Bangladesh National Workshop
Digital and Transport Connectivity for the Socioeconomic Resilience of Rural Communities during the post-COVID-19 Period in Asia-Pacific Countries

Rural ICT Connectivity in Bangladesh

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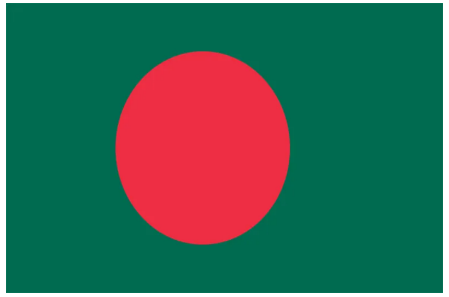

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Overview of Bangladesh-A Growing Economy

- Bangladesh is now globally perceived as a "**development miracle**" with a crown of **"Asian Tiger"**.

- The economy of Bangladesh has made significant strides in economic growth and within socioeconomic sectors over the last 50 years.

  -Average GDP growth rate in last decade: ***6.7%***

  -Different socioeconomic indicators have seen ***speedy development.***

- As a nation, Bangladesh showed excellent resilience.

  -Gradual resumption of ***economic activities****,* ***coordination mechanisms****,* ***effective stimulus packages****, and* ***good governance.***

  -GDP growth rate (2020): ***3.45%***

  -GDP growth rate (2021): ***6.94%***

  -GDP growth rate (2022): ***7.10%***

- Bangladesh also looks forward to become a **high-income nation by 2041** and **end extreme poverty by 2030**.

The Significance of the ICT Sector

- Apart from the front line sectors, the **Information and Communications Technology (ICT)** sector has recently emerged as a critical driver in the development journey of Bangladesh economy.

  *-The total export from the ICT sector touched the **$1 billion mark in 2019**, **showing a 66% growth over the last two years**.*

- The importance and impact of this sector on the economy was **immensely realized when Bangladesh was exposed to the adverse consequences of Covid-19**.

  -An efficacious shift in communication modalities was observed when most work, school, and social communications coupled with different financial transactions were conducted online.

  *-However, such a pattern only seemed to be **more visible in the urban and semi-urban areas of Bangladesh**.*

  *-The **different scenarios** in the urban and rural areas are **indicative of the existing disparity in terms of access to ICT in rural areas.***

Rationale and Objectives

- Despite being a relatively smaller sector in terms of size, the ICT sector has a lot to offer to the **growth trajectory of the country in the coming years.**

- The ICT sector has been at the frontline of Bangladesh's **Vision 2021** agenda.

- To further accelerate the growth process and achieve **Vision 2031** and **Vision 2041**:

  *-Priorities needs to be given **to minimize ICT-related rural-urban disparity**.*

- **Against this backdrop,** the objective of this report is as follows:

  -Overview of the National ICT policies in Bangladesh

  -Rural and urban ICT dynamics in Bangladesh

  -Rural action plan implementation in Bangladesh

Overview of ICT Policies in Bangladesh

Policies	Main Objectives
National ICT Policy 2018	1. Digital Government 2. Digital Security 3. Social Equity and Universal Access 4. Education, Research and Innovation 5. Skill Development and Employment Generation 6. Strengthening Domestic Capability 7. Environment, Climate and Disaster Management 8. Enhancing Productivity
National ICT Policy 2015	1. Integrity 2. Strengthening Exports 3. Support to ICTs 4. Healthcare The remaining objectives of this policy have already been addressed in National ICT Policy 2018: Social Equity; Universal Access; Education and Research; Employment Generation; Environment, Climate and Disaster Management; Productivity
National ICT Policy 2009	All the objectives of this policy have already been addressed in National ICT Policies 2015 and 2018 as follows. **2015:** Integrity; Strengthening Exports; Support to ICTs; Healthcare **2018:** Social Equity; Productivity; Education and Research; Employment Generation; Universal Access; Environment, Climate and Disaster Management

Overview of ICT Policies in Bangladesh (Cont'd)

- A number of **Complementary ICT Acts and Digital Strategies** were adopted implement the national ICT policies effectively.

- **National Blockchain Strategy 2020-** *Linked with national ICT policies: 2009, 2015, and 2018*

- **Digital Security Act 2018-** *Linked with national ICT policy: 2018*

- **ICT Acts 2009, 2013-** *Linked with national ICT policies: 2009, 2015, and 2018*

- **Bangladesh Hi-Tech Park Authority Act 2010-** *Linked with national ICT policies: 2009, 2015, and 2018*

A Few Observations

- Government was the **sole entity** involved in adopting and formulating **national ICT policies**.

- ICT acts have mainly been formulated by the ICT Division and, in a few cases, **in collaboration** with other supporting ministries of the government.

- In addition to the ministries, **foreign donor agencies** have recently been involved in developing certain Master plans.

- The importance of the rural sector **somewhat remained less highlighted.**

  *-Only about **15-20%** of the adopted initiatives were directly integrated with the rural ICT development programs.*

  *-Additionally, **about 3-5%** of initiatives indirectly affected rural ICT development programs.*

  *-Out of the **16 action agendas** in the post Covid-19 roadmap **only 4 directly highlighted the rural development**.*

- However, the **recent roadmaps and draft policies/acts** show that the Bangladesh government is in the process of changing the ICT development initiatives pattern in favor of the **rural sector**.

  -For example: Agenda for Agriculture and Food Security draft roadmap.

The Issue of Data Availability

- For most of the ICT indicators there is a **lack of publicly available continuous datasets** that could be used for comparison in the locality, gender, and cross-country.

- The Household Income and Expenditure Survey (HIES) covers only **a few ICT indicators**.

- Research institutions and think tanks **occasionally generate data from their surveys.**

  -Digital Literacy and Access to Public Services in Bangladesh (BIGD).

  -Bkash MFS Survey (BIDS).

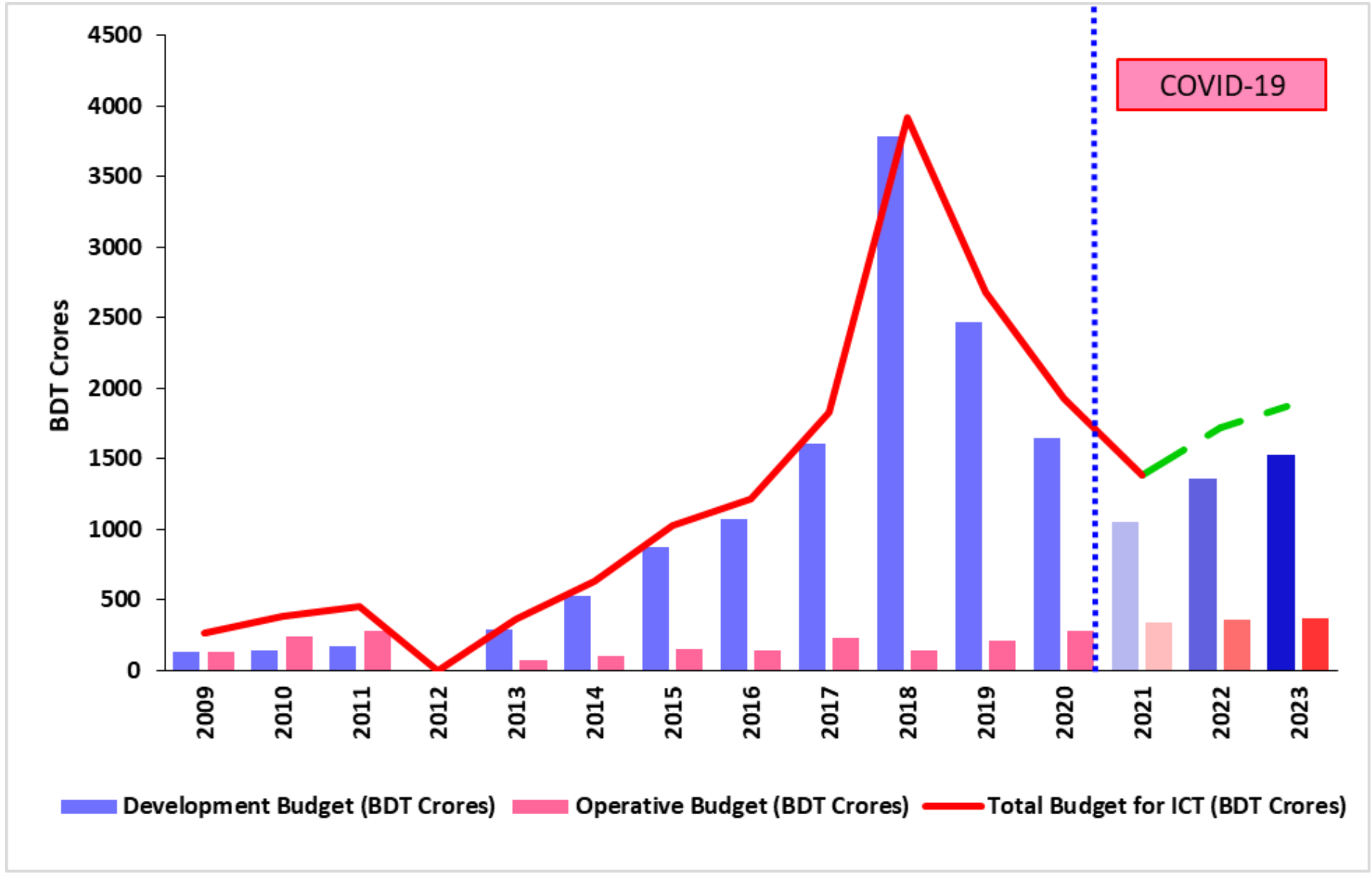
  *-These datasets cover one particular year. Hence, there are **few scopes of reaching series from a range of years to analyze a trend**.*

- There is comparatively **better data availability on Digital Financial Inclusion**.

  -Global Financial Inclusion (GFI), Digital Financial Services (DFS), etc.

  *-However, the data on a **disaggregated level** to capture the **differences in urban and rural areas** is only **available for 2021**.*

Stylized Facts: Budget Allocation in ICT



Stylized Facts: Position of Bangladesh in ICT, Global Innovation Index

Year	ICT Access		ICT Use		Government's ICT Service		Online E-Participation	
	Score	Position	Score	Position	Score	Position	Score	Position
2013	19.1	122	1.3	130	44.4	85	7.9	99
2014	20.3	121	2.4	124	44.4	86	7.9	98
2015	25.7	124	2.7	128	34.7	92	39.2	82
2016	28.2	113	6	115	34.6	90	39.2	80
2017	30.6	109	10.6	113	62.3	60	52.5	82
2018	30.5	111	14.1	113	62.3	60	52.5	82
2019	35.7	109	18.7	111	78.5	51	80.3	51
2020	33.6	117	21.5	113	78.5	52	80.3	51
2021	42.1	103	24.7	108	61.2	86	57.1	91
2022	76	90	38.6	102	61.2	86	57.1	90

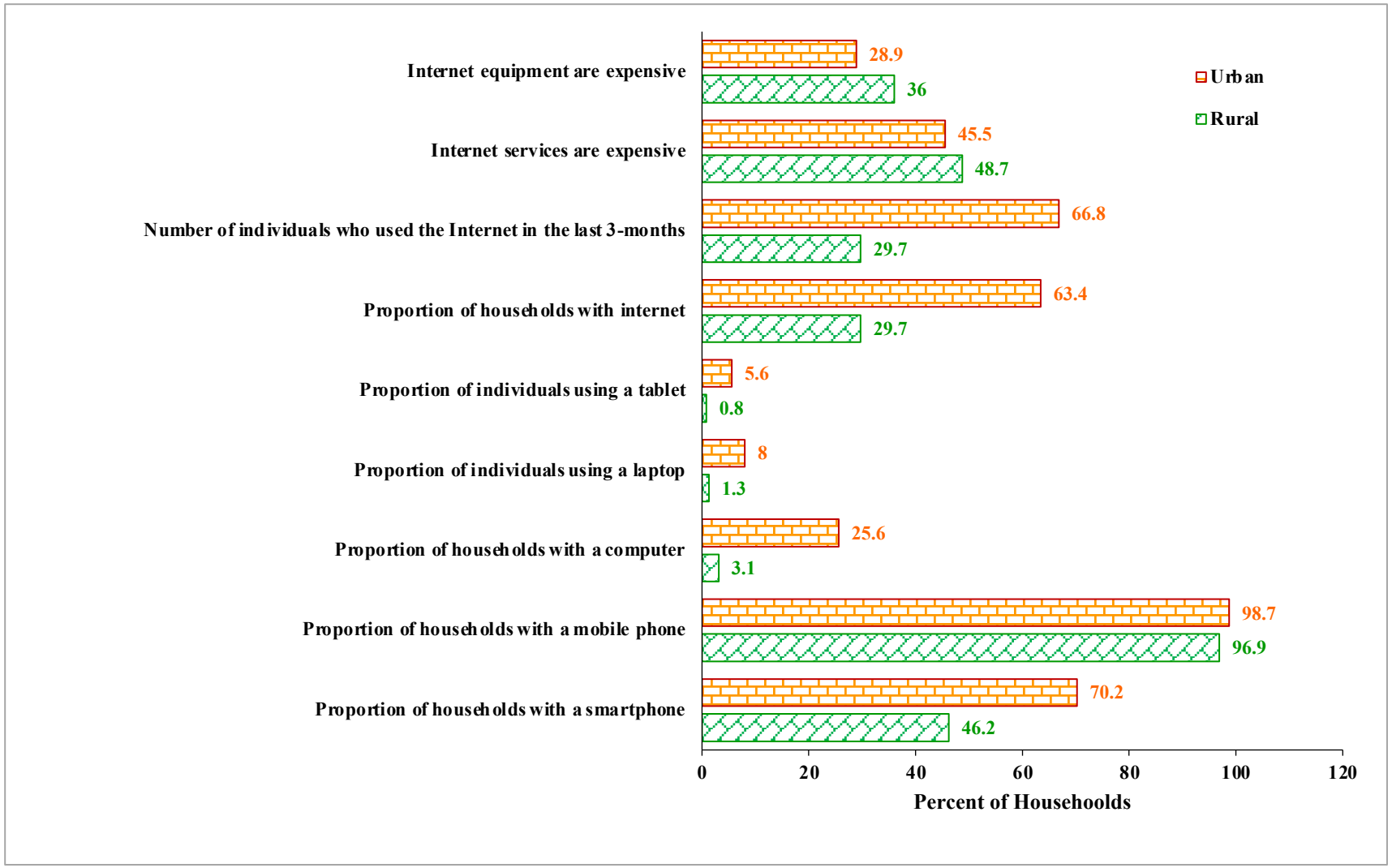
Note: All scores are out of 100, and the ranking is among 132 countries. Source: 2022 Global Innovation Index

Stylized Facts: Digital Literacy and Access in Rural Bangladesh

Ownership of Mobile Phones (%)	
Smartphone	28.85
Feature phone	53.88
Both feature and smartphone	9.63
Total	92.36
Do not own mobile phones	**7.64**
Computer Use (%)	
Use Computer available at home	2.4
Use Computer from other sources	5.94
Total	8.34
Do not need a computer	14.12
Cannot operate a computer	**77.54**
Familiarity with the Internet (%)	
Only heard about the term, but do not know much about it	36.04
Know the term and a little about it	35.63
Know the term and a lot about what it is	10.65
Total	82.32
Do not know the term	**17.68**
Internet Connectivity (%)	
Computer shop or other's phone	2.34
Broadband or Mobile data	34.66
Total	37
No internet connectivity	**63**

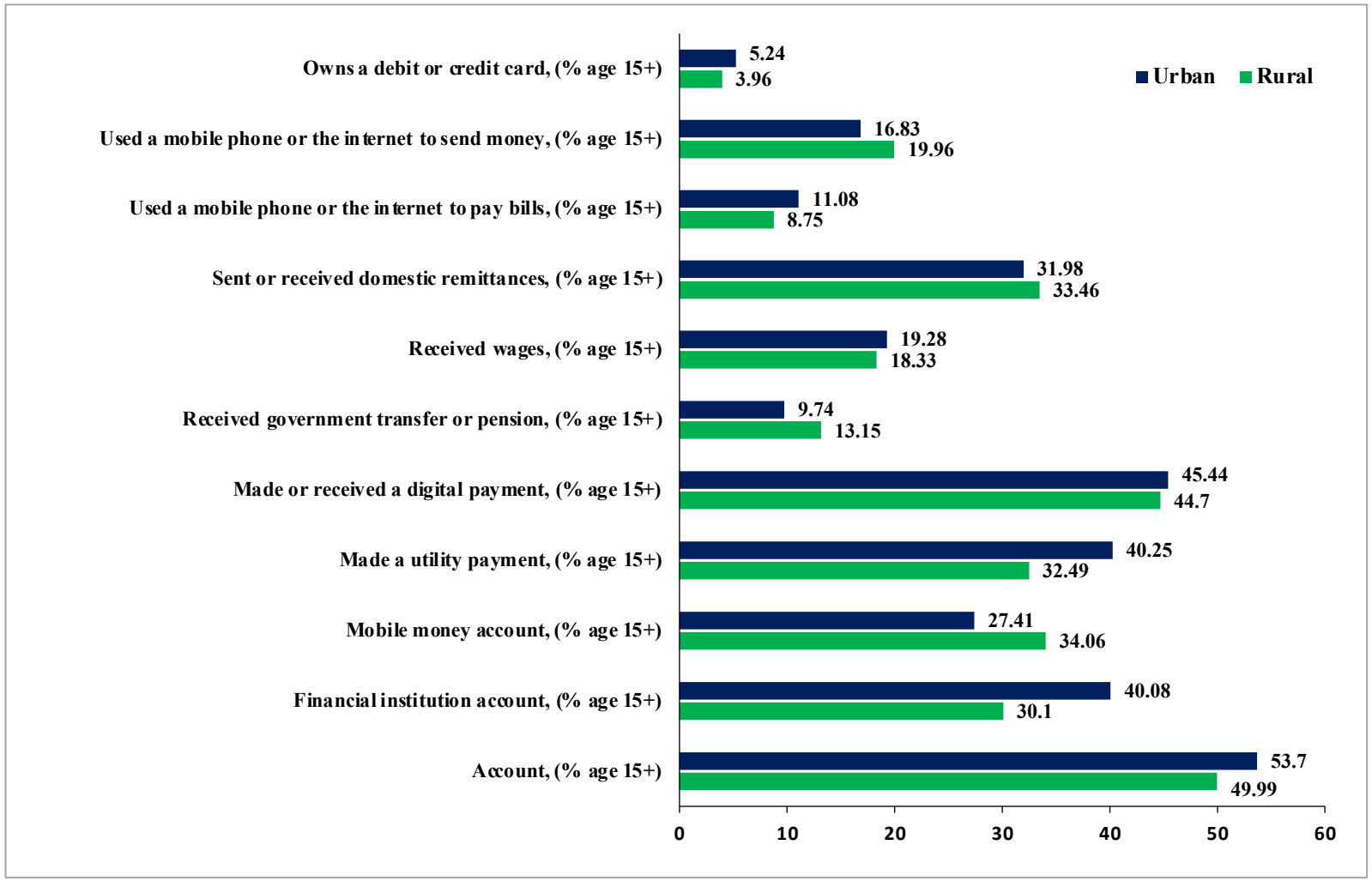
Source: Digital Literacy in Rural Bangladesh: Survey 2019, BIGD

Stylized Facts: Digital Literacy and Access in Rural Bangladesh (Cont'd)



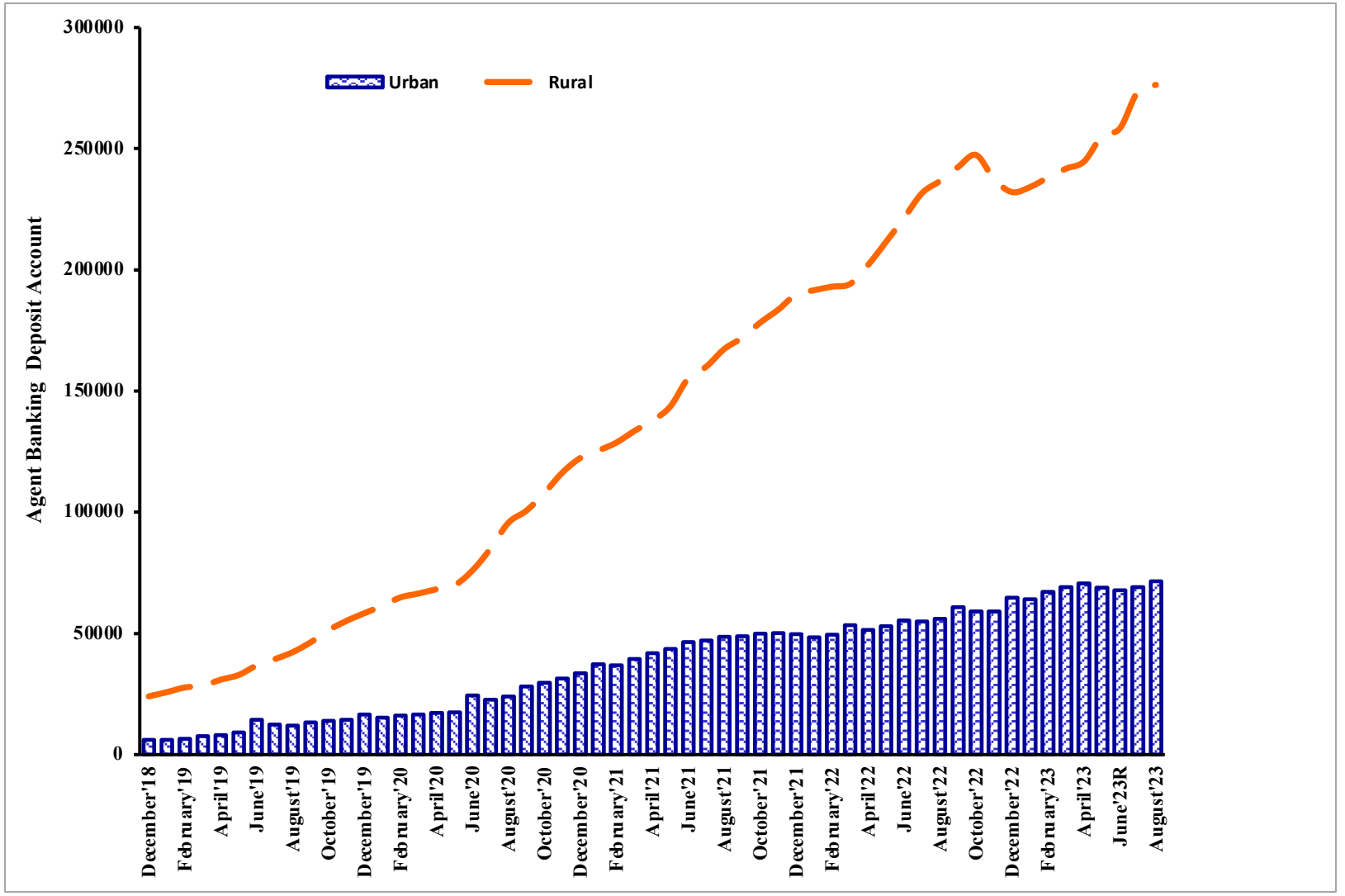
Source: 2022 ICT Use and Access by Individuals and Households Preliminary Report

Stylized Facts: Overall Scenario of Financial Inclusion in Bangladesh, 2021



Source: World Bank (2022)

Stylized Facts: Rural and Urban Agent Banking



Source: Bangladesh Bank Digital Financial Inclusion Statistics (2022)

Some Positive Signs

- MFS account in the rural areas increased with an average growth of **about 3% in the last 5 years**.

  -*During the Covid situation, the growth rate was **around 3.3%.***

- **ekShop is a unique assisted rural ecommerce** model that integrates the countrywide physical network of nearly **7,000 Digital Centers**.

- ATMs in rural areas is growing with a significant speed (*29% of total in August 2023*).

  -*In the upcoming decade, it is anticipated that there will be **a near convergence between rural and urban areas**.*

- Number of Fully online Bank Branches are also increasing in the rural areas.

Challenges and Barriers

- **Lack of Availability of Digital Devices**

  -***Ownership of smartphones*** *in rural areas is* ***less than 30%.***

  -Large portion of the population will be ***unable to integrate ICT into their daily lives*** *regardless of digital literacy.*

- **Lack of Data Availability**

  -Makes it ***difficult to analyze recent and previous trends*** *for proper policy implementations.*

- **Inadequate Digital Literacy and Consumer Awareness**

  -Without knowledge and training in computer literacy, ***potential services cannot be availed****.*

  -Even with literacy, if consumer awareness is not increased, ***online services cannot be availed****.*

- **Lack of Skilled Labor and Employment**

  -***75%*** *of the* ***labor force of the ICT*** *sector is* ***from urban areas****.*

  -Rural areas are ***unable to retain skilled employees*** *due to urban centric distribution of employment.*

- **Absence of Rural-Centric Policies**

  -No document still exists that ***solely focuses on rural ICT connectivity*** *or issues that need to be addressed in rural areas regarding ICT coverage.*

  -Amendments or new policies may be required for the ***complete integration of ICT*** *in rural areas.*

- **Insufficient Interdisciplinary Research and Development**

  -***Sector specific interdisciplinary funding*** *is needed* ***for rural areas****.*

Proposed Actionable Strategies

Actionable Strategies		Targeted Goals	Expected Outcome
Actionable Strategy 1: Develop ICT training and awareness programs for rural communities	**Actionable Strategy 1.1: Develop Specialized ICT Training Programs for Rural Women**	-Training programs on efficient and effective uses of e-commerce platforms for rural women -Separate ICT training programs for women in rural education institutes -Freelancing training programs for rural women to achieve gender equality through incorporating economic dimension of women empowerment	To reduce gender inequality in rural ICT usage
	Actionable Strategy 1.2: Send Groups of Skilled ICT Personnel to Train the Rural Community on ICT Usage	-Provide training on the usage of digital devices (computers and smartphones) to rural communities who are unfamiliar with such devices, thereby more effectively include rural communities in ICT services	To effectively reduce the digital divide between urban and rural communities
	Actionable Strategy 1.3: Training specialized female MFS agents in rural areas	-Adopting an incentive based training policy to train female MFS merchants in rural areas. -Cooperating and educating mainstream female rural users of MFS services.	To reduce Over-The-Counter (OTC) transactions through male agents without the female customer having any legal recourse
	Actionable Strategy 1.4: Provide Awareness and Develop ICT Literacy Programs for the Rural Community	-Proper ICT usage among the rural public to gain access to the market for e-commerce, online financial services (MFS and DFS), telemedicine, direct remittance, social protection benefits, etc.	To enable the rural community to gain access to and effectively use digital financial services, telemedicine, etc.

Proposed Actionable Strategies

Actionable Strategies	Targeted Goals	Expected Outcome
Actionable Strategy 2: Develop a Sector-Wise, Rural-Specific ICT Dataset	Disaggregated, division and district wise men-women dataset on the use of ICT and digital footprints - Useful database to depict rural-urban disparity and cross-country ICT comparison	To establish data archive for analysis
Actionable Strategy 3: Increase Smartphone Availability in Rural Areas	-Investment in government-subsidized projects or private-public collaboration projects to provide low cost smartphones -Promote private distributers to increase digital device in rural areas -Serve SDG 4 as it will ensure rural inclusion and advocate learning opportunities for the backward communities through use of smartphones and access to ICT	To increase rural inclusion in ICT services and to achieve SDG goals
Actionable Strategy 4: Ensure Stable Broadband Connectivity in Rural Areas	-Provide affordable and reliable broadband internet connection to rural communities that will assist them to avail ICT services -Access to more knowledge and information to the rural community, reducing the digital divide between themselves and their urban counterparts -Update broadband policy attract investors to invest in upazilla level	To heighten the use of ICT services and facilities by ensuring stable internet connection for the rural people which is pre-existent in the urban counterparts

Proposed Actionable Strategies

Actionable Strategies	Targeted Goals	Expected Outcome
Actionable Strategy 5: Involve Direct Beneficiaries in the Planning Process	-Involve direct stakeholders or beneficiaries into the rural action plans to achieve the optimal output	To achieve optimal results of implemented policies
Actionable Strategy 6: Ensure a Sustainable Investment Pathway for ICT Development	-Investment framework for ICT development	To achieve optimal investments required to rural ICT development
Actionable Strategy 7: Develop Community-Based Supply Chain Mechanisms through ICT Technology	-Develop community-based supply chain mechanisms to help producers learn about demand patterns and prices (both at national and community level) effectively, which would eventually help them to forecast production volume	To forecast production volume and prices effectively
Actionable Strategy 8: Increase the Outreach of Agent Banking Schemes in Rural Areas	-Increase outreach of the agent banking system to extend the financial services for the unbanked population in the rural areas	To increase the outreach of the financial service to the unbanked rural population

Thank you

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