one hand, these deceitful liars are saying that they are raising tax-exempt annual ceiling to Taka 350,000 from Taka 300,000 to give people some comfort, whereas on the other hand imposing a minimum Taka 2000 income tax even if they earn less than Taka 350,000 in a year. Furthermore, by stopping natural gas supply to the households and forcing people to use LP gas, now the cruel Capitalist government is withdrawing duty exemption on the import of raw materials for LPG cylinder and increasing the VAT (from 5% to 7%) at the local manufacturing stage to increase revenue. And now the LP gas companies will naturally shift this burden on the shoulder of the common people by increasing gas price amid the ongoing severe cost-of-living crisis.

**O People!** This secular capitalist regime will not stop robbing the hard earned money of the poor people through exploitative taxation in the name of budgeting and using it for the vested interests of the capitalist and political elite until we uproot this secular capitalist system built only on the free will of human. We have become victims of this distress and humiliating situation due to the exclusion of Islam and its economic system from the arena of life and clinging to the man-made capitalist system. Being guided by their own whims, the ruling class of this system has no qualms about imposing punitive measures on the people such as imposing austerity programs or tax burdens. It is no good just ignoring the capitalist budgets unless you uproot the Capitalist system as well and replace it with the ideological Islamic economic model under the shade of the second Khilafah Rashidah (rightly guided Caliphate) on the method of Prophethood. Islam has a unique economic outlook that ensures maximum revenue for the state without overburdening the citizens. According to the principles of public finance of the Khilafah government, the Khilafah State will not rely on taxation on the income and consumption of the people as a source of revenue. In Islam, the people's private property has sanctity and the Khilafah state cannot rob its citizens under the guise of "taxation". It does not penalize the poor and under-privileged who are unable to secure their basic needs. The revenue and expenditure sectors in the budget of the khilafah state are determined by permanent Sharia rulings. Al-Ghana'im (war booty), Kharaj (land tax), Fai (non-war booty) from new countries coming under the Khilafah, Jizya tax from able-bodied non-Muslim men, income from publicly owned assets (oil, gas, electricity, mineral resources, meadows, canals, springs, reserved land or Hima), income from sadaqah (ushr from agricultural crops, zakat on cash, trading goods and livestock) and by taxing the surplus wealth of the wealthy only to meet specific needs, the Khilafah State will generate huge revenues. Islam's unique company structure limits the financial ability of private companies to dominate large revenue generating and capital intensive industries of the economy such as large scale transport, telecommunication and construction. Thus, the Khilafah State would naturally play a dominant role in these sectors which would generate enough revenue to look after the affairs of the citizens. Besides, the Khilafah State will generate the required revenue from various industries and factories related to public and state-owned assets such as high-end electronics and car manufacturing industries. Revenues from publicly owned property as well as state-owned institutions are

kept in the state treasury (Baitul Mal) and spent on the welfare of all citizens regardless of race and religion based on the opinion and ijtiḥād of the Khaleefah (Caliph). Such huge revenue generation from State and public resources under close supervision of the State will ensure increased distribution of the wealth rather than of its concentration as happens in the Capitalist system. Moreover, Islam has forbidden the interest based debt whether in the form of domestic treasury bonds or foreign loans. By closing the door to the destructive cycle of debt from colonialist institutions, the Khilafah State will liberate our economy from the domination of colonial infidels. As a result, our economic sovereignty will be restored. Allah Subhana wa Ta'la says:

\*وَلَوْ أَنَّ أَهْلَ الْقُرَىٰ آمَنُوا وَاتَّقَوْا لَفَتَحْنَا عَلَيْهِم بَرَكَاتٍ مِّنَ السَّمَاءِ وَالْأَرْضِ وَلَكِن كَذَّبُوا فَأَخَذْنَاهُم بِمَا كَانُوا يَكْسِبُونَ\*

“Had the people of those societies been faithful and mindful of Allah, We would have overwhelmed them with blessings from heaven and earth.” [TMQ Al-Araf: 96].

## Media Office of Hizb ut Tahrir / Wilayah Bangladesh