How digital inclusion made Bangladesh a standout South Asian economy

Bangladesh has issued over 100 million digital IDs to its citizens. Image: REUTERS/Mohammad Ponir Hossain

- Bangladesh is growing rapidly due to the smart use of technology to drive a digital transformation.
- The digital inclusion strategy aims to promote the uptake of mobile money.
- Technology is improving the accessibility, quality, and affordability of health services.

Bangladesh is continuing its strong development trajectory, marching ahead of other South Asian countries in terms of its ranking on the Inclusive Development Index (IDI), GDP growth rate, and other human development achievements.

The current government's efforts to use technology to reduce poverty, and transform the lives of the general population in Bangladesh has played a key role in this growth. The government recognizes digital inclusion as the only way to facilitate rural economic activities, and enable rural workers to capture a larger piece of the economic pie. The government very carefully designed digital services to ensure they are relevant for all three groups of Bangladeshi citizens: digital natives – younger, tech-savvy, generations growing up with technology; digital adapters – middle-aged individuals who have adopted technology; and outliers – the minority who stay away from technology.

The government has made a concerted effort towards achieving the Digital Bangladesh Vision by 2021, marking the 50th anniversary of Bangladesh's independence. The Digital Bangladesh

philosophy of Prime Minister Sheikh Hasina is to protect people's democracy and human rights, ensure transparency and accountability, establish justice, and ensure delivery of government services to the citizens of Bangladesh through maximum use of technology, with the ultimate goal being the overall improvement of the daily lifestyle of the general population.

Figure: GDP growth rate at constant price (in %) (base year 2005-06)
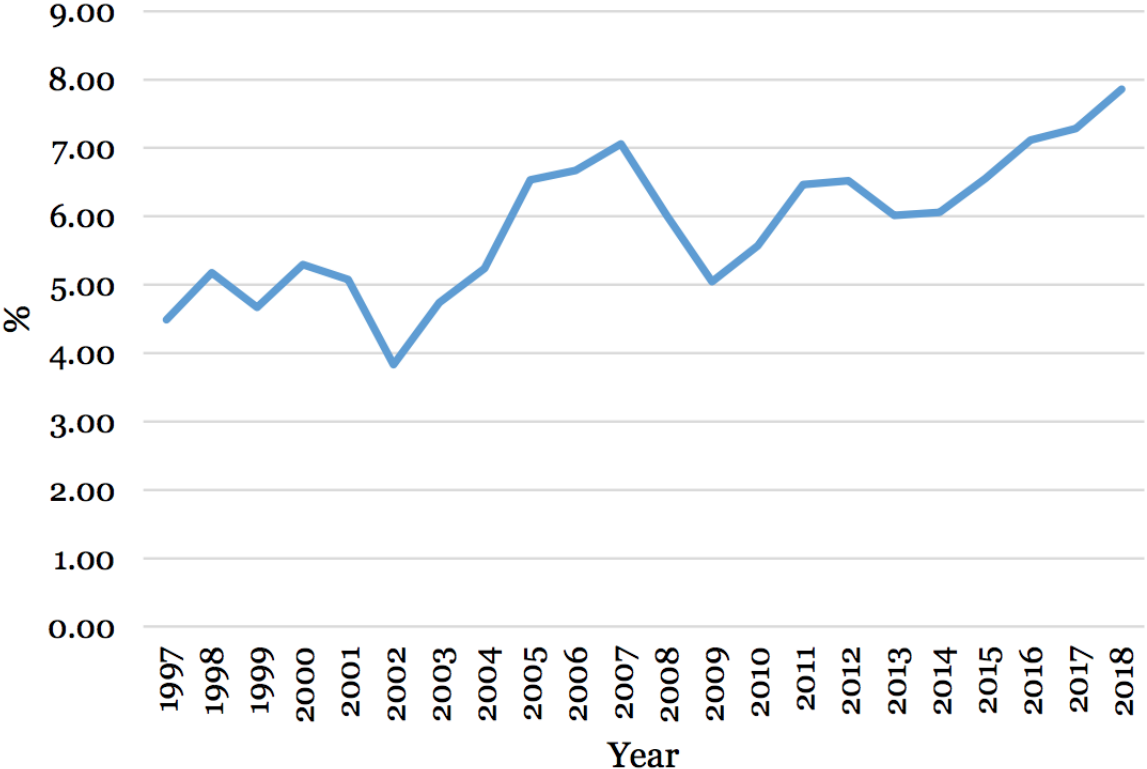
Source: GDP of Bangladesh, BBS

The Government has been proactively pursuing the digital penetration of all government portals by the year 2023. The country developed the National Portal in 2014, which now houses over 45,000 websites and services of different government offices, with about 60 million hits a month on average.

Over 5,000 Digital Centres have been set up across the country to cover the "last mile" and ensure the various digital services reach all citizens, addressing the issue of the digital divide. To ensure interoperability, the Bangladesh National Digital Architecture was established.

Digital services like Smart NID, the biometric database of unique IDs, fingerprints, and iris scans have been successful in making citizen services run more smoothly and negating problems like fake IDs and impersonation.

We have issued over 100 million digital IDs to our citizens, which is one of the highest in the world. Machine-readable e-passports were launched early this year to enable faster immigration

processes, greater accuracy, and better data matching against immigration databases and watch lists.

The "My Village My Town" initiative is one of the notable examples of the Prime Minister's bottom-up vision. Under the initiative, modern city amenities are being expanded to every village of Bangladesh. For the first time in the history of Bangladesh, these marginalized people have been recognized as the center of economic activity.

Public spaces and urban services are being designed to make cities more inclusive for women and groups of people with special needs. Digital services, access to information, and technical and vocational training for less privileged women have been playing a major role in empowering them.

As part of the Digital Island initiative, Moheshkhali, a remote and impoverished island of Bangladesh has been turned into the nation's first "Digital Island". The government connected Moheshkhali to the mainland by 14 miles of fiber optic cable and also established an e-commerce center for the artisans of Moheshkhali to sell their products and earn a living. The island will soon be home to a seaport and power plants.

The government plans to replicate this on other remote islands that dot the country's Bay of Bengal coastline. Fiber optic connectivity has been established, providing high-speed Internet connectivity. The government plans to roll out the fifth-generation cellular network technology (5G) in Bangladesh by 2021, ensuring faster and more reliable internet coverage across the country.

A key component of the government's digital inclusion strategy is to promote the uptake of mobile money and other digital payment platforms. Efforts are being made to boost the popularity of Mobile Financial Services (MFS) to ensure higher penetration at the bottom of the pyramid.

In recent years, MFS has made a significant impact on [reducing the unbanked population](#), rural-urban capital flow, and growth of online e-commerce transactions. In the last five years, the growth of mobile financial services in Bangladesh has skyrocketed, with bKash leading the way. In 2018, registered users of Non-Banking Financial Institutions (NBFIs) were more common among the rural poor than among the adult population as a whole. Mobile money transfers were the most popular digital use case in Bangladesh and uptake of mobile money transfers was three times greater than bank transfers.

Digital health services, including telemedicine, have already been effective in health services delivery as well as diagnostic, promotive, and preventive measures. From the private sector, many digital health service startups have come up with innovative solutions including remote diagnostic capabilities, cloud-based health monitoring systems, web portals that disseminate basic health information, etc., to help bridge shortages of trained medical professionals in rural areas.

The country initiated a National Digital Health Strategy last year as an essential step for using technology to improve the accessibility, quality, and affordability of health services. The digital health strategy will provide direction for efforts to use digital technologies in a more coordinated way to further strengthen the health system.

The government is implementing a number of mega projects to establish an integrated and uninterrupted communication network in the country. To capture manufacturing investors from home and abroad, the government has taken the initiative to establish 100 special economic

zones and 28 IT parks in various parts of the country; many of these are already operational or under construction. These economic zones and IT parks will play an effective role in improving the employment and quality of life of people in every region of the country.

Bangladesh has experienced tremendous growth in the last decade under the leadership of our Prime Minister Sheikh Hasina and her ICT Adviser Sajeeb Wazed. Today, we experience nearly 8% GDP growth, as one of the fastest-growing economies in the world. Bangladesh was ranked 34th in the WEF's Inclusive Development Index, 2018. By 2030, Bangladesh is projected to become the 24th largest economy in the world. The key factor behind this growth has been smartly utilizing ICT to spur growth in all sectors.

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