

# Digital Bangladesh and Productivity: Stagnation or Development?

Lamina binta Jahan<sup>1,\*</sup> Wan Fadzilah Wan Yusoff<sup>2</sup>

<sup>1</sup> *Department of AIS, Comilla university, PhD student, Putra Business School*

<sup>2</sup> *Putra Business School*

\* *Corresponding author. Email: [pbs20104031@grad.putrabs.edu.my](mailto:pbs20104031@grad.putrabs.edu.my)*

## ABSTRACT

In several markets around the world, digital channels have become key merchandising designers. Consumer choice, producer efficiency and competitiveness, and citizen participation from all walks of life are all aided by the usage of digital media. Digital Bangladesh is undoubtedly the government's most laudable program. This paper analyses the adoption of technology, its impact on development and consequently productivity. Roads to the path theoretical and statistical information have been collected from national and international articles, blog, annual reports, ministry of finance and economics department in Bangladesh.

**Keywords:** *Digitalization, Productivity, Technology, Development*

## 1. INTRODUCTION

Like many developing countries, Bangladesh, are focused on the digital economy, which includes a global market for digital outsourcing, as a result of growing digitization. Because achieving Vision 2021, also known as Digital Bangladesh, is one of the with the advent of rapid digitalization, many developing countries like Bangladesh are focusing on the digital economy: a global market for digital outsourcing. Digital Bangladesh is one of the nation's dreams, and so special emphasis is given on the application of digital technologies to realize Vision 2021, which we commonly call Digital Bangladesh. By 2021, after 50 years of independence, our goal is to be a middle-income country with peace, prosperity and dignity. Bangladesh's government has launched a vast number of digital technology initiatives, with many more now in the works. The National ICT Policy Computer programming, site design, tax preparation, and search engine optimization are all examples of freelancing jobs. This has resulted in a plethora of previously unavailable options for people in emerging markets. Asia has surpassed Europe as the leading provider of outsourcing services to the rest of the globe. The realization that information and communication technologies (ICTs) can play a major role

in Bangladesh's growth is not new. Early efforts in this area were focused on promoting ICT as an export sector and a potential source of employment for ICT graduates.

The purpose of this article is to investigate the relationship between Bangladesh's digital transformation, economic progress, and productivity and investigate the effects of digital transformation

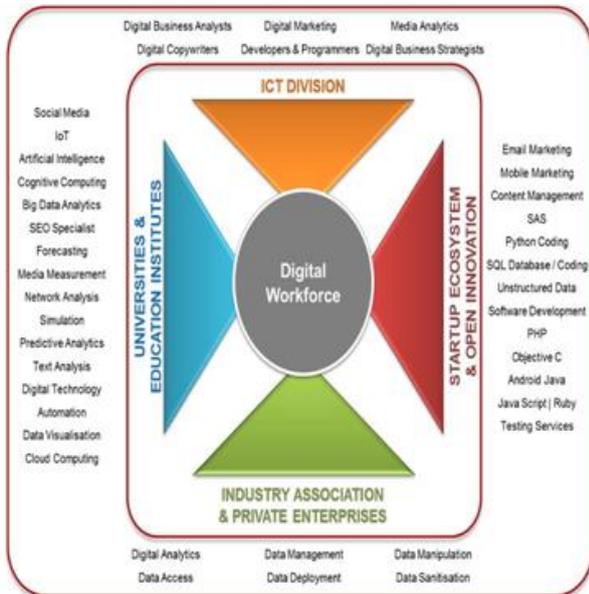
### **1.1 Development Initiatives in Digital Skills**

To establish a strong digital workforce, the Bangladesh government has launched a number of skilling programs. Core competencies such as digital analytics, data visualization, web/software development, digital marketing/social media, search engine optimization, cloud computing, graphic design, and artificial intelligence are highlighted in terms of talent readiness and share of digital skilled talent. Bangladesh's government views the IT/ITeS sector as a critical pillar for economic development. IT/ITeS development is seen as a vehicle for achieving Bangladesh's 'Vision 2021' goal of becoming a middle-income country.

**1.2 Building digital workforce:**

The Bangladesh government has developed a number of skilling programs in order to build a strong digital workforce. In terms of talent preparedness and share country's goals, a great emphasis is placed on the use of digital technology to achieve it. Our ambition is to be a middle-income country with peace, prosperity, and dignity by 2021. of 2009 was created with the goal of achieving middle-income level by 2021 and developed status by 2041.

The digitalization of a country's economy fosters not only service industry innovation, but also domestic employment creation, allowing for faster economic growth. Many large firms in developed countries such as the United States, the United Kingdom, and Australia are resorting to IT outsourcing from countries such as Bangladesh in order to save costs and risks, resulting in a recent surge in freelancing. of digital skilled talent, core capabilities such as digital analytics, data visualization, web/software development, digital marketing/social media, search engine optimization, cloud computing, graphic design, and artificial intelligence are highlighted. The government of Bangladesh considers the IT/ITeS industry to be a crucial pillar for economic development. Bangladesh's 'Vision 2021' ambition of becoming a middle-income country is considered as a vehicle for IT/ITeS development.



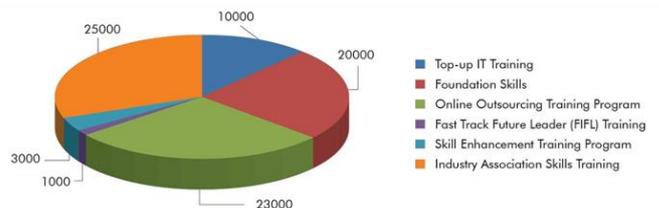
**Figure 1. The Digital Workforce**

Digital transformation, according to George Westerman, an MIT principal research scientist and author of *Leading Digital: Turning Technology into Business Transformation*, is a radical rethinking of how an organization can use technology, people, and processes to fundamentally change business performance. According to a recent report, digital transformation is the top budget goal for 77.3 percent in 2021.

Leaders must focus on objectives such as digital adoption platforms, automation technologies, and next-generation analytics to future-proof 2021 and beyond following a devastating pandemic and build a new route toward sustainable high performance. Employees, suppliers, and customers all benefit from effective digital transformations in terms of productivity. If we don't help our staff achieve with all of the services and collaboration tools, it won't be a true change. At work, every employee desires to be empowered, engaged, productive, and successful. Yet, according to a recent study, more than half of employees believe that their company's digital culture prioritizes revenue growth over employee engagement and adaptability. The appropriate digital culture — a blend of people, technology, and practice — can boost workplace efficiency, improve productivity, and foster amicable working environments.

Businesses connect their employees with the necessary processes and resources to create a collaborative environment. It's all about breaking down silos in the digital age, and it's in everyone's best interests to work together more closely. Different company activities frequently compete instead of cooperating, resulting in firms not getting the most out of their digital investments.

Baroan agrees that the greatest path to digital transformation is to consider all teams and functions together: "Most firms that want to implement solutions that will improve their business should begin by reviewing the many areas in which they currently operate. Questions with stakeholders about what is functioning well in the company and what needs to be improved should be the starting point for areas inside the business that they want to enhance. All of information will then drive the stakeholders along the correct route, allowing them to have the most impact on the organization by implementing a solution."



**Figure 2. Number of Trainings**

Despite the worldwide pandemic, direct investments in digital transformation are estimated to exceed \$6.8 trillion by 2023. Despite this, \$112 million is lost for every \$1 billion invested in digital enterprises that fail. Services companies may interact smoothly across time, project, people, and profit by fully embracing digital solutions. Leaders may collaborate on resourcing procedures and allow project and resource managers to discuss the best resources for projects.

### 3. RESULTS AND DISCUSSION

Despite the existing unfavorable theoretical underpinnings, the effects of digital transformation, including AI developments, were large and positive in the majority of cases. According to the World Economic Forum, the ICT sector in the United States alone is predicted to grow by 22% in terms of employment creation by 2020. This equates to about 760,000 new jobs. In Australia, the outlook is similar, with about 25,000 new employments being produced each year [8]. Jobs are created as a result of digital transformation, including AI, with a 10-point gain in the digitization score resulting in a 1.02 percent decrease in the unemployment rate. Emerging markets have significant opportunities to effectively reduce poverty and raise living standards; by doubling the Digitalization Index score for the poorest population over the next ten years, they can expect massive increases in nominal GDP (estimated at around four and a half trillion US dollars), as well as over 60 million new jobs for the socially and economically marginalized. As a result, 580 million people will be lifted out of poverty [13].

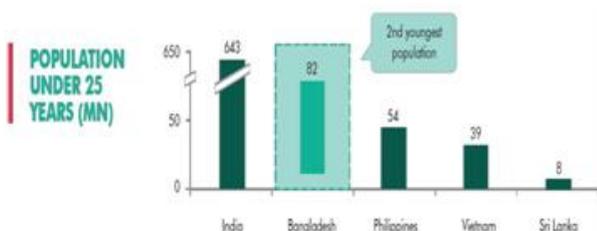


Figure 3. Number of population under 25 (in million)

There is a 1% increase in the digitalization of consumption index led in a 0.07 percent decrease in the unemployment rate at the global level between 2004 and 2015[7]. Furthermore, calculation a local high-tech job multiplier of roughly five across European locales [6]. However, in addition to the good effects of digital transformation on employment and job development, there have been some negative implications. Rather than adding jobs, several businesses undertaking digital transformation of their production were prone to losing their workforce as a result of replacing humans with AI machines [7].

Product innovation had a favorable impact on employment, according to empirical research. However, decreasing demand as a result of the slowing of economic growth since the 1990s, as well as increased global competitiveness among transnational firms, both led to enterprises implementing labor-cost-cutting methods and reducing accessible job possibilities. Earnest & Young (EY) announced intentions to hire 14,000 workers for its Global Delivery Services (GDS) centers in India in 2019, with the goal of boosting the company's technical and consulting services delivery network. In response to the high demand for digital transformation and innovation-led services from clients internationally and in India, EY is looking to expand its workforce with new capabilities.

According to [8], each additional score in the Digital China Index has resulted in an increase of 660,000 to 2.39 million new jobs in China. The share of newly employed individuals in the digital sector has risen to 40% or more in some locations.

### 4. CONCLUSION

Not only does digital progress have an impact on the total number of jobs created or lost, but it also has a significant impact on the makeup of available jobs. Large representative panel data to show that considerable effects of AI can be seen at the individual level. There is a significant risk that digital transformation would force workers to change careers or even lose their jobs entirely. They discovered that the outcomes differed between incorporated and unincorporated entrepreneurship, with the latter having a larger likelihood of transformation [5]. In a similar vein, discovered that cutting-edge digital technologies have little effect on total employment rates, but contribute to huge transfers of people between occupations and industries, based on a study of German firms. As a result, the fundamental problem of digital evolution will be the structure of jobs, as well as the corresponding need for supply-side modifications to satisfy the shift in demand both within and between vocations and sectors [

### REFERENCES

- [1] Arntz, M., Gregory, T. and Zierahn, U. (2019), "Digitalization and the future of work: macroeconomic consequences", in Klaus, F. (Ed.) Handbook of Labor, Human Resources and Population Economics, Zimmermann (Editor-in-Chief), pp. 19-24.
- [2] Islam, M., & Grönlund, Å. (2011). Digital Bangladesh – A Change We Can Believe in? [Retrieved from: Accessed on 24/06/2016]
- [3] Bangladesh Awami League Election Manifesto. (2008) [Retrieved from: Accessed on 24/06/2016]
- [3] Islam, S. (2018) Digital Bangladesh a reality now [adapted from: accessed on 01/01/2019]
- [4] Habib, A., & Baizid, A. R. (2010). Achievements and Expectations of Digital Bangladesh: e-Governance Initiatives in Bangladesh.
- [5] Hasan, M. (2010). What need to be done for Digital Bangladesh [Adapted from: Accessed on: 19/11/2019].
- [6] Fossen, F.M. and Sorgner, A. (2018), "The effects of digitalization on employment and entrepreneurship", conference proceeding paper, IZA – Institute of Labor Economics.
- [7] Katz, R. (2017), Social and Economic Impact of Digital Transformation on the Economy, International Telecommunication Union (ITU).

- [8] Kunming, H.W.I. (2019), “Digital industry plays a bigger role in economic growth | China daily”
- [9] Genilo, J., Akther, M., & Islam, S. (2010). Narratives on Digital Bangladesh: Shared Meanings, Shared Concerns. 4th Communication Policy Research: South Conference, Negombo, Sri Lanka
- [10] Habib, A., & Faysal, M. R. (2009). Paperless Office: First Step to Digital Bangladesh, Proceedings of the International Conference of E-Governance (ICEGOV). Bogota, Colombia
- [11] Genilo, J., Akther, M., & Islam, M. (2009, December). Narratives on digital Bangladesh: Shared meanings, shared concerns. In Narratives on Digital Bangladesh: Shared Meanings, Shared Concerns (December 7, 2009). 4th Communication Policy Research: south Conference, Negombo, Sri Lanka.
- [12] Access to Information Programme, Prime Minister’s Office. (2009). Digital Bangladesh: Concept Note. [Retrieved from: Accessed on 10/07/2016
- [13] Access to Information Programme, Prime Minister’s Office. (2011). Bangladesh: Access to Information Programme (A2I) Evaluation Report [Retrieved from: Accessed on 10/07/2016] 11. Lasker, R. (2010). Digital Bangladesh down. The Daily Star (May 10, 2010) [Adapted from: < <http://www.thedailystar.net/newDesign/news-details.php?nid=137790>> Accessed on: 19/11/20.
- [14] Sabbagh, K., Friedrich, R.O.M.A.N., El-Darwiche, B.A.H.J.A.T., Singh, M.I.L.I.N.D. and Koster, A.L.E.X. (2013), “Digitization for economic growth and job creation: regional and industry perspective”, The global information technology report, 2013, pp. 35-42.
- [15] Digital Bangladesh: Dreams and reality | The Daily Star.
- [16] Digitalisation and productivity - OECD
- [17] Digitalisation and productivity: A story of complementarities | OECD Economic Outlook, Volume 2019 Issue 1 | OECD iLibrary
- [18] ED: Digitization is essential for an equitable Bangladesh | Dhaka Tribune
- [19] How the digital economy is shaping a new Bangladesh | World Economic Forum