

We're not on track in curbing corruption

Latest TI corruption index shows how deeply embedded it is

It comes as no surprise that Bangladesh has once again performed poorly in Transparency International's (TI) latest ranking. But that doesn't make it any less painful, or alarming, for the global anti-graft body's corruption index—based on perceptions though it may be—paints a real picture of governance failures with deleterious effects for citizens. According to the 2024 index released on Tuesday, Bangladesh ranks 151st among 180 countries or territories, scoring just 23 out of 100—its lowest in 13 years. Seen from the bottom, it ranks 14th, making it the second lowest in South Asia and the fifth lowest in the Asia-Pacific region. This confirms that corruption remains as pervasive as ever, underscoring both the failure of the ousted Awami League regime and the inability of the interim government to break the cycle.

As the executive director of TI Bangladesh has noted, the data period for CPI 2024 coincided with the peak of kleptocratic authoritarianism in Bangladesh, during which corruption was not just tolerated but actively promoted and protected through political and governance mechanisms. Public sector corruption, particularly in public contracting and project implementation, worsened as state institutions responsible for tackling graft—such as the Anti-Corruption Commission (ACC), law enforcement, and the judiciary—were politicised and rendered ineffective. Restrictions on free media, civic space, and dissent may have further contributed to Bangladesh's poor ranking.

Unfortunately, corruption has persisted even after the fall of the Awami League government midway through the CPI data period, with reports of continued extortion, abuse of power, and turf wars over lucrative corruption networks. Despite initial promises, the interim government has failed to take decisive action to dismantle these networks or reform the entrenched culture of corruption and mismanagement within the civil service. This is further underscored by a recent survey by the Public Administration Reform Commission that reveals widespread public dissatisfaction: 80 percent of respondents, for example, believe the administration is not public-friendly, 66 percent say civil servants behave like "rulers," 42 percent think obtaining services is impossible without paying bribes, and 46 percent report facing harassment when seeking services.

The question is, why is a non-political government failing to turn this situation around? While crucial reform measures currently remain under discussion, one persistent obstacle to better performance has been the turmoil and non-cooperation within the bureaucracy, with reports of officials resisting reform efforts. This must be addressed with an iron hand. The recommendations from TIB also warrant serious consideration, particularly making the ACC truly independent and empowered to hold high-level individuals accountable and depoliticise state institutions to ensure professional integrity. Without such reforms, Bangladesh will remain trapped in the same vicious cycle of corruption and misgovernance.

Reforms must in the education sector

But decisions taken under pressure will be harmful in the long run

At a time when our education sector urgently requires substantial reforms to ensure quality and eliminate existing bottlenecks and disparities, it is disheartening that the interim government has not yet taken any major initiatives in this regard. Despite expectations that the government, which assumed power following a student-led mass uprising, would at least begin the reform process, we have yet to witness any pre-planned efforts on its part. Over the past six months, it formed six major commissions to advance reforms in various sectors, and they have already submitted their reports to the chief adviser. However, a crucial sector like education has remained removed from this process. Instead, we have seen the authorities take numerous decisions under pressure from various groups, including students, which does not bode well for the future of the sector.

While the government formed an advisory committee to reform primary and non-formal education, no steps have been taken to establish an education reform commission, which educationists believe is crucial for overhauling the sector. Soon after assuming office on August 8 last year, the government faced agitation from HSC examinees demanding the cancellation of their hitherto suspended exams. They even entered the Secretariat to put pressure on officials. Unfortunately, the government gave in to their demands without considering the consequences. Educationists argue that granting automatic passes without full exams will have long-term negative effects on students' academic and professional futures, complicating their university admissions and job prospects. A more prudent approach would have been to extend their exam preparation time, which the government didn't take.

Some other major decisions also taken under pressure include dissolving the school textbook revision coordination committee, removing "Adibashi" graffiti from textbook covers, separating seven colleges from Dhaka University with a pledge to form a separate university for them, establishing a second campus for Jagannath University under army supervision, nationalising registered independent Ebtedayee madrasas, etc. While some of these decisions may seem logical, they were largely driven by mob demands rather than careful policymaking.

There is no doubt that critical reforms are needed across the education sector—from primary to higher education—but these must follow due process, with input from experts and other stakeholders. Any hasty decision made under pressure risks causing long-term harm. Therefore, we urge the government to prioritise education sector reforms with a focus on improving quality, rather than making reactive decisions under pressure.

THIS DAY IN HISTORY

France detonates atomic bomb

On this day in 1960, France detonated its first atomic bomb in the Sahara Desert.

EDITORIAL

Economic diplomacy in the time of geopolitical turbulence



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With an increasingly transforming global landscape of trade and investment, Bangladesh will need strategic outward-oriented policies to cope with the challenges and opportunities emerging as it prepares to graduate from its LDC status to a developing country. Navigating the complexities of global trade, investment, and bilateral and multilateral negotiations will require a strategic and well-coordinated approach to economic diplomacy—a convergence of trade and foreign policy. The question is not whether Bangladesh needs economic diplomacy but how effectively it can leverage it to sustain exports and growth, create jobs, and secure its future in an increasingly fragmented world economy. Economic diplomacy, therefore, becomes a critical need of the hour in the evolving global geopolitics (the confluence of geopolitics and geo-economics in the global arena) of the current decade.

Turbulence in the global trade order
Geopolitics is reshaping the global economy. Countries, particularly in the Western alliance and the Russian bloc, are reevaluating their trading patterns based on economic and national security concerns. Policymakers in the East and West are increasingly focused on building economic resilience. Homeland economics, strategic autonomy, and supply chain diversification are taking precedence over trade openness.

For the past 80 years, globalisation has unlocked vast latent potential for value creation in the world economy, boosting growth, increasing incomes, and reducing poverty. Bangladesh was able to reap positive gains by leveraging globalisation. Reversing globalisation would almost certainly reverse these global gains, increase poverty, and result in a costly transition. Bangladesh will have to adopt effective economic diplomacy to minimise the impacts of deglobalisation forces while seizing any opportunities that arise.

Bangladesh's policymakers must rise to the emerging challenges stemming from seismic shifts in global trade patterns. Geopolitical tensions, protectionist policies, and supply chain realignments—such as the "China Plus One" strategy—are redefining international commerce. Trump's on again, off again tariffs are already underway, adding fuel to the

securing trade deals—it is about creating a business environment that attracts investment, fosters innovation, and enhances competitiveness. Bangladesh's current investment climate, marred by regulatory hurdles and inefficiencies in banking and customs, must be reformed to signal to foreign investors that the country is open for business. Greater trade openness and an outward-looking trade regime are essential to attract FDI.

The Bangladesh Investment Development Authority (BIDA) and the Export Promotion Bureau (EPB) must work in close coordination with the Ministry of Foreign Affairs (MoFA) to align trade and foreign policy objectives. Diplomatic missions abroad should be more actively involved in economic

macroeconomic stability (both internal and external), creating jobs, and reducing poverty within the shortest period. The immediate and mid-term goals and milestones include coping with the challenges of LDC graduation in November 2026, alongside the prospect of losing preferential access to major markets. Next is the goal of crossing the middle-income country threshold in the early 2030s. Achieving these goals while navigating the evolving global economic landscape will require skilful economic diplomacy integrated into its trade and investment promotion strategies.

In the domestic sphere, there is a critical need to establish coherence between inter-sectoral and inter-ministerial policy pursuits. Thus, it is essential for the government to seek alignment between its trade policy, foreign policy, and other policy objectives, such as human rights, sustainable development, and greater equity, to reassure its international partners.

Bangladesh's stance in economic diplomacy

Now more than ever, Bangladesh must maintain strong diplomatic and

when negotiating with more developed economies or large regional groups that support open trade. Another key principle is that gaining market access through negotiations (e.g. FTAs) involves reciprocity—market access received in exchange for market access and other cooperation offered. However, the terms of exchange need not be equal if the negotiating parties are at different levels of development. This is where economic diplomacy begins.

Economic diplomacy framework for Bangladesh

The ideal framework for economic diplomacy should seek to strike a strategic balance between trade openness to drive exports and growth while providing time-bound and performance-based protection to domestic manufacturing industries. Going forward, as a developing economy, Bangladesh should continue on a path of export-led growth for at least the next decade. In adhering to this framework, some guiding principles will be important.

First, in the current context of the evolving post-Bretton Woods trade order, Bangladesh must position itself



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promotion, facilitating investment dialogues, and showcasing Bangladesh as a stable and attractive destination for business.

Moreover, tariff rationalisation is an urgent necessity. Bangladesh's protective tariff regime, designed to shield domestic industries, often discourages investment and stifles competition. A well-calibrated policy that balances protection with trade openness will be essential to fostering sustainable industrial

economic relations with its trading partners, regardless of the blocs or alliances they belong to. Bangladesh's leading export destinations are the EU, the UK, and North America (US and Canada), followed by Japan and others in the East Asia and Pacific region. Its leading import sources are China and India, followed by Japan, Singapore, the US, and others. Geopolitical tensions exist among these countries and regions.

For a small economy like Bangladesh, the ideal stance in the global marketplace is "friendship with all, malice towards none." Given the evolving geopolitics, this requires articulating a strategic economic diplomacy approach with regional and global trading partners. The course taken by Vietnam since its WTO accession in 2007 could serve as a model, but Bangladesh must develop its own framework for economic diplomacy tailored to its development goals and economic potential.

With LDC graduation looming and preferential market access for exports likely to shrink, Bangladesh must position its trade policy to harness past

as a friendly, trade-oriented economy vying for wider market access to regional groups and long-established trading partners, keeping rising tensions across regional and power blocs only in the rearview mirror.

Second, export orientation in trade and import substitute industrialisation domestically must be based on principles of comparative advantage, given Bangladesh's resource endowments. However, the source of comparative advantage could shift over time as the skill intensity of goods and services production evolves over time. To maintain its dynamic competitive advantage, Bangladesh must engage in upskilling its labour force as traded products become increasingly skill-intensive.

Third, domestic interests need to be appropriately safeguarded without turning trade and investment policies too inward-oriented. Tariff rationalisation has been a longstanding reform priority that could be intertwined with negotiating options for free trade agreements, whether bilateral or regional.

Fourth, Bangladesh has been lagging behind in many critical areas of economic reform, not least in trade policy. The interim government is strongly committed to reforms in several areas of national importance, including economic reforms in banking, finance, taxes and subsidies, and international trade and investment. A reformist government sends a strong positive message to potential foreign investors who look for investment opportunities on a global scale.

Finally, Bangladesh has been playing a notable role in supporting climate action—a global public good. It has also been an important player in defending and promoting the interests of LDCs in international fora while demonstrating its strong commitment to the rules-based international order under the WTO framework. Going forward, these elements must remain key drivers of its economic diplomacy framework.

Bangladesh's trade-oriented future development hinges on its ability to engage in strategic and forward-thinking economic diplomacy on the global stage. Even as the world moves towards an era of protectionism and regionalism, Bangladesh must not remain a passive participant. It must proactively shape its trade and investment policies, ensuring that its transition from an LDC to a developing economy is marked not by uncertainty but by opportunity. The time for decisive action is now.

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Multilateralism and Bangladesh's global standing
For decades, Bangladesh has been a strong proponent of multilateralism, benefiting from WTO agreements and regional trade initiatives. However, with major economies increasingly prioritising bilateral and regional agreements, Bangladesh must adopt a more pragmatic approach.

While advocating for a rule-based international order, it must also engage in strategic bilateral and regional negotiations to secure market access and investment flows.

Additionally, Bangladesh's growing leadership in global climate action presents an opportunity to enhance its diplomatic influence. As a climate-vulnerable nation, it has a vested interest in global sustainability efforts. Integrating environmental diplomacy into economic negotiations can not only secure green financing but also position Bangladesh as a key player in global sustainability dialogues.

Economic diplomacy for a developing economy
In pursuit of economic diplomacy, the first task at hand for Bangladesh is to articulate the economic goals of this developing nation—achieving rapid and inclusive growth by ensuring

growth while ensuring market access in an increasingly competitive global economy.

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gains from the global economy. Despite

rising protectionism in some developed markets, trade openness must remain an integral component of Bangladesh's trade stance over the coming decade, simply because its domestic market is no match to the scale economies provided by the global market of over \$100 trillion.

In this context, economic statecraft comes into play. For Bangladesh, this means offering options based on mutual interests and benefits, with an expectation of differential treatment