

# Role of Digital Financial Services on Facing Humanitarian Crisis during COVID-19 Pandemic: Evidence from Bangladesh

<sup>1</sup>Md. Johir Rayhan & <sup>2</sup>Md. Jahir Uddin

<sup>1</sup>Department of Banking and Insurance (BBA, Session-2014-15), University of Dhaka, Bangladesh, [rayhanjohir44@gmail.com](mailto:rayhanjohir44@gmail.com)

<sup>2</sup>Department of Public Administration (BSS, MSS, Session-2013-14), University of Dhaka, Bangladesh, [uddin.jahir95@gmail.com](mailto:uddin.jahir95@gmail.com)

## ABSTRACT

This study examined the impact of Digital Financial Services (DFSs) on facing humanitarian crisis during COVID-19 pandemic in Bangladesh. It explored the magnitude of using DFSs along with the efficacy and difficulties of DFSs in coping with humanitarian emergencies during COVID-19 pandemic. For analyzing the role of DFSs, the study gathered primary data by carrying out a computerized questionnaire survey among 100 respondents selected through convenience sampling technique. Secondary details from various outlets were also collected for discussion. The results showed that a huge majority of population knows about digital financial services. A majority of them also uses DFSs for financial transactions during the pandemic and this is supported by the recent data published from Bangladesh Bank. DFSs were found useful as transaction can be done efficiently while maintaining social distancing practices. Therefore, the DFSs especially mobile money has been used as effective option in accelerating cash-based assistance campaign by government, NGOs and private donors. However, the respondents also perceived that preferring DFSs over physical cash have many challenges such as data privacy concern, digital fraud, transaction limit problem, difficulty in cashing out and others which need to be addressed properly.

*Keywords: digital financial services, humanitarian crisis, COVID-19 pandemic, cash assistance program, Bangladesh*