Management

A literature review on good governance and management practices in Bangladesh

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Abstract

Purpose

This paper seeks to evaluate management practices in Bangladesh and examine the underlying causes behind the apparent failure of public agencies to foster and enhance sound governance. Persistent conflicts among political parties, coupled with the government's absence of coherent policy goals, have contributed to a fragile and largely dysfunctional political environment.

Design/methodology/approach

The study undertakes a comprehensive review of conceptual and empirical literature on governance and management practices. It further evaluates the functioning and performance of state institutions in Bangladesh, analysing their operational mechanisms and implications for governance quality.

Findings

The paper reveals significant shortcomings within the state machinery in designing and implementing effective policies. Successive governments have politicized the administrative system, exacerbating inefficiency and ineffectiveness. Corruption, nepotism, and clientelism have undermined both political and administrative integrity. Consequently, weak governance and persistent political instability have produced a fragmented and ineffective state apparatus.

Research limitations/implications

This study focuses exclusively on Bangladesh and provides a general overview of key developments, challenges, and systemic flaws in state functioning.

Practical implications

The paper offers valuable insights into the broader dynamics of management practices within governance frameworks in developing countries. Its findings may inform policymakers and reform initiatives aimed at improving administrative performance and institutional integrity.

Originality/value

This study contributes a critical assessment of the practical challenges facing political and administrative management in a politically unstable environment, offering a nuanced understanding of governance issues in Bangladesh.

Keywords: Governance, Management, Bureaucracy, Politics, Corruption

Introduction

In today's complex world, accelerated globalization, strengthened regionalism, heightened nationalism, and multilateral development efforts have reshaped the role of the state. These transformations occur against the backdrop of escalating international terrorism, threatening wars, growing poverty, human deprivation, ethnic and religious conflicts, environmental degradation, and excessive bureaucratization, redefining the state's capacity to govern effectively.

Internal demands for political and cultural freedoms, alongside neoliberal economic policies, have reconfigured the engagement between the state, representative institutions, civil society, the market, and citizens. Sound governance with meaningful outcomes is a sine qua non for a modern, effective state, forming the basis for delivering societal benefits. By leveraging democratic institutions, the state functions as a "legitimator of governance roles" (Hirst, 2000, pp. 31–33) [11]. Through a network of authoritative institutions empowered to make and enforce key decisions within its territory, the state ensures its capacity to serve its intended purposes (Chesterman et al., 2005, p. 2) [5].

In developing countries, management practices have been prioritized by governments as essential to public service delivery. Unlike advanced industrialized nations, where economic deregulation has reduced state influence, developing countries remain highly dependent on state institutions to maintain public order and meet citizens' basic needs. It is therefore critical for the state to create, sustain, and enhance institutional structures capable of fulfilling a range of functions, from minimal to activist, to improve social equity and address market failures (The World Bank, 1997, p. 27). Both political and social values are crucial for promoting development and transforming society (Eade, 1997; Rondinelli & Cheema, 2003) [7]. Achieving this often requires reforms, innovative operational practices, and institutional restructuring (Levy & Kpundeh, 2004).

The state must operate independently, free from undue domestic or external influence, and resist capture by dominant societal forces. Institutions need to ensure that partisan politics does not compromise their role in governance. Although protecting state autonomy is challenging due to external pressures (Gill, 2003) [8], the balance between internal and external forces is vital to maintaining state capacity—a challenge faced by many emerging democracies, including Bangladesh.

Since its independence in 1971, Bangladesh has made uneven progress across sectors. While social, political, and economic changes—such as the emergence of a middle class, a two-party political system, and partial economic stability—are evident, these improvements do not fully meet the population's needs. Weak political and administrative systems continue to constrain state capacity. This paper aims to assess the role of state institutions in Bangladesh, analysing reasons for their shortcomings in promoting sound governance. We first conceptualize management practices and effective state performance, followed by an evaluation of the status, operations, and governance implications of state institutions in Bangladesh. This study is primarily diagnostic, focusing on identifying issues rather than proposing exhaustive solutions.

Literature review

The link between good governance and management practices is well-established both theoretically and empirically. Governance, from a state-centric perspective, can be defined as:

"…the traditions and institutions by which authority in a country is exercised… including government selection, monitoring, replacement, policy formulation and implementation capacity, and the respect of citizens and the state for institutions governing economic and social interactions" (Kaufmann et al., 1999, p. 1) [14].

Governance involves coordinating diverse actors—political institutions, corporate interests, civil society, and transnational organizations—to ensure coherent and effective outcomes (Pierre, 2000, pp. 3–4) [11]. It encompasses the functioning of state institutions, decision-making processes, policy formulation and implementation, leadership, information flow, and the relationship between rulers and citizens (Martin, 1991). Effective governance enhances public welfare, promotes productive environments, ensures law and order, and fosters accountability between the state and society (Landell-Mills & Serageldin, 1991; Halfani et al., 1994) [10].

State capacity is the ability to achieve objectives effectively. A capable state can regulate society and the economy, mobilize consent, enforce law, redistribute resources, and maintain institutional coherence (Wang, 2003). Core capacities include legal authority, resource mobilization, market regulation, information dissemination, and consumer protection (Daintith, 1995; Hood, 1983) [6, 12]. Effective management practices depend on social, political, and economic conditions, elite roles, professionalism in governance, and embedded autonomy (Luiz, 2000). The state must foster an institutional environment with political support, resources, and intergroup cooperation to ensure successful governance.

State capacity spans political, institutional, technical, fiscal, and administrative dimensions. Governments require coherent policies, political commitment, skilled personnel, and operational mechanisms to implement effective governance. Institutional, technical, and administrative capacities determine the success of policy formulation, implementation, and performance outcomes (White, 2003; Afifi et al., 2003; Nelissen, 2002) [1]. Fiscal capacity ensures adequate revenue mobilization and resource allocation (Martinez-Vazquez & Boex, 1997). Together, these capacities underpin the state's ability to provide effective public management.

Good governance and management practices in Bangladesh

Since independence, Bangladesh's politics has been dominated by personalities and political cliques, with ideological and institutional development lagging. Military and civilian governments alternated in power for two decades, eroding public confidence and legitimacy. The 1991 restoration of parliamentary democracy did not ensure democratic governance. Political instability, recurrent strikes, and social disruptions reflected weak institutional performance, patrimonial politics, corruption, and clientelism (Kochanek, 1996, 2000; Zafarullah, 2005) [18, 19].

Successive governments failed to strengthen administrative efficiency, centralizing decision-making and politicizing the bureaucracy. Weak coordination, fragmented institutions, and pervasive corruption further undermined governance. Mechanisms for transparency, accountability, and policy implementation remain inadequate. Despite sporadic initiatives supported by international aid, the state continues to struggle to achieve sustained, effective governance aligned with global standards.

Factors impairing management practices

1. **Politicization of civil administration**
   Civil service interference by political actors undermines meritocracy, accountability, and efficiency (Sobhan, 2001; Zafarullah & Huque, 2001).
2. **Uncoordinated public management**
   Fragmented administration, weak interdepartmental coordination, and parochial bureaucratic interests reduce policy effectiveness (Zafarullah, 1998; Zafarullah & Khan, 2001).
3. **Fragile bureaucratic capacity**
   Limited technical knowledge, unclear responsibilities, and frequent transfers weaken administrative performance (Buse, 1999; The World Bank, 2002a, b) [4].

4. **Corruption and rent-seeking**
   Widespread corruption across public and private sectors erodes public trust and hampers governance (Transparency International, 2001–2004; Ahmad, 2001) [2].
5. **Financial mismanagement**
   Incremental budgeting, political interference, weak fiscal discipline, and fragmented planning reduce resource efficiency (World Bank & Asian Development Bank, 2003).
6. **Limited transparency and accountability**
   Excessive secrecy, lack of complaint mechanisms, and input-focused performance systems limit accountability (Buse, 1999; The World Bank, 2002b).
7. **Weak management principles**
   Centralized and rule-bound civil service limits managerial discretion and reforms (Zafarullah et al., 2001).
8. **Policy implementation challenges**
   Poor technical capacity, political interference, and weak monitoring reduce policy effectiveness (The World Bank, 1996; Shiffman & Wu, 2003).
9. **Cabinet dominance**
   Centralized cabinet control and lack of ministerial autonomy hinder effective governance and decision-making (Ahmed, 1999; Khan, 2006).

Conclusion

Bangladesh's state institutions remain fragile, underperforming due to political instability, bureaucratic inefficiency, corruption, and weak governance mechanisms. Restoration of democracy has not fully translated into effective governance. While some progress has been achieved through government initiatives and international support, the state continues to face challenges in delivering sustainable development outcomes. Strengthening institutional capacity, fostering transparency and accountability, and depoliticizing the bureaucracy are critical for achieving effective governance and management practices.

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