

BLACK MONEY IN INDIA
OR
THE MENACE OF BLACKMONEY
OR
THE TAINTED WEALTH IN THE COUNTRY
OR
IMPACT OF BLACK MONEY ON INDIAN ECONOMY

Illegally earned money is called black money. It is the result of hoarding, smuggling, tax evasion and dealing in immovable property for which the consideration is paid in black. It has been beyond the control of the Government. The black money has already created a serious problem in our country.

The Indian economy stands badly shattered because of the huge amount of this tainted wealth lying in the coffers of the rich. It has given rise to parallel economy operating in the country. As a becoming poorer while the rich go on becoming richer. The gap between the haves and the have-nots is widening every day.

Black money is used by the rich in various evil activities. They use this money for corrupting and demoralizing social and political life. They display it in ostentatious living and wasteful luxuries. They bribe Government officers and lead them to corruption and dishonesty. They purchase political bosses and control the strings of the Government. Thus, the entire social structure comes to be badly polluted.

It is difficult to form an exact idea of the amount of black money in circulation in the country. Searches and raids by Income Tax authorities are conducted from time to time. Such raids yield crores of rupees. But the people are, at times, cleverer, than the Government. They seek the aid of the best legal brains and get the law twisted in their favour. Most of the offenders use all their money and influence and go scot free whenever they are caught. The Government has, at various times, announced some voluntary disclosure

schemes for unearthing the black money. These schemes have proved successful to a very limited extent. What has come to the surface is believed only to be the tip of the huge iceberg lying hidden underneath. The 1997 Voluntary Disclosure Scheme announced by the Government of India unearthed a big amount of black money as the tax rate in this scheme had been reduced to thirty per cent.

The black money, according to some reliable estimates has gone up to Rs. 10,000 crores in our country. It is to a great extent responsible for a great rise in prices because the purchasing power of the people has increased. People having black money are leading a life of luxury whereas the poor people are leading a miserable life. Some leading economists of the country have suggested stringent measures to the government to unearth black money but successive governments have been rejecting those measures. The vested interest always stands in the way of effective measures and get them diluted.

The government of the day appears to be doing its best to unearth black money. A number of steps have been taken. Taxation structure and system have been made easier. At different times, the government has brought forward several schemes and asked the people to declare their wealth. There has been some success. A lot still remains to be done.

It must be clear to all that the nation cannot shut her eyes to this state of affairs. Smugglers and black-marketeers can no longer be tolerated. They are striking at the very roots of our democratic structure. All steps to weed the black money out of circulation must be taken as early as possible. The government must come down with a heavy hand of smugglers, tax evaders, black-marketeers and hoarders. Black money is a curse. It must be rooted out from public life.