

Bangladesh's governance crisis is beyond superficial solutions



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In the wake of the Monsoon Revolution, Bangladesh stands at a critical juncture, facing what could be its last chance to establish genuine democratic governance. In the past, while the nation's leadership touted various reform initiatives and grand visions, the fundamental issues plaguing the country's governance structure remained largely unaddressed. The current situation demands more than just superficial changes; it requires a complete overhaul of the systems that allowed corruption, inefficiency, and anti-democratic practices to flourish.

The most glaring issue is the hollow nature of Bangladesh's democratic institutions. While the country maintained a facade of democracy from 1991 to 2007, the subsequent years saw an alarming erosion of democratic norms. The judiciary struggled with political interference, the parliament became increasingly ineffective in its oversight role, and anti-corruption bodies like the ACC became mere symbolic entities. This institutional decay wasn't merely an administrative concern; it represented a fundamental betrayal of the democratic aspirations that drove Bangladesh's independence movement.

The economic cost of governance failure

The economic implications of Bangladesh's governance crisis are far-reaching and severe. Foreign direct investment, crucial for economic growth, remained well below potential due to investors' concerns about regulatory unpredictability and corruption. The World Bank estimated that corruption and bureaucratic inefficiencies cost Bangladesh several percentage points in GDP growth annually—a staggering loss for a developing economy.

The banking sector provided a stark example of how poor governance translates into economic losses. Political lending, inadequate oversight, and corruption led to mounting

non-performing loans, threatening the stability of the entire financial system. The cost of recapitalising state-owned banks diverted precious resources from critical development needs like education and healthcare.

Small and medium enterprises, which should be the backbone of economic growth, faced particularly harsh conditions. Unable to navigate the complex web of bureaucratic requirements without political connections or substantial bribes, many promising businesses either failed to launch or remained trapped in the informal sector, limiting their growth potential and tax contributions to the state.

The syndicate stranglehold

The entrenchment of syndicates in Bangladesh's economy created a parasitic system that affected every aspect of daily life. In the essential commodities market, powerful cartels manipulated supply chains with devastating efficiency. During religious festivals like Ramadan, these syndicates artificially inflated prices of basic necessities, forcing millions of low-income families to reduce their food consumption.

The transportation sector provides another telling example. Bus and trucking syndicates not only controlled routes and fares but also resisted safety improvements and professional training requirements, contributing to Bangladesh's appalling road safety record. The human cost was enormous—thousands of preventable deaths annually—while the economic cost in terms of lost productivity and healthcare expenses ran into billions of takas.

Even the construction industry couldn't escape syndicate control. A small group of contractors, backed by political patrons, dominated public infrastructure projects, leading to inflated costs and substandard work quality. The collapse of several infrastructure projects highlighted how this system

compromised public safety while draining public resources.

Learning from others

While serious, Bangladesh's governance challenges are not unique. Other developing nations have successfully implemented reforms that could serve as models. Indonesia's post-Suharto reforms offer valuable lessons in transitioning from an authoritarian system

A blueprint for reform

Bangladesh needs comprehensive reforms across multiple fronts. First, the judiciary must be granted genuine independence, not just in theory but in practice. This means establishing transparent appointment processes, ensuring adequate funding, and creating effective mechanisms to prevent executive interference. The current backlog of cases—over 37.29 lakh pending cases—must be addressed through

a multi-pronged approach: establishing an independent competition commission with real enforcement powers; creating transparent market monitoring systems for essential commodities; implementing strict penalties for price manipulation and anti-competitive practices; developing alternative supply chains to reduce market concentration; and protecting whistleblowers who expose cartel activities.

Fifth, strengthening local governance requires increased fiscal decentralisation and direct election of local officials. There is no alternative to local democratic governance in the true sense of the term. Deployed officials from the centre must be accountable to the elected leadership. Both capacity building for local administration and community participation in development planning are critical for development at the grassroots.

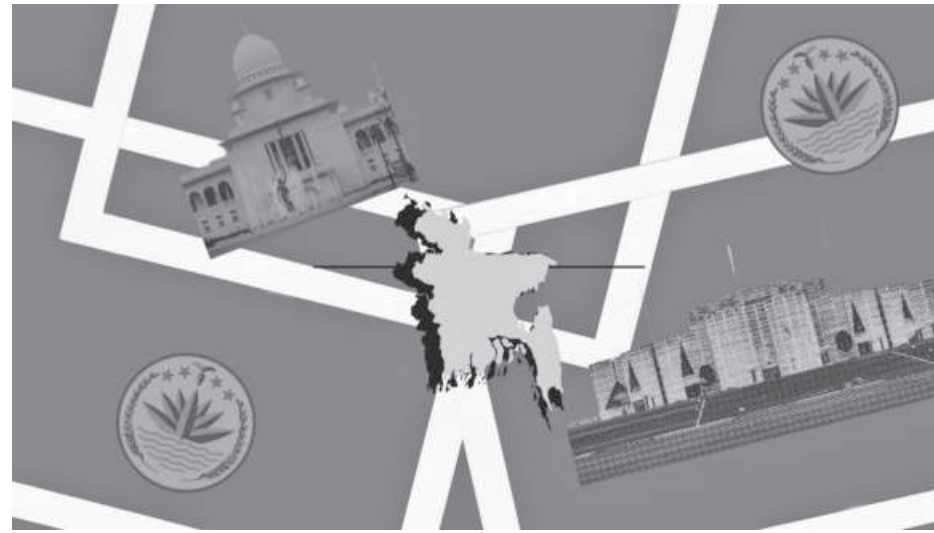
The road ahead

The current global landscape, characterised by uncertainty and rapid transformation, makes these reforms even more urgent. Bangladesh cannot afford to continue with business as usual if it hopes to achieve sustainable development and maintain its economic progress.

The recent mass uprising suggests that citizens are increasingly unwilling to accept the status quo. However, turning this popular dissatisfaction into meaningful change will require more than just street protests. It demands sustained pressure for reform, coupled with clear alternatives to current governance practices.

Success will require building broad coalitions for reform, including business leaders who understand that poor governance ultimately threatens their interests, civil society organisations that can mobilise public support, and reform-minded government officials.

The choice facing Bangladesh is stark: either embrace fundamental reform now or risk deeper instability in the future. The country's leadership must recognise that genuine democratic consolidation, while potentially threatening current power structures, is essential for long-term stability and development. The time for half-measures and symbolic reforms has passed. Bangladesh needs decisive action to address its governance crisis before it's too late.



FILE VISUAL: ALIZA RAHMAN

to a more democratic governance structure. The country's success in strengthening its anti-corruption commission, Komisi Pemberantasan Korupsi (KPK), demonstrates the ability to achieve institutional reform despite political resistance.

Georgia's dramatic transformation of its civil service and reduction in petty corruption provides another instructive example. Through comprehensive reform of police services and government bureaucracy, Georgia significantly improved its business environment and public service delivery within a relatively short period.

Even neighbouring India, despite its challenges, offers useful lessons in maintaining democratic institutions and an independent judiciary. The Indian Supreme Court's activism in governance issues and the election commission's relative independence provide models for institutional autonomy.

modernisation of court procedures and increased judicial capacity.

Second, anti-corruption efforts need to move beyond symbolism. The ACC should be restructured as a truly independent body with robust investigative powers and the authority to prosecute corruption at all levels, including the highest echelons of power. This requires not only legislative changes but also guaranteed budget allocations and protection for ACC officials from political interference.

Third, the civil service needs comprehensive reform focusing on merit-based recruitment and promotion, professional training, and clear accountability mechanisms. This must be accompanied by measures to insulate the bureaucracy from political interference while ensuring its responsiveness to public needs. Digital systems for government services should be expanded to reduce opportunities for corruption and improve efficiency.

Fourth, breaking syndicate control requires

SWAp's effectiveness for Bangladesh's health sector

UHC Forum is a coalition of health sector practitioners, advocates and academics dedicated to a strategic push on the universal health coverage (UHC) agenda. UHC Forum Health Debates is one of its flagship activities carried out in partnership with the Power and Participation Research Centre (PPRC). This op-ed is derived from the health debate on the Sector Wide Approach (SWAp) modality adopted for health sector planning and implementation since 1998.



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The Sector Wide Approach (SWAp), introduced in Bangladesh in the late 1990s, sought to improve the health sector by uniting the efforts of government, donors, and NGOs under a unified national plan. The strategy proved effective in several areas—enhancing coordination, reducing duplication and ensuring more efficient use of resources. It fostered a government-led approach, empowering the Ministry of Health and Family Welfare (MOHFW) to take ownership of health programmes and make decisions that align with national priorities. The pooling of funds from various donors simplified financial management and allowed for a more harmonised implementation of health services. Moreover, SWAp contributed to capacity building by strengthening institutional frameworks, enhancing local expertise, and promoting evidence-based policymaking. However, SWAp also faced substantial challenges. Key stakeholders, such as the private sector and the Ministry of Local Government, Rural Development and Co-operatives, were excluded from planning processes, limiting its scope and effectiveness. Centralised decision-making created bureaucratic delays, slowing programme implementation. Additionally, larger donors, such as the World Bank, exerted disproportionate influence, at times, prioritising global agendas over local needs. The risk of mismanagement also grew as pooled funding lacked adequate oversight and accountability mechanisms.

To address these shortcomings, I advocate transitioning to a new model, termed Sector-Wide Inclusive Planning and Evaluation (SWIPE) to integrate private sector actors, and decentralised planning and budgeting to the district level.



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SWAp has played a pivotal role in shaping Bangladesh's health sector, improving coordination, ownership, and resource management. However, its limitations, including rigidity, donor dependency, and exclusion of key stakeholders, necessitate a reimagined approach.

Hybrid models, public-private partnerships, national health insurance schemes, and

decentralised planning offer pathways to address these challenges. As Bangladesh works toward achieving universal health coverage and the health-related Sustainable Development Goals by 2030, a collaborative, inclusive, and forward-looking strategy will be essential.

Health system reform requires technical solutions, strong political will, and a commitment to equity and sustainability. While reform is essential, political will and strategic intent are critical in driving meaningful health sector reform. Bangladesh's health system requires a clear focus on necessary and actionable reforms. The challenge lies in crafting precise recommendations and mobilising the political leadership needed to implement them effectively. Without sharp, actionable strategies, opportunities for impactful reform may be missed. It is essential to foster collaborative efforts across stakeholders to address systemic gaps and meet the health aspirations of the population.



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Exploring alternatives to SWAp in Bangladesh's health sector is a pressing discussion, given the challenges faced in achieving sustainable programme outcomes. One of the critical considerations is whether it is time to pivot back to the original revenue-based system or implement a hybrid model that leverages the strengths of both

approaches. The revenue-based system, rooted in direct budget allocations, could potentially offer more flexibility and control for domestic health programme funding. Ensuring financial sustainability remains a key focus as stakeholders debate these alternatives. The path forward must address how Bangladesh can maintain or enhance programme effectiveness without depending heavily on SWAp, which, while comprehensive, often leads to dependency on external funding and complex coordination issues.

A well-articulated roadmap is essential for transitioning from SWAp to a new or modified system that prioritises local ownership and resilience. The government must lead with robust policy frameworks, while development partners can assist with technical expertise, transitional funding and access to global best practices.



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ABUL KALAM AZAD

There is an urgent need for a comprehensive overhaul of Bangladesh's health system. The existing dual-budget structure, which separates operating and development budgets, lacks coherence and prevents effective symbiosis between routine operational costs (staff salaries, fuel and utilities, repair and maintenance, travel, etc), and development costs for new infrastructure development and health service improvements.

The Health Population and Nutrition Sector Program (HPNSP) under SWAp brought advantages such as faster decision-making, delegation of authority to health managers, health workforce capacity building, improved coordination, monitoring and supervision. However, critical issues remain unresolved. Universal health coverage, elimination of healthcare discrimination, substantial improvements in healthcare quality, avoidance of verticalisation in healthcare delivery, and the reduction of out-of-pocket expenses continue to elude the system.

The fragmented and verticalised delivery of healthcare services limits integration and patient-centred care. Bangladesh's age-old health systems have many inherent defects. The HPNSP or any similar prescription will not remedy it. Bangladesh urgently needs a serious and massive overhaul of its health systems in overall structure and processes to enable it effectively meeting the population's health needs through integrated primary healthcare, sustainable universal health coverage, health sustainable development goals (SDGs), and client satisfaction.