Post-COVID-19 ICT Roadmap: Freelancing, ICT sector

How the Roadmap came to be

With the growing certainty that COVID-19 is here to stay, the ICT Division of the Government of Bangladesh is developing a roadmap to fight the pandemic and ensuing crisis and to find innovative ways to flourish in the 'new normal'. Freelancing is one of the 18 priority sectors selected based on the impact of COVID-19 on the sector and its potential for transformation of the economy and society.

Why the Freelancing-sector

Bangladesh supplies 16 percent of the total global online workers, the second highest in the world, according to the 2017 Online Labour Index of Oxford Internet Institute. Owing to many reasons, freelancing is fast becoming popular among the youth both in Bangladesh and globally. Some of the major reasons for the growing popularity of freelancing are flexibility of working as per one's own convenience, higher income and availability of a wide range of tasks to choose from. The freelancing business's overwhelming success has paved the way for a new trend and widened the scope of its popularity in future. Many highly skilled individuals have formed a whole new category of highly skilled, well-experienced corporate freelancers who offer their services as independent contractors and make greater contributions in the ICT industry's performance. As more and more generations join in and unemployment grows, it comes as no surprise that even experts regard that this work culture is here to stay at least for the next few years. Though the foreign payment options are still scarce and highly inefficient and though there are no rules yet to protect the right of this workforce, freelancing has found acceptance and the future, albeit unpredictable, looks positive.

Impact of COVID-19

The COVID-19 pandemic has thrashed the hard-earned outcomes gained by the freelancers in past years. According to Bangladesh Freelancers Development Society (BFDS) around 80 percent freelancers are now out of work. The work orders fell by 60-70% and freelancers involved in only domestic market are amongst the most sufferers. During the pandemic, transactions in the bank were halted, to some extent, initially. However, the already-present complication in cashing out the payment for the freelancers has been ever-difficult during the pandemic. Despite the minor repercussions due to COVID 19, Bangladesh looks at a billion-dollar global market opportunity. Apart from the global market, the struggling local businesses due to COVID 19 usually are not in a position to hire/retain permanent workforce, which is why they are looking at the massive talent pool available in the local freelance sector.
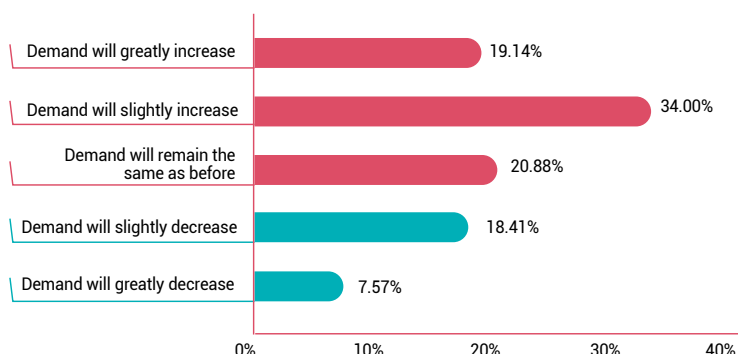

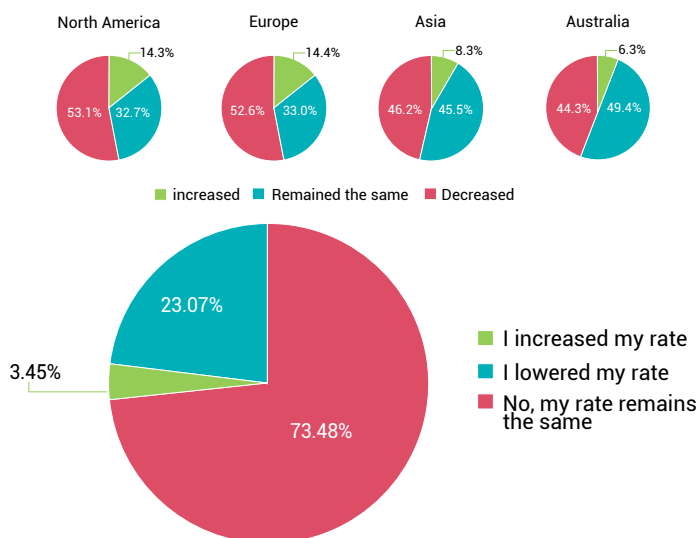Fig: Payoneer's survey: Future of Freelancing Post-COVID looks bright

Fig: Payoneer's survey on impact of COVID 19 on freelancing

Constraints

Cross border payment issues, absence of global and local market analysis, lack of skill training and mentorship programs and market condition, inadequate access to last mile affordable and high speed internet in rural area, lack of brand image as a top outsourcing destination leads to less number of freelancing jobs and lack of appropriate financial stimulus for the freelancers during the COVID 19, have halted any immediate pivoting that the players in the sector could have undertaken to minimize the intensity of the initial blow following the pandemic.

Action Agenda

Taking learnings from local and global best practices and to tackle: (i) the effects of the pandemic, and (ii) the existing systemic and regulatory shortcomings of the freelancing-sector, the ICT Ministry is proposing the following five interventions in the immediate short term:

Title	Address cross border payment issues	Global and local market analysis for freelancing	Professional development programs for freelancers through skill training and mentorship	Branding Bangladesh as an ICT skill destination	Last mile affordable and high speed internet connectivity in rural area
Why (To address :)	Cross border payment is one of the most critical issues Bangladeshi freelancers face. Existing payment services offer no real advantages as freelancers bear the burden of fees and delays because they do not have too many options. In the same vain, bank transfers are cumbersome as excessive procedures often make it difficult for freelancers to withdraw money. Freelancers also face trouble for outbound payments on account of advertisement and other business expenses. Although freelancers can remit IT expenses within a permissible limit with the ERQ account for freelancers, they have to pay 30% tax on it. The freelancers who have their own website for their services are unable to process any payment generating from credit cards issued by any foreign country due to regulatory issues.issues.	With Covid-19, many freelancing job requirements in the global market has diminished while new requirements have emerged. Along with that, with the advent of the Fourth Industrial Revolution, technological change keeps accelerating and demand for new skills keeps emerging. Local freelancers need to keep tabs on the new trends and more proactively update their skills to remain marketable. Prospects and needs of freelance jobs in multiple local sectors can be assessed to find local market opportunities.	Rapid digitalization and a high rate of educated unemployment has made Bangladesh the second largest provider of freelancers. However, many Bangladeshi freelancers tend to undersell themselves and lack of high-level skills make them lose out on potential profits. Also, the top performing freelancers can achieve vertical growth by becoming entrepreneurs.	Country branding initiatives are required for Bangladeshi freelancers to be able to get visibility and have fair competition with other countries in the freelance marketplaces. Due to large numbers of graduates entering the job market every year, many graduates are unable to get formal employment. Freelancing has created vast employment for many people, especially youths. Awareness needs to be created to give IT freelancing a recognition as real and full-time employment in order to make more skilled graduates join the freelance workforce.	For all remote jobs, be it freelancing or work-from-home module due to the COVID-19, necessity of internet access, stability and speed is equivalent as corporate offices. As internet traffic has surged during the coronavirus shutdown, many have been experiencing slow internet connectivity. To expand freelancing all across the country, it is fundamental to ensure last mile affordable and high speed internet connectivity in rural areas.
What	1. Address tax and bureaucratic issues regarding ERQ account. 2. Allow global payment services to operate in Bangladesh. 3. Simplify the payment receiving process from international payment gateway.	With a view to reaching the Government's IT-ITES export earning target, it is being suggested to conduct a study of the global market to find future demands and opportunities. There are also local freelancing opportunities from multiple sectors who laid off their employees creating vacancies for contract-based work due to the COVID-19 pandemic. A study on it will help leverage the opportunities coming from the "new normal".	With a view to reaching the Government's IT-ITES export earning target, it is being suggested to assess the skill requirements necessary to compete in the freelancing platforms, design and conduct training programs for aspiring and existing freelancers. The freelancers can increase their earnings and marketability by mastering additional skills to compliment the ones they have. It is being suggested to open a mentorship forum for new and aspiring freelancers run by the freelancers who are at the top. It will help develop a complete and useful resource for anyone who wants to start his/her career in freelancing. It is also being suggested to take up programs to develop managerial and entrepreneurial capabilities among top performing freelancers and connect them with public and private incubation and accelerator facilities. The focus should be on upgrading from service delivery to product innovation and commercialization, particularly in frontier technologies.	It is being suggested to make branding efforts to promote high performing Bangladeshi freelancers in the top freelance marketplaces. ICT Division should assess the fields Bangladeshi freelancers have a competitive edge in and run branding programs to give them visibility in the freelance marketplace. Designing local mass awareness campaigns to give freelancing a recognition as real employment is also being suggested. Awareness programs should be run to bust the myth of earning easy and unlimited money with freelancing to get only skilled and hardworking people enter this market.	Ensure last mile affordable and high speed internet connectivity
Lead Agency	Bangladesh Bank	ICT Division	Bangladesh Computer Council	ICT Division	BTRC
Coordinator	ICT Division, Bangladesh Computer Council	Bangladesh Computer Council	ICT Division	Bangladesh Computer Council	ICT Division and Post and Telecom Division
Partners	NBR, All scheduled banks and NBFIs, BASIS, BFDS	Academia, BFDS	NSDA, Technical Education Board, BFDS, BITM, World Bank, ADB	BASIS, BFDS	ISPAB, NTTN Operators, Telecom operators
Financing modality	Not Applicable	ICT Division should request to allocate funds to conduct research on global and local market analysis for freelancing	ICT Division should request to allocate more funds to run skill development programs.	ICT Division should request to allocate funds to conduct Country branding	More budget allocation from the annual budget to fund such projects will ensure the bulk of the capital. Secondary sources could be financial assistance from development partners.