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Why is the NBR server so easy to breach?

Urgent investigation and action needed to prevent further hacks

WE are shocked to find out that the server of the National Board of Revenue (NBR) can be accessed and manipulated so easily by cybercriminals. On November 19, this daily reported how the NBR's "secure" server was breached to create false records of 24 completed shipments out of Chattogram Port, which never took place in reality. The fake exports amounted to Tk 12.78 crore and were shown to take place when criminals were able to access the server using the credentials of two customs officers. One of the officers admitted that he would often allow unauthorised personnel to access the server using his ID and password when he was busy doing other things.

Though this incident is already concerning enough, the bigger picture is even more disconcerting, given that this is the second incident of the NBR server being breached in recent months. Just last week, it was found that fraudsters had used the IDs and passwords of two customs officials to wrongfully release nine consignments by submitting fake Import Permission (IP) papers from Bangladesh Export Processing Zone Authority (BEPZA) in order to get duty-free facility. This release of at least 153 tonnes of goods helped nine importers evade crores of taka in duty. There are a couple of security concerns on the very surface of these two incidents.

Firstly, why are customs officials still so reckless about protecting their access credentials for the NBR server, when the system has been known to be breached before (a series of breaches into the server took place between 2016 and 2018 that allowed firms to evade large sums in taxes)? The Customs House, Chattogram has been known to issue notices before, asking officers not to access the system in the presence of unauthorised individuals. So why did these officers feel comfortable disregarding this warning, and even going a step further by sharing their credentials with unauthorised individuals? Another concern is regarding the report from last week, which revealed the release of nine consignments using the credentials of two officials (one of whom was on suspension due to bribery allegations), whose IDs were supposed to be deactivated when the crime took place. Why had the authorities not made sure that the IDs of those two employees had indeed been deactivated? Why put so much faith in a system that has been breached before and in officials who were already deemed untrustworthy? And why, after repeated incidents of hacking, has the system not been made more secure?

Not only should these matters be investigated thoroughly, but it is high time for the NBR to stamp down on such breaches by strengthening the security of its servers. The authorities concerned must be more vigilant and aware about cybercrimes if scams of such scale, which robs the government of crores in tax revenue, are to be avoided. Above all, strict legal action must be taken against the officials who allowed for these breaches to take place by knowingly compromising sensitive government information.

Stop ignoring the plight of small business owners

Govt stimulus packages still beyond the reach of most micro and small businesses

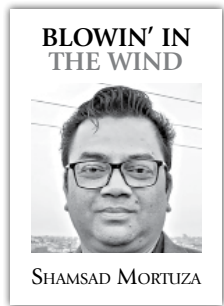
SURVEY after survey has shown that the government's stimulus packages for micro and small businesses have failed to deliver their desired results. This is particularly disappointing as, according to a survey conducted by the South Asian Network on Economic Modelling (Sanem) in July, 73 percent of micro and small businesses' owners could not recover their losses during the pandemic. Most micro and small businesses are still struggling a lot to survive. Many owners of small businesses are also facing threats from loan sharks, from whom they have had to borrow during their times of desperation—as the government's aid packages failed to reach them.

There have been plenty of discussions on why the government's stimulus packages have failed to provide the support that small businesses have so badly needed. Among them, the most prominent one has been the lack of documentation available to small business owners, against the documents that are required of them to gain access to the funds provided by the government. We have repeatedly advised the government in this column to find a middle ground that can solve the problem small business owners are and have been facing. Unfortunately, the government has been unable to formulate any strategies to solve these problems, despite experts giving them a number of possible solutions.

The lack of initiative shown by the government to find an effective strategy is befuddling. Small businesses employ the largest percentage of people in our country, and their struggles have led to huge numbers of people losing their jobs. The effect this is having on our economy is truly a cause for major concern. The fact that the government seems to feel differently is not at all encouraging.

Therefore, we must repeat our call to the government to take urgent measures to remove the roadblocks preventing micro and small business owners from accessing the government's stimulus packages. It should immediately set up a central repository system for such entrepreneurs, from where they can avail all the necessary documentation. Additionally, it should involve NGOs in the process of disbursing the funds, both to make it more transparent, and for their ability to reach families and business owners living in the remotest parts of the country. The government should do this urgently, before more micro and small businesses are permanently forced out of business, resulting in even more job losses and long-term economic turmoil.

The digitalisation of our birth



die—at least officially. You'd better apply for one fast. Otherwise, there is no way of saying that you are or were here."

"Sir, I cannot conceive you," I borrowed the wit of Shakespeare the Bard to ventilate my confusion.

"Neither can the government," responded my witty colleague, adding: "Welcome to our Kafkaesque world!"



The importance of a birth certificate cannot be understated, but the application process has to be humane.

PHOTO: REUTERS

Ah, Kafkaesque—the grossly overrated term fashioned after the German-speaking bohemian author Franz Kafka. His biographer Frederick R Karl gave a useful explanation of the term: "What's Kafkaesque is when you enter a surreal world in which all your control patterns, all your plans, the whole way in which you have configured your own behaviour, begins to fall to pieces when you find yourself against a force that does not lend itself to the way you perceive the world. You don't give up, you don't lie down and die. What you do is struggle against this with all of your equipment, with whatever you have. But of course, you don't stand a chance. That's Kafkaesque."

The key idea here is that we don't

stand a chance against the system and its controlling mechanism. The meaning, choice, and freedom in life are controlled. The urgency to digitise everything yields a sense of insecurity and helplessness. Suddenly, we are posed with a decree: the incidences of our birth need to be converted into the binary language of 0s and 1s. It's not enough to be metaphysical to say that we have come from naught to be someone. Your birth has to be recorded in digits so that it can enter the system, where Sting's song "Every breath you take" will assume a non-romantic possibility by the time you get to the next line of the song: "I will be watching you!"

Yes, in every move you make from your birth till your death, the state will "sting" you, and watch you. My colleague was referring to his recent experience of obtaining an e-birth certificate, without which his heir would have difficulty in

Suddenly, without our birth certificates, our children are not entitled to many of the services. Admittedly, they cannot even get themselves admitted to schools without the birth certificates of their parents.

But now, suddenly, without our birth certificates, our children are not entitled to many of the services. Admittedly, they cannot even get themselves admitted to schools without the birth certificates of their parents. The parents must register their births first before getting their children's. Our children will need their parents' birth certificates not only for school admissions, but also for passports, marriage registration, land registration, and other important jobs.

While reading about this issue, I came across a curious case. If the parents submit their birth certificates in two different languages, then the system will keep on debating the language question forever, without issuing the children their birth certificates. I guess, deep down, the international system is essentially nationalistic. The state will make sure that both partners in a marriage are in sync—they can love and hate in the same language.

With the infiltration of refugees, the issue of parental birth certificates has become more pertinent than ever. Birth registration ensures a child's right to identity. Through this civil process, the government collects data to plan its national policies. The right of every child to a name and nationality, and the responsibility of governments to achieve this are contained in Articles 7 and 8 of the United Nations Convention on the Rights of the Child. Although 191 countries have endorsed the convention, the births of millions of children worldwide go unregistered. Unicef recognises that one in every four children under age five are not officially registered. In Bangladesh, only 37 percent of children below age five are registered,

meaning that 10 million Bangladeshi children in that age category do not exist officially. The registration initiative is thereby lauded by the international body, who maintains that "a name and nationality is every child's right. All births are vital events and must be recorded ... Without birth registration, it becomes difficult to protect children against early marriage and child labour." As a signatory of the 2030 agenda, we have a responsibility to attain the United Nations Sustainable Development Goal 17, which "has a target to increase the timely availability of data regarding age, gender, race, ethnicity, and other relevant characteristics, which documents like birth certificates have the capacity to provide."

The importance of a birth certificate cannot be understated. It is often called a "breeder document." An owner of a birth certificate can obtain additional and more secure forms of identification issued legitimately based on said birth certificate. The bureaucratic and digital hurdles posed by the government are probably designed to stop the "illegal breeding" of papers. However, if this system is implemented successfully, it can be used in a number of innovative ways that may even make us appreciate the watchful Big-Brother-like state machinery. For instance, the database can be used for a national registry for genetic diseases. The live-born declaration (birth certificate) issued by hospitals can track conditions present at birth. By analysing these data, congenital anomalies can be diagnosed to prevent future complications. Beta-thalassemia is a case in point. It is one of the most common inherited blood disorders in the world. The birth documentation can complement a possible national policy on thalassemia prevention, which requires a national screening programme with precise and up-to-date information on the frequency of beta-thalassemia carriers.

The pros of having birth certificates, therefore, are well understood. What are the cons, then, that make the system Kafkaesque and make me write this piece? Well, it is the non-human way of dealing with a human issue that makes the issue of birth certificates contentious. There is a serious lack of fear and understanding about the common masses. The messages need to be humane. The application needs to be humane. When a computer algorithm fails to understand why a person has died without a birth record, then we think that "there is something rotten in the state of Denmark" (my brain is wired for literary references).

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PROJECT ■ SYNDICATE

Why is China's growth rate falling so fast?



growth target was around six percent, lower than the best guesses of 24 out of the 25 institutional forecasters. Did the government know something that outsiders had missed? Did it plan to do something that it regards as desirable, even though it might compromise growth?

More recently, international banks have revised down their full-year growth projections for China as the economy's expansion has slowed. Third-quarter growth was only 4.9 percent year on year, down from 18.3 percent and 7.9 percent in the first two quarters, respectively. The high first-quarter year-on-year growth came in large part because of the negative growth in the first quarter of 2020, due to pandemic-induced lockdowns. The low third-quarter growth is raising concerns about the growth prospects in the fourth quarter and next year.

A zero-Covid strategy was arguably reasonable in the pre-vaccine stage of the pandemic, and helped China to achieve a positive economic growth rate last year. But as new variants continue to emerge, all countries will eventually have to learn to live with the coronavirus.

Some of the reduction in growth stems from China's zero-tolerance policy towards Covid-19, which calls for more frequent lockdowns than in most other countries. A spate of local Covid outbreaks in the summer has triggered lockdowns or travel restrictions in multiple Chinese cities. These have not only reduced manufacturing output, but also severely affected many service-sector jobs just as tourism was beginning to boom.

But the pandemic is not the only factor behind the slowdown. The government's green industrial policy, tighter regulation of the property sector, and blacklists

of online platforms have collectively curtailed growth as well.

Following its pledge to halt the rise in China's carbon dioxide emissions before 2030 and achieve net zero by 2060, the government has forcefully and often abruptly reduced electricity generation in coal-fired power plants, sometimes by 20 percent. The resulting power outages disrupted production at affected factories.

In addition, the "three red lines" policy, initiated in August 2020 and intensified this year, sets ceilings on property developers' debt-to-asset ratio, debt-to-equity ratio, and debt-to-cash ratio. Because many of these firms could not meet one or more of the red lines, and banks and capital markets are reluctant to provide new financing, they must sell assets, scale down operations, or both.

Evergrande may be the most prominent Chinese property developer to have run into financial trouble, but it is not the only one. Moreover, a real-estate downturn can easily spill over to industries such as steel, cement, and home furnishings and appliances.

Lastly, the authorities' decisions to blacklist online education companies, ratchet up antitrust enforcement, and enact a broadly worded data protection law have helped to halve the stock prices of many listed digital economy companies over the last 12 months. And

falling equity valuations are merely the tip of the iceberg, as many digital firms and their suppliers have had to scale back their ambitions and plans. Hundreds of online education providers have folded and laid off their employees.

The goals of the policies are sensible, but the manner of implementing them is exacerbating their economic costs. A zero-Covid strategy was arguably reasonable in the pre-vaccine stage of the pandemic, and helped China to achieve a positive economic growth rate last year. But as new variants continue to emerge, all countries will eventually have to learn to live with the coronavirus. Luckily,

the cost of doing so is becoming more manageable as rates of vaccination and natural immunity rise.

If China is to use its strong implementation capacity, then pushing for universal Covid-19 vaccination would seem well justified (as individuals who decline the jab may end up harming others). On the other hand, periodic lockdowns and border closures are highly disruptive to the economy and people's lives, and not a sustainable strategy in the



People wearing protective face masks walk past office buildings in Lujiazui financial district in Pudong, in Shanghai, China, following the Covid-19 outbreak.

pandemic's post-vaccine phase.

Regarding green industrial policy, power generation is the most carbon-intensive sector in China, accounting for about 40 percent of the country's energy-consumption-based emissions. So, reducing reliance on coal-fired electricity makes a valuable contribution to national and global emission reduction efforts. But there are different ways to manage the change.

China's own experience with economic reforms suggests that using price signals and market forces tends to minimise the costs of structural change. In particular, raising China's carbon price to a sufficiently high level, and announcing a predictable price path with a sufficient lead time could enable electricity producers and users to adjust and adapt better, thus helping them to achieve the same amount of emission reductions with much less foregone GDP growth. Such an approach would also be less disruptive for Chinese households, including many in the northeastern part of the country who may be worried about heating and power supply as a cold winter arrives.

Likewise, while moderating speculative

and cement.

Restricting after-school learning programmes can free up time for children to engage in activities that nurture creativity and athletic ability, and alleviate the financial burden for families that previously felt pressured to purchase online-education content for their children. So, there is a laudable social rationale for the new regulation. Its relatively sudden implementation, however, not only reduces online-education firms' profits, stock prices, and employment, but also highlights the risk of abrupt policy changes in other sectors, affecting broader investor sentiment.

China can restore investor confidence and return to its potential growth rate. To do that, the country will benefit from reforms affecting how new regulations and pandemic control measures are debated, vetted, and implemented.

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