AK Enamul Haque

Weak planning, not funds, derails development projects

AK Enamul Haque, director general of BIDS, calls for improving coordination, prioritising outcomes over spending

REJAUL KARIM BYRON and AHSAN HABIB

The country is not short of money for development projects. Instead, it is suffering from weak project planning, poor coordination and a culture that values expenditure over outcomes, according to AK Enamul Haque, director general (DG) of the Bangladesh Institute of Development Studies (BIDS).

He said complications over land acquisition are among the most visible causes of delays under the Annual Development Programme (ADP). But the problem, he said, is rooted in flawed project design.

"Projects involving land development or land purchases face the most delays," Haque said, questioning why a land-scarce and densely populated country continues to approve large, land-intensive projects without adequate preparation.

According to him, this shows a strategic miscalculation at the design stage of any project.

The economist referred to a 200-bed hospital in Sylhet that was constructed years ago but remained non-operational because doctors, nurses and other staff were not appointed.

"A project does not mean only constructing a building. The objective of the development work must also be fulfilled," he said.

The BIDS DG said delays in appointing project directors are often cited officially as a reason for setbacks. But he argued that this too reflects weak planning and coordination before implementation begins.

During the implementation, when projects are repeatedly revised, their objectives and activities also change, he added.

The economist called for higher private and public investment, including more effective government spending under the ADP, to restore momentum in the economy.

He said the Bangladesh economy is now going through a difficult period marked by slower growth, rising poverty, weak private investment and declining confidence in the banking sector. Restoring investor confidence, improving governance, and increasing productive investment should now be the priority.

Haque said rebuilding confidence is more urgent than pursuing aggressive monetary policy. "People are waiting for a clear direction," he said.

He noted that many businesspeople are focused on protecting their assets or moving capital abroad because they do not have confidence in the domestic environment. Establishing the rule of law and ensuring a predictable business climate are essential.

"If investors do not feel safe, they will not invest."

The BIDS DG commented that declining public confidence in banks poses a serious threat to the economy. Monetary policy alone cannot work if trust in financial institutions erodes.

"Many people are no longer willing to keep their savings in banks," he said, referring to deposit growth turning negative in some banks.

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Media reports about depositors struggling to withdraw savings have created public anxiety, he added.

"As long as confidence in the banking sector is not restored, monetary policy will remain ineffective."

Haque said rising poverty is closely linked to slower economic growth. Bangladesh historically reduced poverty when growth rates were around 4.5 percent. With growth now below 4 percent, he said that higher poverty is "not abnormal".

"When people do not get jobs, food insecurity rises. That is the natural consequence of weak growth," he added.

He said the government's central challenge is to revive growth through increased investment.

Ahead of the country's scheduled graduation from the Least Developed Country (LDC) category in November this year, the economist said the transition itself is not the main concern, as Bangladesh will continue to enjoy several facilities for years.

However, without improvements in governance and investor confidence, the benefits of graduation may not materialise.

"If local investors do not invest, foreign investors will not come either," he said.

He also criticised "mob justice" and political instability, saying that such conditions damage economic confidence.

Regarding fiscal policy, the BIDS chief said the tax system focuses too heavily on immediate revenue collection rather than long-term economic expansion. Excessive pressure on taxpayers and businesses could drive productive individuals and companies out of the country.

"We need an economic policy that helps the economy grow first. Tax revenues will rise naturally if the economy expands," he said.

He called for greater involvement of the finance ministry and economic experts in shaping tax policy, instead of treating taxation purely as an administrative matter.

According to him, Bangladesh often applies similar tax structures across professions and industries without considering competitiveness. Highly skilled professionals, such as software engineers or architects, may relocate abroad if the burden becomes too high.

Haque also expressed concern about widening inequality between Dhaka and the rest of the country. He said urban development is overly concentrated in the capital, drawing opportunities, healthcare and education into one city.

"We think urbanisation means only improving Dhaka."

He said that public services and investment need to be spread more evenly to reduce disparities. Otherwise, people outside the capital will continue to face disadvantages in healthcare, education and employment.

On environmental policy, Haque urged caution in pursuing green industrialisation. Export-oriented sectors, especially garments, face international pressure to adopt greener practices.

He, however, said that adopting costly technologies without considering local realities could raise production costs.

Bangladesh's comparative advantage still lies in low-cost labour rather than capital-intensive technology. He questioned whether importing foreign green technologies is always appropriate.

"We should not assume technology only comes from the West."

Using examples from renewable energy and local technologies, he said that Bangladesh should focus more on developing homegrown technological solutions instead of depending entirely on imported systems.

Haque said universities and engineers should be encouraged to develop technologies suited to the country's economic and environmental realities.

Sayema Haque Bidisha

Budget should be realistic, focus on employment

Sayema Haque Bidisha, a professor of economics at Dhaka University, suggests strengthening small enterprises in rural areas

REJAUL KARIM BYRON and AHSAN HABIB

The upcoming national budget should focus on a realistic approach, aiming to bring inflation under control and create jobs by promoting private investment.

In an interview, Sayema Haque Bidisha, a professor at the economics department and also a former pro-vice-chancellor of Dhaka University, said one of the quickest ways to stimulate employment would be to strengthen small enterprises in rural Bangladesh through targeted policy support instead of costly incentives.

REVIVING RURAL SMES

The economist pointed to the struggles of rural entrepreneurs she met during field research in districts such as Kushtia and Tangail.

"We saw entrepreneurs producing goods and surviving through sheer personal effort, but many had little connection with institutional bodies meant to support them," she said. "The problem is often not just only lack of financing, but also the lack of policy coordination, market linkage and access to information."

Easier access to small loans, temporary interest waivers for micro-enterprises, and stronger links between entrepreneurs and supply chains could help sustain rural economies even if urban industrial expansion remains slow, the economist suggested.

BRIDGING THE SKILLS GAP

For job creation, the government should also focus on skills and a proper education system, she said, noting that Bangladesh's education system suffers from a major disconnect with industry needs.

Many graduates leave universities without practical skills or career preparation.

She cited a career preparedness programme recently launched at her university as an example of how universities can help students develop communication skills, interview techniques, and workplace readiness.

"These are not expensive reforms," she said. "Higher education institutions can build stronger industry linkages with relatively modest budgetary support."

She urged universities and training institutes to focus more on industry-specific and career-oriented education rather than producing graduates for a narrow range of traditional jobs.

At the same time, she criticised Bangladesh's broader training culture, saying many programmes remain overly certificate-focused without adequately connecting trainees to real employment opportunities.

"Training should not end with certificates," she said. "It must be linked with internships, industries and actual job markets."

WOMEN IN WORKFORCE

She identified caregiving, transport and agro-based industries as sectors with strong employment potential, particularly for women and semi-skilled workers.

Female labour force participation, she said, cannot improve without tackling structural barriers such as access to capital, market linkages and childcare support.

One of her strongest recommendations was the expansion of community-based daycare centres, particularly in urban low-income areas.

"A daycare centre can help one woman join the workforce while also creating employment for another woman running the service," she said.

She also argued that Bangladesh needs to move beyond its heavy dependence on readymade garments for female employment and explore emerging sectors where women can play larger roles.

Even unconventional sectors such as transport could open new opportunities, she said, citing female drivers as an example of professions rarely discussed in Bangladesh.

A REALISTIC BUDGET

Throughout the interview, Bidisha repeatedly returned to one central point: Bangladesh's next budget must avoid unrealistic promises and instead focus on practical, targeted interventions that deliver visible relief.

According to her, the biggest challenge facing the government remains revenue generation without increasing pressure on ordinary citizens already struggling with rising living costs.

"The real challenge is to expand direct taxation and bring more people into the tax net without putting additional burdens on lower and middle-income groups," she said. "That has become even more important now because inflationary pressure is already rising due to fuel and other costs."

As Bangladesh prepares to unveil its first national budget under a BNP-led government in nearly 17 years, expectations are mounting over whether policymakers can strike a balance between economic stability and public relief.

Bidisha said the answer lies not in grand promises or expensive mega reforms, but in a "realistic budget" built around inflation control, employment generation and targeted policy support for ordinary people.

She argued that Bangladesh no longer has the fiscal space for overly ambitious spending plans. Weak revenue collection, persistent inflationary pressure, sluggish private investment and widening inequality have narrowed the government's room to manoeuvre, she said.

"Our tax-GDP ratio has declined further, while revenue mobilisation has historically remained weak," Bidisha said. "The government has to think carefully about priorities and austerity while protecting the most important sectors."

According to her, inflation should remain the government's top political and economic concern because the purchasing power of ordinary citizens ultimately determines public confidence in the economy.

"At the end of the day, people care about whether essential commodities remain within their reach," she said, describing inflation as a political economy issue as much as a macroeconomic one.

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REVIVING INVESTMENT AND JOBS

The challenge is more complex than simply tightening expenditure. Bangladesh must also revive private-sector investment and job creation at a time when high borrowing costs and macroeconomic uncertainty continue to discourage businesses.

"If private investment remains weak for a prolonged period, pressure will build on employment generation, industrial performance and inclusive growth," she said.

Bidisha believes the government should focus on what she calls "low-hanging fruit" instead of waiting for large-scale reforms that may take years to implement.

TAX THE ULTRA-RICH

She also warned that Bangladesh's widening inequality is becoming increasingly difficult to ignore. To reduce the income gap, she proposed stronger progressive taxation targeting ultra-wealthy individuals who often remain outside the effective tax net.

"For years, the burden has largely fallen on compliant taxpayers," she said. "Meanwhile, many wealthy individuals remain outside the effective tax net."

Digitalisation, she argued, could play a major role in expanding the tax base beyond Dhaka and Chattogram, where many affluent individuals in district towns remain outside formal taxation systems.

She even suggested offering temporary incentives or rebates to encourage first-time taxpayers to formally register and enter the tax structure.

WELFARE TARGETING

Another major concern for the professor is the design and implementation of social safety net programmes. She warned that Bangladesh's welfare system still suffers from "inclusion and exclusion errors", where many deserving people remain outside support schemes while others receive overlapping benefits.

The government's plan to expand family cards to millions of households could face similar challenges unless it is integrated with existing welfare databases and programmes, she said.

"There has to be a holistic mapping system based on NID information, so policymakers know who is receiving which benefits," she said. "Otherwise, the real target groups may still remain excluded."

Bidisha also stressed that urban poverty deserves far greater policy attention. While rural households often retain some access to basic food and community support, slum dwellers in cities remain highly vulnerable to inflation and income shocks.

She called for stronger urban-focused social safety programmes targeting low-income communities in slums and informal settlements.