

Union Digital Centers have been identified by Bangladesh Priorities as an **efficient means for improving public services and governance** as Bangladesh works towards the ambitious Vision 21.

The Bangladesh Priorities project worked with economists from Bangladesh, South Asia, and around the world to study 76 concrete solutions to improve the future of the country. Using cost benefit analysis, the researchers identify how much social, economic and environmental good is achieved for each taka spent, providing policy makers with the most relevant information and analysis to support their decision-making. Based on this analysis, an Eminent Panel considered all the research in detail, and prioritised the 76 solutions. This series of policy briefs focuses on the most important priorities for Bangladesh, from tackling tuberculosis to education, health and digital governance.

Strategy	Takas of benefits per taka spent
Union Digital Center Migration Services	 22 taka / taka
More Services at Union Digital Centers	 8 taka / taka

LOCAL AND RURAL SERVICE PROVISION THROUGH UNION DIGITAL CENTERS

Bangladesh, like many developing countries, provides a gamut of public services at the district and sub-district level that are time consuming for both recipients and the provider. Inadvertently, **this form of service delivery creates delays and particularly affects the rural population which must travel long distances to government offices.**

Lack of information regarding proper processes and timeframes compel citizens to forego income and incur additional costs. The Government of Bangladesh in association with Access to Information (a2i) Program of the Prime Minister’s Office, UNDP and USAID, **established UDCs “to decentralize the delivery of public services and take them to the door-steps of millions of underserved citizens” (a2i, 2016).** The main idea was to utilize modern technologies to bring public and private services to the public.

The **cost of accessing public services**, especially in the rural parts of Bangladesh, **has decreased significantly.**

More than 4,500 UDCs have been established around the country. Outcomes include:

- **200 million service transactions per year** (3,700 per UDC per month)
- **3.2 million citizens** reached
- **1.4 million rural workers** registered for online government to government migration
- **40 million electronic birth registrations**
- Training provided to **30,000 local young people** and **9,000 leaders and entrepreneurs**

These services resulted in 1.38bn Taka in earnings for UDC entrepreneurs in last two years (a2i, 2016). One percent of the Annual Development Program (ADP) is diverted to UDCs with funding from DC offices for training and mobilization (General Economics Division, 2015).

UDC provide both **a cost saving and a time saving** for citizens in applying for citizenship (birth) certificates, paying utility bills, and applying for a passport. UDCs provide more flexible services and are easily accessible to people living in rural areas.

It is imperative to supplement the already-existing UDC services. Citizenship certificates, machine-readable passport applications, online banking and online utility bills payments would drastically decrease related transactions costs.

Given the average time-savings and monetary savings, it is very likely that each taka spent toward offering future additional UDC services would do about 8 takas of social good.

OVERSEAS MIGRATION SERVICES THROUGH UNION DIGITAL CENTERS

While the UDCs are providing a range of benefits, migration services could be added. Migration from Bangladesh makes a significant contribution to the Bangladeshi economy:

- 5% of the Bangladeshi working population are migrants
- Between 2001 and 2015, 6.5 million migrant workers sent remittances to Bangladesh
- Remittances make a 7.4% contribution to Bangladesh's gross national income (GNI)

Bangladesh does not reap the full benefits because of inefficiencies and failures largely resulting from the informal nature of migration services. Utilizing UDCs to formalize and streamline migration processes could yield incredible benefits by connecting millions of less-skilled migrant workers with the formal migration process. Formal migration is approximately 80% cheaper than informal channels

The average cost of migration ranges from about Tk 168,900 - 216,600 (USD 2,600 to 3,900) – equal to three years of income for the average Bangladeshi. The primary reason for such a high cost is that multiple layers of middlemen exploit low-skilled migrant workers to pay high fees for visas and other expenses.

The acceptability of UDCs with regard to migration was displayed when 1.4 million people registered online

through UDCs after the Government signed a government-to-government arrangement with Malaysia.

Applying this to Bangladesh, intensifying UDC migration desks around the country, funded either by government subsidy or revenue earnings of UDC entrepreneurs, experts estimate that that USD 2,215 (Tk. 172,800) of initial investment would be required to set up a migration department in each UDC with annual operating costs of USD 570 (Tk. 44,500). The total cost across Bangladesh's 4,500 UDCs would be USD 10.07 million for all UDCs in Bangladesh (Tk 785 million) upfront, plus USD 2.6 million (Tk 203 million) per year in operating costs.

The benefits accruing from UDC migration services will be considerable. The cost for one person to migrate would fall to approximately USD 460 (Tk 36,500).

The timeframe is 15 years, with no operations in the first year; 50,000 beneficiaries in the second year, rising by 5,000 in each subsequent year. A realistic and conservative estimate would be that improving the process to streamline international migration through the UDCs could generate 22 takas of good for every taka spent.

CHALLENGES

Although much headway has been made by UDCs, challenges include: lack of awareness about UDCs, lack of infrastructural facilities, lack of logistical support and equipment, lack of inclusive cooperation from the private sector, insufficient trained manpower, a coordination gap among different government agencies and UDC entrepreneurs and weak campaign and marketing strategies.

There are also three broader challenges:

1. Getting the right mix between financial and social sustainability,
2. Quality of the entrepreneurs and high entrepreneur turnover rate and
3. Retaining and developing women entrepreneurs.



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