

E-Zwich: Answer To Ghost-Names?

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While government is still grappling with the problem of its bloated payroll due to the incidence of ghost-names, the most suitable solution stares us in the face unused.

Ghana is actually sitting on huge technological infrastructure that has the capacity to store all the fingerprints of public sector workers electronically. This technology identifies each worker uniquely, as no one person can have more than one set of fingerprints.

It is a state-of-the-art facility that is the envy of even some advanced economies and can solve a lot of the country's financial sector problems – and save this country huge sums of money. But this facility is not operating at its maximum capacity: it is the national electronic payment platform, christened the e-zwich.

Incidentally, the first main product to depend on this platform is the biometric smart card – also called the e-zwich card. The focus of this exposition, however, is on the huge infrastructure which supports the smart card and can carry tons of transactions electronically.

The e-zwich is an electronic clearing and payment system designed to establish a common platform and thereby link the payment systems of all banking and financial institutions in Ghana. This implies that all the banks in Ghana can currently communicate with each other in real-time through the e-zwich platform. As a result, financial transactions among banks are done much faster.

It is however interesting to note that this electronic platform is like virgin fertile soil that can be used for several purposes. Beyond electronic clearing and settlement, it is possible to develop various electronic financial products that can operate through the platform.

Currently, some banks are preparing to launch very exciting products based on the national payment platform. It is even possible for people in the remotest part of the country to receive remittances from abroad directly on their e-zwich card once the system is activated. As it stands, the platform is being used well with products such as the biometric smart card and the cheque code line clearing – the payment distribution system and soon-to-be-introduced automated clearing house. But it has the capacity to even do more.

Benefits of e-zwich:

Probably one of the most exciting and easy to identify benefits of the e-zwich is its capacity to be used for completely weeding out all ghost-names on government's payroll. For years, governments have been making frantic efforts to get rid of ghost-names in the public sector. Some measure of success has been achieved, but there are still ghost-names because people are constantly retiring or leaving the public sector and unscrupulous officials deliberately maintain such names on the payroll.

However, if government got all its workers enrolled and issued with the e-zwich cards, no one person could appear twice on the payroll. Even if by error or deliberate action a name appears twice, the electronic system will automatically point out the duplication and one of the names will be taken out of the system. In cases where one person is registered twice with different names, again the duplication of fingerprints will pop up and draw attention.

Already, the country's major banks together with Ghana Interbank Payment and Settlement Systems (GhIPSS) have issued e-zwich cards to some public sector workers. What is required now is to make it compulsory for all the workers to have the e-zwich card. Once this exercise is completed, no one person will appear twice on the government payroll, as each person is uniquely identified with his or her fingerprints.

This is a technology we have, and can deploy to save the country lots of money lost to the incidents of so-called ghost-names. There is absolutely no point in complaining about bloated payrolls when we have this technology readily available.

But beyond the use of the e-zwich platform and card to weed out ghost-names, the workers can actually be paid their salaries and other emoluments on the card. This is possible under a system known as the Payment Distribution System, which is also based on the national payment platform. The payment of salaries on the e-zwich cards is currently going on in a number of multinational and local companies, and can be extended to all public sector workers in phases. It is an efficient system that serious-minded firms have cashed in on – and I believe the public sector equally deserves the best.

Payment Distribution System:

Under the Payment Distribution System, the worker reserves the right to either receive all of his/her salary onto the e-zwich card or just an agreed percentage of the remuneration, while the rest will still be kept in the traditional bank account. One of the major benefits of receiving salaries on the e-zwich card is the dispatch with which money is credited to the card.

It will be possible under this system for workers to get their salaries on the card way ahead of time – probably in the last ten days before the month ends. Under the current situation, when salaries are paid the cheque must move to the bank of the worker; it is then cleared and settled before the account is credited.

However, with the e-zwich system once the payment instruction is issued to the banks, the cards of the workers are instantly credited and can be accessed after the electronic money is loaded. The loading of the electronic money can be done at any Point of Sales Terminal in under a minute. This will definitely make life a lot easier – and why not? After all, this is the essence of technology and must be exploited to the full.

What is even more exciting about this infrastructure is the fact it covers the whole country, including areas that do not have electricity. This kind of platform is the first-ever in the world and has great potential to

perform many other transactions. Fortunately, this technology already exists and the country does not require any extraordinary investment for this to happen, as that investment has already been made.

It therefore appears to be quite ironic for anyone to complain about ghost-names, because the technology and infrastructure to deal with the problem is readily available. In fact, it is a technology to weed out ghost-names and at the same time enable workers to receive their salaries on time.

However, besides these two exciting benefits, paying workers through the e-zwich using the national platform will significantly draw Ghana close to modern trends of payment. The country would have significantly reduced cash transactions in the economy and avoid the cost of regularly replacing worn-out notes, theft and even the incidence of fake currencies.

But probably the most significant benefit of moving away from a heavily cash-based economy is the huge amount of money that would pass through the banking system. Imagine if all the public sector workers had part of their salaries on the e-zwich card to shop with. It would definitely amount to loads of Ghana cedis within the banking sector – which would greatly contribute to a reduction in interest rates simply because banks would have more money for on-lending.

Ghana definitely has a gigantic technology infrastructure sitting and waiting to be fully exploited. It will be a great service to this nation's economy if the potential of this infrastructure is put to its full use.