

Gender budget's real impact unclear

Analysts say at a discussion on women's economic empowerment

STAR BUSINESS REPORT

THE impact of gender budget remains unclear in the absence of proper monitoring and evaluation of the schemes that are implemented to empower women and eliminate gender discrimination, analysts said yesterday.

Sharmin Neelormi, associate professor of department of economics at Jahangirnagar University, recommended developing a protocol for evaluation and monitoring for impact assessment.

Neelormi's comments came at a discussion on women's economic empowerment in light of the national budget for fiscal 2016-17. Bangladesh Mahila Parishad (BMP) organised the event at its office in Dhaka. BMP President Ayesha Khanam chaired the programme.

For the next fiscal year, Tk 92,765 crore has been proposed for the development of women as gender budget. The allocation is 29 percent higher than current year's, but the share of gender budget as part of the total budgetary outlay continues to be 27 percent.

The share of gender budget reached its peak, of 28.68 percent, in fiscal 2012-13, according to Neelormi.

The government has been presenting the gender budget report since fiscal 2009-10, explaining the policies and strategies for advancement of women and the activities of various ministries and divisions that have implications on women development.

Initially it presented such gender budget reports on four ministries. But now, the report contains analysis of women's advancement of 40 ministries or divisions.

In his budget speech, Finance Minister AMA Muhith shared plans to undertake a survey to assess



STAR/FILE

Economic growth will not accelerate without increased participation of women in the workforce, analysts say.

impact of gender budget on women development.

This programme will be made more target-oriented on the basis of this assessment, said Muhith.

Neelormi said the impact assessment is a right initiative. "One hope is that it is done professionally," she added.

Nazma Begum, professor and chairperson of the department of economics at the University of Dhaka, said the reports presented in the gender budget are somewhat stereotypes.

"A lot has been said about the impact but there is a lack of substantial evidence."

She said increased public investment in education, health and social protection is vital for women's empowerment.

"But, we have not seen any change in the structure of social safety net schemes that benefit

women more." Bangladesh is passing through a phase of demographic dividend right now and the government should allocate more resources to reap benefits from it.

Increased allocation is necessary for skills development, Begum said, adding that only Tk 168 crore has been allocated as development budget to the women and children affairs ministry out of a total of Tk 2,140 crore.

Economic growth will not accelerate without increased participation of women in the workforce, said Sayema Haque Bidisha, associate professor of economics at the University of Dhaka.

The allocation for human development plays a role in women's empowerment, so it should be bumped up.

"Monitoring and evaluation is important. There should not be

contentment with just the higher allocation. It is necessary to see whether the allocations facilitate increased participation of women in labour force and empower women more," she added.

Women's participation in labour force has decreased to 33.5 percent in 2013 from 36 percent in 2010, said Nazneen Ahmed, senior research fellow of Bangladesh Institute of Development Studies.

But it should have increased if the higher allocation is taken into consideration.

Ahmed said the government should allocate funds in line with the action plan to implement the women development policy framed earlier.

Planning Commission Member Shamsul Alam said the allocation for gender budget in terms of total allocation should be raised over the years instead of cutbacks.

Hackers steal \$10m from a Ukrainian bank through SWIFT loophole

KYIV POST

HACKERS have stolen \$10 million from an unnamed Ukrainian bank, according to an independent IT monitoring organisation.

The Kyiv branch of ISACA, the Information Systems Audit and Control Association, reported this week that the theft had occurred via the SWIFT international banking system, the organisation responsible for managing money transfers between financial institutions worldwide.

ISACA announced the theft after being hired by a Ukrainian bank to investigate. It did not name which bank had hired it to conduct the investigation.

"At the current moment, dozens of banks (mostly in Ukraine and Russia) have been compromised, from which hundreds of millions of dollars have been stolen," ISACA said in a release.

The organisation said that such hackings usually take months to complete. After breaking into a financial institution's internal networks, hackers will take time to study the bank's internal processes and controls. Then, using the knowledge and access they have gath-

ered, the hackers will begin to submit fraudulent money orders to webs of offshore companies, allowing them to siphon off millions of dollars.

ISACA said the hackers likely used publicly available information and tools to commit the theft. The organisation also added that the same incidents of hacking had likely spread to other banks in the Ukrainian financial system.

"Banks now are not sharing such information at all and are afraid of publicity," said Aleksey Yankovsky, head of ISACA's Kyiv division.

The announcement follows months of controversy surrounding the security of SWIFT. In February, hackers managed to steal more than \$100 million from Bangladesh Bank's account in the New York Federal Reserve through an attack made via the SWIFT network. That incident led to calls for renewed attention to the system's safety, as well as criminal investigations by Bangladesh, the Philippines, and the United States.

Ukraine's banking sector has also come under repeated criticism for a failure to implement Western-style security standards, as well as for a slew of other allegedly bad practices.



Brexit: Asian powers warnings over global economic stability



BBC NEWS

Billionaire Anand Mahindra expects Britain's exit from the EU to benefit his UK businesses.

BBC NEWS

SOME of Asia's biggest economies have expressed concerns over the world's economic stability as a result of Britain's vote to leave the EU.

China's Finance Minister Lou Jiwei said the consequences were unclear, but that they would be felt for years to come.

Both South Korea's President Park Geun-hye and Japanese Prime Minister Shinzo Abe said their countries were prepared to react to market volatility.

Meanwhile, US Secretary of State John Kerry is due in London on Monday.

He is expected to meet UK Foreign Secretary Philip Hammond on the first high-level face-to-face talks between the two countries since Thursday's referendum.

There is fear that the uncertainty created by Britain's decision will continue to affect financial markets around the world.

Lou, from China, said Brexit would "cast a shadow over the global economy" and that the "repercussions and fallout" would emerge over the next five to 10 years. However, he added that reaction from stock markets, which fell sharply on Friday, may have been overdone.

"The knee-jerk reaction from the market is probably a bit excessive and needs to calm down and take an objective view," he said.

central bank monetary policy committee, said Brexit could mark a "reversal of globalisation", which would be "very bad" for the world.

Last year, China was responsible for \$3.3 billion worth of foreign direct investment in Britain, according to law firm Baker & McKenzie.

David Cameron announced £40 billion worth of deals between Britain and China following a visit to the UK by President Xi Jinping in October last year.

Following the result of the vote, the pound plunged 10 percent against the dollar to a 31-year low before trimming losses to end the day around 7.5 percent down.

Sterling also fell 11.4 percent against the yen. Japan hinted that it may intervene to stem the yen's strength.

On Friday, the Swiss National Bank acted to weaken the Swiss franc which rose 2.1 percent against the dollar as investors rushed to buy the currency.

Anand Mahindra, chairman of Mahindra Group, an auto-to-aerospace Indian conglomerate with operations in Britain, said the world was behaving "as if a tsunami wave has hit" which he viewed as an over-reaction.

He said: "My hunch is that you're going to see a fair amount of recovery in markets worldwide." Earlier this year, the Indian company launched the e2o electric car in the UK where it already has a presence with its IT business Tech Mahindra.

How one man took on Wall Street and won

BBC NEWS

AS David and Goliath stories go, Brad Katsuyama's is a pretty good one.

The 38-year-old has taken on billions of dollars of vested interest on Wall Street, and won for the little guy.

His successes were detailed in the best-selling book Flash Boys by Michael Lewis, and apt for a tale that could read like a Hollywood movie script, Sony Pictures bought the film rights.

Brad's story started in 2002 when he began working as a stockbroker in New York for the Royal Bank of Canada, aged 24.

Buying shares for his clients, Brad kept running into the same problem.

It went something like this - his team would go to purchase a bundle of stocks at a certain price. But once they pressed "buy", only part of the order was available, and the price for the rest had gone up.

After some investigation he found that the problem was caused by something called "high frequency trading" (HFT).

But what is HFT? And why should we care?

HFT is a system that uses complex computer programs to execute millions of trades per second.

Using information generated at speeds many times faster than the blink of an eye, super-fast computers installed with HFT software can estimate the rising value of a stock before the increase takes place.

Utilising HFT since 1999 has enabled some large investment banks, hedge funds, and other institutional investors to buy stocks microseconds before everyone else. They then make a profit - billions of dollars over the years - by selling the shares on at a higher price.

Brad, who was investing for the likes of Canadian pension funds, and didn't have access to HFT, thought it was completely unfair. And he was determined to do

something to prevent it. So with a team of colleagues Brad started work on a way to disable HFT.

What they devised was a "speed bump", a system whereby trades are slowed down by 350 microseconds by using 38 miles of fibre optic cable stored in a compartment the size of a shoe box.

This doesn't sound like much of a time lapse - but it was enough of a delay to prevent HFT.

Leaving Royal Bank of Canada with its blessing, in 2012 Brad established a stock brokerage

company could barely afford to pay salaries, and struggled to attract start-up funding.

"I think the idea sounded a bit crazier [to other people] than we first thought," Brad admits.

But Brad's competitive nature - honed over years of playing hockey and the Canadian version of American football, wouldn't let him quit.

And IEX eventually began to make headway among traders looking to escape a market that seemed rigged against them.

But the biggest boost for IEX

Yet the company's higher profile, and then Brad's application for it to become a bona fide stock market, sparked a furious response from many in the Wall Street establishment who defended HFT and attacked IEX.

IEX's opponents said its speed bump was unfair and wrong because it distorted prices.

Jeff Sprecher, the chief executive of Intercontinental Exchange, the company that owns the New York Stock Exchange, even went as far as calling IEX's approach "un-American".

Bill Hart, boss of Modern Markets Initiative, a group that advocates HFT, says: "Investors should always know the right price for their stock, by slowing that down we think investors won't see the best price."

Yet despite all the criticism of IEX, earlier this month the US regulator, the Securities and Exchange Commission, approved it becoming the 13th stock exchange in the US.

IEX, which is profitable but currently handles only 1.6 percent of US stock trades, expects business to now grow extensively.

One of the numerous benefits of becoming an official stock exchange is that traders are legally bound to send orders to it if the stock prices listed there are better than other markets.

"Brad and his team have done a great job," says share trader Joseph Saluzzi of Themis Trading, and co-author of a book on HFT.

"They have taken some hits from major players who threw everything at them to stop them, and had the money and lobbyists to do it, and after all that IEX hasn't changed its general philosophy."

Now with a team of 61 people, IEX has upgraded its office to the 44th floor of 4 World Trade Center, one of the new skyscrapers built on the site of the former World Trade Center at the southern tip of Manhattan.

Brad's David has certainly beaten Goliath so far.



BBC NEWS

Brad Katsuyama was determined to beat the system.

called IEX that would utilise his speed bump - nicknamed Thor.

So anyone buying shares via IEX would not be at risk of an investment bank rushing ahead of them. And IEX - like any other stock brokerage - would make its money by taking a small commission.

But while Brad and his colleagues thought they had come up with a great idea, not many people were initially interested.

Starting out in a 200 sqft (18.5 sqm) windowless office space in downtown Manhattan, the com-

pany was the March 2014 release of the book Flash Boys by financial journalist Michael Lewis.

Brad says it changed his life but more importantly, it helped the public understand the issue.

Before Flash Boys was released the company struggled to attract new talent. "We had to find people who really believed in what we were doing," he says.

But after Flash Boys became a best-seller, IEX started to receive hundreds of application letters, and it was able to raise \$75m (£53m) from investors.