



## Policy Brief 6: Road Towards Bangladesh 2030: Readiness and Priorities for Digital Transformation



**BANGLADESH  
MIRACLE**

CELEBRATING BANGLADESH'S  
50 YEARS OF DEVELOPMENT  
PROGRESS.

**INN@VISION**

Research | Technical Assistance | Project Management

In association with



Department of Economics



The  
**Financial Express**

This policy brief summarizes the discussion and recommendations from the webinar titled, 'Road Towards Bangladesh 2030: Readiness and Priorities for Digital Transformation'. The webinar is part of the integrated development dialogue campaign 'Bangladesh Miracle' organized by Innovision Consulting in association with The Department of Economics North South University and The Financial Express along with mPower as ICT partner and Windmill Advertising, Printagraphy, Sarabangla, Colors Fm 101.6 and Young Economists' Forum (YEF) as event partners. BIID is the exclusive thematic partner for ICT4D webinar for Bangladesh Miracle.

## CONTEXT

On 5th August 2021, Innovision Consulting Private Limited held the 6th webinar of Innovision Consulting Private Limited in partnership with BIID, Department of Economics of North South University, and The Financial Express. The topic for the third session was “Road Towards Bangladesh 2030: Readiness and Priorities for Digital Transformation”. The webinar discussed the role of government in increasing digital movement, the state of smaller non-technology-based enterprises, digital education, other factors and how it all connects to Vision 2030.

Windmill Advertising, Colors 101.6 FM, Sarabangla.net, YEF (Young Economist Forum) from North South University, CARE Bangladesh, Printagraphy, GAIN Bangladesh, ICCO Bangladesh, Pathao, WaterAid Bangladesh, mPower (ICTPartner), Simprints Technology, and NextgenEdu are the other partners of the Bangladesh Miracle campaign.

The theme, “Road Towards Bangladesh 2030: Readiness and Priorities for Digital Transformation” was chosen because Bangladesh has made strides in digital accessibility and is on the path to fulfil the 2030 Agenda for SDGs, and is expected to go further. After achieving the goals set for 2017, Bangladesh is working for 100% internet accessibility for everyone and to transform the nation into ‘Digital Bangladesh’.

Shyam Sunder Sikder, Chairman, BTRC was the Chief Guest in the event. Shahid Uddin Akbar, CEO, BIID Foundation moderated the event and Susanta Kumar Saha, Former Additional Secretary, GoB conveyed the vote of thanks to the audience. The keynote speech was delivered by Anir Chowdhury, Policy advisor, A2i. The esteemed list of panelists included: Mahboob Zaman, CEO, DataSoft Systems Bangladesh Ltd.; Parveen Mahmud, FCA, Chairman,

UCEP; Farhana Rahman, Senior Vice President, BASIS; Dr. Lafifa Jamal, Professor, Department of Robotics and Mechatronics Engineering, University of Dhaka (DU); Dr. Jude Genilo, Professor & Head, Media Studies and Journalism Department, University of Liberal Arts Bangladesh (ULAB); Rubaiyath Sarwar, Managing Director, Innovision Consulting Ltd.; Dr. Asad Karim Khan Priyo, Assistant Professor & Chair, Department of Economics, North South University (NSU). Dr. Mahbulul Alam, Professor, Dept of Agricultural Ext. & Information System, Sher-e-Bangla Agricultural University provided summary and recommendations.

## CRITICAL SUCCESSES

**Digitization of Bangladesh as global development role model:** When the ICT sector became prominent in 2009, and the concept of 'Digital Bangladesh' was unveiled, the government acknowledged its economic necessity. With the current world moving faster than ever technology-wise, Bangladesh has been efficiently catching up despite adopting digitization only 12 years ago. The ICT sector has received recognition as an economic development factor. One of the biggest successes is being able to export software, electronics, and IT products all over the globe. In 2017, the export of ICT items brought in \$800 million according to BASIS. The number is gradually increasing.

Digitization of Bangladesh is no more a "Miracle", it is a development model for the world at present.

With massive expansion of digital financing, technology, e-commerce, and digital media, Bangladesh is representing to the world how quickly a country can become digitally sustainable.

**Providing SMART Card:** On October 2, 2016, the Bangladesh government announced national SMART Cards as an initiative to digitize Bangladesh. The cards will be replacing the identification card used for election purposes and become the new NID. The function of the card goes beyond election as one can use it for passport information, drivers license, banking, tax, trade and much more. There are a total of 22 functions and the cards are linked with the personal SIM card of the person. The card uses biometric identification as well. Meaning that this card contains most identification details of a citizen. Despite a few setbacks in the Upazila level, as of 2020, 6.5 crore people have received their SMART Cards. This means almost 36.7% of the population has received their cards within four years. The government plans on providing SMART Cards to all citizens 10 years and above by 2025 and all citizens by 2030.

**Financial Inclusion through Digitization:** Due to Covid-19, people have become cautious about exchanging physical money or delivering money physically. While digital financial services were a blooming service in Bangladesh, due to this unique situation, many people decided to use them. Since apps like Bkash, Nogod, Rocket and more can be used through a phone with a personal number and NID card, it made digital money transfer even easier.

Paying bills was a huge concern during such times but once people started using digital transactions, they preferred it over physically paying them. From March 2020 to November 2020, there was a surge in new customers. Almost 1.5 crore new users were registered making the total number 9.64 crore. Meaning currently more than 54% of the population uses digital money transfers. Monthly transactions increased from TK 12,264 crore in February to TK 53,598 crore in November last year. It has provided jobs as well since there are now more than 2.4 lakh agents all over the country.

**Large Outsourcing Market:** The development of the ICT sector has led to people freelancing, and now Bangladesh is home to the second largest outsourcing market. The digitalization of the country has led to good internet access especially in the urban areas and has opened up a new door especially for students and part-timers. The government has always encouraged freelancing, and there are several non-government initiatives as well. There are more than 650 thousand registered freelancers in Bangladesh, and out of the 500 thousand are active. According to Oxford Internet Institute (OII), Bangladesh is the second-largest outsourcing market. The annual income is about \$100 million as reported by Bangladesh ICT Division.

**Increased ICT consumers and Internet Accessibility:** Bangladesh has the ninth-largest mobile market in the world. The government plans on providing 100% internet connection throughout the country. There are two submarine cables with 1,700 Gbps. An early adopter of 5G will be used as well. There are 9.3 crore internet users and 16 crore mobile users in Bangladesh. This means almost every citizen uses mobile phones.

[1] Azaz Zaman, Bangladesh's ICT Sector: A new driver of economic growth, (Bangla Tribune, July 23, 2019).

[2] Rejaul Karim Byron & Mohiuddin Alamgir, All above 10 years to get smart NID cards by 2025, (The Daily Star, Nov 24, 2020)

[3] Mahmudul Hasan, Mobile money in the COVID-19 pandemic, (The Daily Star, Jan 17, 2021).

## CHALLENGES

**Decline in Online Learning:** The Covid-19 pandemic has led to educational institutions in Bangladesh being closed since March 2020. Around 42 million children are being impacted by this and now have to study through remote learning. This remote learning situation was an opportunity for Bangladesh to show the progress in digital education. Unfortunately, it showed the gap as students are facing various challenges due to online learning. The challenges are mainly being faced by those from rural areas and lower socioeconomic backgrounds. Digital inequality has become clearer than before. According to UNICEF-International Telecommunication Union (ITU), 63% of school students do not have internet access and thus cannot attend classes properly. Many students are struggling financially as well during such times. This means not all of them can afford to buy internet or support the education of their children.

**Lack of Collaboration and Research:** ICT academia provides the students with practical knowledge about the sector. But there are still some misconceptions that exist that academia and the industry are not related. When it comes to creating new software or IT related products, Bangladeshi industries tend to opt for the foreign market instead of utilizing the local sector. It has become the norm in many countries for ICT graduate students to collaborate with companies. Should the collaboration be successful, the companies get to employ fresh graduates with experience. Many engineering students in developed countries enter the job field as such. However, this step is not common in Bangladesh, which has created a gap in research works and papers. Academia is lacking severely, and the ICT industry has become dependent on foreign technology. Should the government start such collaborations between universities and the ICT sector, it will lead to progress both to academia and the industry.

**No digital Credit Bureau for CMSME:** Cottage, Micro, Small and Medium Enterprises (CMSMEs) were growing businesses in Bangladesh. Along with agriculture, these enterprises have great economic value. They had great potential but now face great challenges due to Covid-19. Due to frequent lockdown, small businesses have been hit hard, and many had to shut down. It is harder for CMSMEs to receive proper financial help. Because of the high interest rate and banking guidelines, small businesses are not being able to receive government help. The progress has been slow despite being discussed several times. In order for CMSMEs to succeed, they need a stable digital credit bureau.

**Lack of Blue-Collar Job Portals:** Having a job portal is incredibly helpful when it comes to looking for employment. One can receive several job information at the same time. Unfortunately, most of the digital portals or sites are catered towards university graduates. Which leaves blue-collared workers, a significant part of Bangladesh, to fend for themselves. Those who have chosen an alternative education path, such as technical or trading school, cannot filter and search for the right jobs. While platforms like EC Prism and BDjobs have taken small steps to include blue-collar workers, the effort is not enough. The government needs to have a platform for them as many workers suffered tremendously due to Covid-19.

## POLICY RECOMMENDATIONS

The speakers provided the following recommendations for the way forward:

**Increased access to Digital Service:** The Bangladesh government set a goal to provide 100% internet access all over the country. Unfortunately, this could not happen, but the government is working towards it. The country is in dire need of better internet access, especially in rural areas. The rural areas need broadband facilities. The internet speed needs to increase as well. The inequality of service in the urban vs the rural area creates a disparity in opportunity. No one should be left behind because of no access to internet connection. It is fundamental to include all people when it comes to digitizing.

**Change in Social Behaviour:** Many people have misconceptions about digitizing education. Many consider it to be unnecessary as they feel it will add nothing to the learning itself. This stubbornness can result in not wanting to implement digital components in their class. However, if Bangladesh wants to reach its goal of 'Digital Bangladesh', then people's mindset needs to be changed. There needs to be a blended education system that has both analogue and manual components. People, especially teachers, must be shown that digital education not only helps with practical knowledge of the subject but also creates a familiarity with IT products and how to use them.

**Emphasis on Skill Development:** Undoubtedly, the world is shifting towards complete digitalization, which means that every student must have practical ICT knowledge even if they do not work in ICT. Skill development has become an integral part of education at this point. Every student must receive skill development education after a certain stage. Implementing this policy will lead to students becoming more comfortable with using digital components. Currently, Bangladesh does not have hands-on internship experience for technology-based education even at the university level. So, this matter must be addressed if 'Digital Bangladesh' wants to take place.

### **Increased patronization of local IT manufacturers:**

The lack of academic and industry collaboration is causing damage in both the education sector and the local market of Bangladesh. There needs to be a policy that encourages the partnership between university graduates and companies that will lead to more research in the ICT sector. Because of the industry always seeking out foreign IT work and foreign-led projects, Bangladesh is not able to find its place in the international market. In order to have an ICT brand in the global market, the local manufacturers must be utilized. Such policies will open up the door for IT graduates to do work in Bangladesh as well. As important skill development is, utilizing those skills are even more crucial.

### **Clear Policies Regarding Digital Transformation in Agriculture:**

The digital transformation will impact the farmers and other agriculture-based businesses since they are the biggest workforce in Bangladesh. Plans of Vision 2030 include increased food production through the use of newer technology. This also includes financially supporting farmers, agriculture enterprises, smallholders, and marginal farmers. However, there has been no concrete goal of providing them with funds and helping them to farm while climate change is affecting agriculture. The farmers are vulnerable to climate-changing, but there has been no discussion on this. While funds have been promised to struggling agriculture entrepreneurs, the steps to access the financial help has not been disclosed. Since many farmers live below the poverty line, the government needs to create clear cut policies regarding them.

**Protection of Privacy and sensitive data:** The SMART Card contains several unique identification information about the person. All information, such as biometrics, NID number, passport information and more, are part of the confidential database. However, ensuring the privacy of the population is not easy as many countries in the past had personal information breached. In order to protect individual privacy, there need to be data protection laws.

[1] Rejaul Karim Byron & Mohiuddin Alamgir, All above 10 years to get smart NID cards by 2025, (The Daily Star, Nov 24, 2020)

[1] Mahmudul Hasan, Mobile money in the COVID-19 pandemic, (The Daily Star, Jan 17, 2021).

