Invest in Women's Participation in Smart Economy

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Honorable members of the Federation of Bangladesh Chambers of Commerce and Industries,

Introduction to the Sector / Importance of the Sector in Light of Global and Local Economic/Business Context

<u>What is a smart economy?</u>

When a country with a population of 160 million people (of which 50% women and 50% are under the age of 35) in a land size of 55,000 square miles we boast about demographic and density dividend.

There is a third dividend – the data dividend. When a country with 160 million people is disrupted by Fin Tech, Agri Tech, Health Tech, Ed Tech and can offer a solution to even a beggar for $1, we as nation with our growing GDP, have the ability to pay. Solving problems of masses, levering technology to create a transformative impact l; if we encourage entrepreneurs to take this approach we will have a vibrant and smart economy.

<u>What is needed for a smart economy?</u>

1. Digital inclusion (device and connectivity)
2. Financial inclusion (access to finance and investments)
3. Youth who embrace entrepreneurship and offer solutions for the unmet and most importantly unarticulated problems of the masses
4. Customers willingness to pay for the solutions offered by these entrepreneurs

Currently we have 40 million students enrolled. The demand for jobs and the supply side of graduating youth is lopsided. 50% of these youth are female. These females have no choice but to go towards microcredit and earn their living. They build their micro/small business with high interest loans and survive on a month-to-month basis. These are from the CSMES industry. One may ask what the difference between SME and Startup is? Both have entrepreneurs, but one scales fast whereas the business of the other does not grow. How does a startup scale? What helps it to scale? Technology.

Technology is the name of the game. The questions are:

1) How can we get women involved in entrepreneurship that leads to a smart economy?
2) How can we make these women debt free and investible?

Microcredit has always been contentious. At one end of the spectrum, the key founder of modern-day microcredit, Muhammed Yunus, was awarded a Nobel Peace Prize in 2006 for his work with the Grameen Bank in Bangladesh), and this was preceded by the UN declaring 2005 the 'International Year of Microcredit'). This glowing endorsement of Professor Yunus' work cast microcredit as an all-

encompassing solution to poverty, gender inequality and disempowerment. While there were critics at the time, the voices of microcredit detractors have grown more vocal in the past 15 years. Evidence of sketchy 'loan sharks' encouraging poor individuals to overextend their loans and examples of men and women mired in debt they cannot pay have certainly aided the idea that microcredit programmes are intrinsically exploitative. Professor Yunus has further reinforced his support for the microcredit model, arguing that banks do not encourage entrepreneurism in the same way that microcredit does.

Poor women borrow at 30% + interest rate from MFIs whereas the rich borrow at 9% form banks.

Non-performing loan (NPL) ratio of MFIs is 1% + and that of commercial banks is 9% +

We have a fundamental problem to solve here to empower women to participate in the digital economy.

Alignment with Government of Bangladesh (GoB) Vision/Bangladesh Development Priorities: Define the industry/sector's importance in Government's National Strategies such as 8th Five Year Plan, Perspective Plan 2041, and Delta Plan 2100.

The world took yet another small step towards becoming fully connected. An estimated 3.2 billion people are now online, but this means that a further 4.1 billion people, over half of the world's population, are without any internet connection at all.

The ITU's Connect Agenda calls for at least 50% of developing nations' households to have internet access by 2025 and to reduce the cost and discrimination which is keeping many from being online. Without a coordinated approach to connectivity, however, the ITU estimates that nearly 3 billion people will remain offline in 2025, almost all of them in developing nations like ours.

Growth Drivers/Factors that Make the Sector a High-Potential One in /for Bangladesh: Outline key economic, market, policy, and other strengths/advantages that Bangladesh offers which will help growth of the sector in the coming years

In their study of global connectivity, Facebook identified four main barriers which continue to keep the ITU's ambitious plan out of reach and highlights the ways we can overcome these challenges. As the report points out: "These barriers do not arise in isolation, nor can they be addressed in isolation. They function as a cluster, each one affecting the others."

The 4 barriers are:

1. **Availability**

Availability of the internet depends on people's ability to access the web through a number of different means including wired, wireless or satellite connections. Despite the various ways of obtaining an internet connection, coverage remains limited for many. Mobile network connections have aided in closing the availability gap. As much as 96% of the world's population does, in theory, have some access to a 2G network, but this technology will only cover basic data connectivity. At least 1.6 billion people have no access to 3G or 4G at all.

2. Affordability

Income remains a key barrier for many to accessing the internet. The price of data along with the cost of owning a device, a charger and other accessories is part of what is keeping people offline.

Facebook's report estimates that the cost of a 500 MB/month data plan remains financially inaccessible for 2 billion people. To developed nations, who consume almost three times as much on average, 500 MB/month might seem insufficient. That would account for only 17 websites, or 8 minutes of video per day.

Despite the wide gap in consumption between developing and developed nations, the cost of consumption is directly the opposite. On average, a person living in a developing country will spend just under 4% of their monthly income on internet expenses. People living in developed countries will spend half that amount.

Ever-improving technology and steady improvements in global income will help to continue this trend, but innovative business models can also help to accelerate this process.

In the Philippines, for example, mobile data is packaged in a way to accommodate the realities of daily life for the poor. By allowing those with near-poverty levels of income an alternative to traditional business models, more people are gaining access at a price they can afford.

3. Relevance

While those in developed countries often think of the internet as a time killer, many in developing nations fail to see the relevance of getting online. In order to make the web relevant to them, it would need to prove useful, relatable, and accessible.

Language remains the most identifiable problem with internet relevance globally. Only 10 languages make up 89% of the internet, with 56% of it in English.

Facebook is currently available in 139 languages, Google Translate in 103, Wikipedia 55.

But there are over 7,000 languages spoken worldwide. It is estimated that to reach 98% of the worlds population, the internet would need to accommodate 800 languages.

This linguistic divide has been breached, in part, by the expansion of secondary languages. For example, Wikipedia's 55 languages of 100,000 articles or more, makes up the mother tongue of about 58% of the world's population. If people's secondary language is considered that access to knowledge is expanded to 67%.

But asking populations to speak a second language can be disengaging and, at worst, outright offensive. A more collaborative and successful approach would be to drive content creation through the support of local language devices and software. This facilitation of content creation can lead to new linguistic ecosystems on the internet.

4. Readiness

All three of these challenges can be overcome. We could one day see the internet available to virtually everyone in the world. But when that happens, will they be ready for it? A challenge exists to ensure that people have the skills, understanding and cultural/social acceptance of the internet.

While there is no concrete way to link existing data with 'internet literacy', some obvious challenges do exist.

The world's literacy rate, for example, will continue to hold back populations in India, Africa and the Middle East, regardless of their ability to access the internet.

Global Best Practice/Success Stories: Example of how other countries successfully developed this sector/attracted investments and Bangladesh's Unique Value Proposition in this sector compared to other comparator countries such as India, Thailand, Vietnam, Indonesia.

Bangladesh is an impressive economic success story. It has made dramatic strides in reducing poverty, increasing GDP, and lifting future prospects for millions of people. Bangladesh hopes to benefit from the big opportunity of digital equality and 4IR for which we must shift gears quickly to give girls the tools, skills, and opportunities they need to succeed in and fiercely drive a digital future. The need of the hour - maverick mindsets who dare to cross the chasm.

By opening up more opportunities and more flexible ways of working, and building safe infrastructure, we can give our girls the opportunity to learn the skills they need to become the next generation of leaders and entrepreneurs. However, none of this will be possible till we address the specific gendered discriminations, exploitations, and dangers they face every day. We also need to make sure that our laws, policies, and infrastructure are in place to ensure girls can access training, financial resources, and jobs in safety, without fear of violence, harassment, and discrimination.

Export Diversification: Define how/whether the sector will improve the export basket of the country and solve the over dependency on RMG.
Investing in women's participation in the smart economy is crucial to achieving sustainable and inclusive economic growth in Bangladesh. Despite significant progress in recent years, Bangladesh still has a long way to go in achieving gender equality, particularly in terms of access to education, employment, and entrepreneurship. Women in Bangladesh continue to face significant barriers to accessing the labor market and participating in the economy, with limited access to resources and opportunities that enable them to develop and utilize their skills and potential.

Investment Opportunities: Define estimated investment opportunities in the broader sector and if possible, provide estimated investment opportunities in sub-sectors.
The smart economy, which is driven by innovation, creativity, and technology, provides significant opportunities for women to participate and contribute to economic growth. The smart economy is characterized by a strong emphasis on knowledge, information, and technology-based industries, including information and communication technology (ICT), research and development (R&D), and high-

tech manufacturing. Women's participation in the smart economy can not only create economic benefits but can also help promote gender equality and social inclusion.

One of the critical barriers to women's participation in the smart economy is access to education and training. The lack of access to quality education, particularly in STEM fields, limits women's participation in high-growth sectors of the economy, where there is significant demand for skilled workers. Addressing this issue requires investments in education and training programs that are accessible and affordable for women, as well as policies that promote gender equality in education.

In addition to education and training, access to finance and mentorship is also essential for women's participation in the smart economy. Women entrepreneurs often face significant challenges in accessing finance due to traditional gender roles and biases in the financial sector. Microfinance institutions (MFIs) have played a crucial role in increasing women's access to finance, but there is still a need for innovative financial instruments and mechanisms that are tailored to the specific needs of women entrepreneurs. Providing women with mentorship and networking opportunities can also help them navigate the complex and competitive business environment, enabling them to develop and scale their businesses.

Finally, creating an enabling environment that promotes gender equality and supports women's participation in the smart economy is essential. Policies that promote gender equality, such as equal pay for equal work, parental leave, and flexible working arrangements, can help women to balance their work and family responsibilities and promote their participation in the workforce. It is also important to address the cultural and societal norms that reinforce gender stereotypes and limit women's opportunities and potential.

Investing in women's participation in the smart economy is not only a matter of social justice but also an economic imperative. Evidence shows that when women participate in the workforce, economies grow faster, and societies become more resilient. By investing in women's education, entrepreneurship, and employment, Bangladesh can unlock the full potential of its workforce and create a more inclusive and sustainable economy that benefits everyone.

In conclusion, investing in women's participation in the smart economy is a critical step towards achieving sustainable and inclusive economic growth in Bangladesh. Addressing the barriers to women's participation in education, finance, and entrepreneurship, and creating an enabling environment that supports gender equality and women's empowerment can create significant opportunities for economic growth and social development. The Federation of Bangladesh Chambers of Commerce and Industries can play a crucial role in promoting and facilitating investments in women's participation in the smart economy, and I urge you to join me in this effort.

Entrance of Foreign Direct Investment (FDI): Identify opportunities for FDI in the sector

The Fourth Industrial Revolution (4IR) gives us an incredible opportunity to unite. To unite as human beings. A chance to unite against automation. The reality is it is not just about men losing roles to women or vice versa, but humans losing roles to automation. However, in order to unite as human

beings, we need to first address the challenge of women being left behind. Inclusion of women is a joint responsibility with men and exclusion has joint risks.

Worldwide, the proportion of women using the internet is 12% fewer than men, which increases to 32.9% in less developed countries. This gap is symbolic of a larger problem of the digital exclusion of women and girls**.** As the world embraces 4IR, challenges for women are amplified. We must **tackle the toxic norms that hold women back.** If women who account for half the world's working age population do not achieve their full economic potential, the global economy will be affected.

Current Challenges/Constraints that Require Attention: Define the current regulatory/policy and market challenges.

The challenges of 4IR have the ability to increase the size of the pie for all and shift the pendulum towards inclusion. It is a choice we will make to become stronger as humans. The guidelines for inclusion of women given below may be considered as a starting point to adapt to the imminent wave of changes.

1) Early investment in girls in Science, Technology, Engineering & Math (STEM) skills will not only help breakdown gender stereotypes but also increase women workforce in scientific fields. Women are currently underrepresented in fields experiencing job growth such as engineering and information & communication technology (ICT). We need to challenge the perception that technology is not for women or girls and expose girls to STEM; empower them as "leaders' of the future 4IR promises. We also need to ensure they can "create' the technologies that help us avoid the replication of old gender stereotypes and inequalities in the digital space.

2) Given that women are more involved in repetitive work, women are at high risk of displacement by technology. However, automation will also dictate efforts to create a level playing field between men & women so that no one is left behind. 4IR will put emphasis on human talent such as creativity and ingenuity as opposed to masculine skill sets. Women with digital skillsets may get equal opportunities to engage in the new tech enabled world. BUT, women must first "show up" in the digital field to be in the game.

3) Accelerate gender parity - increase women's economic participation worldwide. Political leaders, policy makers and business leaders globally are aware of the urgent need to empower women. Accenture predicts we could reach gender equality in the workplace by 2040 in developed countries and by 2060 in developing countries if we increase the pace at which women become 'digitally fluent'.

4) The new digital landscape will provide female entrepreneurs with the flexibility to start businesses with a small investment and have access to markets globally. To encourage women entrepreneurs, an ecosystem needs to be built where women are inspired, encouraged, and rewarded for embracing entrepreneurship.

By opening up more opportunities and more flexible ways of working, and building safe infrastructure, we can give our girls the opportunity to learn the skills they need to become the next generation of leaders and entrepreneurs. However, none of this will be possible till we address the specific gendered

discriminations, exploitations, and dangers they face every day. We also need to make sure that our laws, policies, and infrastructure are in place to ensure girls can access training, financial resources, and jobs in safety, without fear of violence, harassment, and discrimination.

In conclusion I feel we should deeply reflect on the impact 4IR will have on human beings. The assumption that technology is dividing us is not true. I believe it's us human beings who divide us, the same way that human beings have divided themselves throughout history before technology was even available to be blamed. It is important for human beings to consciously unite professionally & digitally – men and women. Technology is just a reflection of us. It cannot be a divider or an equalizer; it merely follows the instructions given by us. We should all try to remember this as we are entering an exciting period of history where the world expects balance. We know that a balanced world with no bias is a better one.

Way Forward /Policy Priorities: Provide possible solutions to the existing challenges and development of the sector.

Open discussion for Panel