Corruption and Anti-corruption in Bangladesh: Primacy of the Political

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I. Introduction

Bangladesh earned its independence in 1971 in the wake of a massive political upsurge for self-determination, democracy, justice and equality of all that culminated into a bloody liberation war costing 3 million lives. The country has since achieved commendable progress in terms of several socio-economic indicators. It has maintained a steady economic growth in the range of 5-6 % since 1990s. Even against the backdrop of the global financial crisis when most countries struggled to achieve positive growth, Bangladesh maintained GDP growth at nearly 6 percent. The country’s Human Development Index rating has increased from 0.365 in 1980 to 0.566 in 2011; in terms of the Multidimensional Poverty Indicator (MPI), Bangladesh with 26.2 percent of the population in severe poverty has been ranked in 2011 ahead of Pakistan, India and Nepal. Similarly, according to the Gender Equity Index 2012 Bangladesh having scored 0.55 has been ranked ahead of Bhutan (0.41), India (0.37), Nepal (0.47), Pakistan (0.29). Population growth rate has come down from 2.5 percent per annum in 1980s to 1.39 by 2010; gross primary enrolment rose from 72% in 1980 to 93.5 percent in 2010; child mortality has decreased from 239 per thousand live births in 1970 to

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1 Presented at the Seminar on “Bangladesh at 40: Changes and Challenges”, organized by the Faculty of Business Studies, Janhangirnagar University, December 9-11, 2011.
2 Executive Director, Transparency International Bangladesh (TIB). Views may not necessarily reflect official position.
5 The Multidimensional Poverty Index introduced by the Oxford Poverty and Human Development Initiative showed that in 2011 26.2 percent of the population in Bangladesh are in severe poverty, 27.4 percent in Pakistan, 28.6 percent in India and 37.1 in Nepal. http://www.ophi.org.uk/policy/multidimensional-poverty-index/mpi-data-methodology/
6 See: http://www.socialwatch.org/node/13963
7 Ministry of Health and Family Welfare, Bangladesh Demographic Data Sheet: http://www.indexmundi.com/bangladesh/population_growth_rate.html
65 per 1000 in 2010\textsuperscript{9}. Bangladesh’s progress in achieving MDGs has been commended, including a UN Award for reducing child mortality.

Many more indicators of similar nature could be cited. Needless to say, these have been possible thanks to efforts of the Government complimented by an expanding private sector and a vibrant non-government sector. However, it can be hardly disputed that Bangladesh’s performance could have been much better if not for the persistent deficit in governance and democratic institutionalization contributing to, and in turn exacerbated by, deep and wide corruption.

Corruption is a major impediment to development and democratic governance. It weakens the key institutions of the national integrity system, and prevents rule of law. Corruption erodes public trust in government, and breeds injustice. By distorting the political and economic structures and weakening the social fabric, corruption can also be a potential source of insecurity of the state. Corruption is also increasingly linked to violation of human rights and spread of the culture of impunity.\textsuperscript{10}

The objective of this paper is to offer an understanding of corruption and anti-corruption in Bangladesh and examine how control of corruption is trapped in a contest of legitimacy in political space. The paper first attempts a brief conceptual overview of corruption and factors behind it, which are followed by an analysis of the extent and implications of corruption in Bangladesh. It then moves on to analyze the political space for corruption and anti-corruption. The paper finally proposes a comprehensive approach for fighting corruption in the country.

\textbf{II. Corruption: Inherent Bias against the Poor}

Corruption is among the most frequently experienced problems in life anywhere in the world, though with varying degree of spread and depth. It is well-researched and well-documented that corruption is inversely related to growth of democracy and democratic institutions and economic development.\textsuperscript{11} There are strong evidences that corruption

\begin{itemize}
\item \textsuperscript{9} Ministry of Health and Family Welfare, \textit{Bangladesh Demographic Data Sheet}, http://www.dgfp.gov.bd/data%20sheet.htm
\end{itemize}
increases poverty and impedes the institutional capacity to reduce it. Economic theory and empirical evidence suggest that corruption impedes economic growth and hence accentuates poverty by discouraging or raising the cost of investment and entrepreneurship, curtailing access to public services, lowering the quality of public expenditures, reducing revenue collection, promoting rentseeking, and distorting composition of public expenditure. From the point of view of governance and democratic institutionalization, corruption weakens institutions, leads to low or distorted participation and to erosion of the trust of citizens in leadership, public office and institutions.

The word corruption comes from the Latin verb *corruptus*, which means to break. Corruption is a behaviour or act that breaks away or contradicts from ethical and moral standard, traditions, laws and civic virtues. Corruption is defined by Transparency International as abuse of public office for private gain. The UN's Global Programme against Corruption (GPAC) defines corruption as the "abuse of power for private gain". Most often abuse of power for personal gain occur in both public and private domains and usually by a collusion for win-win game of individuals or groups of individuals from both sectors.

A more elaborate description of corruption is “the abuse of office whether in Government, administration or business … (it) is about the giving and seeking of favours, it is about buying political influence, taking kickbacks, bribing officials. It is about subverting public good for private gain”13. Corruption may also include any or a combination of such acts as embezzlement, fraud, nepotism, negligence of duty for private gain or promoting any vested interests - financial, political or otherwise, misuse of public or institutional fund and extortion. Corruption, therefore, is more than bribery. The wide variety of acts that are classified as corruption make definition of corruption wide and flexible, which is also partly the reason why corruption is studied under several disciplines – economics, political science and governance, development studies, sociology, anthropology and psychology.

We define corruption as the abuse of power for private gain. In this sense, the abused power does not have to be in the public sector alone, because power-base can be outside the public sector as in case of business or corporate sector for which the financial power is the key. Similarly, institutions outside the public and private sectors – national or international
and non-governmental organizations - are not necessarily free from corruption. The same is true in situations of corrupt activity that takes place by abusing social power or power drawn from knowledge, intellect and information. Nor does power have to be “entrusted” as in cases where power is usurped by extra-constitutional means such as military or military-backed rule.

In corrupt activities that take place in the public sector, particularly transactions for public contracting at various levels there is most often a triangular collusion between individuals in possession of political, administrative and financial power. This form of corruption is referred to as collusive corruption as opposed to coercive corruption where the service recipient is a hostage to the capacity of the service provider to abuse whatever power the latter has access to directly or indirectly. Such coercive abuse of power takes place even in case of petty corruption because at the delivery end the service provider holds some direct or indirect power whatever level it may be. The key element in the concept of corruption, therefore, is the abuse of power, and the extent of discretion with which power can be exercise without checks and balances.\(^\text{14}\) Amartya Sen recognizes motivational importance of personal gains from corruption, but also stresses values, norms and behavioural modes in different societies.\(^\text{15}\)

**Factors behind Corruption**

Discourse on factors of corruption reveals two broad categories – institutional and individual. Institutional factors are those which leave wide discretion in the hands of the power holder and fail to ensure the checks and balances against exercise of power without accountability. These may be such factors as inadequate laws, systems, rules and regulations as much as ineffective enforcement of the same due to weakness of key institutions of democracy or the national integrity system and lack of effectiveness of conventional as well as non-conventional institutions, tools and processes of accountability. More specifically, among the key institutional factors that create entry points for corruption are:

- Range of discretion - scope of power abuse, low or no accountability, and checks and balances;


• Conflict of interest, rent-seeking, partisan political and other forms of influence in
decision-making affecting public life. In other words, failure to place public interest
above personal or political consideration;
• Collusion between key decision-makers, particularly between politics, business and
public office;
• Inadequate rules, regulations, laws, enforcement and institutions and institutional
capacities, especially key institutions of democracy and oversight such as parliament
and parliamentary committees, law-enforcement bodies, judicial system; Anti-
corruption Commission, Comptroller and Auditor General’s office, public service,
media and civil society;
• Lack of transparency and integrity in appointments, promotions, postings and
transfers, especially if these are not based on performance and merit but on political
influence and bribery;
• Lack of disclosure and a culture of secrecy preventing disclosure of information
relating to decisions and transactions affecting public life; and
• Lack of enforceable Code/benchmarks of Ethics and Integrity, monitoring and
oversight and control mechanism.

Individual factors behind corruption consist of a combination of incentives drawn
from compulsion or need and greed. As earlier mentioned, incentives for corruption in the
public service arise from partisan political influence and bribery in appointment, promotions,
postings and transfers, rather than merit. Equally, if not more important, are poor salaries and
benefits and lack of performance-based incentives, which are viewed as need-based
incentives to corruption. When salaries and benefits are disproportionately inconsistent with
the market price and cost of living, it would be hard to expect public officials to refrain from
corruption.

This is not to say that there is a shortage of officials who inspite of such incentives
have been living honest lives and serving with integrity. It should also be added that the
dividing line between need-based and greed-based corruption is very thin. What starts off
with a need-based incentive can soon and almost invariably turn into greed-driven corruption
with sky as the limit, especially when there is absence, or insufficient enforcement of legal,
ethical and anti-corruption standards in the public service, leading to systemic corruption.

The issue of integrity in public service is, therefore, crucial to addressing corruption.
Whatever well-meaning may be reforms in other sectors, these cannot bear fruits nor can any
of those be sustained without convincingly establishing that appointments, promotions,
postings and transfers in public service are based on performance and merit and not on
political influence, bribery and other means of subjective influence. So long as the scope
remains for abuse of power with impunity, and as long as effective legal and ethical standards are not in place with enforcement mechanisms for zero tolerance of corruption, no true results can be expected or sustained. This in a way is about a cost-benefit calculation that someone indulging in corruption undertakes in the back of mind. If the benefit of corruption is higher than the risk or cost it can be a rational behaviour of the risk-taker to be involved in corruption. If, however, the risk was higher than the anticipated gain it would act as a deterrence against a corrupt or illegal activity.

The other personal factor of societal implications is the lack of interest of the people at large, a sense of disempowerment that leads to accepting corruption as a way of life which escalates motivations for further corruption, causes an erosion of values and ethics, and drives into a culture of impunity.

III. Implications of Corruption in Bangladesh

In terms of implications, Amaryta Sen alerts that a “high level of corruption can make public policies ineffective and can also draw investment and economic activities away from productive pursuits towards the towering rewards of underhanded activities”.\textsuperscript{16} It affects proper functioning of institutions like the parliament, judiciary, administration, law enforcement authorities, the election commission, anti-corruption commission, and so on. Corruption is antithetical to transparency and accountability. It creates and increases social and economic deprivation and inequality. It violates human rights, breeds crimes, social frustration, discontent and insecurity.

 Corruption is also a universal phenomenon; there is no country in the world where corruption does not exist. As the former UN Secretary General Kofi Anan said, “this evil phenomenon (corruption) is found in all countries – big and small, rich and poor – but it is in the developing world that its effects are most destructive. Corruption hurts the poor disproportionately – by diverting funds intended for development, undermining a government’s ability to provide basic services, feeding inequality and injustice, and

\textsuperscript{16} Ibid, p.275.
discouraging foreign investment and aid. Corruption is a key element in economic underperformance, and a major obstacle to poverty alleviation and development”.

Corruption, by its very nature, is about undermining of fairness. It generates disproportionality and inequality. Corruption affects the poor both directly and indirectly. Directly through increasing the cost of key public services targeted to them, lowering quality of such services and limiting or even preventing the poor's access to essential services such as education, health and justice. Indirect implications of corruption on the poor include diverting Government resources away at the expense of social sectors. By limiting growth and development corruption also reduces the scope and prospect of poverty reduction. In addition, while corruption affects everyone, the poor are more vulnerable especially because they are easy victims of bribery, extortion and intimidation.

Corruption occupies a prominent place in public discourse in Bangladesh. Presence of widespread corruption, and its debilitating impact in the society, polity and economy are acknowledged by all major political parties - in the Government or outside. At the same time political leaders, from the highest to the lowest levels both in the government and outside, in their public pronouncements commit themselves to fighting corruption and to establishing a corruption free Bangladesh. A glance at the election manifestoes of the major political parties including the present ruling grand alliance led by the Bangladesh Awami League (AL) and the opposition alliance led by the Bangladesh Nationalist Party (BNP) easily reveals the high level of importance and priority attached to the issue of corruption.

There are no comparable data on Corruption that could help longitudinal analysis of the prevalence of corruption. According to the annual Corruption Perceptions Index (CPI) published by Transparency International, Bangladesh was ranked for five successive years in a row at the bottom of the list from 2001 until 2005. From 2006 the ranking and score of Bangladesh in the index gradually improved as in 2006 Bangladesh was ranked 3rd, 7th in

2007, 10th in 2008, 13th in 2009 and 12th in 2010.\textsuperscript{20} In a scale of 0-10, Bangladesh has in 2011 scored 2.7, which is 0.3 higher than in 2010, and has occupied 120\textsuperscript{th} place among 183 countries compared to 134\textsuperscript{th} among 178 countries in 2010. In terms of ranking from below Bangladesh has been placed in number 13 this year, one step higher than last year.\textsuperscript{21} The following slide shows the score of Bangladesh according to the CPI for the period since Bangladesh was included in the index in 2001.


According to the latest version of the index released on December, 2011, in the Asian regional context, Bangladesh has done better than Afghanistan and Myanmar (1.5), Cambodia (2.1), Nepal and Laos (2.2), Pakistan and Maldives (2.5) and Philippines (2.6), while Bangladesh is behind Vietnam (2.8), Indonesia (3.0), India (3.1), Sri Lanka (3.3), Thailand (3.4), China (3.6) and Bhutan (5.7). Bangladesh’s performance in the South Asian

\textsuperscript{20} The Corruption Perception Index (CPI), published annually by Transparency International (TI) is a composite index, worked out drawing upon corruption related data generated by more than a dozen surveys conducted by reputed international institutions. The index reflects views of analysts and businesspeople including experts who are locals in the countries concerned. Sources from which information went into the index for Bangladesh in 2009 included surveys conducted by Economic Intelligence Unit of the Economist magazine of London, Global Insights, World Economic Forum's Global Competitiveness Report, Asian Development Bank, World Bank, and Bertelsmann Transformation Index. For more on CPI including its methodology, see www.transparency.org and www.ti-bangladesh.org For a critical review of the CPI, see, Nurul Islam, Looking Outward: Bangladesh in the World Economy, UPL, Dhaka, 2004, pp. 62-74, and Iftekharuzzaman, “Opening Statement at the Global Launch of CPI, London, 18 October, 2005, "Bangladesh improves in CPI: Can we keep it up?" www.ti-bangladesh.org.
regional context can be more closely viewed in the following graph. Like in Bangladesh, marginally higher score than last year has been achieved by Afghanistan, Pakistan, Maldives and Sri Lanka, while India had gone down and Nepal and Bhutan have scored the same as last year.

### CPI: Performance of South Asian Countries 2010-2011

<table>
<thead>
<tr>
<th>#</th>
<th>Country</th>
<th>CPI Score (0-10)</th>
<th>Rank (from below)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2010</td>
<td>2011&lt;sup&gt;1&lt;/sup&gt;</td>
</tr>
<tr>
<td>1</td>
<td>Bangladesh</td>
<td>2.4</td>
<td>2.7</td>
</tr>
<tr>
<td>2</td>
<td>Afghanistan</td>
<td>1.4</td>
<td>1.5</td>
</tr>
<tr>
<td>3</td>
<td>Pakistan</td>
<td>2.3</td>
<td>2.5</td>
</tr>
<tr>
<td>4</td>
<td>Nepal</td>
<td>2.2</td>
<td>2.2</td>
</tr>
<tr>
<td>5</td>
<td>Maldives</td>
<td>2.3</td>
<td>2.5</td>
</tr>
<tr>
<td>6</td>
<td>India</td>
<td>3.3</td>
<td>3.1</td>
</tr>
<tr>
<td>7</td>
<td>Sri Lanka</td>
<td>3.2</td>
<td>3.3</td>
</tr>
<tr>
<td>8</td>
<td>Bhutan</td>
<td>5.7</td>
<td>5.7</td>
</tr>
</tbody>
</table>


While this improvement of Bangladesh this year over 2010, and indeed an upward trend from 2001 may generate a sense of satisfaction no definite conclusion can be reached about success in controlling corruption. The score in the ranking depends on the inclusion or exclusion of data source, comparative performance of other countries and the number of countries included or excluded. Notably, according to the index, Bangladesh remains in the lowest category (below the core of 3) where corruption is perceived to be of grave concern. Moreover, even if this improvement can be sustained, Bangladesh has a long way to go to score 5 or more, at which level countries are considered to have succeeded in moderately controlling corruption.

Irrespective of Bangladesh’s position in international comparison, there is hardly any doubt that corruption is pervasive. The World Bank estimated as early as in 2000 that “if

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Bangladesh could reduce its corruption level to those prevailing in countries with highest reputation for honest dealing it could add between 2.1 and 2.9 percent to annual per capita GDP growth. This would contribute to a sustainable reduction in poverty”.\(^\text{24}\) While there is no further updated data on the cost of grand corruption, the national household survey on corruption 2010 conducted by TIB showed, as in the graph below, that only for bribery at the service delivery end the cost to the economy was 8.4 percent of the annual national budget and 1.4 percent of annual GDP. Based on data on the respondents’ experiences, and not perception, the survey revealed further that the annual cost of petty corruption to the economy increased from Taka 5,443 crore in 2007 to Taka 9,591 crore in 2010.\(^\text{25}\)

**National estimate of bribery**

![Graph showing national estimate of bribery](image)

* Petty corruption only, at the service delivery end in selected sectors

**TIB: National Household Survey, 2007-2010**

The survey also revealed an increased incidence of corruption in the service delivery sector in 2010 when 84.2 percent of surveyed households compared to 66.7 percent in 2009 reported to have experienced one or other form of corruption. Justice system had the the highest incidence of 88 percent followed by the law enforcement agencies (79.7 percent) indicating implications of corruption on the rule of law. They were followed by land administration (71.2 percent). The graph below further shows that while in a few important

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sectors the incidence of corruption has fallen, in the vital service delivery sectors such as justice system, land administration income tax and electricity corruption has increased notably.

**Percentage of households who experienced corruption**

<table>
<thead>
<tr>
<th>Sector</th>
<th>2010</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Judicial Services</td>
<td>47.7</td>
<td>68.0</td>
</tr>
<tr>
<td>Law enforcement Agencies</td>
<td>55.7</td>
<td>71.2</td>
</tr>
<tr>
<td>Land Administration</td>
<td>25.9</td>
<td>31.2</td>
</tr>
<tr>
<td>Income Tax, VAT &amp; Customs</td>
<td>51.3</td>
<td>45.9</td>
</tr>
<tr>
<td>Electricity</td>
<td>45.3</td>
<td>43.9</td>
</tr>
<tr>
<td>Agriculture</td>
<td>19.2</td>
<td>28.7</td>
</tr>
<tr>
<td>Local Government</td>
<td>44.1</td>
<td>39.2</td>
</tr>
<tr>
<td>Health</td>
<td>10.1</td>
<td>13.5</td>
</tr>
<tr>
<td>Insurance</td>
<td>10.1</td>
<td>15.5</td>
</tr>
<tr>
<td>Banking</td>
<td>10.1</td>
<td>10.1</td>
</tr>
<tr>
<td>Education</td>
<td>10.1</td>
<td>10.1</td>
</tr>
<tr>
<td>NGO</td>
<td>10.1</td>
<td>10.1</td>
</tr>
<tr>
<td>Others</td>
<td>10.1</td>
<td>10.1</td>
</tr>
<tr>
<td>Overall</td>
<td>84.2</td>
<td>84.2</td>
</tr>
</tbody>
</table>

*Source: TIB: National Household Survey 2007, 2010

*Bribery plus other forms of harassment*

While corruption affects everyone, the poor are more vulnerable especially because they are easy victims of bribery, extortion and intimidation. The poor are directly affected by the increasing cost of key public services by way of unauthorized payments, low quality of such services and limiting or even preventing the people’s access to justice and law enforcement which are critical to the promotion of rule of law. The national household survey showed that 3.12 percent of average household income is lost to petty corruption in 6 selected sectors, e.g., education, health, land administration, justice, police, and income tax. Disaggregated by income categories, it was found that for the relatively higher income categories of households the ratio of loss (2.5 percent) is less than the average whereas for the lowest income category of household having less than Taka 72,000 per year the ratio of loss is much higher at 4.11 percent.
Corruption – bias against poor
Ratio of Household Income lost to Bribery

<table>
<thead>
<tr>
<th>Income category by annual income in Taka</th>
<th>Ratio of Household Income lost to Bribery</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Income (&lt;72,000)</td>
<td>4.11</td>
</tr>
<tr>
<td>Middle Income (72,000-140,000)</td>
<td>3.20</td>
</tr>
<tr>
<td>High Income (140,000+)</td>
<td>2.50</td>
</tr>
<tr>
<td>Total</td>
<td>3.12</td>
</tr>
</tbody>
</table>

(Bribery in Education, health, land administration, police, justice, income tax)
Source: TIB National Household Survey 2010

Whatever way corruption is interpreted, it increases social injustice and poverty. Corruption is also a key impediment to the realization of UN Millennium Development Goals (MDG), which cannot be achieved without effectively curbing corruption. Corruption undermines progress in key sectors identified within MDG such as economic growth, education, health, trade and the environment. Corruption deprives children of access to education (MDG 2 and 3); it increases poverty and hunger (MDG 1); corruption prevents access of the poor to basic health services (MDG 4, 5 & 6); corruption renders development unsustainable (MDG 7); and corruption distorts and impedes economic growth (MDG 1,8).

IV. The Legitimacy Contest in Political Space

As earlier indicated, in four decades since its glorious independence Bangladesh has achieved commendable progress in terms of several socio-economic indicators that have been nationally and internationally recognized. Bangladesh has also succeeded in building some of the key democratic institutions in these 40 years to an extent that took centuries in many of the highly developed societies of the world. On the other hand, there is also a long way to go in terms of meeting the democratic aspirations. Bangladesh has created a relatively elaborate conventional democratic structure – institutions like political parties, the parliament, executive, public service, judiciary, the law enforcement institutions, watchdog bodies like the Comptroller & Auditor General’s Office, Election Commission, Anti-corruption Commission, Human Rights Commission, Information Commission, private sector, media, and an upcoming civil society, and so on, that are indispensable for creating
the environment where democracy and accountable governance can flourish. In the context of political discourse in Bangladesh, however, these may be called the democratic hardware, but not necessarily the software. The passionate popular penchant for democracy remains as alive as ever, and people of Bangladesh never hesitate to shed blood for democracy. But challenge remains in practicing it which causes the failure to ensure that the institutions of democracy that have been built deliver effectively.

Bedeviled by ineffective institutions, the weakness of the state is evident in terms of strikingly low level of political cohesion. As far as conception and vision of the state are concerned, there is a remarkable divide between the two main political parties. The two major political parties and their allies have yet to create the much needed democratic and political space. The leaders of the two largest political parties, the Bangladesh Awami League (AL) and Bangladesh National Party (BNP) have developed a mindset and a political behaviour which revolve around the key thrust of challenging the legitimacy and acceptability of the other. The political enterprise is about achieving a monopoly of legitimacy - the Awami League's monopolistic capital drawn from being the party that led the war of liberation war in 1971, whereas BNP for claiming to have initiated post-1975 stability.

Criticism of government policies is often interpreted as conspiracy or at best belonging to the enemy camp. Even when common citizens exercise their right to freedom of expression and agitation because they are unhappy with a policy or demand better delivery, tend to be labeled as traitors. To be sure, the deficit in democratic space in Bangladesh predates the tenure of the two paramount leaders, Sheikh Hasina and Khaleda Zia, with whom Bangladesh's political destiny has been intrinsically linked for over two decades now and unless fundamental change occurs, is likely to remain so for any length of period to come.

The bitter contest for establishing monopoly of legitimacy and deny the same to the opponent can be traced with the tragic events of 1975 when the Father of the Nation Sheikh Mujibur Rahman the leader of the AL was brutally killed along with most of his immediate family members with the exception of Sheikh Hasina and her sister by a group of Army officers leading to assumption of power by the military ruler, General Ziaur Rahman who later founded the BNP. The basic parameters of the legitimacy contest are symbolized by
sheer lack of mutual acceptance between Sheikh Hasina the daughter of Mujib and Khaleda Zia, the wife of General Zia who succeeded her husband killed by his own troops. The dislike between the two is so intrinsic that they do not speak with each other even when they happen to meet socially.

Because the political scene is dominated by this contested legitimacy, government performance and opposition's policy alternatives have very little importance in political discourse, where the only point of agreement between the two camps is confrontation not only for winning the election viewed as a zero-sum game, but also to challenge anything about the opponent including legitimacy.

Add to this other features of political culture, especially the increasing influence of a "Gresham's Law in politics" of Bangladesh - bad politics driving out the good politics from the scene. Politics is about investment. People invest money to rise to positions of power in the party or in the government. Therefore, election is a "winner takes all" game in which nothing short of victory is acceptable. Losing the election means everything is lost, whereas winning is looked at as a mandate to make profit out of the investment. Not all politicians are certainly in the same category, but politics is in general about confrontation, conflict and noncooperation, resulting in the denial of the democratic political space to each other.

**Ineffective Institutions**

Another key important area of democratic deficit in Bangladesh is the weakening of the key institutions of democracy. The continued ineffectiveness of the parliament, the Jatiya Sangsad, in terms of its proper role in the Westminster type of Government that the country has restored with high expectations in the wake of a long-drawn struggle against authoritarian rule is at the core of deficit in the institutional structure. Soon after restoring parliamentary democracy, the Parliament of Bangladesh system faced a huge credibility crisis. Confrontational politics based on a winner takes all game led to a situation that boycott of successive sessions became a regular practice. Even when sessions are not formally boycotted, Members of the Parliament (MPs) are hardly serious about attending the sessions. The parliamentary standing committees fail to perform the oversight role. In sum, the Parliament’s delivery as the forum for debate on matters of public interest, as a law-making body and as an institution to ensure accountability of the Government to the people
through proper functioning of Committees remains far from the expected level. Democratic
decision-making and transparency in political parties is a rare commodity in terms of degree of reflection of the
views of rank and file in decision-making\textsuperscript{26} as well as the issues of transparency and
disclosure of key information including political finance\textsuperscript{27}.

Not only the parliament, other key institutions of democracy and the national integrity
system like the judiciary, the election commission, administration, law enforcement agencies,
the public service commission, have been significantly politicized and effectiveness
curtailed, practically to sustain corruption and a culture of impunity.

As a result of the confrontational politics by the both parties within the Government
and outside, control of policy agenda often tend to rest in the hands of the civil service. The
upper hand enjoyed by the civil service is also to be attributed to the rent-seeking character in
politics. The mandate to form the government is viewed as "it's our turn", for which collusion
with the bureaucracy becomes convenient.

\textit{Politics of Anti-Corruption}

The government initiative to introduce a set of amendments to the Anti-corruption
Act is a case in point\textsuperscript{28}. The amendments, adopted by the Cabinet on April 26, 2010, were
aimed at establishing political and administrative control over the commission. The proposals
met with strong resistance from TIB, media and public at large as reflected by a public
opinion survey\textsuperscript{29}. The campaign succeeded in preventing the enactment for 19 months. The
future of anti-corruption effort will depend a lot on what emerges of this attempt to
undermine the authority of the Commission. Proposals include the mandatory requirement to
obtain prior approval by ACC before taking action against alleged cases of corruption by the
public officials. It is widely believed that such prior approval is a rare possibility, and
practically implies exclusion of acts of corruption by public officials from the jurisdiction of

\textsuperscript{26} Transparency International Bangladesh, \textit{Local Participation and Expectations in the Nomination Process of National
Elections}, February 2011.
\textsuperscript{27} Transparency International Bangladesh, “Transparency in Political Finance in Bangladesh”, 2009, \url{http://www.ti-
bangladesh.org/research/Crinis_Report_251009_full[e]2.pdf}
\textsuperscript{28} For a detailed analysis of the proposed amendments, see Iftekharuzzaman, “Can we Have an Effective ACC”, \textit{The
Daily Star}, February 23, 2010. \url{http://www.thedailystar.net/suppliments/2010/02/ds19/segment1/ACC.htm}. See also:
Transparency International Bangladesh, “Call to Reconsider Anti-Corruption (Amendment) Act 2011” \url{http://www.ti-
bangladesh.org/research/PositionPap010311.pdf}
\textsuperscript{29} 92 percent of the surveyed people wanted a strong and effective anti-corruption commission while 72 percent didn’t
support the provision for prior government approval before taking action against government officials. See for details:
\url{http://www.ti-bangladesh.org/research/ACC-Survey_Eng280710.pdf}
the ACC. An enterprise of senior officials of the Government, it demonstrated the capacity of bureaucracy to influence the political and legislative process to serve a parochial interest. This ignores the constitutional provision of equality of all which implies also that corruption in all sectors - political, administrative, corporate, NGOs, and individual - should be treated on equal footing and must be within the jurisdiction of the ACC. Exclusion of any particular sector, especially the public service will be discriminatory and counter-productive to the objective of making corruption a punishable offence. The underlying motivation behind the move is the rent-seeking nature of the politico-bureaucratic elite. Another proposal that appears to be designed to increase administrative control is the provision to take away the power of the Commission to appoint its own Secretary and vest it upon the Government.30

The effectiveness of the Anti-corruption Commission has been at the centre of public discourse on the issue of corruption in Bangladesh for the past several years. It has become more important in the wake of the national election held in December 2008 during which control of corruption was one of the key demands for which the people raised their voice almost as a national consensus. It was also reflected specifically in the election manifesto of the Bangladesh Awami League (AL) and its allies in the Grand Alliance that returned to power with unprecedented majority in the Parliament. Among many commitments relevant to the strengthening of the institutional capacity to fight corruption was the pledge to make the ACC independent and effective. The commitment has seen been often repeated at the highest level of the Government. However, as elaborated below the proposed amendments were clearly a step in exactly the opposite direction and clearly an effort to increase political and administrative control over the Commission.

When the Anti-Corruption Commission (ACC) was set up in November 2004, Transparency International Bangladesh (TIB), as the organization that spearheaded the demand for it31 considered it as a good opportunity. Although most observers including the author of this paper had no illusion even at that stage that the decision could be prompted by a conviction of the then Government for an effective Commission, it was at least viewed as

31 In December 2001 TIB undertook a fact-finding study on the former Bureau of Anti-Corruption (BAC) and came up with a specific recommendation that an independent anti-corruption commission be set up to replace the BAC that failed to deliver for an array of reasons. See, TIB, “Bureau of Anti-Corruption, Office of the Prime Minister: A Fact-finding Study”, Dhaka December 2001. TIB also prepared a working paper that recommended a framework for the proposed anti-corruption Commission, which helped the process leading to the creation of the Commission.
an example that raising demand by stakeholders outside the government, especially the media, donors, and indeed citizens at large, could lead to a significant legal and institutional reform.

However, it did not take long for disillusionment to grow over the prospect of its effective functioning. For over two years since the Commission came into being, it failed to demonstrate the kind of strategic vision, a seriousness of purpose and sense of direction expected of an organization that was mandated with the highly challenging task of fighting corruption. The then ACC indeed invited for itself a credibility gap and got bogged down over differences of opinion among the Commissioners on key issues such as division of powers and responsibilities, and a bitter interpersonal relationship between them.\(^{32}\) The Commission also allowed itself to take on the baggage of the infamous Bureau of Anti-corruption (BAC) when it sweepingly absorbed without the due scrutiny of the track record and credibility of the staff of the BAC, and embraced the inefficiency and lack of integrity on the one hand and paved the way for further Government control on the other.\(^{33}\)

The then Government’s lack of commitment to let the Commission function independently was by then evident. The Government imposed an organogram of its own choice upon the Commission. A powerful Minister of the then Government declared that the ACC was a part of the executive wing and therefore it should work within the framework of the government.\(^{34}\)

The reconstitution of the Commission by the post 1/11 Caretaker Government and a couple of ordinances to the complement the Anti-Corruption Act 2004 provided it some degree of dynamism and vibrancy aiming at making corruption a punishable offence, and challenging the culture of impunity. A large number of high-profile individuals suspected of involvement in corruption were arrested. Special tribunals were set up for speedy trial. On the other hand, a high-powered and controversial anti-corruption task force worked parallel


\(^{33}\) The defunct BAC was not only ineffective, but indeed counterproductive. It did not enjoy people’s trust and credibility. It was widely acknowledged in the process leading to the setting up of the Commission, that the fundamental objective of the Anti-Corruption Commission would be lost if it were to function with the same manpower. Accordingly, the Anti-Corruption Law 2004 which formed the basis of forming the Commission made the provision that only those members of the staff of the former BAC who will be considered capable to work in the Commission on the basis of a scrutiny through a process to be determined by the Commission, may be retained. The Commission, however, revived the BAC organogram and attached all its staff to the Commission by a Memo issued on 19 February 2005.

\(^{34}\) The Former Finance Minister at a meeting with the Economic Reporters Forum, see *The Daily Star*, 30 May 2006.
with the ACC. While the fate of most of the cases remain open, the anti-corruption drive by the then ACC, though debatable, remains the strongest signal yet in Bangladesh’s history against corruption in a manner that the Prime Minister Sheikh Hasina acknowledged in her statement on February 4, 2009 to the Parliament as a necessary shake-up.

The role of the ACC during the Caretaker Government has been widely debated in and outside the Parliament, especially with regard to the question of political use of the Commission, due process and accountability. The fact remains that there were more than one power centre that shaped the policies and actions during the period of Caretaker Government, more so in terms of the anti-corruption drive. Equally debatable in this context was the creation of the so-called Truth and Accountability Commission that not only demonstrated the lack of consistency and strategic thinking in the corridors of power, but also added to the question of credibility of ultimate intentions of the then Government with regard to fighting corruption. Questions may be raised whether the ACC had the full operational independence even under the Caretaker Government, and whether all that happened in the name of the then anti-corruption drive can be attributed to the ACC. To say the least, the way the high-profile individuals were taken to custody and denied bails, and then subsequently awarded the same in a record-speed did not leave positive commentary about a government that took the most important step towards separation of the Judiciary. This led to an impression that more than an effort to establish corruption as a punishable offence the anti-corruption drive was used as a tool for what came to be known as de-politicization and more specifically the so-called minus-two formula. The failure to ensure the due judicial process did tarnish the image of the then Government’s commitment to the rule of law, and

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35 The exact number of cases and their status could not be confirmed. According to one source, 1216 cases were filed, of which cases directly filed by ACC was 341, by police or other agencies were 495. The number of convictions was 156 and 521 cases remained under trial. Source: www.acc.org.bd. Confusion over the number of pending and disposed cases is also attributable to the Government’s review of “politically motivated cases”. As on August 18, 2011, the Committee formed to review such cases had already recommended cancellation over 6,500 cases, an uncertain number of which were filed by ACC. See for details: Transparency International Bangladesh, “Electoral Commitment to Establish Good Governance and Control Corruption: A Review of Progress” http://www.tiban.org/research/Electoral%20Commitment%20Tracking_Full%20Report.pdf
36 See, Prothom Alo, (Bangla), Dhaka, February 5, 2009.
38 During an interview Lt Gen (Retd) Hasan Mashhud Chowdhury, the former Chairman of the Anti-corruption Commission, confirmed that there were many efforts from the National Coordination Council and related intelligence agencies to intervene and influence the work of the Commission.
more importantly, as was widely suspected\textsuperscript{39}, and subsequent events showed, it turned out to be counter-productive to the cause of anti-corruption in general and came as a challenge to the image of the ACC in particular.

Subsequent upon the resignation of the former Chairman and appointment of his successor, the debate over the Commission’s effectiveness has further intensified. The Government did not ratify the Ordinances of 18 April and 22 November, 2007 that brought amendments to the Anti-corruption Act 2004. Instead, in view of the above mentioned proposals for legal reform the prospect of the Commission’s independent and effective functioning has come under threat. The Chairman of the Commission Ghulam Rahman was quoted to have told the media that the ACC was in any case a toothless tiger, whereas the nails that it could use were now being chopped off\textsuperscript{40}.

In addition to the electoral commitment, Bangladesh has also made international pledges to strengthen the institutional capacity to control corruption, the most important of which is that as a State Party to the UN Convention against Corruption\textsuperscript{41}. Bangladesh is pledge-bound under article 6 and 36 of the UNCAC to: “… ensure the existence of a body or bodies, as appropriate, which prevent corruption.” The Government has also committed to “grant these bodies the necessary independence, in accordance with the fundamental principles of its legal system, to enable the body or bodies to carry out its or their functions effectively and free from any undue influence”. As a State Party, Bangladesh is also committed to ensure “the necessary material resources and specialized staff, as well as the training that such staff may require to carry out their functions…”\textsuperscript{42}

The Government has adopted an Action Plan for Compliance to the UNCAC, though it remains evasive about the issue of independence and effectiveness of the Commission as per the provisions of the UNCAC. The document simply mentions that the Government will review the Anti-corruption Act by the end of June 2010. With reference to the articles 6 and

\textsuperscript{39} The Caretaker Government’s failure to ensure the due judicial process in the corruption cases was viewed as counterproductive to the future of anti-corruption drive was a matter of public concern, see for instance, Iftekharuzzaman, “Durnity Protorodhi” (Corruption prevention) in Jugantor, January 1, 2008, and “Durnity Protirodher Bhobishyo” (The future of corruption prevention) in Prothom Alo, 4 November 2008.

\textsuperscript{40} Quoted in Prothom Alo, 15 October 2009.

\textsuperscript{41} Commonwealth, ADB-OECD Anti-Corruption Initiative for Asia-Pacific are among the other international forums to which Bangladesh has made some commitments. See, for more details, Iftekharuzzaman, “making the Ant-Corruption Commission Effective: Why and How”, presented at the seminar organized by Transparency International Bangladesh, to obeserve the International Anti-corruption Day, 9 December 2009.

\textsuperscript{42} See, \textit{UN Convention against Corruption}, www.unodc.org
it only refers to suggestions made to examine inconsistencies between the ACC Act and the Income Tax Ordinance and relevant Banking laws, and to suggestions made to strengthen the Financial Intelligence Unit.43

Above all, as already indicated, the ruling alliance, especially the Awami League (AL), made a series of commitments to the people at the time of the election, of which more than a dozen were specific to building and strengthening the anti-corruption institutional and policy infrastructure, including the ACC.44 The election manifesto clearly mentioned that the “ACC will be made powerful by ensuring its independence”.45

Although the experience of specialized institutions to fight corruption is relatively new, independent anti-corruption commissions (IACC) are increasingly recognized in many countries of the world as one of the key pillars of the national integrity system (NIS)46. Created often in response to public demand for fighting corruption, the IACCs have in many countries become permanent important bodies not only against corruption but also as vital element of the institutional set up to establish a democratic, accountable and transparent governance.47 In countries where they have been relatively effective, like in Singapore, Hong

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44 These are: 1) making the parliament effective so that the government can be held accountable; 2) annual disclosure of wealth statement and source of income of the Prime Minister, members of the cabinet, Parliament members and their family members; 3) ensuring genuine independence and impartiality of the judiciary and the rule of law; 4) administrative reform to make it pro-people and free from politicization; 5) efficiency and merit to be established as the basis of appointment and promotion in public service, and curtailing the discretionary powers of officials; 6) introduction of right to information; 7) e-governance; 8) police and other law enforcing agencies to be kept above political influence; 9) competitive market system in commerce and industry to be established by eliminating bribery and administrative difficulties and breaking the state or private monopoly; 10) strong measures against those having unearned and black money, loan defaulters, tender manipulators, and users of muscle power in every stage of state and society; 11) effective Human Rights Commission; 12) appointment of Ombudsman; and 13) introduction of Citizens Charter in every department and widespread computerization. *Ibid.*


46 The National Integrity System (NIS) is the sum total of the institutions and practices within a given country that addresses aspects of maintaining the honesty and integrity of government and private sector institutions. Any attempt to address corruption effectively and sustainably involves a holistic approach, where each of these institutions work in concert. Ad hoc reforms are unlikely to succeed. Resting on society’s core values and supported by public awareness and demand, the NIS includes: an effective Parliament, Executive with integrity, independent Judiciary, powerful Auditor General, independent watchdog bodies like Ombudsman and Anti-corruption Commission, professional and non-partisan Public Service with integrity, competitive and transparent Procurement System, Independent Election Commission, empowered Local Government, free Media with integrity, and active civil society and citizenry empowered by the right to information.

Kong and Bhutan the most important factor for success is the fact that they have enjoyed high level of political and public support. The post-election political vocabulary that became increasingly dominant at the policy level in Bangladesh is, however, hardly consistent with these lessons.

An anti-corruption commission will be as successful and effective as the political and top Government leaders want it to be. As earlier mentioned, the present Government has put anti-corruption at a high level in its policy pronouncements. To compliment and carry forward the election manifesto, the Government at the very top level has continued to remind the nation about this priority. The Prime Minister has been using strong words against corruption and pledged on many occasions not to allow it in her government. Such political commitment will, however, yield positive result only if it can be transformed into an effective national strategy against corruption that will criminalize corruption without fear or favour to any one. A key component of this strategy has to be a strong, independent and effective Anti-corruption Commission.

The reason that political commitment becomes an absolutely necessary precondition is the linkage of power with corruption. However, the "political commitment" may turn out to be no more than eyewash when political leaders and executives perceive themselves or their group interests as potential targets of any effective anti-corruption measure that may be adopted by the commission, in which case the commission will be crippled by provisions imposed to diminish the powers of the institution.

Weak political will demonstrated by vested interests in positions of power can overwhelm and even undermine the leadership. The fragility of political will to allow an effective ACC is located in most cases in a continuum that begins with the prospect of political mileage by pronouncements that are not necessarily backed up by a genuine commitment to enforce without fear or favour at the one end, and a perceived sense of

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insecurity at the other arising from the possibility of being counterproductive to corporate self interest. That the present Government, soon after assuming power, formed a committee to review “politically motivated” cases in an administrative process, and the fact that those recommended for cancellation are invariably against individuals having links with the ruling alliance is an evidence of such corporate interest.

Political-administrative control would imply that the Commission would be unable to discharge its functions without being subjected to a “don’t touch us” syndrome. It would then become increasingly difficult to investigate people in positions of power in the Government of the day. Politics being about investment, political interference in most cases also has to do with a culture that tolerates and indeed promotes “its our turn” practice, by which election as a zero-sum-game brings the winner the opportunities to abuse power for private gain. The failure to ensure true independence will make the ACC subservient to the political and bureaucratic authority, who would be biased in favour of those having links with the Government of the day, and hence would be promoting the culture of impunity.

V. In Lieu of a Conclusion

Whether or not corruption can be controlled with much greater effectiveness than so far will depend on the kind of political leadership and institutions of democracy that are going to evolve. The capacity of the institutions to make the government accountable will make the difference. Much would depend on whether corruption can be genuinely criminalized without fear or favour to anybody.

Fighting corruption involves a long-term and comprehensive process. The ACC cannot be a stand-alone effective organization without the supportive environment which includes the vital institutions of the national integrity system (NIS). There are many countries in the world where there is no separate institution called ACC, but they have done very well in controlling corruption thanks to the collective strength of the NIS. On the other hand there are many countries where ACC exists but not much has been achieved because neither has it been allowed to function effectively and independently, nor have the other pillars played their due role.

Success of anti-corruption efforts is a function of the degree of the strength, independence and effectiveness of a number of institutions of democracy and the national integrity system like the parliament, the executive, the law enforcement agencies, the judiciary, public service, media and even the private sector. The ACC lies at the centre of the institutional anti-corruption structure, but it can be rendered ineffective not only by its own challenges but also by ineffectiveness of the other vital institutions. This institutional approach has to include political parties. Without effective reform for democracy and democratic culture within the political parties, all other institutions of democracy will remain fragile.

The spirit of pluralism, mutual acceptability and tolerance of criticism is indispensable for the democratic space. The 9th Parliament, for instance, started very well with some unprecedented indicators. The committees were formed in the very first session which also witnessed the Speaker play a commendably balanced role in conduct of proceedings; the Prime Minister's question-answer sessions were lively with participation of the opposition when they were available; the Committees also started to function well. But the boycott of sessions by the opposition on grounds that as ridiculous as could be easily addressed if only political leaderships could rise above the confrontational and zero-sum game, has not served the purpose of an effective parliament, especially for its capacity to discharge the function of holding the government accountable.49

The Government amended the procurement rules to introduce the provision that no expertise or experience would be needed for bidding for contracts upto a certain threshold. This opened up opportunities for politically biased favours in public contracting. Equally damaging for the prospect of controlling corruption are acts like providing immunity to any decision taken to ensure speedy power supply and the telecommunication act 2010 that curtailed the authority of the BTRC to the advantage of the Ministry. Nothing has been done to keep the commitment to establish the Ombudsman’s office. On the contrary the Tax Ombudsman’s office was closed down by an act on the ground that it was ineffective as if chopping off the head is the solution for headache.

49 Boycott of Parliament has become a source of threat against the promotion of the parliamentary behaviour. In the 5th Parliament which for the first time saw this culture, 34 percent of working hours were boycotted by the opposition, whereas upto the 7th session of the present 9th Parliament 74 percent of the working hours have already been boycotted by the opposition party. See for details, Transparency International Bangladesh, Report on the Parliament Watch www.ti-bangladesh.org.
Contrary to electoral commitment, in a race to undermine the authority of the local government the Government has established undue authority of the Members of Parliament and local administration upon the upazila parishad, which is detrimental to the prospect of corruption control and against the spirit of the Constitution. Among other self-defeating steps is the provision in successive budgets to legalize the black money which for all practical purposes encourages corruption and serves as a disincentive against transparent and honest transactions and businesses.

The adoption of the Right to Information Act (RTI) 2009 and Whistleblower Protection Act 2011 must be commended. If properly enforced, these can catalyze huge improvements in transparent governance and preventing corruption. Experience has shown a positive relationship between enforcement of RTI with the capacity to control corruption. The Government must move ahead firmly in strengthening the Information Commission and creating the capacity and skills to move from a culture of secrecy to that of openness. The civil society, NGOs and the media, who can play important role by creating the capacity on both supply and demand side in this regard must be allowed the necessary space and conducive environ to work.

The most formidable task would be to effectively challenge impunity. Corruption must be punished, and the law must be allowed to take its own course without any political or other forms of influence or intervention. Corruption cases must be handled in due judicial process. Any effort to influence the judicial process by partisan political or other means shall be counterproductive. The lower the level of integrity, professionalism and public trust upon the judiciary, the lower the possibility of success in controlling corruption. Integrity of institutions that are mandated to ensure rule of law, particularly an honest, credible, impartial, professional and non-partisan police force and other law-enforcement agencies is indispensable.

Specific measures must be taken to free public service from the partisan political influence. If appointments, promotions, rewards and punishments are determined on the basis of anything other than merit, efficiency and performance, integrity in public service shall

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remain a far cry. The proposed Civil Service Act must include a set of code of ethics and integrity that would institutionalize positive and negative incentives against corruption.

An important component in the anti-corruption infrastructure is the awareness, engagement and participation of the people in demanding the political will and strengthening the institutions of accountability. Fighting corruption, especially where conventional institutions do not deliver, requires non-conventional tools of social accountability - voice and demand for change.

The impetus to reform has to come from the people, for which the civil society, media and other opinion leaders can play a catalytic role. Demand for democratic norms, conduct and practices in politics rather than perennial confrontation and legitimacy contest must come from the citizens at large and civil society in particular. Strengthening the demand side is important, so the politicians translate the passion for democracy into a democratic practice. The answer lies in empowering those to whom power should belong - the people.

Change will not come overnight, but through a long and arduous process. The main challenge is to create an environment in which corruption would be hated and rejected by everyone, and demands and pressures will become strong enough to generate and sustain the political will and strengthen the effectiveness and independence of the key institutions. The longer it takes to creating such conditions and the longer abuse of power flourishes in the legitimacy contest for political space, the farther will be the success of control of corruption.