Good Governance Issues in Bangladesh: Challenges and Options

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‘...good governance is perhaps the single most important factor in eradicating poverty and promoting development.’
—Kofi Annan, Secretary General (1997-2006), the United Nations

Abstract: Since its emergence as a sovereign and independent state, Bangladesh has achieved significant progresses in various aspects of socio-economic life. Despite the fact, there are ample scopes for accelerating its pace in keeping with desired level. Good governance has been the key to unleashing its untapped potentials. The paper concentrates on the major areas of governance in Bangladesh taking into account democratic, economic and social sector governance. The article reveals that while Bangladesh has made remarkable successes in many areas of governance, still there are many issues which need to be addressed with a comprehensive approach for a transparent, accountable and people-centric development. To this end, the study puts forward specific strategic options for promoting good governance in Bangladesh. The paper has been prepared chiefly using secondary sources comprising documents, reports, research papers and books.

Keywords: Governance, governance dysfunction, good governance

I. Introduction

Good governance has long been recognized as an integral part of democracy, rule of law and economic development for any country. Good governance ensures effective and efficient state structures in delivering optimal support to citizens in leading a safe and productive life harmonizing to their desires and opportunities. It comprises a blend of democracy, the social welfare state and the rule of law. Good governance not only involves the government sector but also embraces all actors from the private sector and society. Any given country’s system of economic competition and income distribution is also determined by governance. Poor governance facilitates wider scopes for incentive and corruption. Corruption not only diminishes people’s trusts to governments but also intimidates reliability on market, falsifies competition and endangers economic development (IMF, 2017a). Good governance enables greater competitiveness and thus promotes high economic growth, productivity and sustained employment. More competitive economies are likely to achieve higher levels of

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Good Governance Issues in Bangladesh: Challenges and Options

income for their citizens (Roy, 2006). This is why, the United Nations (UN), in its *Millennium Development Goals* (MDGs) (2005-2015) and *Sustained Development Goals* (SDGs) (2015-2030) very aptly has incorporated good governance as one of its key agenda (UN, 2000; UN, 2015).

Even with its 160 million people, Bangladesh has achieved significant progresses in various indicators of socio-economic development. From 1972 to 2016 Bangladesh has gone through a significant rise in three key indicators like per capita income, life expectancy at birth rate and net primary enrollment respectively from US$ 317.79 to US$1466, 47.03 years to 71.6 years and 63.23% to 97.9%. While in 1991-92 the poverty rate was 59%, by 2015 it declined to 32%. In 2015, the adult literacy rate rose around 71% which was about 45% in 2001. Since 1990s Bangladesh has been experiencing a sustained GDP growth rate from 5.5% to around 7.0%. The industrial sector, in particular, the Ready Made Garment (RMG) sector achieved approximately 80% share in country’s overall exports in 2015-16 (GoB, 2016; WB, 2016; Bangladesh Bank, 2016; Mahmud et al., 2013).

Despite overthrowing the military rule in 1990s with the affirmed assertion to democracy and human rights, Bangladesh is yet to reach consensus among major political parties on key constitutional issues like state principles, use of religion in politics, electoral process, nature of representation and operation of local governments, even on the history of liberation war. Although governmental changes have been made on a regular basis (despite an interlude in 2007-2008 due to imposition of emergency by the military-backed government), in consideration of credibility of election process, participation, competition and representation in compatible with intra-party democracy, transparency and responsiveness, Bangladesh has to improve in many areas in line with the set norms and standards of democratic governance. While the prime conditions for good governance are to promote the parliament as the core institution of deliberations, debate, and representation of public grievances, the Jatiya Sangsad (JS) has to perform more. The mass media in Bangladesh, despite its remarkable advance both in quantity and variety, is yet to play its desired role. The electronic and print media need to conform to the norms and values of democratic governance with proper policy. Within the core institutions of governance, decision-making power is vested on the elites regardless of the existence of electoral systems at various levels of government. Centralized and exclusionary systems of governance restrain people’s participation. Resource allocation and access to resource are usually determined by power, incentives and political settings. Such issues of governance have been viewed as underlying causes of poverty and trailed development in Bangladesh (WB, 1996). Gauging the rule of law situations on the basis of government powers, absence of corruption, open government, fundamental rights, order and security, regulatory enforcement, civil justice and criminal
Good Governance Issues in Bangladesh: Challenges and Options

justice, the World Justice Project (WJP), in 2015, ranked Bangladesh 93 out of 102 countries (BIGD, 2015).

Though Bangladesh has achieved remarkable progress in socio-economic development and has many development potentials, a widespread poverty still persists due to lack of desired level of governance. The governance issues, therefore, remain vital for Bangladesh’s socio-economic development (Khan, 2012). Although numerous studies have been carried out on good governance in Bangladesh, no holistic approach has yet been employed to address the issues of good governance since most of the studies have so far been undertaken either with narrow political, administrative views or with limited economic perspectives (Rahman, 1993; Islam and Khan, 1997; Sobhan, 1993, 1998, 2007; Sarker, 2008; Pulok, 2012; Khan, 2010, 2012, 2013; Riaz and Fair, 2013; World Bank, 2014; TIB, 2014; Rahman, 2015; Griffiths and Hasan, 2015; Islam and Asaduzzaman, 2016; Mahmud, Asadullah and Savoia, n.d.). In this context, the paper attempts to examine good governance to investigate the following queries: (i) what are the realities and challenges of governance in Bangladesh? and (ii) how is ‘governance’ involved with Bangladesh’s socio-political and economic development?

Pertaining to the aforesaid queries, the paper seeks to find out the way how Bangladesh can move forward in achieving good governance so that it may unleash its untapped potentials. The article has chiefly employed the document analysis method using secondary sources like reports, books, articles and Internet sources. The researcher has raised logical arguments to make points and clarify confusions.

II. Demystifying Governance and Good Governance

Governance

The concept of ‘governance’ has been the centre of discussion since the beginning of human civilization. It denotes the decision-making and decision implementing process by which decisions are implemented or not implemented. Governance has been considered as any given country’s traditions and institutions of using authority toward achieving common good. Governance embraces the ‘design and implementation of policies’ through interaction among the state actors i.e. a set of formal state institutions with non-state actors like civil society organizations or business lobbies within the ‘set of formal and informal rules’ determined by the use of power, where power refers to ‘the ability of groups and individuals to make others act in the interest of those groups and individuals and to bring about specific outcomes’ (UN-ESCAP, 2009). Governance occurs in diverse stages ranging from national state institutions to international organizations as well as from local government agencies to community or business associations. It usually spawns a complex and coinciding interaction of actors and interests (World Bank, 2017a). ‘Governance is a broad concept covering all
aspects of how a country is governed, including its economic policies, regulatory framework, and adherence to rule of law’ (IMF, 2017a). The scope and sphere of governance can be stretched in diverse areas like corporate, international, national and local governance. The study of governance concentrates both the formal and informal actors involved in decision-making and decision implementing process (UN-ESCAP, 2009).

**Good Governance**

Up to now, no specific and conclusive definition of the principles of good governance is available. However in 1997, the UNDP declared 5 key aspects of good governance, namely, legitimacy and voice, direction, performance, accountability and fairness. Subsequently, UN-ESCAP (2009) devised 8 specific parameters of good governance – participation, rule of law, transparency, responsiveness, consensus oriented, equity and exclusiveness, effectiveness, efficiency and accountability. The good governance indicators principally emphasizes: (i) either direct or indirect participation through legitimate immediate institutions or representatives; (ii) ensuring rule of law through impartial legal framework and full protection of human rights in particular the minority rights, impartial law enforcement, independent judiciary; (iii) transparency in the decision making and their enforcement following rules and regulations as well as free flow and directly accessible information to those having affected by such decisions and their implementations; (iv) responsiveness to good governance parameter requires serving all stakeholders by the institutions and processes within a reasonable timeframe; (v) consensus through mediations among various social interests, understanding of the historical, cultural and social settings of a certain society or community; (vi) ensuring equity and exclusiveness through mainstreaming all members, specifically the most vulnerable of the society; (vii) producing results that meet the needs of the society by using resources and their disposal with effectiveness and efficiency; and (viii) accountability to the public by the government, private sector and civil society organizations and their institutional stakeholders which will be subject to transparency and the rule of law (Kaufmann, 2005; UN-ESCAP, 2015). Good governance is not only central to promotion of human rights and protection of civil liberties but also is claimed to be closely linked with economic development and significant improvements in living standards (Sharma, 2007).

**Good Governance and Development**

A number of empirical studies have shown that countries can achieve a huge ‘development dividend’ from better governance. Competitiveness designates a country’s ability to continued high rates of economic growth and productivity with higher employment. The competitive economies tend to be more capable of attaining higher levels of income for their citizens. In fact, competitiveness incorporates some governance variables. Any given country’s competitiveness and income distribution is also influenced by its governance.
Research evidence further shows that if governance of a country accelerates from low level to average one, per capita income of its citizen would increase almost three times (Schwab, 2015). It is apparent from many of the developing countries that corruption forces lower income families to pay more bribes for public services than to the higher income groups. Even corruption causes not only a disproportionate share of incomes but often denies their access to public services. An estimated annual global transactions of money earned through corruption is about US$1 trillion. Moreover, corruption inhibits implementations of aid-funded project. It destabilizes new democracies. Poor governance forces policy-making process to be compromised (Kaufmann, 2005).

III. Good Governance in Bangladesh: Reality Check

In its Perspective Plan 2010-2021, the GoB (2012) has pronounced effective governance including good governance as prime issues of development priorities. Prior to finalizing the draft framework of Sustainable Development Goals (SDGs) of the UN, Bangladesh proposed 11 goals, of which ‘ensure good governance’ was set one of such goals (GoB, 2015). Since good governance is a very complex issue, it takes into account a wide range of areas of interventions. In order to investigate the impediments toward achieving good governance in Bangladesh, the paper attempts to focus on country’s some key areas of governance including democratic governance, economic governance and social sector governance in line with the needs and prime concerns. However, to look into the barriers of good governance in Bangladesh, the paper broadly focuses on the political, institutional and technological aspects of governance.

Democratic Governance

Political Governance

Political governance reflects any given country’s participation of the people, representation and accountability, political stability and effective administration. Declines in political governance, may cause work disruptions, and create poor environment for protecting the rights and freedom of the common citizen (Roy, 2006). In consideration of its socio-economic development in post-independence period, Bangladesh’s political governance could be further improved. The people of Bangladesh, instead of a long tradition for tolerance and political participation as well as proclivity to democracy as an important legacy of the bloody war for independence, has experienced a history of bitter political rivalries, coups and counter-coups during the post-independence Bangladesh (Global Security, April 2017). In particular, the brutal murder of Bangabandhu Sheikh Mujibur Rahman with his family reinstated the erstwhile Pakistan’s legacy of military rule and intolerant politics. The overthrow of General Ershad’s pseudo-democratic military regime by the mass-upheaval of 1990 raised new hope and aspiration for a sustained democracy and good governance. Since then, in most of the national elections, the electorate, with large
turnouts, have alternated parties in government. Despite the fact, the electoral process could not take away the politics of public protest and hartal. Owing to ‘narrow understanding of democratic norms and values’, the ruling parties have failed to provide ample spaces or instruments toward the rise of effective opposition. In turn, the opposition has occupied in ‘destabilizing and polarizing tactics of parliamentary boycotts’, and ‘street demonstrations’ (Datta, 2003; Global Security, 2017). Thus, the ‘restoration of pluralist system’ in 1991 has failed to realize the ‘promise of accountable governance’ (Sobhan, 2004).

Due to the politics of non-cooperation, mistrust and confrontation, Bangladesh is yet to develop a modern system of political governance through debate and deliberation. Disagreements of the losing parties in accepting election results, boycotting the parliamentary sessions, even refraining themselves from parliamentary election might not have created an ‘immediate negative consequences for democratic participation’ or a ‘decidedly destabilizing effect on the political system’, rather have ‘deprived voters of any meaningful choice of candidates’ (Beaulieu, 2014). Thus, the role of parliament, as the centre of national politics as well as nation’s hopes and aspirations, was replaced by agitational street politics. The instances of agitational street politics like hartal, traffic blockade and violence caused massive economic damage. Moreover, absenteeism, boycott and resignation resulted in degradation to efficacy of the parliament and affected the rise of strong opposition within and outside of the parliament, and thereby affected the whole process of governance (Sobhan, 2001). Agitational street politics in turn posed threats to law enforcement and fuelled criminality and thereby provided ‘space for violent extremists’. Conversely, absence of a robust and responsible opposition politics is likely to create avenues for radicalism. Violent politics has intensified more violence including violence against women, minorities and extrajudicial killings (Islam, 2011; International Crisis Group, 2015).

Moreover, lack in intra-party democracy, promotion of nominated leaderships and substitution of experienced and dedicated leaders by the retired bureaucrats and moneyed men caused massive derogation in national politics. Bangladesh politics, is often criticized for being involved with the politics of personal admiration and grovel, and gain. However, limited scopes are available on the part of politicians to contribute to national politics inside and outside the parliament by using their acumen.

Nevertheless, patron-client considerations in all spheres of politics and administration beyond competence and integrity have been restraining Bangladesh’s good governance initiatives (Sobhan, 2001; Sarker, 2008; Osman, 2010). While dealing with religion in politics, successive governments have commonly shown opportunism and sought political legitimacy on the basis of religion departing from the core value of Bangladesh liberation war i.e. secularism and thus paved the way for the rise of extremist politics (Riaz, 2003,
2016; Riaz and Fair, 2011; Griffiths and Hasan, 2015). The World Bank (2017a) put forward that violent conflict is indeed the consequence of governance failure. While the government had successfully handled the violent resistance from the oppositions from 2010 to 2014 and has become able to stabilize politics and economy, indicating the governance success, still there is a deficiency in absence of a strong opposition politics that could foster the democratic governance to a large extent.

Oversized, Complex and Self-conserving Bureaucracy

It is often argued that the Bangladesh public sector has been involved beyond the core functions of the state. A big portion of the government is engaged in activities not necessarily required (WB, 1996). In fact interventions by the public sector have contributed to ‘market distortions’ and ‘crowded out’ the private sector. An inept economic environment continues within a complex and discretionary regulatory framework. The non-transparent Bangladesh bureaucracy within a weak system of accountability is usually habituated to whimsical and secretive policy decisions. Moreover, the bureaucracy and its institutional apparatus remains oversized, complex and nearly unmanageable (WB, 1996). While dealing with the matters related to legal-rationalism, bureaucrats are usually found to be associated with unethical practices. Sometimes, their tendency to self-preservation and close connection with the political process, they tend to obstruct change and thereby create barriers toward implementing the principles of democratic governance (Zafrullah, 2013).

The Bangladesh bureaucracy has been characterized by a number of peculiarities including generalist preponderance. This is reflected by the domination of general services to almost all the core areas of policy decisions and policy executions. In this regard, Haq (2007) put forward that the Rules of Business\(^3\) has given extensive powers to the Ministry of Public Administration (MoPA) over the policy and administration of the services in Bangladesh including cadre service. By means of making, amending or interpreting the service rules and orders, the MoPA has gradually altered the composition of cadre strength, upgraded or created leave vacation/deputation posts in the Secretariat, attached departments or field administration favoring the generalist cadres. Such enhancements of cadre strengths in effect has contributed nothing to enrich the public administration with specialized knowledge and expertise, rather caused unnecessary attachments and delays in service delivery system, and eventually made difficult for structural adjustment/administrative reform or independent growth of local government by strengthening vested interests. Moreover, the generalist

\(^3\) As per Article 55(6) of the Bangladesh Constitution the Rules of Business is made in the name of President for allocation and transaction of business of the government. In 1991, following the reinsertion of parliamentary democracy the Rules of Business, 1996 was made. Up till January 19, 2017 the Rules of Business, 1996 has gone with several modifications. See, http://cabinet.portal.gov.bd
domination in the top policymaking structures have been affecting the development of professional cadres and thereby inhibiting the growth of development administration with professionalism and expertise. It is, moreover, fuelling dissatisfaction and conflicts among the cadre services.

**Freedom of Media**

Since 1990s, Bangladesh has experienced a massive expansion in print and electronic media, including highly profitable newspaper and satellite TV channels. Internet based media like FM Radios, Facebook, YouTube, Skype, online news portals, and blogs have substantially increased. Thanks to relatively weak democratic institutions and practices, the people of Bangladesh traditionally rely largely on the media to raise their issues, and perceive as a bridge between them and their representatives. However, despite having impressive growth in number and range, the mass media in Bangladesh lags behind in terms of its anticipated role. Absence of proper policy and political will for a free media environment as well as absence of investigative and analytical journalism have remained major concerns for free media (Farhana, 2014, March 21; BIGD, 2015). In recent years, incidents of blogger killing, harassments and assaults to journalists by the ideologies and vested interest groups have been noticed. There are claims of imposing criminal defamation and sedition laws by the authorities to journalists due to their critical roles. Journalism in Bangladesh, even with its growing media, has been portrayed as risk business (Farhana, 2014, March 21; Amnesty International, 2017). There are allegations on the misappropriations of section 57 of the Information and Communication Technology Act, 2006\(^4\). There have been criticisms by the media, civil society and by the international community concerning the Act. The freedom of media has become major concerns for governance in Bangladesh in terms of their accountability and democratic participation (International Commission of Jurist, 2013; Prothom Alo, 2017, 2 August).

**Rule of Law: Judiciary and Law Enforcement**

Over the last few decades, rule of law has become an essential prerequisite for attaining a steady and equitable development across the world, since it has been proven to be an important factor to stabilize peace, harmony, justice and democracy – which are central to fostering growth and development (Boettke and Subrick, 2003; Haggard and Tiede, 2010; World Bank, 2017a). Good governance requires fair legal frameworks that are enforced

\(^4\) Section 57 of the Information and Communication Technology Act, 2006 (Act 39 of 2006) modified by the Information and Communication Technology (Amendment) Act, 2013 (Act 42 of 2013) has made the provision that if any person deliberately publishes any material in electronic form that causes to deteriorate law and order, prejudice the image of the State or person or causes to hurt religious belief the offender will be punished for maximum 14 years and minimum 7 years imprisonment and the crime will be non-bailable. Source: http://bdlaws.minlaw.gov.bd/
Good Governance Issues in Bangladesh: Challenges and Options

impartially. Impartial enforcement of laws necessitates an independent judiciary and an impartial and incorruptible police force. Performance, integrity, transparency and accountability, treatment of members of vulnerable groups and capacity of the judiciary and law enforcing agencies have been considered the core components of the rule of law (UN, 2011).

A joint study of the Supreme Court of Bangladesh and the UNDP (2015) has identified the following problems pertaining to judicial independence and effective service delivery of the justice system of Bangladesh: (i) interference and reliance on the administration has been barring judicial independence; (ii) the judges of the subordinate courts have not yet been completely independent and autonomous; (iii) dual control over the lower courts by the Supreme Court and the MoLJPA exists; (iv) no independent attorney services are available in the justice sector; (v) no effective dialogue between the bench and the bar is apparent; (vi) severe court congestion and case backlogs persist in each of the higher and lower courts; (vii) insufficient allocation of resources and budgeting straining institutional efficiency of the judiciary; (viii) unequal distribution of workload for judges is causing inefficiency of the judiciary; (ix) in each stage of the court hierarchy, red-tapism, lack of delegation and highly centralized decision making impeding change management in the judiciary; and (x) due to an archaic system devoid of independence and insufficient human resources have been creating opportunities for corruptions.

Case backlog has been a key concern for Bangladesh Judiciary’s performance. Shortage of judges remains a major problem behind the case backlog. Cooperation from the police and the lawyers also impacts on judicial performance. Delay tactic, false cases, lengthy witness check, over use of trials, pre-trial procedures, unreasonable expectations from the judiciary as major causes behind the case backlog. While there has been a decline in political violence in recent years, the incidents of religious fundamentalist terrorist acts and the claims of other incidences of crime including extra judicial killing and enforced disappearance are evident. There are allegations against politicization of law and order administration and rampant corruptions by the police (Supreme Court of Bangladesh and UNDP, 2015; Court, Hyden, and Mease, 2003; Islam, 2010). Transparency International (TI) has identified insufficient funding, absence of effective mechanisms for ensuring discipline, accountability and transparency as the bottlenecks of the judiciary in Bangladesh. All these impediments, as argued by TI, in turn, foster corruption in the judiciary. Political influence, poor salaries and working conditions, dearth in effective training, lack of accountability, and intolerance to public criticism have been drawbacks of the justice system of Bangladesh (Islam, 2010; TI, 2012).

Corruption

Corruption has become a critical issue of good governance. The most damaging impact of corruption involves the distortion of the very basis of a good governance system, that is, better service to the people and an enabling environment for fostering rapid economic
growth (Rahman, 2006). It disrupts democracy and the rule of law and leads to violations of human rights as well as erodes public faith in government. Corruption not merely endorses incompetent governments and lesser economic growth, but also left less money available for public spending like education and health. Corruption thus harms the interests of the poor and promotes greater inequality. Corruption and inequality interacts toward promoting populism. When traditional politicians fail to negotiate corruption, people become disapproving. Hence, populist politics grows out of corruption and privilege, a high level of political corruption leads to more corrupt entrants, and therefore more corrupt office holders, and thus creates political corruption trap (Klašnja, Little and Tucker, 2016). Political corruption assaults democracy as it excludes people from the decision making process that affects their life (Warren, 2006). It is a failure of the institutions and the larger framework of social, judicial, political and economic checks and balances for effective governance (Owoye and Bissessar, n.d.; Rose-Ackerman, 2004; Warren, 2006).

In recent times, there have been significant improvements in Bangladesh’s corruption scenario. The digitalization of public administration and e-governance in all tiers of administration from the Union Parishad to Secretariat, together with strengthened anti-corruption efforts has substantially reduced the magnitude of corruption (Baniamin, 2015). However, in its 2015 report, the TI (2016) ranked Bangladesh as the world’s 13th most corrupt country. The Global Competitiveness Report of 2014-15, 2015-16 and 2016-17 disclosed corruption as ‘one of the most problematic factors for doing business in Bangladesh’ (Schwab, 2014, 2015, 2016).

While assessing the nature and extent of corruption in different public and private sectors, Transparency International Bangladesh or TIB (2015) disclosed that Annual cost of bribery was Taka 8821.8 Crore i.e. 0.6% of GDP and 3.7% of Bangladesh’s national budget. Pulok (2012) has shown that that corruption has a direct negative impact on country’s economic development and per capita GDP. While corruption increases 1% in a given period, about 10% of Bangladesh’s per capita GDP decreases. If Bangladesh could curb pervasive corruption, its pace of economic growth would be faster. Albeit serious criticism from the government on TI’s corruption indexes, pervasive corruption in all spheres of national life has been an undeniable reality in Bangladesh. The real extent of corruption in Bangladesh, as argued by Taj (2017), may not duly be addressed due to lack of transparency and accountability, and the prevalence of impunity for well-connected people.

**Economic Governance**

Economic Governance is a specific feature of good governance which designates all rules for constituting the general framework for economic activities. Applying these rules in a transparent, expected and consistent way contributes to a stable economy which stimulates growth, investment and ultimately toward alleviation of poverty. Good economic
Good Governance Issues in Bangladesh: Challenges and Options

governance has been a key to working of both the public and the private sectors (International Crisis Group, 2009). The core issues of economic governance in Bangladesh may be delineated in terms of the following notions:

**Macroeconomic Stability**

The stability of the economy depends on the efficiency of the government in managing the economy. Macroeconomic stability is vital for attaining competitiveness and economic growth. A study examining the relationship between macroeconomic stability and growth in 70 developing countries finds out a positive link with private sector development and economic growth (Sirimaneetham and Temple, 2009). Both the internal and external factors are liable to macroeconomic stability. The internal factors involve savings and investment, inflation, fiscal situation, money and credit, interest rate, and capital market while the external factors encompass export, import, expatriate employment and remittances, balance of payments, foreign exchange reserve, and exchange rate. These factors can pose an economy into disequilibrium which may be the upshot of poor economic management. Shocks to the world price of these commodities can therefore have a substantial influence on country’s overall income (Ames et al., 2001). Nevertheless, Bangladesh’s GDP growth rate increases steadily (6.1%, 6.6% and 7.1% in 2014, 2015 and 2016 respectively) and most of its major macroeconomic indicators show upward trends as well.

Limited export items (the share of RMG sector on country’s total exports respectively were 81.68% in 2014-15, 82.01 in 2015-16 and 80.81 in 2016-17), problems with balance of payments, fiscal deficit, informal channels of remittance, imbalance of trade, volatility of the commodity prices in the world market, political instability, poor fiscal policy, natural disasters, low level of FDI, and the like are mostly associated with risks affecting macroeconomic stability in Bangladesh. Bangladesh is yet to achieve desired growth in foreign and domestic investment. As calculated by the World FactBook, out of 128 countries, Bangladesh secured only 91st position considering foreign direct investment. High rates of interest, lack in infrastructure and policy support accompanied by bureaucratic and procedural muddle have been hindering both domestic and foreign investments. While addressing diverse external economic sectors including the expatriate workers and expansion of international market, the issues of good governance deserve due diligence (Hussain and Haque 2016; Bangladesh Bank, 2017; CIA, 2017). Bangladesh’s macroeconomic stability seems to be at risk due to political turmoil, decline in the financial health of the state-owned bank, large volume of revenue deficits, and volatility in global economies (IMF, 2016).
Financial Institutions

While the country’s private sector involving banking and financial institutions has experienced a steady growth\(^5\), the overall performances of Bangladesh’s state-owned commercial banks (SOCBs) governance, viewing profitability and liquidity has remained unsatisfactory. Although the SOCBs control only around one-fourth of country’s all bank assets, they have enormous influence on Bangladesh economy because of their connection with the government. Big financial scams of the SOCB, stock market collapse, increase of default loans and the rising trend in borrowing from state-owned banks portrays the feature of financial mismanagement. In between 2010 and 2012, a branch of Sonali Bank, a leading SOCB in Bangladesh, disbursed a total of $454 million in loans to six business firms, out of which nearly $344 million was plundered by the Hallmark Group through fraudulence. Moreover, about $565 million in assets are said to have been misappropriated by the BASIC Bank, another SOCB in between 2009 and 2012. Despite Bangladesh Bank’s ever-growing foreign exchange reserves, the case of stealing of US$8 million in 2016 through hacking has been referred to as the world’s biggest cyber heist (Allchin, 2016, April 11; Katz and Fan, 2017, August 03). All these issues indicate weak nature of the state institutions and indeed mal-governance. Interference by the Ministry of Finance (MoF) infringing Bangladesh Bank’s statutory authority to overseeing financial institutions has been a major concern for financial governance as well (Hossain, 2009).

Infrastructure

In any given country, infrastructure is conceived as a key to good governance and economic development. The OECD (2016) has viewed infrastructure mainly as a governance challenge. Quality public infrastructure fosters growth, increases well-being and creates jobs. Due to poor governance infrastructure projects often fail to meet their timeframe, budget, and service delivery objectives. The infrastructures in Bangladesh, i.e., the road, railway and power have been assessed as one of the poor infrastructures in the world. ‘Inadequate supply of infrastructure’ as evaluated by the Global Competitiveness Report has been ‘the most problematic factors for doing business in Bangladesh’ (Schwab, 2014, 2015, 2016). Low public investment and inadequate maintenance have been chiefly liable to Bangladesh’s infrastructure constraints (IMF, 2016). However, recently the installed capacity and supply of electricity has substantially gone up. Some four lane highways have

\(^{5}\) Following the independence, Bangladesh’s banking industry started its journey only with 6 nationalized commercialized banks commonly known as State Owned Commercial Banks (SOCBs), 2 state owned specialized banks and 3 foreign banks; while it’s maiden non-bank financial institutions (NBFIs) was established only in 1981. Since 1980s Bangladesh has experienced a steady and robust growth in private banking industry. Now, there are 57 schedule commercial banks, 6 non-schedule and 9 foreign commercial banks and 33 NBFIs in Bangladesh (Available at www.bb.org.bd/fnansys/bankfi.php).
already come into operation. Although big projects like the Padma Multipurpose Bridge Project (revised estimated cost US$ 3.692 billion), the Metro Rail Project in Dhaka (estimated cost US$2.7 billion), Payra Deep Seaport (estimated cost US$ 16 billion), Chittagong-Cox’s Bazar Railway Project (estimated cost US$ 2.8 billion), the Maheshkhali Liquefied Natural Gas (LNG) Terminal Project (estimated cost US$ 500 million), Rampal Power Project (estimated cost US$ 1.5 billion), the Matarbari Coal Power Plant Project (estimated cost US$ 4.6 billion) and the Rooppur Nuclear Power Plant (estimated cost US$12.65 billion) are on the headway, some of which have been criticized whether they could be justified on the basis of feasibility, cost-effectiveness and efficacy. Lack of transparency in determining the financial valuation and quality of work, slow pace of implementation, and possibility to corruption may arise as a consequence of governance failure (Tausif Ali et al., 2013; Voice for Justice World Forum, 2013; Siddiky, 2015; Rahman, 2015). The World Bank has claimed that the cost of per kilometer high road construction ranges from $2.5 million to $11.9 million in Bangladesh, which is so far the highest in the world, compared to about 1.3 million in India and nearly 1.6 million in China. The main reason of such unusual infrastructure costing in Bangladesh has been due to corruption and delay endorses corruption which ultimately enhances the cost. According to a newspaper report, one kilometer of four-lane flyover costs on an average BDT 123 crore in Bangladesh. The average cost of that in India is BDT 100 crore and in Pakistan around BDT 70 crore. Improper planning and feasibility studies, limited competition of tender, contractors' negligence, lack of accountability and transparency, red tape, corruption and inefficiency of the authorities have been identified as major reasons for such unusual infrastructure costing (Tusher, 2016 December, 25). Aside from that most of the infrastructure projects have usually been taken without having expert and interest consultations a well as national level deliberation and debate.

**Collection of Revenue and Restraining Black Money**

Despite steady rise of revenue earnings, Bangladesh’s Tax-GDP ratio remains far below from the global standard and its expected level. Weaknesses in tax policy and administration, insufficient numbers of tax personnel and slow pace of automation as well as anti-corruption efforts have been thwarting to desired revenue earnings (IMF, 2016; World Bank, 2017b). Tax avoidance and evasion have been integral part of Bangladesh economy, where 37% of GDP is claimed to be coming from ‘black money’. Although black money has been the upshot of tax evasion, in Bangladesh, black money is not perceived as tax evasion. Even with tax remissions for whitening black money to raise, the mechanism for making black money white remain unsatisfactory (Waris and Latif, 2013). This is why the share of tax to GDP is one of the smallest in the world in terms of ratios which is less than 10 percent (see, Table 1). Insufficient infrastructure hinders the collection of income taxes. There are
numerous taxes on corporations which may be avoided by giving bribe. Partly as a result, imports are subject to excessive fees.

However, such fees could be avoided, if manipulated (Rashid, 2007). Narrow tax base, extensive exemptions, and administrative inefficiencies have been central to small tax-GDP ratio in Bangladesh compared to other South Asian nations. It reveals that tax reforms over the last decades have not brought about significant changes in Bangladesh’s tax efficiency and productivity (Mansur, 2015). Achieving an optimum level of income tax system has been an acute issue for revenue generation to accelerate growth and improve the quality of citizens’ life. A long-term sustainable solution to enhance transparency, promote growth, improve tax compliance, and to increase tax to GDP ratio is, therefore, a much desirable issue in Bangladesh perspective (SUPRO, 2015; Rahman and Bari, 2016).

**Table 1: Tax Effort in South Asian Countries, 2010-2014 (As % of GDP)**

<table>
<thead>
<tr>
<th>Countries</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>Average Tax Revenue*</th>
<th>Average Income Tax*</th>
<th>Average Value Added Tax*</th>
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<tbody>
<tr>
<td>Bangladesh</td>
<td>10.1</td>
<td>10.4</td>
<td>11.0</td>
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<td>-</td>
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</table>

Source: Mansur, 2015, p. 32.

**Allocation and Utilization of Annual Development Plan (ADP)**

Bangladesh’s ADP allocations are typically overestimated. Within a fiscal year, the projects under ADP undergo modification, reimbursement or suspension of allocation. Although a well-devised and purposive development project should be an outcome of a plan involving the parliament, the political executives, and the professionals, the preparation of development projects in Bangladesh have usually been superimposed, and far beyond from public choices or needs. In Bangladesh most of the development projects under ADP either despite having sufficient financial allocations remain un-utilized or suffer from timely disbursement (Hossain and Zutt, July 8, 2014). The constraints that impede ADP implementation are usually found in two phases – pre-project stage and project implementation stage.

The pre-project stage involves delay in submission of project document, improper preparation of Development Project Proforma (DPP) and delay in project approval, inadequate and delayed release of funds, delay in allocation and reimbursement of foreign aid, misappropriation of fund by the agency, inclusion of project in ADP with ‘token allocation’, shortage of workers and materials, procedural delay of the foreign donors,
restrictions on the construction in particular areas, and so on. On the other hand, the project implementation stage encompasses various issues for delay like appointment of project personnel, land acquisition and site selection, invitation and evaluation of tender, procurement, customs clearance and so on. Moreover, inability to utilize released fund, executing decisions, supervision, monitoring, coordination and cooperation among the departments, design approval, ADP/project revision, cost incur for revision of project, inadequate domestic resource mobilization have been impediments to timely execution of ADP as well (GoB, 2007). As most of the ADP projects largely depend on foreign assistance (in FY 2017-18, it was 94.0%), aid conditionality like involving foreign technicians/experts, sourcing low quality equipment, and structural adjustment within the donor countries may affect project implementation (Willis, 2011; CPD, 2017).


Bangladesh has been vulnerable to financial crime. It takes place here in various forms like: i) corruption–gaining money for personal or group interest through bribe and misappropriation of public properties abusing institutional authority or position; ii) tax evasion–causes due to weak tax administrations, unreasonably high tax rates. It occurs leaving behind the tax net, disguising actual income, deceptive arrangement with the tax personnel, and mischievous use of the tax holiday provisions and so on; iii) under-invoicing–lowering of price of goods instead of actual price paid during export and import for evading customs duties and charges; iv) loan defaulting–draining off money from the undertakings, on behalf of which the loan was taken; v) accounting fraud–fabrication of financial statements of accounts and arrangement of dissimilar financial statements for different extents like tax authority, banks, shareholders and the like; vi) smuggling–illegal transfer of goods from one international border to another by which the smugglers earn a huge amount of money which remains undisclosed. For instance, an estimated amount of US$ 1 billion dutiable goods are smuggled each year from India to Bangladesh; vii) counterfeit notes–a fake currency or an imitation currency which is produced and transacted without the legal sanction of the state or government. It poses severe threats to national economies and financial institutions by fuelling the underground economy and financing the activities of criminal networks and terrorists. All the aforesaid means of financial crimes facilitate illicit financial flows or IFFs (Rashid, 2007; Interpol, 2017)

IFFs have been one of the facets of financial governance in Bangladesh. Like many other developing countries, each year, unlawfully a bulk amount of money is transferred from Bangladesh. IFFs may often surpass aid flows and investment in quantity (OECD, 2014). Only in 2013, according to the Global Financial Integrity (GFI), around US$9.7 billion worth of capital have been illegally transferred from Bangladesh which is about $3 billion more compared to that in 2004. The amount was more than 6 percent of Bangladesh’s GDP.
and more than 3.5 times of the external assistance that it received in that year (Allchin, 2016, April 11). The dismal effect of IFFs is the decline in domestic expenditure and investment involving both public and private sectors. These illicit financial transfers could be used to finance much-required public services ranging from security and justice to basic social services such as health and education that weaken their financial systems and economic potential of Bangladesh. IFFs usually take place through tax evasion and money laundering. Money laundering follows three distinct forms: (a) placement: funds are introduced into the financial system; b) layering: criminal funds are separated from their source, usually through a series of transactions that may include real or fake purchases and sale of goods and property, investment instruments, or international bank transfers; (c) integration—apparently clean funds enter into the legitimate economy and are ‘re-invested’ in different means including purchase of real estate and other investment channels (ADB, 2003). Money laundering undermines a functioning financial sector which may affect long-term economic growth, discourage foreign investment and distort international capital flows and thereby destabilize the welfare of entire economy, and financial system of a country (OECD, 2014; IMF, 2017b). While a number of laws are prevalent in Bangladesh to combat financial crimes, these laws are not being properly implemented due to lack of institutional capacity, and mal-governance. Though the Bangladesh Bank has established its Financial Intelligence Unit (FIU) in 2012, it could not safeguard its reserves. The agencies dealing with the investigation of financial crimes in Bangladesh have inadequate expertise and technical know-how. Moreover, the prosecutors and the legal system have also been unfamiliar to comprehend the problems concerning financial crimes (Rashid, 2007).

**Social Governance**

*Education Governance*

Educational coverage and quality have been two major issues to any nation's socio-economic advancement. Education ensures informed life, economic opportunities, cultivated skills, and raises people’s voices, reduces political instability and violence, and thus remains core to human development and good governance (Dreze and Sen, 2013). Conversely, Good governance in education has been vital for ensuring educational development. However, priorities for educational development are usually determined by the nature of governance of a state. Governance in education is closely linked with the broader aspects of good governance. Appropriate standards, incentives, information, and accountability in education governance influence high performance of the education sector. Then again, ample performance by the provider elevates the level of education outputs from the public providers. In turn, it enhances returns to public education investments and as well lessens disparities and inhibits corruption in education. A weak education sector governance can result in failure to improve human capital, which concurrently hampers service delivery of other sectors. Good governance in education is the introduction to elevating institutional
performance of the education services. Budget and resource management as well as corruption perceptions are involved with governance in education (Al-Samarrai, 2008; Lewis and Galander, 2009).

In spite of significant improvements in coverage, enrollment, preventing dropout, and pass rates in primary, secondary and tertiary levels, the state of Bangladesh’s education governance has been subject to reforms. Bangladesh’s education has grown without any stable and consistent policy. Since 1974 to 2010, Bangladesh has had 8 education policies, however, except for the Education Policy 2010, each of those policies was short-lived, either abandoned or annulled with governmental changes. Even with its uninterrupted journey, many of the policy decisions of Education Policy 2010 remain inconsistent with some existing structures of education. For instance, the policy decision of extending primary education from Class V to Class VIII from the FY 2010-11, has not yet been executed. The strategic goal of uniform and identical curriculum, syllabus and textbooks of the compulsory courses at primary and secondary levels, is so far unfeasible (GoB, 2010). The public and private universities have been incoherently running the system of higher education. The National University (NU), with regard to enrollment, curriculum and quality, has been absolutely dissimilar to country’s rest of the public universities. In 2016, total student enrollments of 38 public universities were 452192 while 2051109 students were enrolled in the NU affiliated colleges. The comparison is even more striking counting teacher-student ratio. In the public universities the ratio was 1:35 whereas in the NU affiliated colleges, it was 1:227 in that year. Moreover, while the NU-affiliated colleges accounted for about 71% of country’s total graduates, they receive insignificant portion of the allocations of education budget unlike the public universities. Lack of uniformity and coordination has been the manifestation of the higher education system of NU, since its affiliated colleges are at the same time under two distinct authorities. The academic issues i.e. courses, curriculum, and examinations conducted by these colleges are entrusted to the NU itself. On the other hand, the overall administration like service, discipline, posting, and promotion of the teaching and non-teaching staff, along with planning and budgets of such colleges are subject to control by the MoE through its attached department – the Directorate of Secondary and Higher Education (DSHE). In case of the public universities, no such dichotomies are evident. Such dichotomies in fact generate complexity and inefficiency within the sector.

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7 The calculations are made by the author himself based on BANBEIS data (www.banbeis.gov.bd).
The challenges before the education system toward improving its quality remain complicated and discouraging. These include insufficient learning levels and attainment of non-cognitive skills involving students' motivation, perseverance, and self-control, students’ unequal progression of learning, magnitude of discrepancy among schools, lack of proper teacher motivation, weak examinations and teacher development systems, inadequate incentives for performance, and low levels of financial accountability and so on (World Bank, 2013b). Mushrooming of private schools and colleges beyond consistent policy plan has been the outcome of unjustified influence by the powerful and liable for unsolicited burden on education budget and derogation in quality education. The teacher recruitment process has also been subject to allegations of anomalies (Habib, 2015, October 15).

In spite of a mechanism for screening quality teachers through the Non-Government Teachers’ Registration and Certification Authority (NTRCA), a study of World Bank (2014) argued that teacher recruitment in the non-government schools and colleges beyond quality is deterring the education governance. Moreover, massive nationalization of colleges in absence of precise and uniform policy as well as explicit provisions of law(s) has been subject to huge financial expenses for the GoB and mounting criticisms in terms of quality considerations and conflict of interests. Concerns persist about many areas of the education governance like quality of teachers and the curriculum. Frequent changes in syllabus and method of assessment resulted in some unintended consequences. Criticisms are there in connection to grade inflation and poor performance of successful HSC students in subsequent public university examinations (Habib and Chakraborty, 2014, August 15). Incidences of leaking public examination questions are another gloomy feature of Bangladesh’s education governance. The allegations of massive corruption in teacher recruitment, informal payments, absenteeism, teacher-student to student-classroom ratio, vacancies in non-governmental schools and colleges have also been major concerns for education governance (World Bank, 2013a).

Rapid expansion in higher education under the NU and as well under private universities without quality has been a concern for the education sector governance. In particular, the NU, unlike the public universities, has been operating entirely by its own earnings, without any budgetary control and supervision by the University Grants Commission (UGC). It is at large contributing to horizontal expansion of higher education beyond quality and needs (World Bank, 2014). Instead of high tuition fees, teaching-learning quality of the private universities remain far away from their required standard, and the degrees they award usually receive not much value in the market—even often labeled as zombie graduates (Varghese, 2007; Husain and Osswald, 2016). As it covers all subsectors of finance and

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8 See, BCS General Education Association’s statement on the nationalization of colleges, available at http://www.bcsgea.org.bd/?page_id=1650
administration, Bangladesh’s public education is claimed as South Asia’s one of the most centralized system (World Bank, 2013b).

Table 2: Government Expenditure on Education in the South Asian Countries, total (% of GDP)

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Budgetary allocations to education reflect the factual evidence of Bangladesh’s education sector governance. Even though the Dakar commitment and UNESCO’s globally recognized target of financing 9% of GDP in education (UNESCO, 2000), Bangladesh’s education financing remain below 2.0 of its GDP.\(^9\) Although there is a causal relationship between the proportional spending on education and the actual GDP (Mekdad, Dahmani and Louaj, 2014), but Bangladesh’s journey to this end remain bizarre. Table 2 shows, Bangladesh’s government expenditure on education which has been the lowest among South Asian Countries; not only that, in comparison to the percentage of GDP, country’s public expenditure on education, with some fluctuations has gradually been declining.

3: Trends in Bangladesh’s Education Budget: 2010-2011 to 2017-2018

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Revised Budget</th>
<th>Revised Education Budget*</th>
<th>% of Revised Budget</th>
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<td>2016-2017</td>
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*Education budget includes the budget of Ministry of Primary and Mass Education and Ministry of Education. Source: www.mof.gov.bd

\(^9\) The World Bank ranked Bangladesh 155\(^{th}\) among 161 countries in the world comparing the percentage of education budget to GDP (2016).
The trends of education budget in Bangladesh from FY 2010-2011 to FY2016-2017, as displayed by Table 3 that the amount of revised budget has increased steadily from FY 2010-2011 to FY2016-2017. As revised budget has increased, the amount of education budget has also increased throughout the period (except for FY 2011-2012 it was declined about BDT 2000 crore than the preceding year). While the amount of revised budget has increased gradually with a peak in FY 2016-2017, the share of revised ADP to education sector has declined excepting some variations. In 2010-2011, the share of revised ADP to education was more than 15%, while in FY 2010-2011, it declined to 12.45%. It is noteworthy that by FY 2016-2017, the volume of revised budget was rose to BDT 317174 crore, about 2.4 times higher than the revised budget of FY 2010-2011. However, the amount of education budget in 2016-2017 was BDT 39505 crore, about 2 times double than the education budget of FY 2010-201. It reflects that the education budget has not proportionately increased in terms of the revised budgets.

Health Governance
Improvement in health sector is viewed as one of the major issues of economic development. Growth in health sector accelerates income and economic growth, and thus reduces poverty. WHO (2007) identified ‘six building blocks’ toward ensuring good governance in health sector: (i) good health services that deliver effective, safe, quality health interventions to health seeker with minimum waste of resources; (ii) a responsive, fair and efficient health workforce to attain best possible health outcomes; (iii) a well-functioning health information system; (iv) a well-functioning health system that enables equitable access to necessary medical products, vaccines and technologies; (v) a good health financing system to ensure adequate funds for health; and (vi) leadership and governance that ensures strategic policy frameworks and effective oversight, coalition building, regulation, attention to system-design and accountability.

Aftermath of its independence, Bangladesh has made significant progress in population control, reducing infant and child mortality rates as well as increasing immunization coverage. It is often claimed that, Bangladesh’s healthcare network is ahead of many Asian countries (Siddiqui and Khandaker, 2007). According to Dreze and Sen (2013), even India lags behind Bangladesh in terms of many public health indicators including sanitation, immunization, birth control, water supply, maternal health care and so on. Bangladesh’s health system has been successful to incorporate information and communications technologies (ICTs). Access to internet has been ensured so as to facilitate health services at the union level for the rural people. Upazila health centers and district hospitals have been upgraded with mobile phone-based services as part of e-Health program. Telemedicine service is now made available in several thousands of community clinics by which rural people avail themselves of medical consultations from the specialist doctors. Bangladesh is
portrayed as exemplary to rendering good health at a very low cost and recommended as ‘a role model for other developing countries in the region’ (WHO, 2015). While Bangladesh has a good infrastructure for delivering primary health care services the full potential of this infrastructure has never been realized due to inadequate logistic supports. Therefore a great number of Bangladeshis, in particular, the people in rural areas remain beyond adequate healthcare facilities (Islam and Biswas, 2014). Regardless of significant reduction in the rate of country’s poverty and hunger, the malnutrition level remains unsatisfactory as extreme poverty persists. In such a setting, children, women and elderly people are usually being the most affected (FAO, 2017).

The health system of Bangladesh comprises government, private sector, non-governmental organizations (NGOs) and donor agencies that determine the structure and function of the system. Public sector is prime mover of the system and accountable to formulate policy and law, and provisions for comprehensive health services under constitutional mandates. It is also liable for financing, employment and governance of public health. The Ministry of Health and Family Welfare (MoHFW) manages general health and family planning services through district hospitals, health complexes, union health and family welfare centers and community clinics at the district, Upazila and ward level [3 clinics out of 9 wards]. Ministry of Local Government, Rural Development and Cooperatives (MoLGRD) also delivers some primary health care services within its jurisdictions. The MoHFW is usually entrusted with the responsibility of policy planning regarding health. However, no unified and effective health information system is yet to be developed. Bangladesh’s public health system is centralized and no substantive power is delegated to local levels. While there are several legal instruments10 to govern country’s health system including regulation of service providers, NGOs and practice facilities, many of these instruments are outmoded and requiring new legal frameworks in line with global needs and changes in society. Though separate councils for the registration and licensing of medical practitioners, dentists and nurses have been established, their authority of investigation or supervision is not up to the mark. So far numerous measures have been taken through government-donor collaborative programs to encourage and support community empowerment and accountability, and a number of NGOs remain active in public reporting on government handling of the health sector, these initiatives in effect have come up with limited success (WHO, 2015).

Bangladesh’s health system has been facing dearth in required numbers of physicians, nurses, drugs, facilities, and safety net for the poor. Only one physician is available for 3,297 persons, while the standard ratio is 1:600. There is only one nurse out of 11,696 and

10 The health system of Bangladesh is regulated by a number of archaic laws namely, the Vaccination Act, 1880, Epidemic Diseases Act, 1897, Medical Degrees Act, 1916, Medical Diplomas Act, 1939, Public Health (Emergency Provisions) Ordinance, 1944 and the like.
one medical technologist for 27,842 persons (TIB, 2014). The primary healthcare facilities usually provide basic health care services. Yet no specialized public or private institutions have been established in rural areas although country’s almost 70% people are living there. Most of the major medical colleges, hospitals, clinics, laboratories and drug stores and each of the key public and private institutions have been established either in the capital city or at the division level. Therefore the rural people are being deprived of receiving of specialist services. No well-defined referral system has yet been developed (WHO, 2015). The quality of public health services has so far remained unsatisfactory. Those who can afford, they usually go for private health services and the poor are forced to depend on public services. Nonattendance by the doctors and their inadequate attention to patients, non-availability and insufficient supply of medicines, long waiting times for receiving services, poor maintenance of equipment and unhygienic conditions are the common barriers toward quality public health services in Bangladesh (TIB, 2014). Thanks to absence of sufficient numbers of specialist physicians, distinct referral system and regulatory control, the state of private medical consultation in Bangladesh remain beyond international standards and norms, and unsatisfactory to the perception of common people. Furthermore, while higher education and research is essential for the doctors for their career development, the numbers of such scopes are very limited in the country. The quality of medical education has been come into question since there are many private medical colleges in Bangladesh which do not have sufficient medical faculty, equipment and proper physical infrastructure.

Regardless of the rise in investment and delivery of health and education services, a wide-ranging perception among the people of Bangladesh that quality of services have declined and thereby pushing people going especially to India for better healthcare services (Rahman, 2000). An Indian official data shows that only in 2015-16, out of 460,000 foreign patients to Indian hospitals, more than 1,65,000 were from Bangladesh and they contributed $0.34 billion to Indian health export (Chakraborty, 2017, April 26). Even though no extensive research on Bangladeshi citizens’ external health seeking mobility is available, it may assume that the trend is ever increasing.

Bangladesh’s budgetary allocation for health has long been continuing much below to the WHO requirement i.e. at least 5% of GNP (WHO, 1981). By tradition, the MoHFW receives the lowest budgetary allocations. The budgetary allocations to health are usually determined by central government in tune with its policy concerns, devoid of health demand from local levels. As a result of a very low public health budget, households pay substantially from their own budgets; in fact the poor have to pay more from their income than the rich.
Table 4: Government Expenditure on Health in the South Asian Countries, (total % of GDP)

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<td>4.1</td>
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<td>2.6</td>
</tr>
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<td>1.2</td>
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<td>1.2</td>
<td>1.2</td>
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</table>


Table 4 portrays the government expenditure on health in South Asian countries based on the percentage of GDP from 2007 to 2014. It reveals that Maldives’s expenditure on health has been the highest as a percentage of GDP throughout the period. It is also noticeable that India, Bangladesh and Pakistan are keeping almost similar position in terms of expenditure on health as a percentage of GDP. Although Afghanistan’s expenditure on health was lowest proportion in 2007, in the recent years it has shown a steady rise. In contrast, Bangladesh’s expenditure on health has declined from 0.9% in 2007 to 0.8% in 2014.

Table 5: Trends in Bangladesh’s Health Budget: 2010-2011 to 2017-2018

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Revised Budget</th>
<th>Revised Health Budget</th>
<th>% of Revised Budget</th>
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<td>189326</td>
<td>9130</td>
<td>4.82</td>
</tr>
<tr>
<td>2013-2014</td>
<td>216222</td>
<td>9979</td>
<td>4.61</td>
</tr>
<tr>
<td>2014-2015</td>
<td>239668</td>
<td>11537</td>
<td>4.81</td>
</tr>
<tr>
<td>2015-2016</td>
<td>264565</td>
<td>14811</td>
<td>5.6</td>
</tr>
<tr>
<td>2016-2017</td>
<td>317174</td>
<td>14829</td>
<td>4.67</td>
</tr>
</tbody>
</table>

Source: www.mof.gov.bd

Table 5 delineates the trends of health budget in Bangladesh from FY 2010-2011 to FY2016-2017. It unveils that over the period both the amount of revised budget and the amount of health budget have increased gradually. Throughout the period, it is evident that while the amount of revised budget has increased gradually with a peak in 2016-2017, the share of revised ADP to education sector has declined with some ebb and flow. This is also noticeable that in 2010-2011, the share of revised ADP to health was approximately 5.9%, while in FY 2010-2011, it declined to about 4.7%. Moreover, the amount of health budget in 2016-2017 was BDT 14829 crore, almost twice of the health budget of FY 2010-2011.
During the period, the revised budget has increased 2.44 times. It suggests that health budget has not increased in proportion to the revised national budget. Moreover, extensive corruption, inadequate regulatory control over the private medical services for quality control, accountability and affordability, and decline in the quality of medical education due to mushrooming growth of private medical institutions remain as major problems of health sector governance in Bangladesh.

**Use of ICT in Governance**

The use of ICT, in particular the Internet in governance has been defined as E-government, which is considered vital to achieving better government (UN, 2016). The GoB, both in its *National ICT Policy 2009* and *Perspective Plan of Bangladesh 2010-2021* emphasized the use of ICT as a key instrument toward attaining goal of joining the ranks of the developed countries. In 2004, the Ministry of Information & Communication Technology was established to extend more thrust on the ICT sector. The *National ICT Policy 2009* affirms that through expansion and diversifying the use of ICTs would: (i) establish a transparent, responsive and accountable government; (ii) develop skilled human resources; (iii) enhance social equity; (iv) ensure cost-effective delivery of citizen-services through public-private partnerships; and (v) support the national goal of becoming a middle-income country within 2021 and join the ranks of the developed countries of the world within thirty years (GoB, 2009).

The *Perspective Plan of Bangladesh 2010-2021* declared that ICT will be the vehicle through which a Digital Bangladesh will be created. It reveals that the use of ICT will promote efficiency and productivity of the each sectors of economy, including agriculture, health and education. E-governance will be useful toward delivering greater transparency in governance. It has further stressed that the introduction to ICT would contribute to the advancement of digital economy and balanced growth, promotion of software market and outsourcing and the promotion of digital democracy in terms of the computerization of political discourse, policy-making and the political process. The *Perspective plan* envisioned digital democracy as the expansion and deepening of citizen participation in government policy and decision-making processes by way of electoral campaigns, voting, consultation, public opinion polling and communication exchange among elected officials and constituents (GoB, 2012).

By this time, Bangladesh has achieved a remarkable success in ICT due to government’s efforts in realizing its ICT policy and vision 2021. By February 2017, the number of mobile phone users and Internet subscribers has reached to about 130 and 67 million respectively.

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11 Since 2014, the ministry has merged with Ministry of Posts and Telecommunications as ICT Division. See, http://ictd.gov.bd/
12 Data retrieved from http://www.btrc.gov.bd/telco/mobile
Due to extensive and relatively cheap mobile phone uses, Bangladesh has brought out a revolutionary change in the field of mobile-based ICT services like, payment of utility bills, railway ticketing, admissions, enrollments, examinations, payment of fees to the academic institutions, mobile banking, telemedicine, phone-in features of the televised program on agriculture, health, human rights issues and so on. Deputy Commissioner Office at the district and UNO Office at Upazila levels provide rural people with a wide range of e-services. Introduction of public procurements through e-tender, electronic payment systems and electronic business transactions has been pivotal to e-citizen service and e-administration i.e. 'digital government'. (Access to Information Programme, 2009; Rahman, 2016, February 01). In view of country’s e-governance development, the UN in its e-governance development index (EGDI) has classified Bangladesh as a middle-ranked country (UN-DESA, 2016). Whilst the global mobile phone operators association, namely, the GSM Association, in its report ranked Bangladesh 10th position in the world projecting new subscribers (GSMA, 2017).

Apart from the above-mentioned successes, there are a number of drawbacks including lack of sufficient infrastructure, shortage of electricity supply, expensive use and slow pace of internet, lack of necessary knowledge or apathy among the government’s officials to use ICT, lack of efforts to initiate e-filing, and so on that hinder the uses and applications of ICT in government mechanism and thereby creating problems to deliver public services fruitfully. Despite having huge potentials to outsourcing and software industry, desired outcomes are yet to be achieved due to effective project implementation mechanisms, financial constraints and procrastination. For instance, country’s online money transfer services with PayPal were introduced only in March 2017. The ICT sector has not yet received both substantial private and foreign investments as expected (Netherlands Bangladesh Business Platform, 2014). While the 4G uptake in the world has reached up to 55% in 2016 and 5G networks will be expected to cover a third of the world’s population by 2025 (GSMA, 2017), Bangladesh is yet to introduce the 4G technology on a larger scale.

IV. Key Observations

In view of the foregoing discussions, the following key observations may be pointed out concerning the state of good governance in Bangladesh.

Despite noteworthy socio-economic developments in post-independence period, Bangladesh’s political governance mostly remains disappointing. Until now, Bangladesh could not develop its desired level of political governance grounded on debate and deliberation. The JS is yet to be developed more toward becoming the core of national
politics. The electoral process could not end the politics of public protest and hartal. The political parties contending for power usually show disapproval of accepting defeat in the election. No indication of the end of parliament boycott and abstaining from parliamentary election is evident. The politics of personal admiration, grovel and patron-client considerations are restraining good governance initiatives. So far there is no indication of the development of a robust and responsible opposition party. Absence of tolerance and consensus within the political process has been a threat to the rise of radical politics. The use of religion in politics is also causing the rise of radical extremism. Whereas the government has seemingly succeeded in reducing violent opposition politics, democratic governance inclusive of a vibrant and responsive opposition politics is yet to be visible.

The bureaucracy in Bangladesh has been complex, oversized, and represents a weak system of accountability due to absence of a well-defined regulatory framework. The Bangladesh bureaucracy is markedly enjoying its generalist preponderance due to their domination over the formulation and executions of key policy decisions, which is causing bars to administrative reforms, career development of the professional cadres and disputes among the cadre services.

Bangladesh’s economic governance is at stake due to limited items and destinations of export, trade imbalance, informal modes of remittance, instability of commodity prices in the world market, political instability, inappropriate fiscal policy, natural disasters, low level of FDI, volatility in global economy, financial crimes and the like in spite of its sustained economic growth and apparent financial stability.

While Bangladesh has achieved remarkable success in many areas of education, it still lacks a stable and consistent policy and structure to govern its education sector. While a number of education systems are prevalent in secondary and higher secondary levels in Bangladesh, there is no uniformity in their curriculum. Education projects sometimes appear to be supply-driven rather than demand-driven and thereby may result in inefficacy in such projects. Even though National University comprises a majority of the total graduates in a year, their quality is not up to the mark compared to other public universities. Moreover, the proportion of education budget in Bangladesh relative to total budget is one of the lowest in South Asia.

Whereas a number of actors are involved in Bangladesh Health System, there is no proper coordination and uniformity among them. It lacks effective health information system, and has insufficient doctors, nurses and health technologists relative to total population of the country. While roughly 70% of the total population lives in rural areas, the number of drug stores, clinics, public and private hospitals with modern medical facilities, and specialized hospitals as well are very scanty. There is no safety net for the poor. While higher study
plays very important role for the professional development of the doctors, such opportunities very limited in Bangladesh. Moreover, the private medical education with insufficient resources has been expanding across the country without proper quality control and supervision from the public authority. The quality of both public and private health services across the country is not up to the mark and thereby pushing a great number of patients to visit out of the country, in particular India. Moreover, the allocation of health budget compared to WHO requirements is not satisfactory.

Although Bangladesh has advanced much in the field of ICTs to realize the government vision of digital Bangladesh, still there are many areas in which much attention needs to be paid including wide spread use of ICTs in all levels of public and private sectors, cheap, fast and wide spread use of internet, quality ICT education including software engineering, the development of IT parks and industries, and so on. Given the importance of ICT to facilitate socio-economic development and its future potentials, both foreign and domestic investments in Bangladesh in the field of ICT is below the mark.

V. Strategic Options for Ensuring Good Governance in Bangladesh

While the values of good governance are indispensable for the socio-economic development of Bangladesh, there are a number of key areas where Bangladesh needs to focus on and take proper steps. Following are the strategic options may be considered toward ensuring good governance in Bangladesh:

Democratic Governance

- The politics of non-cooperation and conflicts among the major political parties needs to be resolved.
- Political parties in Bangladesh should focus more on engaging, educating and training people on democratic values, norms and processes instead of the values of disagreement and conflicts.
- Bangladesh requires broad-based party politics having internal democratic procedures that foster legitimacy and efficiency in political process. The party politics should be based on a broader social representation rather than the vested interests of the party leadership.
- A vibrant and responsible opposition party needs to be encouraged.
- To ensure an effective and dynamic JS, Article-70 of Bangladesh Constitution should be amended in such a way that the MPs could raise their voices and give their respective votes against irrational party decisions.
- The JS should be made more prominent in national life. To this end, its effectiveness considering deliberation and debate, policy discussion and approval, legislation to budget and financial role needs to be improved.
The oversized and complex bureaucracy is required to be rationalized. Thus the delay in service delivery system owing to unnecessary attachments could be minimized.

Freedom of print and electronic media should be ensured. The media should flourish with the values of self-censorship, rather control by the government.

Freedom of the judiciary needs to be safeguarded on the basis of non-interference and the principle of separation of powers.

Recruitment of judges for the Supreme Court should be based on merit and expertise rather than political bias.

Case backlogs should be minimized through introducing Alternative Dispute Resolution (ADR) system.

The judiciary should provide adequate budgetary allocations, human resources and technical supports for strengthening its institutional capacity.

Independent Attorney Services needs to be introduced.

Dialogue between the Bench and the Bar should be introduced to strengthen judicial independence and thus should create an environment for judicial reform.

The Anti-Corruption Commission should be given more autonomy to restrain corruption.

Visible administrative and judicial efforts should be taken in curbing corruption.

Assets and incomes of candidates running for public office, public officials, politicians, legislators, judges, and their dependents should be disclosed in public.

The values of integrity should be reflected in the curriculum in each spheres of learning. Public officials should be duly rewarded for integrity and performance.

With a view to limiting corruption in the public sector, parallel to financial audit, performance audit should be introduced.

**Economic Governance**

The state-run financial institutions should be operated by the experienced professionals possessing integrity, instead of political affiliations.

The Bangladesh Bank’s autonomy over the financial institutions should be ensured through specific enactment, and structural arrangements.

Banking sector reform is required in terms of improving supervision mechanism, competitiveness, and guaranteeing capital adequacy.

The infrastructures for economic growth like power, communication should be developed under well-devised plan involving the parliament, media, political parties and the civil society.
The development of civil society organizations and think-tanks should be encouraged as they can play an active role in assessing the rationale, cost-effectiveness and outcome of the development projects with expert knowledge and skills. Thus, the issues of overvaluation, misappropriation and delays in executing development projects could be addressed properly.

The structure for revenue collection should be enhanced through adequate personnel and the system should be more efficient, transparent and accountable.

The ADP should be well planned taking into account public choices and needs rather than the outcome of politico-administrative and donor driven agenda(s)/issue(s).

To improve the efficiency of revenue collections, the NBR needs to provide sufficient administrative supports in terms of human resources and infrastructure, and enabling technology as well.

Tough legal actions should be imposed in order to reduce illicit financial outflows and financial crimes.

Harassment of the taxpayers should be minimized through addressing procedural muddle and corruption.

Tax base should be expanded instead of reliance on traditional sources. Preference should be given on the total outcome of taxes excepting the inclination to rates.

Social Governance

Education Governance

Budgetary allocations for education sector should be raised in congruent with international convention and treaties on education.

Mushrooming of private schools and colleges beyond national policy plan should be checked.

The teacher recruitment process should be made merit-based, competitive and transparent.

Nationalization of non-government colleges should be well calculated and based on needs and priorities.

Grade inflations in at the secondary and higher secondary level should be justified.

The system of curriculum and syllabus should be developed by the experts and should not be subject to irrational and frequent changes.

The unusual expansion of higher education under the NU should be restrained. Its area and scope for affiliation to higher education needs to be downsized. The UGC should allocate more authority to oversee the day to day activities of NU on its budget, expenditure, curriculum, textbook, assessment and matters relating to overall standards.
The system of higher education conducted by the NU, and the public and private universities should be made consistent and harmonious in terms of curriculum, assessment and accreditation.

The curriculum and courses of higher education should be remodeled prioritizing technical education congruent to Bangladesh’s development priorities and needs.

For giving more emphasis on the quality, a separate ministry for higher education should be established.

**Health Governance**

- Budgetary allocations for health should be enhanced in line with WHO recommendations.
- The numbers of physicians, nurses, drugs, facilities and safety net for the poor must be ensured.
- The quality of public health services needs should be enhanced.
- The cases of staff nonattendance, availability of medicines and supplies as well as quality of service should be ensured.
- The quality of medical education needs to be enhanced. Mushrooming of private medical colleges beyond quality should be controlled.
- More domestic and overseas investments are required with a view to reducing massive health-seeking movement to foreign countries, focusing on the improvement of health care infrastructures and services.

**ICTs in Governance**

- For the promotion of e-governance, an enabling ICT infrastructure involving uninterrupted supply of electricity, high-speed and low cost internet facilities should be developed.
- Much focus is required on upgrading IT curriculum in line with global needs and technological changes.
- To generate more IT professionals and experts, much attention is needed to build on IT based universities.
- Both foreign and domestic investments are required to build on apposite IT infrastructure, hardware and software industries so that ICT could play a pivotal role in Bangladesh economy.
- To unleash huge potentials of outsourcing and software exports, proper policy and administrative support including cash incentive should be extended. Hazards to online transfer of income from outsource through PayPal and the like should be minimized.
Necessary steps should be taken to ensure e-governance in all spheres of public administration so that e-filing, MIS, e-procurement, e-documentations, e-appointments and e-service delivery systems could be adopted on a wider scale.

Conclusion

The issues of good governance have been ever-changing and the urge for good governance is indeed incremental. Despite that, the extent of good governance may be assessed in terms of some set values and norms which arise out of participatory, responsive, accountable and transparent government. Even though Bangladesh has made remarkable success in many sectors of development and is ahead of many countries based on various socio-economic indicators including poverty alleviation, maternity health, sanitations, and reducing child mortality, still there is a deficiency to stabilize peaceful democratic governance and thereby affecting a transparent, accountable and people-centric development. Therefore, Bangladesh has to concentrate more with a comprehensive approach on issues concerning the political, economic and social sector governance so that the drawbacks of good governance could be addressed properly.

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64


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