Cashless Bangladesh is a developmental necessity

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Bangladesh stands at a crucial turning point in its economic and technological journey. While the digital economy has grown rapidly over the past decade, most visibly through mobile financial services (MFS), cash still dominates everyday transactions. This reliance on notes and coins is not simply a holdover from the past; it is a structural barrier to a more inclusive, efficient and accountable economic system. Moving towards cashless transactions should be seen not as a technocratic ambition, but as a developmental imperative. It has far-reaching implications for financial inclusion, lower transaction costs, and stronger governance and transparency.

A cashless transition can deepen financial inclusion by overcoming the constraints of traditional banking. It can reach both the unbanked and the underbanked. Large sections of the population, especially women, rural residents and informal workers, remain excluded from formal financial institutions. Yet many of these groups are connected through mobile phones and can be served through digital platforms. Digital wallets and MFS offer an affordable entry point to the financial system, allowing people to make peer-to-peer transfers, receive government-to-person (G2P) payments, save, and access microcredit or microinsurance. In this way, digital systems widen access and help reduce the social and spatial inequalities that have long shaped Bangladesh finance.

Beyond access, digital payments enable a low-cost transaction economy. Cash is inefficient and creates hidden costs, particularly for small businesses, farmers and low-income households. Handling cash means travel, risk and often informal fees. Digital transactions ease these burdens by providing safer and quicker payment options. For government agencies, electronic transfers improve efficiency and reduce leakages in subsidies, pensions and procurement. For micro and small enterprises, digital payments cut operating costs and support integration into wider markets.

The most critical advantage of a cashless economy lies in governance and transparency. Cash transactions are opaque and often feed informality, tax evasion and corruption. Digital payments, by contrast, generate real-time and traceable data that can strengthen fiscal policy, regulatory oversight and targeted service delivery. Policymakers gain greater visibility into financial flows, enabling better monetary management, stronger anti-money laundering measures and improved tax compliance. The result is a more accountable and fiscally responsible state.

This shift also aligns with Bangladesh long-term development vision. A digital economy boosts domestic efficiency and global competitiveness, driving fintech innovation, attracting foreign investment and supporting e-commerce and cross-border trade. Failing to make this transition risks creating a dual economy, where one segment benefits from digital access while another remains locked in a low-productivity, cash-dependent cycle.

Yet the promise of a cashless Bangladesh will not be realised by market forces alone. It requires coordinated policy action, including regulatory reforms to ensure platform interoperability, greater investment in infrastructure, gender-sensitive financial products and strong consumer protection.

A cashless economy is not an end in itself. It is a tool for inclusive growth, accountable governance and digital transformation. For Bangladesh, the debate is no longer about whether to move in this direction, but about how swiftly, wisely and fairly the transition can be made.

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