

## Call for allocating special economic zone to NRBs

STAR BUSINESS REPORT

A special economic zone should be set up for non-resident Bangladeshis in order to increase their investment in national development, said speakers at a seminar yesterday.

The Economic Relations Division organised the daylong international seminar on "NRB Engagement in National Development: Strategies and Way Forward" at Bangabandhu International Conference Centre in Dhaka.

The event aimed at finding ways to raise the contribution of the NRBs to the country's development projects and increase their investment.

In a presentation, Mobasser Monem, a professor of the Department of Public Administration at Dhaka University, said foreign missions of Bangladesh should set up dedicated diaspora engagement cells to attract investment from the NRBs.

He suggested releasing bonds for the NRBs and engaging them in different local and regional development projects.

He also called for measures so that expatriate Bangladeshis can exercise their voting rights.

Finance Minister AMA Muhith said voting centres might be set up in Europe, the UK, North America, Saudi Arabia and Malaysia.

He said the government would take initiative in this regard to get it implemented within next year.

ERD Secretary Kazi Shofiqul Azam said apart from sending remittances, the NRBs can also play a big role in sharing knowledge and making investment.

He said the government is looking for innovative sources for resource mobilisation to undertake development projects. The NRBs may play a significant role in this regard.

Azam said the ERD is creating a bridge between the NRBs and the relevant ministries to put in place institutional arrangement so they can play their roles.

The United Nations Development Programme Bangladesh is providing technical assistance to the ERD to this effect, the secretary said.

About 10 million Bangladeshis are living abroad. Of them, 2.4 million are living permanently either as citizens or with other valid documents in as many as 162 countries, according to Monem.

UNDP Bangladesh Country Director Sudipto Mukerjee made a presentation on "NRB Philanthropy: Issues, Strategies and Way Forward".

## Bangladesh now a model for workplace safety

Says Srinivas Reddy, ILO's outgoing country director

REFAYET ULLAH MIRDHA

**B**ANGLADESH has become the model for workplace safety because of its heightened efforts in the aftermath of the Rana Plaza building collapse, said Srinivas Reddy, the outgoing country director of the International Labour Organisation.

"Now, there are so many countries in the world that are looking to implement the Bangladeshi model for workplace safety," Reddy told reporters before departing for Geneva to take up his new post at the ILO headquarters.

The Indian was appointed the ILO country director for Bangladesh in 2013 -- just after the Rana Plaza collapse that claimed 1,138 workers' lives and maimed 2,500.

Following the tragic event, the private sector, the Bangladesh government and the ILO joined hands to arrange \$30 million as compensation for the victims and bring wholesale improvements in workplace safety.

"We want to work closely with the government for further improvement," Reddy said, while calling for making the Remediation Coordination Cell a credible, one-stop service centre.

Managing \$30 million to compensate the Rana Plaza victims was an uphill task. The compensation was made following the ILO Convention 121, which deals with the payment to victims in case of industrial accidents.

The government should adopt it as a national employment insurance legislation, so that the victims can get appropriate compensation and without hassle after industrial accidents, Reddy said. Germany, the ILO and the government signed a letter of intent to introduce a national employment injury insurance scheme in Bangladesh. "I hope it happens soon."

He suggested the factory owners fully utilise the funds offered by

donor agencies for the purpose of remediation.

"Bangladesh should take workplace safety seriously. Those who have not completed the remediation yet should complete it as soon as possible."

Reddy said if any tragedy strikes for their delay in remediation, the whole sector will be affected again.

He also recommended the apparel makers invest more on high-end and value-added garment items. "This would be wise because it will bring more value and create more jobs."

Reddy is not opposed to the idea of sub-contracting. "If a small facility can produce in a complaint manner I do not think buyers will disagree."



Srinivas Reddy

The ILO official also touched upon the gradual shift towards automation in the garment sector. In 2013, about 4 million workers were employed in the garment sector; that number has now contracted to 3.5 million because of automation at factories.

"Automation is the reality of the current situation because the industry wants to be more competitive and productive. But, at the same time you have to create jobs for the unemployed youth."

Besides, Reddy said, many small and medium-sized factories have gone out of business, so it should be looked at how support can be extended to such factories so that they do not shutter and cause job losses.

He called for widespread use of social dialogues to resolve any crisis in the garment sector.

"Social dialogues should be practised even if there is no crisis. I am happy that the practice of social dialogue among the factory owners, union leaders and government officials has started in the country. Good industrial relations are also good for business."

The ILO has been working in four particular areas in Bangladesh on a priority basis: workplace safety, skills development, social dialogues and migration of workers.

The migration has become a major issue for Bangladesh over the years as there are so many unskilled workers who choose to migrate from this country.

## In tax shift, Facebook to declare ad revenues locally

AFP, New York

Facebook, in a bow to transparency, has announced it plans to declare certain ad revenues in the country where they are made and not in Ireland, where it has a greater tax advantage.

The social networking giant said the move was in response to pressure from governments and policy makers for greater visibility into sales made in their countries.

"In simple terms, this means that advertising revenue supported by our local teams will no longer be recorded by our international headquarters in Dublin, but will instead be recorded by our local company in that country," Dave Wehner, Facebook's chief financial officer, said in a statement released Tuesday.

He said the changes in tax reporting would be made by mid-2019 in countries where Facebook has an office supporting advertisers. Rules for corporate taxes, as conceived for traditional economic activity, are based on the principle of "permanent establishment".

To be taxed, a company must have a physical presence in a country, but digital enterprises can offer their services over the Internet from a country of their choice, like Ireland, which offers Facebook tax advantages.

Facebook's taxes on ad revenues in 2015 were minimal in France and Germany, but amounted to nearly 7.9 billion euros in Ireland, where there are fewer Facebook accounts.

## India's tax department considers tax on virtual currencies

REUTERS, New Delhi

India's central tax authority is investigating bitcoin exchanges to try and find a way to tax transactions, an official said on Wednesday, even as the Reserve Bank of India (RBI) has warned against dealing in virtual currencies.

Thousands of transactions are taking place every day in unregulated cryptocurrency exchanges and the Income Tax Department has launched surveys in the cities of Delhi, Mumbai, Pune, Bengaluru and Hyderabad, spokeswoman Surbhi Ahluwalia said.

"We are looking at collecting information about modus-operandi of bitcoin exchanges, investors, their source of investment and possibility of collecting tax," Ahluwalia told Reuters.

Last week, the RBI said it was concerned about bitcoin, just days after the cryptocurrency hit a record high of just under \$11,800, stocking fears that a rapidly swelling bubble could burst.

The RBI had previously said those trading in virtual currencies were doing so at their own risk, given that the central bank had not given a licence or authorisation for any company to deal in such cryptocurrencies.

## WTO struggles to hone global trade vision after US turnabout



REUTERS

US Trade Representative Robert Lighthizer, Japan's Minister of Economy, Trade and Industry Hiroshige Seko, and European Commissioner for Trade Cecilia Malmstrom pose for a photo before a meeting at the 11th World Trade Organisation's ministerial conference in Buenos Aires on Sunday.

REUTERS, Buenos Aires

**T**RADER ministers looked set to wrap up their biennial World Trade Organisation (WTO) meeting without having reached a single agreement on Wednesday, still reeling from criticism brought by the United States, once the WTO's driving force.

The ministers gathered in Buenos Aires were never expected to agree great reforms, with relatively minor and unrelated proposals on the table, including discussions on fishing subsidies and e-commerce.

But a discordant intervention by US Trade Representative Robert Lighthizer on the first morning effectively left the conference adrift, since the WTO requires consensus -- unanimity among all 164 members -- to reach any agreement. Even the perfunctory joint ministerial statement looked uncertain.

Driven by President Donald Trump's "America First" strategy and a preference for bilateral deals, the United States had already blocked ambassadors from drafting a text in Geneva, rejecting references to the WTO's central role in the global trading system and to trade as a driver of development.

WTO spokesman Keith Rockwell told reporters that the chairwoman of the conference, Argentina's former foreign minister Susana Malcorra, was still hoping to get ministers to agree on one text later on Wednesday.

"There still seems to be significant gaps.

Whether they can find wording that can bridge those gaps I don't know," Rockwell said.

The failure to reach any major deals means that negotiations on the same topics will continue into 2018, with no deadline and no heavyweight ministerial momentum to get agreement.

"It's very appropriate to stay at this stage that we are in a forward-looking mode," Rockwell said.

"The focus of most of the work here is on work programs, and while there is disappointment that we couldn't get a little further in terms of concrete outcomes, being able to nail down an effective work program is very important."

Lighthizer told the WTO ministers on Monday that it was impossible to negotiate new rules while many of the current rules were not being followed, and that the WTO was losing its focus and becoming too litigation-focused.

He said the WTO should make markets more efficient, reducing overcapacity and the influence of state-owned enterprises, widely seen as a swipe at China.

Many trade experts disagree with parts of his analysis and are dismayed that the United States is vetoing new judicial appointments at the WTO, which has plunged the settlement of trade disputes into crisis.

Ministers who followed Lighthizer onto the podium offered widespread support for the global trading system, with the WTO at its heart.

## Full employment in the US? Not for many women

AFP, Washington

**W**ITH jobless rates at a two decade low, the United States is nearing full employment -- but women are not reaping the full benefit, due to a lack of childcare options.

Because of a lack of widely available and affordable childcare and preschool programmes -- as well as the lack of paid parental leave -- many women fall out of the US labour market when they become mothers.

"The US has the most inhospitable family policy of any country in the developed world," said Caitlyn Collins, a sociologist who has studied family leave policies in the US, Germany, Sweden and Italy.

Senator Elizabeth Warren, a Democrat from Massachusetts, raised the subject last month with the incoming US central bank chief, Federal Reserve Governor Jerome Powell -- asking him how policymakers could get women with caregiving duties back to work. The Fed in fact has studied the issue, but has no authority to implement policy changes.

Paid maternity leave is a key factor. Though widely available in Europe and particularly generous in the Nordic countries, it is scarce in the United States. Federal legislation adopted in 1993 provides 12 weeks of unpaid leave to American workers, but does not apply to companies with fewer than 50 employees.

And with rare exceptions, such as universal pre-kindergarten offered in New York and Washington, American public education generally does not begin before age five.

Private preschool and daycare is costly, with tuition sometimes running more than \$30,000 a year. And even some women who can afford such steep bills sometimes throw in the towel and simply stay home.

"Employers have become very demanding. They expect employees to work 60 hours a week," sociologist Pamela Stone told AFP. "They have to be reachable



A flower businesswoman works on a floral arrangement at her home business in Washington, DC.

around the clock."

These working conditions are simply incompatible with family life, said Stone, author of "Opting Out," a study of women who left the career track to care for their children.

"It has nothing to do with motherhood ideology," she said. "They quit their jobs, but because the conditions of work are so demanding."

Tess Finnegan, a 44-year-old mother of three children aged 11, nine and six, learned the hard way. She left her position as a federal trial attorney months after the birth of her first child.

"Before having children, I used to work 50-60 hours per week, traveling across the country," she said. "When I had my first child, I was lucky because I had some months off and then I went back to work part-time."

Soon, however, she was asked to return to her position full-time,

with little chance to find daycare. So she left.

"It was a very difficult decision to leave my job. I loved my job," Finnegan said. She started a floral design business in 2014.

Economists say under-employing women or seeing them leave the workforce altogether represents a steep cost to the economy.

"If women entered and stayed in the workforce at a pace in line with, say, Norway, the US economy would be \$1.6 trillion larger than it is today," according to research by S&P Global Ratings.

IMF Managing Director Christine Lagarde says gender parity in the workforce would add five percent to GDP. "Empowering women is an economic no-brainer," she said in a recent speech.

The US unemployment rate stood at 4.1 percent in November, the lowest in nearly 17 years as

third-quarter GDP growth hit 3.3 percent.

The unemployment rate for women age 25-54, prime working years, stands at 3.6 percent, but that figure does not factor in women who have stopped working altogether.

Where they show up -- or rather, do not -- is in the labour force participation rate.

Those figures reveal that in 1990, American women's share of the workforce between the ages of 25-54 was among the highest in the world.

But it hit a plateau in 2000 and since then has gradually fallen back close to the 1990 level. It now stands 13 points behind that of men, at 75 percent against 88.5 percent.

In 2016, the United States was 20th in the OECD ranking of economies by women's participation in the prime-age labour force, according to S&P.