

REHAB expels a member for misdeeds

STAR BUSINESS REPORT

THE real estate lobbyist group has expelled one of its members after it was found guilty of activities detrimental to the trade body.

In a statement, the Real Estate and Housing Association of Bangladesh (REHAB) said that it had expelled the Bengal One Creation Ltd (BOCL) for unlawfully showcasing a project of a non-member at a fair earlier this month.

But BOCL top officials refute the accusation, saying it did not showcase any such product and is a victim for challenging the current leadership of the 1,300-member association.

The expulsion comes a week after BOCL allegedly displayed products of its sister company, BOCL Lands Development Ltd, which is not a member of REHAB, at the housing fair at Bangabandhu International Conference Centre on January 2-6.

The Purbachal Park Town, a project of BOCL Lands Development, was displayed illegally at the annual exposition, according to the REHAB statement.

The REHAB served a notice on BOCL, which the company replied to.

Earlier on December 24, BOCL was served with another show-cause notice for "internal issues", after its managing director along with top officials of a number of real estate companies organised a press conference in Dhaka on December 11.

The realtors were asked to appear before the REHAB executive committee on January 9.

"But you [BOCL managing director] neither answered to the show-cause notice nor appeared before the executive committee," the REHAB said.

The REHAB has analysed in detail all the documents and evidence of allegations against BOCL, according to the statement.

BOCL's "total activities as a member of REHAB are found to be detrimental to the interest of the REHAB."

"So, Bengal One Creation Ltd has been expelled," the REHAB said.

The officials of Rajdhani Unnayan Kartripakkha seized brochures of the BOCL Lands Development project from the BOCL stall, Anisuzzaman Bhuiyan, REHAB general secretary, told The Daily Star yesterday.

"The brochures gave a false statement that said BOCL Lands Development is a member of REHAB, which is not true. We served a notice on the company right away."

"We will not take the liability of another company's misdeeds. We will be zero-tolerant to any wrongdoing by any member. If we do not become tough we will not be able to protect the reputation of the association," Bhuiyan said.

The REHAB official, however, could not comment on the internal and business issues that led the association to serve the first show-cause notice in December.

BOCL Managing Director (MD) Mohammad Sohel Rana said in some cases his two companies offer similar products.

"There is nothing wrong about it."

He categorically denied that the BOCL had not displayed any products of BOCL Lands Development Ltd at the five-day fair.

"What can I do if someone collects the brochures from my office and claim that they have been collected from our stall at the fair?"

Rana said his company has been targeted because he spoke against the current REHAB committee and has filed a writ petition with the High Court against it.

He sought legal intervention as he considered the election of the REHAB committee in June 2012 was illegal.

"No REHAB members received election schedule."

Rana said the problem surfaced when some general members of the association asked the current executive committee at the annual general meeting on December 11 last year, whether the election in June 2012 was held in a proper manner.

The committee failed to give a concrete answer and left the stage, Rana said.

Support for women's empowerment

ROBERT O BLAKE

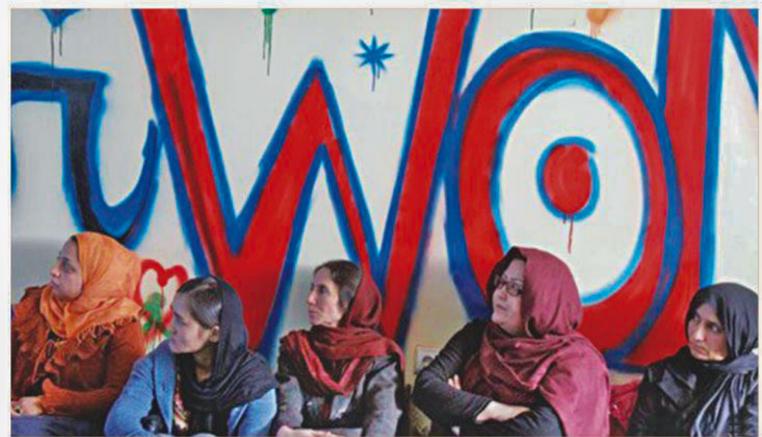
RABIA Mariam is a businesswoman who employs an all-women workforce to manufacture scarves and rugs from silk, cotton-silk blend, and wool in Mazar-e-Sharif, in northern Afghanistan. Working with the USAID IDEA-NEW programme, she employs nearly 1,000 women -- many of them widows. Many of these Afghan women raise silkworms at home and boil cocoons, and go to weaving centres to weave the scarves and other handicrafts. Rabia's work is bringing economic opportunity and hope to Afghan women.

I had the privilege of meeting Rabia and learning about her work at the South Asia Women's Entrepreneurship Symposium, which was held in Dhaka last month. The event exemplifies several of our bureau's highest priorities over the past year, including regional integration, women's empowerment, and support for entrepreneurship, so I thought it would be worth highlighting for our DipNote readers as we look back on 2012.

The event brought together Rabia and 100 other dynamic women entrepreneurs from South and Central Asia, a diverse region ranging from Pakistan to Burma and from Kazakhstan to Sri Lanka. Each of these women came with a unique story. I'd like to highlight a few of them, drawn from a recent op-ed I co-authored with Ambassador Melanne Verwee:

"Take for example, a Bangladeshi leather product producer, Ms Tania Wahab. Tania began her journey in 2005 with an investment of Tk 10,000 (approximately \$122) and a small range of leather products. Initially, Tania faced tremendous challenges in developing quality products due to the lack of skilled workers, technical knowledge, and access to business linkages and finance.

In 2010, Tania received training through a programme funded by the US government that helped her improve production quality, enhance production



capacity, and develop better management and documentation skills. This training gave her the capacity to participate in international trade fairs and expand her connections with potential buyers.

"Today, Tania's successful business Karigar employs 20 full-time and 100 part-time workers who produce high quality women's bags, belts, leather jackets, and small leather goods for local and export markets. Sales have increased by 25 percent since 2008. Tania attributes her participation in the training programme, access to information on how to improve her production and business management skills, and support to expand her professional network as key to her success.

"Or take Kamila Sidiqi from Afghanistan, who was only 19 when the Taliban began banning women from schools and prohibiting them from working outside the home or leaving the house without full cover and a male relative. Despite these circumstances, Sidiqi succeeded as an entrepreneur and role model. Her older sister taught her to sew, and her brother escorted her on product marketing trips to local clothing shops. Desperate for work, other girls and women in the neighbourhood joined Sidiqi and her younger sisters to fill the growing number of orders, which

resulted in rapidly growing operations.

"Collectively, they developed strict operating procedures, training classes, and quality control, and attempted to avoid drawing the Taliban's attention. Eventually, even the Taliban asked Sidiqi for jobs and even once requested that she produce clothing for a Taliban wedding. Sidiqi is now running her own consultancy firm aimed at helping women start their own businesses."

In Dhaka, I witnessed how these dynamic women expanded their networks and connected with each other to forge a diverse array of new partnerships for cross-border trade, export, and training -- ranging from an initiative to expand the "Just Jobs" network in India to Afghanistan and Pakistan to a new partnership between the Central Asian Craft Support Association and the Federation of Indian Export Organisation textile exporters. These women exemplify the future of the region, and this symposium is just one example of the work being done throughout South and Central Asia to bring the region closer together.

Robert Blake serves as US assistant secretary of state for South and Central Asian affairs. Source: US Department of State's official blog

Finding economists' common ground

CHRYSIA FREELAND

THIS is a tough time for experts. Empowered by the internet and embittered by the sour economy, many people doubt the wisdom of expert elites. Journalism sometimes casts further doubt by seeking polarised positions that can draw an attention-grabbing debate, or by taking refuge in he-said-she-said accounts to avoid the harder job of figuring out who's right.

Now one tribe of specialists -- economists -- is striking back. Concerned that the great unwashed have come to see all economic proposals as being equally valid, the University of Chicago Booth School of Business has led an effort to figure out what economists agree on, where they diverge and how certain they are about their views.

To do that, the Booth school called on reputable economists to join its panel of experts. Each week, the panelists are asked whether they agree or disagree with a particular economic idea.

"Among practicing economists, it is understood that the media and the political process paints economists as more divided than they are," explained Anil K Kashyap, a professor of economics and finance at the University of Chicago and a leader of the project. "It is more sensational and maybe makes for better reading to have point-counterpoint. It seemed reasonable to provide some context. There's a lot more settled issues than most people have a sense of."

As an example, Kashyap cited the gold standard, the monetary system in which the standard economic unit of account is a fixed weight of gold.

"The gold standard is an insane idea," he said. "I don't know of any reputable economist who thinks it is a wise idea, but it



Paul Krugman

got a lot of real political traction."

Of the Booth panelists, 93 percent disagreed that the gold standard could improve price stability or employment.

But that is an extreme example. A paper presented this week at the annual gathering of the American Economic Association investigated the survey results in greater detail.

"Based on our analysis, we conclude that there is close to full consensus among these panel members when the past economic literature on the question is large," wrote the authors of the paper, Roger Gordon and Gordon B. Dahl of the University of California, San Diego. "When past evidence is less extensive, differences in opinions do show up."

But the authors did not find an ideological bias in those disagreements: "There are certainly some idiosyncratic views expressed, but we found no evidence of different camps."

Economists, these results suggest, seek to objectively establish the truth and have a widely agreed-on body of knowledge about how the economy works. In

an age when it can be hard to write the word "facts" without reflexively reaching for quotation marks, that is of some comfort. But this picture of consensus among experts comes with a few caveats.

One was articulated by Paul Krugman, a Nobel Prize laureate and New York Times columnist who was at the American Economic Association meeting. Krugman accepted the idea that economists share a wide body of agreed, objective and nonideological knowledge. But he argued that when it comes to one subset of issues -- business-cycle macroeconomics, or how policy should respond to booms and busts -- economists are both divided and biased. That matters, Krugman rightly pointed out, because outside the academy these are among the economic issues ordinary mortals care about, and fight about, the most.

The second caveat is that consensus may be more fleeting, and therefore less valuable, than the economic high priesthood might like to think. To his credit, Kashyap revealed two issues on

which the economic conventional wisdom, and his own views, have changed since the financial crisis of 2008.

One is currency controls: "Having watched all this hot money flow into these markets, I am much more sympathetic to the desire to slow things down," he said.

The second is whether central bankers should try to pop asset bubbles, an idea toward which Kashyap has softened. "I don't think the conventional wisdom was very good on this and I was firmly in the consensus," he said.

These shifts suggest that it is worth looking more closely at one clear subgroup among the economists in the University of California study. Gordon and Dahl searched for, and failed to detect, ideological bias or even the subtler influence of the very distinct intellectual traditions of top US universities.

But they did pick up a clear difference between men and women. "Women," they wrote, "tend to be more cautious in taking a stance." For women making their way in the 21st-century world of work, that reticence is mostly a handicap -- a willingness to admit to uncertainty is one reason women are paid less and can find it difficult to break through the glass ceiling.

For the benefit of the community as a whole, though, more female economists may be needed. The quest for objective economic knowledge is surely a good thing, as is the Booth effort to map where economists agree and where they diverge. But, given how profoundly and unexpectedly the world economy collapsed in 2008, maybe a little more womanly humility about that conventional wisdom would be a good thing, too.

Chrystia Freeland is the editor of Thomson Reuters Digital.

Indian inflation dips, raises hope for rate cut

AFP, Mumbai

INDIAN inflation eased marginally in December to 7.18 percent year-on-year, data showed Monday, raising expectations of an interest rate cut when the country's central bank meets later this month.

Inflation was down slightly from 7.24 percent in November and has been on the decline since October, government figures show.

The latest reading in the Wholesale Price Index -- India's most widely watched inflation measure -- was lower than market forecasts of 7.44 percent, according to a survey by Dow Jones Newswires.

The easing of inflation is likely to encourage the Reserve Bank of India (RBI) to start shifting its focus from an anti-inflationary to a pro-growth stance.

"The numbers are a relief and core inflation is easing," said Siddhartha Sanyal, chief India economist with Barclays Capital, who expects an inter-

est rate cut of 25 basis points at the next RBI meeting.

India's central bank, which meets on January 29 to consider monetary policy, faces pressure from businesses and the government to start cutting rates in an effort to spur economic growth that has slowed dramatically.

India's economic growth fell to 5.3 percent in the July-September quarter, extending a slowdown since the start of the year.

Last week, data showed industrial output shrank by 0.1 percent in November from a year ago, the latest signs of economic distress in Asia's third-biggest economy.

Countries such as China, South Korea and Brazil have all cut interest rates in a bid to protect their economies from the effects of the eurozone debt crisis.

But the RBI -- which last cut rates in April -- has remained concerned by inflation that has been above its "comfort" level of five percent.

Delhi defers controversial tax rules to 2016

AFP, Mumbai

India has decided to defer controversial rules to fight tax evasion for two years, the finance minister said on Monday, which should help to ease foreign investor concerns.

The General Anti-Avoidance Rules, introduced in last year's budget to curb tax evasion through tax havens, will now be introduced from April 1, 2016 on the recommendation of a government panel.

The rules, which had been criticised by several experts as a money-grabbing exercise by a government battling to curb a widening fiscal deficit, were originally due to come into force in 2014.

Indian shares extended gains after the news, up 0.94 percent, or 185.73 points, to 19,849.37, their highest level

in about two years.

The tax rules will apply to only those foreign investors who seek to take advantage of the double taxation avoidance treaties India has with different countries, Finance Minister P. Chidambaram told reporters.

"No investor should have any apprehension about their investments in India," Chidambaram said.

"The modifications that we have done are fair, non-discriminatory, just and strike a balance between interest of revenue and interest of investors," he said.

One of India's top businessmen, software entrepreneur N.R. Narayana Murthy, slammed the government over the earlier proposals, which he said soured foreign sentiment and were "like taking a pistol and shooting ourselves".