

Digital Bangladesh Bank

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BA NGLADESH Bank (BB) has adopted advanced ICT to be digitised in all spheres of its functions including monetary policy, banking supervision and internal management. BB has already introduced e-commerce, e-banking, automated clearing house etc.; a historic move towards achieving higher productivity across all economic sectors including agriculture and SME through use of ICTs. Engineers could be pioneers innovating new applications of ICT, and reaching them to the doorstep of the common people.

The universal role of Information and Communication Technology (ICT) is vital for socio-economic development of a developing country like Bangladesh. Availability of information helps increase productivity, ensures fair and competitive market and empowers marginal people. Digital technology makes doing things easily from any place -- using mobile phone as a medium of money transfer and payment of utility bills, for example.

Digital society means knowledge based society. Therefore, the government has placed the vision of 2021 -- the year of Golden Jubilee of our independence. The vision envisages a digital Bangladesh with excellence in information and communication technology and high-performing inclusive economic growth.

If Bangladesh goes digital it will be an e-state combined with e-governance, e-banking, e-commerce, e-learning, e-agriculture, e-health and so on. However, the vision encompasses much more. There is a strong correlation between economic and social development of a country and its proficiency in science and technology, so we need a knowledge-based society, efficient management and skilled human resources as well.

We need to extend ICT facility to every village in Bangladesh, so that even farmers can get access to internet connectivity; acquire related information regarding his/her crop or product development, pricing etc. In this connection, the government has already taken initiatives to connect Bangladesh with the second Submarine Cable Network to have secured connectivity with the information super-highway. Realising the potential of ICT for national development, the government has approved the National ICT Policy, 2009 on priority basis.

It is expected that by 2021, Bangladesh will have a countrywide ICT network and high-speed information flow between centre and periphery. Instructions will be transmitted electronically, which will accelerate the national decision-making process and monitor the performance of

all agencies.

High level of internet penetration is a must for the development of ICT. The latest statistics (ITU 2007) revealed that internet penetration is only 0.3% in Bangladesh, whereas the rate is 7.3 and 5.3% respectively in India and Pakistan. However, we too are getting ready to experience higher level of internet penetration, particularly with high density of wireless infrastructure. BB, which is indeed the nerve centre of the financial world, cannot remain behind in this race of digitisation.

Bangladesh Bank, being the monetary authority of the country, is at the forefront of the government's firm drive to digitise. We have already formulated a 5-year strategic plan for the financial sector based on advanced technological applications to deliver services with utmost efficiency. The ultimate goal is to make BB a world-class central bank with high applications of technologies. It should, in fact, transform itself into a paperless organisation within this plan period.

BB has achieved a historic milestone in the trade and business arena, departing from conventional banking with the introduction of e-commerce recently; a giant stride towards digital Bangladesh. Banks have been allowed to make online money transactions, payment of utility bills through internet, transfer of funds (account to account), payments for trading goods and services, and facilitate online credit card payments in local currency.

Indeed, electronic payments will be considered as cash transactions, which will be regulated under the Anti-Money Laundering Act as well as other relevant rules and regulations. It is expected that a national payment gateway, connecting all banks for inter-bank transactions (e-banking), will be established soon. Electronic fund transfer will also be possible in near future. Necessary preparations have already been taken in this direction.

Installation of Bangladesh Automated Clearing House (BACH) is another remarkable event in the history of the financial sector in Bangladesh. It will simplify the remittance channel and payment system and, therefore, bring dynamism in business activities.

The system was started in early November 2009 on experimental basis, participated by some well-prepared banks, and will be inaugurated formally soon. Applying sophisticated methods, the system needs only images and corresponding information of the submitted cheque leaves instead of a physical one, and will send them to the Bangladesh Automated Cheque Processing System (BACPS) using a secured communication link.

New cheques/clearing instruments

(standardised) will contain Magnetic Ink Character Recognition (MICR) line that encompasses information regarding the amount, transaction code, clients account details, routing number (numeric code assigned to bank branches for easy identification of origin and destination of the instrument), cheque leaf's serial number and so on. The system will support both intra-regional and inter-regional clearings based on a centralised processing centre in Dhaka and designated clearing regions, and will conform to the international best practices and cost-effective solutions for cheque processing.

Therefore, after getting customers' cheques for collection in the bank-branch, collecting banks will check the prima facie information of the submitted cheques, capture images and information, and send them to BACPS electronically. BACPS will then process and send the images and information to the paying banks for validation.

Paying banks will examine the pertinent images and information, and send back to the BACPS for payment (further examination if any inconsistency like fund insufficiency or mismatch of signature etc.) Then BACPS will accumulate all the information, work out a single net amount for each bank, and send it back to the collecting banks. As such, the cheque clearing time is expected to be reduced to one day for countrywide payment. In other cases, this will be a matter of couple of hours only.

Mobile banking, using cell phone as a tool, extends banking services to the doors of the people. An account holder can check account history/statement, status on cheques, and payment order, or stop payment, and so forth.

However, initially, three commercial banks have been allowed mobile banking to accelerate inward remittance transfer with the help of the outlets of mobile companies. Recently, BB has strengthened its monitoring and supervision activities on agricultural and SME loans with the help of the existing countrywide mobile network, keeping records of cell phone numbers of farmers and small entrepreneurs.

Online Credit Information Bureau (CIB) report, a pivotal component of risk management measures, is expected to be launched by 2010. Banks and financial institutions will be able to access the CIB data base online, and get the credit report of the concerned borrower. The database will consist of detailed information of individual borrowers, owners and guarantors.

Meantime, a project, On-line Credit Bureau has been started using advanced technology to establish online connectivity between CIB of B B and head offices of all banks and financial institutions. It is crucial to upgrade the capacity of CIB to the policy priority accorded to financial inclusion, expand SME and agricultural lending, and increase overall growth of trade and business.

Online CIB will minimise the extent of default loan by facilitating the banks and financial institutions with credit reports of the loan applicants very quickly, and therefore, lending institutions would not



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encounter any credit risk while extending lending or rescheduling facility.

A central bank reform program initiated ICT packages include networking, banking application, enterprise resources planning solution, enterprise data warehouse etc., with a view to ensuring efficient management of assets including human resources.

Under the networking program, all the departments of Bangladesh Bank Head Office and its nine branch offices have already been brought under a computer network (LAN/WAN), connecting almost 3,100 PCs. Therefore, any official sitting anywhere (head office or branches) has access to the same kind of resources, and can share knowledge and information and ensure knowledge based management.

Enterprise Resources Planning (ERP) solution covers digitisation of procurement (e-procurement), cash management, access control etc. Meanwhile, recruitment process under B B has been digitised (online application, sorting, validation etc.).

Banking application includes automation of all the accounts with B B (banks, financial institutions and government), foreign exchange management, currency management, treasury and securities systems/module, public debt management module, and also establishment of a central depository system (CDS) to build a platform for secondary trading of treasury bills and bonds.

Enterprise Data Warehouse (EDW) creates an electronic data bank, which will provide all information and statistics of monetary, trade and fiscal areas of the national economy, where all the concerned people of BB will have access to use it for further policy analyses. BB is going to commence web based e-tendering system, which covers announcement of tender, distribution of schedules, bidding etc., to ensure simplicity and transparency of tendering process.

These are only a few examples of how fast

the B B is progressing in the process of digitisation of its activities. In addition, it is also taking other banks and government agencies on board to ensure speedy, credible, user-friendly financial services to all.

Moreover, B B has been encouraging green engineering by installing solar panels on its own premise and providing re-financing windows to support speedy development of solar energy, biogas and effluent treatment plants all around the country. And in all these activities the role of green engineers will be vital.

Challenges

The major challenges for Bangladesh are poverty reduction and sustainable development, but neither of these is possible without a strong science and technology base underpinned by excellence in education at all levels and a well-trained work force in ICT. There needs to be infrastructural development and technology transfer throughout the country to disseminate knowledge to even remote areas of the country.

However, the government has taken initiatives to promote ICT among all spheres of people, including the hard-to-reach areas; tax and duty cut on computers, promoting ISP services etc.

A broadband infrastructure is needed with access for all Bangladeshis from their homes, work places, schools and telecentres with Wimax and 3G network. We also need a digitally literate population and workforce, digital business development, and a legal framework that assures freedom of expression while protecting the rights of creators and innovators towards building an indigenous knowledge and technological base.

At the beginning, we must concentrate on the development of infrastructure in terms of hardware, software and manpower. Skilled manpower from local market must be available to keep the system running without depending on foreign "experts." Sustainability of digital Bangladesh

depends on our enhanced ability to maintain, repair and expand once the system is installed.

In order to manage a sustainable digitised Bangladesh, we need a long-term plan to produce adequate number of scientists, computer and communication engineers, software engineers; technology management experts etc., for further development of our ICT sector and keeping pace with the technological advancement in the developed world.

Otherwise, digital Bangladesh would be highly vulnerable and dependent on foreign manufacturers and experts. Simultaneously, we must encourage our young engineers to move towards utilisation of less or no fossil fuels. This green engineering will have to be one of the strategic components of digital Bangladesh.

Certainly, we will opt for a technology-based economy. But that economy must also be socially responsive to the needs of the disadvantaged. In other words, we pledge to build a more inclusive digital Bangladesh where engineers too will play the desired strategic role.

The vision is to see B B paperless within the shortest possible time -- all correspondence (both internal and external) will be online -- and achieve higher productivity across all economic sectors including agriculture and SME through use of ICTs. Steps have been taken already to bring overall functions and activities of B B under automation. Its supervisory functions have been further strengthened applying advanced banking techniques with innovative technology.

It can be noted that technology-driven business models followed by the banks and financial intuitions ensure better and faster services to the clients. A recent study of B B revealed that banks that adopt technology are more profitable and reduce risks as they gain maturity in offering such services.

B B has already engaged banks in major programs of upgrading their IT platforms, with ample processing powers and online connectivity, to enable efficient data management, processing and analyses in banks for their own risk management purposes and for reporting to BB.

A holistic approach needs to be taken by all the stakeholders to reach the ICT facilities to the doorstep of the common people. Engineers could be pioneers in this regard, innovating new applications of ICT, and thus move the nation towards digital Bangladesh.

Simultaneously, they should also be responsive to the challenges of climate change, and hence move towards green engineering. B B is well aware of its responsibility in promoting green finance for greener Bangladesh. I am sure engineers too will play their desired role in this fight for a greener energy based digital Bangladesh.

[The article is prepared on the basis of the Governor's keynote speech in the national conference of Bangladesh Engineers' Association on January 3.]

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TRIBUTE

Binod Bihari Chowdhury, the last revolutionary

But then came a new moment in 1971 when, with his fellow Bengalis in East Pakistan, Chowdhury threw in his lot with the struggle for Bangladesh's freedom.

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BINOD Bihari Chowdhury remains, even as he turns into a centenarian, our last remaining link to a decisive part of subcontinental history. The sadness is in knowing, though, that what he and his comrades did between the years 1930 and 1934 in terms of arousing a sense of patriotism in all of us who wished to put an end to British colonialism in India is a reality we have almost confined to the sidelines of truth.

There is all the talk about the vivisection of India along communal lines in 1947. You hear arguments to this day about the crude manner in which India was broken into two, about who must bear responsibility for the perpetration of that tragedy. There

are, too, animated conversations on what Netaji Subhas Chandra Bose might have achieved had he not disappeared from our lives. And you hear people in Bangladesh and West Bengal reflect loudly on the rap on the knuckles fate gave us through the untimely death of Deshbandhu Chittaranjan Das in 1925.

It is only a handful of people who recall the Chittagong armoury raid today in India and Bangladesh. Or you could suggest that the bright shining moment when Masterda Surjya Sen led his fellow revolutionaries into storming a powerful citadel of British imperialism on April 18, 1930 is an episode only students of history, at the academic level, sometimes refer to. But then, there is Binod Bihari Chowdhury to remind us, as he steps into his hundredth

year, of the seminal nature of that revolt against foreign rule.

He was barely twenty at the time, in the lofty companionship of Surjya Sen, of Preetilata Waddedar, Kalpana Dutta, Kalipada Chakrabarty, Ambika Chakrabarty, Makhan Ghoshal, Tarakeshwar Dastidar and so many others. These revolutionaries simultaneously raided the armoury, the police station and the telegraph office. The degree to which they cast aside their individuality in favour of their patriotism came through when they proclaimed a revolutionary government for a free India that was to wage a guerrilla war over the next three years. Surjya Sen spoke for his comrades thus: "The great task of revolution in India has fallen on the Indian Republican Army. We in Chittagong have the honour to achieve the patriotic task of revolution for fulfilling the aspiration and urge of our nation."

You could argue that the uprising was not destined to last, as eventually it did not. Surjya Sen and his men went on the run once it became clear that their action had



Binod Bihari Chowdhury

fizzled out. And yet it was a revolt that sent shock waves among the various tiers of the colonial government. Masterda was tracked down, along with Tarakeshwar

Dastidar and the young Kalpana Dutta. Surjya Sen and Tarakeshwar Dastidar were tried and hanged and their bodies were thrown into the Bay of Bengal. Preetilata Waddedar, wounded in the attack on the European Club in Pahartali in 1932, took her own life rather than be captured by the British. Binod Chowdhury, whose neck was pierced by a bullet in the course of the armed action, was captured and sent off to imprisonment in distant Rajputana. He survived loneliness and brutality and was eventually to be witness to the departure of the British from India. It was freedom, yes, but not of the kind he and his comrades had envisaged in the 1930s.

Binod Bihari Chowdhury chose to remain in Pakistan when many of his religious community crossed over to India in the aftermath of partition. It was a dangerous time, for the dreams he and his fellow revolutionaries had shaped in 1930 had splintered and parochialism had taken over. But then came a new moment in 1971 when, with his fellow Bengalis in East Pakistan, Chowdhury threw in his lot

with the struggle for Bangladesh's freedom. The emergence of a secular Bengali republic in that year rekindled his faith in the ability of a nation to wrest its future out of its past.

In these past months, Binod Bihari Chowdhury has once more seen secular politics take centre stage in Bangladesh. In a curious way, all this rise and fall in his expectations has in essence been a mirror of the tortuous, boulder-strewn path history has traversed in our part of the world. It is a mirror Binod Bihari Chowdhury holds up in *Ognijhora Dingulo*, the memoirs that are a new window to a study of the courage and conviction of the men and women who proclaimed a free India, however short-lived, in 1930.

[Binod Bihari Chowdhury's hundredth birthday was observed on January 10. *Ognijhora Dingulo*, his memoirs, has just been published by Savdachash Prokashon, Chittagong.]

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Highlights of 2009



THANK goodness 2009 is over. What a year that was. What was your most memorable moment?

My colleague Eddie said, "My worst moment was when I learned that the family name of swindler Bernie Madoff was pronounced 'Made-Off,' as in 'Bernie Made Off With Your Savings.' This made me worry about my own savings, which are parked with investment advisors named Bob Flybynight and Dave Crook."

It took me only ten minutes to realise that Eddie had made a joke. What a pair of totally sharp guys we are. But his comment did inspire me to dredge up

the year's more remarkable incidents.

It was the year in which singer Michael Jackson died after a losing a thirty-year battle with a very nasty disease called Excessive Weirdness.

It was a year in which tens of thousands of people worrying about how airplane flights were damaging the climate decided to take action by flying to Copenhagen, which is apparently a place, although I always thought it was a brand of ice cream.

It was the year in which Sarah Palin had a professional ghostwriter write a

book for her, setting off furious media speculation that she will soon hire a professional reader to read it to her.

It was the year in which panicking Hong Kong authorities sealed off a hotel full of guests for a week, before learning that swine flu caused less long-term damage than watching 20 minutes of High School Musical.

It was the year in which the Nobel Peace Prize committee changed their criteria for winning the prize to a single requirement: "Candidate must be a way cool dude." I was thrilled. Finally I'm in

the running.

It was the year in which a pair of gatecrashers got into President Obama's private party, causing every columnist in the world to criticise them in an outraged tone of voice while secretly wanting to learn how they did it. (If Tariq or Michael Salahi is reading this, please email me. I can offer you exclusive Hello Kitty souvenirs.)

It was the year in which the American car industry showed itself to the world's worst managed transport business, and the Somali piracy operation was

revealed to be the best.

It was the year in which bankers lost their jobs and had to eke out a humble living on their massive bonuses, inspiring the movie *Slumdog Millionaire*. Sacked bankers were astonished by the level of public sympathy they received (none).

It was an unforgettable year which will be remembered as the only 2009 in the whole of recorded history.

Thank God.

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