

An alarming lapse in data security protocols

NTMC's revelation about illicit sale of private data raises concerns

The National Telecommunication Monitoring Centre's (NTMC) recent revelation about the illicit sale of citizens' NID card and phone call details comes as yet another reminder of how susceptible government stored data is to breaches and exploitations. The fact that government employees themselves have exploited their access to the data—selling it through various social media groups and messaging apps—adds another dimension to this story. For one, it exposes an alarming lapse in the data security protocols. It also means that nothing short of an overhaul of the whole data security infrastructure will be enough to contain this multifaceted threat.

The NTMC server keeps data relating to citizens' NID cards, passports, driving licenses, and call detail records. Nearly 500 officials of 42 organisations can log in to its National Intelligent Platform (NIP) using their IDs, and access the data for verification and investigation purposes. The latest breach, as per a letter by the NTMC to the home ministry, was traced to unusually high numbers of logins to the NIP by IDs belonging to two high officials from the Anti-Terrorism Unit (ATU) and Rab 6 between March 25 and April 25. Both of them are now under investigation for unauthorised data transfers. Previously, two data entry operators of the IDEA 2 project were arrested for similar offenses.

Although we don't know how many people were affected by the latest breaches, the NTMC in its letter said that personal data was being sold through 21 WhatsApp, 48 Telegram, and 720 Facebook groups and pages, which collectively have 32 lakh members and followers. Such widespread dissemination of sensitive information poses a severe risk to the security and privacy of individuals concerned. Personal data including NID details can be abused to commit various crimes. We have seen how such data was used to open fake bank accounts and obtain loans, leading to financial and identity theft, or to illegally access government grants. Victims, it goes without saying, have to pay the price even years after the commission of such crimes in their names.

The latest revelation should serve as a wake-up call for the government. It has waited too long for the data security system to fix itself, without undertaking any robust measure, but this was a fool's dream. What the government needs to do is act decisively to not just ensure that our data is unbreachable for hackers but also implement stringent security and accountability measures for officials and organisations having access to the data. The NTMC has made a number of recommendations in this regard, which the government should carefully evaluate and implement.

Waste of a rescue app for women

Govt should properly utilise tools meant to prevent gender violence

In a country where sexual harassment and violence against women are rampant despite having various legal and administrative safeguards, the failure of one app meant to help women in trouble to reach its intended users is perhaps not a big surprise. But it indeed feels like a wasted opportunity, especially given the widespread use of mobile phone and internet among women in Bangladesh. The "Joy" app—through which women facing violence can send rescue pleas to law enforcers, family and friends—was seen as a laudable step when it was launched in 2018. However, over the last six years, only six requests were sent through the app, which is quite disconcerting.

For context, over the last four years, more than 6,000 women were raped and more than 300 were murdered after rape. Had the app worked properly or had girls and women known about it, could some of those victims be rescued? You can no longer find the app on Google Play, and no link to the app is even visible on the landing page of the website of the Ministry of Women and Children Affairs (MoWCA) or other relevant ministries. The app is apparently under reconstruction currently, and Google might have restricted some of its features in Android 12. But this is no excuse for its serial underperformance in all the years that it has existed.

We have seen a similar usage pattern with the MoWCA's 109 helpline, which is not being used for the purpose it was intended to serve. Moreover, since 2013, an estimated 600-plus apps have been developed by the government, but like Joy, most of these disappeared from Google Play. Joy was built with a budget of Tk 45 lakh. If similar amounts were spent to develop the other apps, imagine how much of taxpayers' money went to waste. It is clear that government officials and organisations behind these initiatives put little effort into properly utilising them, making a mockery of the whole investment. But rescue tools like an app or helpline can save many potential victims of violence, if properly used and promoted. We urge the authorities to take immediate steps to revive these important tools.

THIS DAY IN HISTORY



Pact of Friendship and Alliance between Germany and Italy

On May 22, 1939, Adolf Hitler of Germany and Benito Mussolini of Italy signed the Pact of Steel, formally known as the Pact of Friendship and Alliance between Germany and Italy, a full military and political alliance between their countries.

Why is it taking so long to stabilise the economy?



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Bangladesh's economy showed remarkable signs of swift recovery from the adverse effects of Covid-19, but this progress was cut short by the advent of serious macroeconomic imbalances in April 2022. These imbalances are reflected in high inflation, depleting foreign exchange reserves, pressure on the exchange rate, shrinking capital inflows, and pressure on the budget. To address the stabilisation issues, the government entered a four-year programme with the International Monetary Fund (IMF). Implementation of the second year of the programme is currently underway.

While the government's intentions to address the macroeconomic stabilisation challenges are laudable, the results so far fall short of what is necessary. Inflation remains high, the availability of foreign exchange is severely constrained, GDP growth is on a downward trend, investment rates are down, and export growth is much below the long-term trend. Shortage of foreign exchange and the associated import cutbacks are constraining the recovery of GDP growth, private investment, and exports.

My research, documented in a new book titled Bangladesh Stabilizing The Macroeconomy, suggests that the reason for the slow progress in macroeconomic stabilisation is the inadequate implementation of required reforms. At the initial stage, the main policy response was to manage the balance of payments with import controls and use of forex reserves, and to control domestic inflation through budgetary subsidies on oil, gas, electricity, and fertiliser. An effort was also made to protect GDP growth and investments through a strong control over interest rates, by increasing fiscal deficits, and through liberal use of Bangladesh Bank financing of fiscal deficits.

These policies, instead of helping the stabilisation agenda, further worsened the imbalances. There was an unsustainable run-on forex reserve that put pressure on the exchange rate, foreign capital flows fell, and the inflation rate accelerated approaching nearly 10 percent. Growing budgetary subsidies lowered spending on core social services and put pressure on

fiscal deficits. To stem the slide of the exchange rate, the government further tightened imports, which declined by 27 percent from the FY2022 level, adversely affecting GDP growth, investment, and exports.

What went wrong? The macroeconomic imbalances have emerged from three sources: inflationary pressure; the balance of payments pressure; and fiscal pressure.



VISUAL: SHAIKH SULTANA JAHAN BADHON

Addressing these issues requires the use of at least three policy instruments that best relate to each of these areas: monetary policy to ease the inflationary pressure; exchange rate policy to ease the balance of payments pressure; and tax or expenditure policy measures to ease the budgetary pressure. Their combined use as a coordinated set of policy actions can help avoid the bluntness of any single instrument and reinforce the effectiveness of each of the policy reforms.

Regarding balance of payments management, excessive reliance on import controls is inconsistent with GDP growth acceleration. While selective import controls can play a short-term emergency adjustment role, resorting to import controls can cause serious supply disruptions, discourage

domestic and foreign private investments, hurt exports, and lower GDP growth. The only sustainable way to manage the balance of payments pressure is to focus on the supply side to increase exports and to use demand-side instruments to lower demand for imports.

A critical determinant of exports is the incentive policy regime. Investors will produce and export only if the profitability from exports exceeds the profitability from domestic production. Two key determinants of export profitability are the exchange rate and trade protection. An overvalued real exchange rate hurts exports and encourages production for the domestic market. Similarly, the higher the trade protection, the higher the incentives for domestic production and bias against exports.

anti-export bias of trade policy. A flexible exchange rate along with lower trade protection will boost exports and remittances, thereby increasing forex supply. On the demand side, reduction in private spending through increase in interest rate combined with higher taxes and lower fiscal deficit will help reduce the demand for imports and avoid the exchange rate from overshooting.

Regarding inflation management, research shows that globally as well as in Bangladesh the main source of inflationary pressure is excess liquidity in the system resulting from the pandemic-time stimulus packages. In Bangladesh, these were further intensified by the persistence of interest controls through the "6/9" interest rate policy, rising fiscal deficit, and liberal Bangladesh Bank financing of fiscal deficit. Thankfully, since September 2023, the 6/9 interest rate policy has been abandoned and the Bangladesh Bank has stopped financing the budget deficit. This is a welcome reform, which has already lowered the pressure on the exchange rate. Inflation reduction will take time and may require further increases in the interest rates. Most importantly, the budget deficit must be reduced to lower inflation. This has not yet happened owing to the inadequacy of fiscal reforms.

Concerning fiscal policy, the required policy approach is to cut the fiscal deficit by increasing revenues through meaningful tax reforms and by reforming the state-owned enterprises (SoEs). Every year, the government sets ambitious tax targets that are not met. As a result, the tax-GDP ratio is not only extremely low at less than eight percent of GDP, but also declining or stagnant. Meaningful tax reforms require addressing the substantial institutional constraints to help establish a modern tax system in the country. This would be much more effective than setting ambitious tax revenue targets through ad-hoc tax measures. Regarding SoE reforms, the government must recognise that it has invested heavily in these enterprises but the financial rate of return on this investment is exceptionally low due to corporate governance and pricing constraints. For example, the book value of total assets of non-financial SoEs was estimated at around 17 percent of GDP in FY2021. A 10-12 percent return on these assets should yield profits of 1.8-2 percent of GDP. In sharp contrast to this, actual profits were only about 0.6 percent of GDP. The case for corporate governance and pricing reforms of SOEs is obvious.

Concerning the exchange rate management, a fundamental problem is that the exchange rate has been highly overvalued for an extended period of time, as reflected in the appreciation of the real effective exchange rate (REER) by an overwhelming 57 percent between FY2011 and FY2022. By failing to correct this overvaluation on a timely basis, Bangladesh exposed its currency to substantial depreciation between April 2022 and September 2023. Even so, the taka today is still appreciated by 40 percent in real terms over 2011.

More generally, a sustainable way of managing the balance of payments would be to let the exchange rate be market-determined. This should be complemented by trade policy reforms that lowers trade protection and the

We are not taking care of our young generation



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Recently, the Bangladesh Youth Leadership Centre (BYLC) and Brac University's Centre for Peace and Justice conducted a joint survey involving 5,609 young individuals aged 16-35 from various parts of the country to gauge their perspectives on education, health, livelihoods, justice, climate change, migration, democracy and governance. The findings indicate that 55.3 percent perceive Bangladesh to lack peace, 71.5 percent feel uncomfortable expressing their views publicly, and 68.6 percent feel that the current education system fails to adequately prepare them for employment or entrepreneurship. Moreover, nearly 89 percent cited corruption, along with unemployment (67 percent), inflation (51 percent), and climate change (73 percent), as adversely impacting their well-being. Similarly, a 2020 World Economic Forum study uncovered that 82 percent of individuals aged 15-29 expressed a desire to migrate from Bangladesh due to socioeconomic concerns.

These reports raise the question as to why our youth struggle with such feelings of frustration, insecurity, detachment, apathy, and disillusionment, especially when they belong to a generation known for its potential to drive change. Several factors contribute to these sentiments and shed light on the underlying

causes.

One significant factor behind young people's feeling of disillusionment is the pervasive corruption committed by businessmen, politicians, government officials, and influential figures, among others. When politicians engage in activities like election-rigging, nepotism or bribery, when prominent business leaders evade taxes or commit loan fraud, and when influential individuals manipulate public tenders or get involved in illicit activities like drug trafficking or extortion, the repercussions are felt throughout society.

Often, these corrupt individuals go unpunished, eroding trust in the system, which is particularly disheartening for the youth who dream of a brighter future and a more equitable society, and perceive these incidents as a betrayal of their aspirations for good governance. Moreover, today's political landscape lacks fundamental principles like reconciliation, tolerance, honesty, and respect for human dignity and differing beliefs. Instead of addressing crucial issues like economic development, health and education, politicians resort to criticising and verbally attacking each other with flimsy arguments and offensive language, lacking healthy debates or discussions on matters directly affecting citizens' lives.

Furthermore, political parties are exploiting the youth for their own gains. Student politics was once a domain for the brightest and socially conscious students to engage in and contribute to national affairs. Now it has been hijacked by non-student actors, who manipulate young people as pawns to advance their political agendas. Student politics, once a beacon of idealism, has become tainted by partisan interests, power struggles, and greed for wealth. Consequently, the younger generation is increasingly feeling disinterested and apathetic towards the country's politics and politicians. Recent events, such as the resistance to partisan student politics at Bangladesh University of Engineering and Technology (Buet) is a case in point.

The economic growth and development that we take pride in regrettably bypassed the majority of the population, benefiting mainly the higher-income groups. The Household Income and Expenditure Survey (HIES) 2022, conducted by the Bangladesh Bureau of Statistics (BBS), reveals a widening rich-poor gap in income distribution within the country. Shockingly, the report indicates that 30.04 percent of Bangladesh's income is concentrated within the top five percent of households. Moreover, this economic growth has not only exacerbated income inequality, it failed to generate sufficient employment opportunities for the millions of young Bangladeshis entering the workforce annually. According to the 2022 Bangladesh Sample Vital Statistics report, approximately 41 percent of the nation's youth are inactive, meaning they are not studying, working or receiving any job training. While many are trying for employment, experts argue that they

are not getting the necessary support from the system, as approximately 87 percent of them are engaged in informal employment.

What's even more alarming is that, as a society, we have inadvertently set the wrong standards for the generations following ours. Our society that once used to value morals and ethics has now become superficial and lost its moral compass. Values such as honesty, trust, integrity, respect and tolerance of others' opinions no longer play an important role in our daily lives. The concept of value has shifted, and it is now determined by price rather than the intrinsic quality of things. Morality, a term that traditionally conveys a sense of virtue, seems to be more applicable to those who are perceived as weak and fragile within the community. Sadly, our definition of "success" has evolved; today, it's predominantly equated with monetary wealth, irrespective of its legality. As a result, many young individuals find themselves struggling with the fundamental question of discerning "right" from "wrong." Besides, many talented young people opt to leave the country at the earliest opportunity, which could seriously hurt the nation's long-term growth and prosperity.

The total population of Bangladesh stands at 169.8 million, of which 27.96 percent are between the age of 15 and 29 years. These young people represent the future of our nation. Social scientists emphasise that a nation that does not take care of its youth is a doomed nation. Therefore, the government and the entire society should focus on harnessing and utilising the energy, passion, and spirit of the youth through positive means to engage them fully in the economic and social sectors to build the leaders of tomorrow.