

Unraveling Paradox between Corruption and Development of Bangladesh

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Abstract: The nexus between corruption and development is not clear cut as the definitions, measurement, and people's perceptions on corruption and development are being changing over time. Despite overwhelming development of Bangladesh, corruption as a monster demoralize institutions of all level i.e., public, private, and NGOs and their capacity to perform their assigned tasks and thereby unable to provide the necessary services to the general population of Bangladesh. Thus, inefficiency overwhelmed and damages the substantive interests of people and endangers the lives of those people to whom these institutions are meant to serve. The main objective of this paper is to find out the nexus between corruption and development of Bangladesh. Both quantitative and qualitative data retrieved from secondary resources are used. Results show that GDP is consistently increasing after 2009. However, considering human development index, Bangladesh's position in the world is not satisfactory. On the other hand, positive correlation is observed between GDP and CPI ranking. Besides, relationship between CPI ranking with six governance indicators i.e., rule of law, control of corruption, voice and accountability, regulatory quality, political stability and absence of violence/terrorism, government effectiveness are found negative. Income inequality is also found high which hinders the overall progress of development of Bangladesh. Disregarding GDP and infrastructural development, it is difficult to claim the actual development of Bangladesh as the basic services and rights are often being compromised. Corruption in most of the sectors including private and non-government organizations is jeopardizing the development of Bangladesh.

Keywords: Paradox, Development, Corruption, Indicator, Nexus, Bangladesh

Introduction

The perplexing interplay between corruption and development is questionable, while the concept of development remains elusive. On the other hand, the definition of corruption is also being updated over time. We observe that perception, measurement of corruption and development also varies by countries and regions. It is also observed that perception also varies based on people's knowledge and understanding, victims of corruption, level of education, wealth, employment types and status, types of involvement with

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Government and nongovernmental programs in Bangladesh. Existing researches show that corruption perception causes negative emotions to individuals leading to a more unfair social environment, which is a threat to individual's health e.g., aggravates depression (Zhang 2022).

Corruption as a “monster” demoralize institutions of all level i.e., public, private, NGO/INGOs and their capacity to perform their assigned tasks and thereby unable to provide even the basic services to the general population of a country. Thus, inefficiency overwhelmed and damages the substantive interests of common people and endangers the lives of those people to whom these institutions are meant to serve. We observe that in Bangladesh almost every development plans and programs are associated with a series of mismanagement, miss-governance and corruption; thereby the actual development of this country is lagging behind for several decades. We can divide the major causes of activities against development into two broad categories i.e., intentional and unintentional. Intentional causes include financial benefits out of the boxes through delaying programs implementation, overpricing in papers etc. On the other hand, unintentional causes include skill gap among program people and service providers. Interestingly, corruption associated with skill training programs in abroad by the government officials. Transparency International (Berlin) and Transparency International Bangladesh (TIB) have been conducting global and national level surveys e.g., Corruption Perception Index (CPI) in last several decades. Various researches conducted by TI and TIB reveal that almost each of the development projects and programs fail due to corruption in most of the developing countries. Unfortunately, Bangladeshis not out of this black shadow. However, interestingly some forms of development have taken place in terms of several indicators especially economic and some benchmarks/thresholds/targets set by so called development actors e.g., World Bank, WHO, UNICEF, UNDP. Views on the development agents also vary in our multicultural societies. We would say them as ‘so called development agents’ so that they produce new models, methods, and theories for other countries as a test basic. They do not use or implement those for their own countries. Development plans and budgets should be made participatory and bottom-up process. Unfortunately, we find all models made through top-down approach. At the same time, state welcomes them and capitalizes their approach. We observe that policy makers and politicians focused showing the achievements of the targets through econometrics and statistical analysis of data although there remains a burning question of data authenticity for long time. Interestingly, state always disregards the major issues of inequality, human development, and good governance. The main purpose of this research is to know the nexus between corruption and development of Bangladesh.

Methodology

This study adopted a systematic literature review approach to explore the relationship between corruption and development in Bangladesh. Comprehensive searches were conducted in academic databases and Google Scholar, and Scopus using keywords including "paradox", "corruption," "development," "Bangladesh," "economic growth," "governance," and related terms. Both peer-reviewed journal articles and grey literature from international organizations and government agencies were included. Studies published in English language, focusing on the relationship between corruption and development in Bangladesh and conducted within the last two decades to ensure relevance were included. The quality of each selected literature was assessed using appropriate evaluation criteria such as research design, methodology, sample size, data analysis techniques, and overall rigor. Moreover, those literatures were rated based on their methodological soundness and relevance to the research question. In the next step, extracted data was synthesized to identify patterns, themes, and trends related to the relationship between corruption and development in Bangladesh.

As this study involves the analysis of existing literature, ethical approval was not required. However, proper citation and acknowledgment of the original authors were ensured to maintain academic integrity. The study's findings may be influenced by the availability and quality of existing literature and the review process may be subjective to some extent despite efforts to maintain objectivity.

We believe that the findings of this systematic literature review will contribute to a deeper understanding of the corruption and development paradox in Bangladesh and may inform future research, policy-making, and interventions in the country.

Findings and Discussion

We intend to show the development and corruption of Bangladesh side by side as well as whether these two issues are connected or intersected and to what extent. There are controversial opinions as well. Our focus is to mention and analyze the major debate and concerns. First, there is a scathing remark of Faaland and Parkinson (1976) that if development could be made successful in Bangladesh, there can be little doubt that it could be made to succeed anywhere else. Observing the progress of Bangladesh made in numerous sectors in last two decades, government and other development agencies claim that the above statement is not true. However, some other people and agencies especially economist, development practitioners, politicians, and even a part of the country's citizen have different views on the current development of Bangladesh. We will discuss some of those views and paradoxes in the following by sections.

Situation analysis of Bangladesh in terms of Corruption Perception Index

Bangladesh's position is 13th in the world corruption ranking out of 180 countries (TI 2022). Berlin based Transparency International (TI) conducts flagship survey covering almost all countries in the world. Bangladesh was found the most corrupted country in 2001, 2002, 2003, 2004, and 2005 according to TI surveys. It was 3rd most corrupted country in 2006 and 7th in 2007. From 2008, this position lies from 12th to 15th bearing the score almost same i.e., from 24 to 26. That means that over the time, global position of Bangladesh has improved remaining the score same. Transparency International Bangladesh (TIB) is an umbrella organization of TI and they conduct large scale survey-based research on people's perception and experience on corruption of Bangladesh. The following table shows summary of findings on people's perception on present status different sectors of government and other non-government.

Table 1: Percentage of people's percentage on corruption (Multiple Responses)

Sector	2021	2017	2015	2012	2010	2007
Overall	70.9	66.5	67.8	63.7	84.2	66.7
Law enforcement agency	74.4	72.5	74.6	75.8	79.7	96.6
Passport	70.5	67.3	77.7	-	-	-
Bangladesh Road Transport Authority (BRTA)	68.3	65.4	60.1	-	-	-
Justice or Judiciary	56.8	60.5	48.2	57.1	88.0	47.7
Health	48.7	42.5	37.5	40.2	33.2	44.1
Local Government Institution (LGI)	46.6	26.7	36.1	30.9	43.9	53.4
Land service	46.3	44.9	53.4	59.0	71.2	52.7
Education (Government and MPO)	33.9	42.9	60.8	40.1	15.3	39.2
Electricity	33.5	38.9	31.9	18.3	45.9	33.2
Climate change and disaster aid	27.8	-	-	-	-	-
Agriculture	24.5	41.6	25.8	20.4	45.3	-
Insurance	22.2	12.3	7.8	-	-	-
NGO	16.3	5.4	3	5.0	10.1	13.5
Gas	15.2	38.3	11.9	-	-	-
Bank	15.0	5.7	5.3	7.1	17.4	28.7
Tax and revenue	12.4	11.1	18.1	16.8	51.3	6.4
Labour migration	-	-	-	77.0	-	-
Others	17.5	22	17.1	41.1	34.1	31.3

Source: TIB 2021

Transparency International Bangladesh conducts national level households' survey on service sector corruption. Table-1 indicates that law enforcement agency is the most corrupted sector, followed by passport, BRTA, Justice or

Judiciary, Health, Local government, Land, Education, Electricity, Climate change and disaster aid, Agriculture, Insurance, NGO, Gas, Bank, Tax, Others. Corruption in NGO sector has increased substantially during recent years. Peter Eigen (2002) the Chair of Transparency International said - *Corrupt political elites in the developing world, working hand-in-hand with greedy business people and unscrupulous investors, are putting private gain before the welfare of citizens and the economic development of their countries.*

Besides, corruption in private sector is often underreported. David O Sotola (2020) identified private and public sector corruption nexus. It is observed that private sector corruption is over-focused merely on bribery, neglecting other forms of corruption e.g., sexual harassment, exploitation and abuse through definition of corruption that includes sexual exploitation and abuse. Based on the above findings, we have identified several basic factors associated with of “corruption-development-nexus” are nepotism, moral degradation, abuse of power, lack of checks and balances, and unconsciousness among the people. Through successful abuse of powerful social and political networks often less qualified and corrupted officials avail the higher position in career, remain absent in-service points, and overall bring sufferings to the common people (Naher et. al, 2022). The whole process hinders the actual development of Bangladesh.

Nexus between Economic Growth and Corruption

Economists and state consider GDP as one of the most important indicators of economic development of Bangladesh. Since 2009, GDP is consistently increasing over the time and using as the core indicator to show development of Bangladesh (Fig 1). On the other hand, from 2009 to 2020, CPI score was found roughly stalled although Bangladesh position in the global CPI ranking has improved. Therefore, the economic growth is consistent irrespective of corruption level.

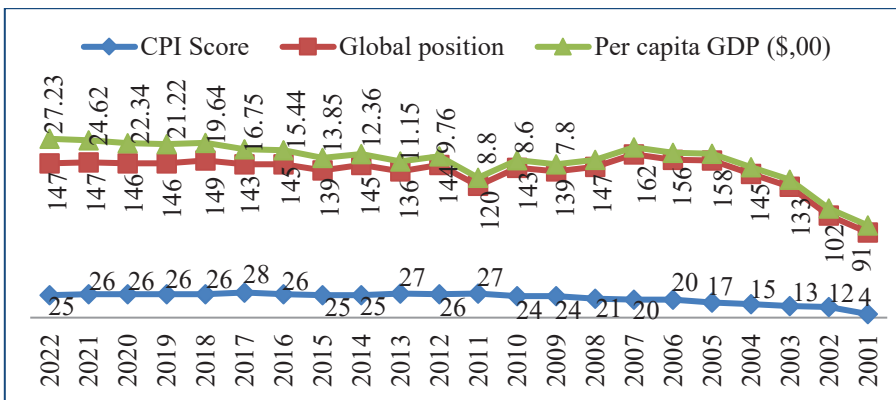


Figure 1: Corruption perception index score and Per Capita GDP (in USD)

Sources: TI and BBS, 2022 (GDP after 2009 was not available)

However, consistent GDP increment not necessarily represents the actual development of Bangladesh as the major financial sources are limited to remittance and Readymade garments (RMG). It is notable that GDP will suddenly fall if the two sectors face any challenges in course of time. Besides, this startling development of Bangladesh is not because of any accountable government system or coordinated efforts. Rather, this is the result of several factors and people from various sectors e.g., RMG, Remittance, agriculture. We assume such thing will not happen if fundamental rights and services are fulfilled by respective authorities e.g., ensure rights and services to the migrant workers, minimum wage of RMG workers, ensuring enabling working conditions etc.

It is a widespread concern that for secure, happy, and develop nation, ensuring rule of law and justice are some of the preconditions. Unfortunately, in Bangladesh, both sectors are overwhelmingly corrupted (TI 2022). There is some paradox has been discussing for several decades that Bangladesh loses two per cent GDP due to corruption. According to the World Bank (2022), GDP would grow by 2.1 to 2.9 percent if Bangladesh could reduce the corruption rate to that of Scandinavian countries. Notwithstanding, the GDP has been consistently increasing over the years and at the same time Bangladesh's position in the world CPI also has been improved gradually after 2005 remaining the score almost same from 2009. Data also indicates that other countries found more corrupt and they occupied the position and in that sense Bangladesh's position was improved. It is anticipated that corruption hinders people's access to government services including getting jobs, Justice, Health and other facilities. Despite all the faulty governance and political systems, Bangladesh has been achieving high growth through developing visual infrastructure.

Scenario of Human Development in Bangladesh

United Nations conducts survey in all countries in the world to explore country's position in terms of human development. The following Figure 2 shows that Bangladesh is consistently improving in terms of human development score. Out of 189 countries, Bangladesh holds 133th position (HDR 2020) and lies in medium human development category.

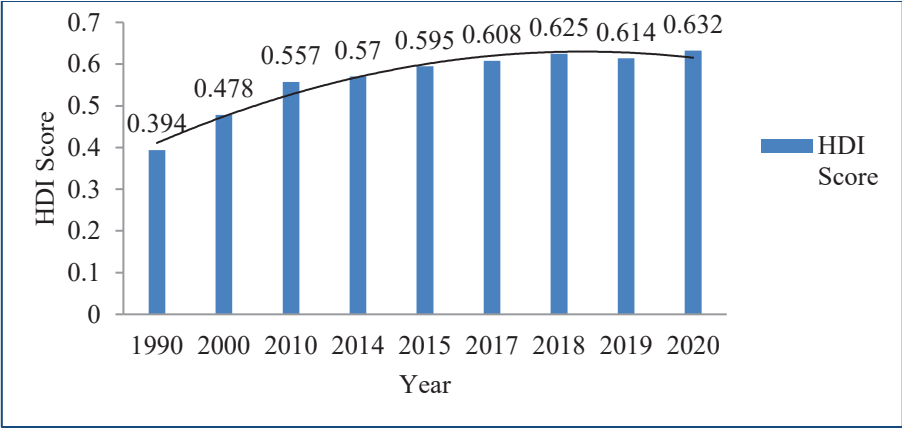


Figure 2: Status of Bangladesh based on Human Development Index (HDI) Score

Source: UN Human development report, 2015-2020

Understanding Development through Governance indicators

The following figure 3 shows trend of six core indicators of Governance in Bangladesh i.e., Voice and accountability, political stability and absence of violence/terrorism, government effectiveness, regulatory quality, rule of law, control of corruption. The graph is constructed based on World Bank data from 1996 to 2019. It is found that trend is consistently declining over the time.

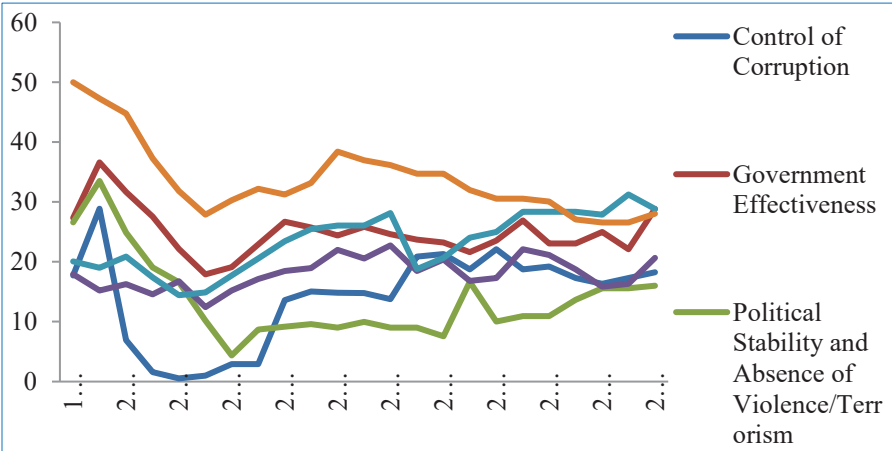


Figure 3: Governance indicators of Bangladesh (1996-2021) (percentile rank)

Source: World Governance Indicator, 2022

Paradox of entitlement: Graduation from LIC to LMIC

We have to depend on the decision of UN organizations on any country's status based on different criteria they set as the benchmark. Data indicates that economy of Bangladesh is the 2nd largest after India in South Asian countries. It is also the 2nd highest country in terms of growth of export, following Vietnam between 2008 and 2018. For over a decade, Bangladesh is the 2nd largest in exporting readymade garments products. LDC graduation thresholds i.e., per capita GNI (>1222 USD), Human Assets Index (>66), Economic and Environmental Vulnerability Index (<32) are already fulfilled (Per Capita GNI 1827 USD, Human Assets Index 75.3, Economic and Environmental Vulnerability Index 27.2) as per UN Review in 2021.

The following table also shows that graduation of Bangladesh from low income status to lower middle income is literally done in terms of per capita GNI (>995). However, it does not fulfill the requirement of CPI score (requirement for LMIC is at least 30). Therefore, considering CPI score (ranges from 24 to 26), claiming Bangladesh as a LMIC may be partially true. Regarding LDC graduation, different reviews mentioned the thresholds points exceeded by Bangladesh except corruption perception index score (Table 2). Already Bangladesh is declared as the Lower-middle-income country. On the other hand, World Bank set CPI score at least 30 for obtaining LMIC entitlement for any country. As we have seen in Figure-3 that Bangladesh obtained 25 out of 100 in corruption perception index report of Transparency International in 2022. Considering this score, there is a contradiction in this graduation.

Table 2: Country classification by GNI and CPI score

Country classification	GNI/per Capita (current US\$)(Threshold)	GNI/Per capita(current US\$) in2019	CPI score (average of 10 countries for 2015-2018)
LIC	< 995	819	22
LMIC	996 - 3,895	2,176	30
UMIC	3,896 - 12,055	9,050	33
High-income	> 12,055	43,358	80

Source: World Bank data (2020)

Development and Income Inequality

Issue of inequality has emerged recently and is being discussed among the development thinkers. Income inequality is a significant issue that hinders overall development process of any country. Researchers, development thinkers, academicians think that higher Income inequality persists in Bangladesh which impedes the actual development process of our country. Data shows that income inequality was low before 1990. However, this inequality consistency has been rising since 1992 and onwards. According to

the World Inequality Report – 2022, top 10% people has taken over more than 41% of total national income, and 1% people hold 16.3% of national income share (Fig 4). The scenario denotes that majority of population of Bangladesh earn less compared to national average. It also denotes that those rich (10%) people's income overwhelmingly increased over the average income of the country. On the other hand, extremely high-income inequality exacerbates the actual development of Bangladesh and left majority people out of reach of the benefits of development. Notwithstanding, infrastructural development e.g., roads, bridge, metro-rail, flyover, tunnels, multistoried building, shopping malls etc. have been developed and showed the tangible development of Bangladesh. Therefore, it is hard to claim the current development of Bangladesh merely based on economic indicators.



Figure 4: National income share of 1% and top 10% rich

Source: World Inequality database (2022), Accessed on 28 Dec 2022

Double paradox

In the 90's, in China, corruption and development went hand in hand. US political scientist Andrew Weidman called this a 'double paradox'. It is said that much work can be achieved by bribing. Though this is a bit costlier, this has facilitated growth. Many researchers think this approach works in the earlier stages in the countries where institutions and governance are weak. It is also said that corruption becomes rampant in the earlier stages of development and with time and development, corruption decreases. But this did not happen in Bangladesh.

Conclusion

Nexus between corruption and development is yet to establish as different actors have their distinct views. Political as well as development journey of Bangladesh since independence was extremely uneven. A series of political events made this journey more challenging. However, despite numerous challenges Bangladesh has made some remarkable development especially infrastructural development. Bangladesh has received recognition for its

economic development as well. At the same time, the country is also recognized as a country of widespread corruption and miss-governance unfortunately. Political leaders, businessman along with law enforcement agency together established a system where common people remain powerless, vulnerable and victims. Current situation can be viewed as ‘Laws, like the spider’s webs, catch the small flies and let the large ones go free’ mentioned by La Maison Nucingen (2005). According to another thinker Colin Leys ‘There is a widespread feeling that the facts cannot be discovered, or that if they can, they cannot be proved, or that if they can be proved, the proof cannot be published’. The above two statements to some extent can explain the contemporary development and corruption situation of Bangladesh. Nevertheless, Bangladesh government is committed to establish a corruption free nation and aims for building a developed country. Besides, in the election manifesto (2018), ruling political party talked about giving priority to zero tolerance against corruption. We realize that human rights and development are not simply a nice-to-have in the fight against corruption as authoritarianism makes anti-corruption efforts dependent on the whims of elite. Therefore, a strong political commitment is required to fix the challenges we discussed above. Some of the sustainable route to establish a corruption-free society requires are but not limited to ensuring that civil society and the media can speak freely and hold power to account, allowing the anti-corruption institutions (D Bello, 2022) to operate without political intervention, uphold the right to information in government spending, plan and implement human-centered development programs and approaches. It is noteworthy to take actions on controlling corruption to achieve the Vision 2021, SDGs 2030 and Vision 2041 as well as for establishing a prosperous Bangladesh economically, socially, and ethically so that all people irrespective of their age, race, gender, and social status can enjoy full freedom of choice and live a standard life.

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