

Tackling corruption for inclusive development



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Bangladesh has transformed from a war-ravaged, resource starved and acutely poverty-stricken least developed country (LDC) at independence in 1971, into a low middle income country by 2015. One of the fastest growing economies of the world for more than a decade now, the country is aspiring to achieve the upper middle-income status by 2031 and high income by 2041. As per the Perspective Plan 2021-41, extreme poverty will be eradicated by 2031 and zero poverty will be achieved by 2041.

Together with the consistently high GDP growth, Bangladesh has been performing envitably better than comparable countries in South Asia and beyond in terms of indicators like Human Development Index, Multidimensional Poverty Index, Gender Development Index, population growth reduction and life expectancy at birth.

This impressive performance, a genuine source of pride for every Bangladeshi, is however tainted by the fact that the country has been consistently lagging behind in terms of nearly every credible governance and corruption-related international assessments. These include the Rule of Law Index, Regulatory Quality Index, Government Effectiveness Index, Political Stability Index, Voice and Accountability Index, Press Freedom Index, Political Rights Index, Civil Liberties Index, Corruption Control Index, Bribery Risk Matrix and Corruption Perception Index.

Bangladesh's growth and development performance could have been much better and more inclusive and meaningful for the common people if it



was accompanied by higher standards of governance and control of corruption the cost of which is as high as 2-3 percent of GDP, as revealed by a former finance minister. Add to this, the skyrocketing illicit financial outflow from the country of over USD 12 billion annually as per credible estimates, which do not include the laundered money to destinations in Europe, North America, South and Southeast Asia by conventional means

▲ Without a paradigm shift in our political culture, corruption cannot be controlled.

SOURCE: TIB

like hundi. The Canadian Begum Para and Malaysian second home, of which Bangladeshi money launderers are among the leading clients, are just some examples of how illicit financial transfers are used to accumulate ill-gotten properties out of the country.

The Corruption Perception Index (CPI) 2021 has ranked Bangladesh 147th among 180, having scored 26 out of 100, well below the global

average of 43, the benchmark for moderate success in corruption control. We are embarrassingly the second worst performer in South Asia after Afghanistan, and fourth lowest among the 31 countries of the Asia-Pacific region.

In terms of impact on daily life, people's sufferings from bribery and other forms of corrupt practices in key sectors of service delivery remain very high. Around 66.5 percent of households were victims of one or other form of corruption according to the National Household Survey on Corruption in service delivery, released by Transparency International Bangladesh in June 2018. It further showed that more than 89 percent of those who paid bribes were forced to do so because it was the only means to access public services—an unbearable daily life burden of immorality of the corrupt.

While there exists a school of thought that in certain societies, due to inefficient bureaucracies and institutions, corruption might facilitate economic activity, there is a consensus on its negative impact on economic growth and distribution. Corruption is protected and perpetuated by biased policy regimes and faulty governance practices that favour the rich and well-connected. Statistically significant positive association exists between corruption and income inequality. The more pervasive corruption is in a society, the higher is income inequality which in turn, leads to further perpetuation of corruption. Similar positive association exists between

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