IN BANGLADESH, through a combination of grants, technical assistance, and operational activities, The Asia Foundation supports the efforts of local partners in government, civil society, and the private sector to promote more responsive and accountable governance, broad-based economic growth, advancement of basic rights and security, and enhanced dialogue and understanding between Bangladesh and other countries in the region. In all programs, the Foundation places high priority on advancing the role of women in Bangladeshi society.

PROMOTING RESPONSIVE AND ACCOUNTABLE GOVERNANCE

Bangladesh has achieved commendable progress in macroeconomic management, public health, primary education reform, and other areas. However, weak governance continues to pose a major impediment to the economic growth trajectory on which the government’s ambitious national poverty reduction strategy depends. Lack of accountability, transparency, and opportunities for citizen participation in public decision-making affect the quality of governance for all Bangladeshis, but have particularly severe implications for the poor, women, and other marginalized groups. The Asia Foundation supports the efforts of local partners to promote more responsive and accountable governance by strengthening the capacity of public agencies and officials, establishing more transparent and efficient administrative procedures, facilitating citizen participation in decisions that affect their lives, and encouraging the exchange of ideas and experience between local partners and their counterparts in other Asian countries. Current Foundation programs support local efforts to strengthen governance and reduce corruption through the introduction of eGovernment, stricter corporate governance standards, civic education, and public oversight of elections and of the performance of elected officials and institutions between elections.

eGovernment: The Government of Bangladesh has asserted its commitment to promote the role of information technology in improving public services, inspired by the success of other countries in adopting eGovernment. In 2004 The Asia Foundation collaborated with the Bangladesh Enterprise Institute in conducting a study of eGovernment in Bangladesh. The study identifies recurring constraints to the adoption of eGovernment and the factors that contribute to the success or failure of eGovernment projects, and provides an empirical basis for the design and implementation of strategies to accelerate the adoption of eGovernment. The principal constraints to successful eGovernment initiatives are not technical in nature; indeed, most eGovernment initiatives in Bangladesh have failed as a result of non-technical challenges encountered in the early stages of implementation. The study identifies several factors that contribute to the success of eGovernment initiatives. These include the role of committed “champions of reform” in creating a conducive environment for eGovernment; provision of quality services in response to consumer demand; collaboration between government agencies and private sector partners that bring essential technical knowledge and experience; facilitation by civil society stakeholders; financially sustainable business models; and a sound human resource base. These and other factors create an enabling environment that counters the challenges and resistance to eGovernment projects, substantially increasing their chances of success. The findings and recommendations of the study inform the design of pilot eGovernment activities at the national and local level.

The Asia Foundation has maintained a resident office and country program in Bangladesh continuously since 1954. In 2004, the Foundation celebrates its 50th Anniversary. For five decades, the Foundation has played a unique and unparalleled role as a responsive and trusted partner in the Asia-Pacific region and in working to advance constructive relations between the nations and peoples of the region.
Corporate Governance: In Bangladesh, as in many Asian countries, the poor functioning of financial markets impedes economic growth, while private sector practices have a substantial impact on the pace and pattern of economic growth. Where business practices are opaque, unethical, illegal, or simply unprofessional, they raise the costs of doing business within the economy, distort domestic investment decisions, and impede foreign investment. While there is increasing recognition of the need for corporate governance reform in Bangladesh, the process has been slowed by the policy dimension of reform efforts, which often runs counter to entrenched interests. The Asia Foundation contributes to the development of a new Asian network of public pension funds that aims to strengthen the capacity of institutional investors to manage resources in a more responsible and prudent manner. In 2004, a four-member team of senior officials and policy specialists representing the National Board of Revenue, Janati Bank, the University of Dhaka Department of Finance, and AIMS of Bangladesh attended a workshop on corporate governance and public pension management hosted by the Asian Institute of Corporate Governance in Seoul. The experience and contacts assist participants in their efforts to introduce soundly governed, investment-based public pension structures to succeed the current practice of financing public sector retirement benefits on an annual basis.

Country Governance Assessment: In 2003-04, The Asia Foundation conducted a comprehensive country governance assessment for the Asian Development Bank. The assessment found that weak governance poses a serious impediment to poverty reduction and broader development goals, and that substantial government and donor investment in many areas, over many years, has secured only modest improvements in overall governance standards. Governance reform initiatives are more likely to succeed where those responsible for implementing them are provided with incentives that stimulate their interest, commitment, and pride of ownership in designing and implementing activities. These include in-service training and other professional development opportunities; introduction of performance-based review and promotion procedures; greater opportunities for mid-level public officials to participate in policy planning, with a balanced combination of autonomy and technical support; and other incentives that foster a genuine sense of ownership in the reform process. Equally important, public understanding of and confidence in reform efforts through participation is dependent on the flow of timely and reliable information and on opportunities for citizens to share their views, interests, and expectations with policy-makers. Collaboration between government, civil society, and the private sector in governance reform presents an optimal joining of interests and capacity to pursue common goals. Finally, although the slow progress of governance reform efforts has raised justifiable frustration among stakeholders, there is often a tendency to set unrealistic timelines for substantial changes to take hold. It is important to balance expectations with a clear appreciation of the local context and to hold reasonable expectations for what is possible in the short term.

FACILITATING BROAD-BASED ECONOMIC GROWTH

The Asia Foundation economic programs focus on the governance aspects of economic reform, addressing the institutional and political factors that frequently allow uncompetitive, inefficient arrangements to persist. The Foundation works with local partners from the private, public, and nonprofit sectors to build coalitions to sustain economic reform processes. These programs are targeted at three primary objectives: improving the regulatory and policy environment for small business growth; improving corporate governance practices; and supporting increased trade and investment in the region. While the domestic private sector plays an important role in providing income opportunities for the poor and fueling national economic growth in Bangladesh, present governance constraints limit private sector growth potential. This is especially true of the small business sector that represents the largest percentage of private enterprise and employs the vast majority of wage earners. Sector growth is constrained
by inadequately developed service infrastructure, deteriorating law and order, widespread corruption, and other factors that affect the ability of markets to function efficiently. This situation is exacerbated by lack of opportunity for the small business sector to inform policy-making, and by traditional gender bias that discourages women from pursuing careers in business and deprives women workers of their legal rights to a safe working environment and equitable employment benefits.

Reducing Governance Constraints to SME Growth: To achieve a more practical understanding of governance constraints to small and medium enterprise (SME) growth, The Asia Foundation conducted a study on Business Environment and the Role of Supporting and Regulatory Institutions in the District Town of Mymensingh, in collaboration with Data International Inc. The research study included a census of the activities and employment size of local enterprises; a survey of the cost structure and fiscal status of selected enterprises; assessment of the quality of services provided by government and non-governmental support institutions; and other tools to assess the impact of weak governance on the cost of doing business. The research ranked impediments to growth, assessed the role of business associations in assisting the private sector to overcome barriers, and provided a series of recommendations on practical steps to be taken to improve the business environment of Mymensingh and other secondary cities through work with market samities, women entrepreneurs, local government, the media, and other stakeholders.

Advancing Women’s Economic and Legal Rights: With support from the U.S. Agency for International Development (USAID), The Asia Foundation’s Women’s Economic Legal Rights (WELR) program advances the rights of women workers to equitable wages and safe working conditions through a combination of public interest litigation, legal aid, and other support services for women workers and through advocacy initiatives by local partners that target law and policy makers, employers, and associations of women workers. WELR partners are especially concerned with the implications of the Multi-Fiber Agreement phase-out for women workers in the ready-made garments sector. Program activities promote women’s economic rights and safety standards in the workplace and facilitate dialogue between regulatory officials, garment manufacturers, and women workers’ associations on policy reforms.

Improving the Business Environment for the Ready-made Garments Sector: As the phase-out of the Multi-Fiber Agreement approaches, neither the government nor industry have taken adequate policy reforms or other actions to strengthen the competitiveness of a sector that drove national economic growth and women’s empowerment for more than two decades but now faces certain change and potential reduction — with especially severe implications for the 1.2 million women employed in the sector. While time is short, a window of opportunity remains for the governments of Bangladesh and other exporting countries to improve the business environment within which textile and garment exporters operate, preventing wholesale relocation of production. In October 2004, The Asia Foundation will convene a meeting of policymakers, local investors and regional buyers, selected labor leaders, and policy specialists from Bangladesh and other exporting and importing countries to discuss policy and regulatory options to improve the business environment in which textile and garment exporters operate.

Measuring and Analyzing Food Security: The challenge of reducing poverty in Bangladesh is a matter of immediate concern to the Government of Bangladesh, as reflected in its National Poverty Reduction Paper. Given the multidimensional nature of poverty, The Asia Foundation addresses the issue through interventions that increase the participation of the poor, women, and other marginalized groups in national development efforts, while expanding economic opportunities. Drawing on its knowledge of local conditions and established local partner networks, the Foundation monitors social investment activities that complement national economic reform and poverty reduction efforts, including the role and responsibility of local government to invest in economic infrastructure. With funding from USAID, the Foundation and Data International Inc. are implementing a three-year Comprehensive Food Security Data Collection Activity. The project monitors the ongoing status of food security resulting from USAID’s Title II programs implemented by CARE and World Vision-Bangladesh, with a particular focus on their impact on the household food security of vulnerable groups.

PROTECTING BASIC RIGHTS AND SECURITY

Poverty reduction is increasingly understood not simply in terms of increased income or other improvements in the material circumstances of the poor, but also in terms of improved quality of life achieved through informed participation by the poor in decisions that affect their lives. Before ordinary citizens can begin to assume a role in public decision-making, their basic legal rights should be secure and they should have confidence in the capacity and resolve of law enforcement agencies to protect their well being. In Bangladesh, the public security environment has deteriorated
in recent years, with an increase in robbery, extortion, assault, and intimidation, as well as trafficking, acid throwing, rape, and other crimes of violence against women. While the situation affects the lives of all citizens, it has particularly serious implications for the poor, women, and other marginalized groups whose rights are vulnerable to abuse and who have little recourse to legal assistance. In response, The Asia Foundation supports local efforts to secure greater protection of citizen rights and basic security through improved coordination and information-sharing among human rights organizations, protecting women from violence, and promoting increased access to justice by marginalized groups. Foundation programs focus on the application of information technology to enhance human rights monitoring, documentation, analysis, and advocacy; community legal service delivery and alternative dispute resolution; and community policing.

**Community Policing:** Through a combination of grants and technical assistance to local partners, The Asia Foundation supports the introduction of pilot community policing programs in Bangladesh. Community policing facilitates open and informed dialogue between police and members of the communities they serve in identifying common security issues, sharing views and expectations concerning their respective roles and responsibilities, and designing practical strategies for citizens and police to work together to advance common interests and promote improved public security. In 2004, focus group discussions with the police, local government officials, businesspersons, religious leaders, NGO personnel, and other community stakeholders shaped a milestone baseline study, whose findings and recommendations have in turn informed the design of pilot community policing programs facilitated by long-term NGO partners. Program activities in three communities will be carefully monitored and documented to capture lessons learned and best practice for future expansion to other communities.

**Advancing Women’s Rights:** The Asia Foundation supports the public education and advocacy efforts of the National Coalition on Beijing Plus Ten (NCBP) to ensure the effective implementation of issues related to the Beijing Platform for Action and the Convention for the Elimination of Discrimination Against Women (CEDAW) in Bangladesh. The Coalition convenes meetings, workshops, and roundtable dialogues to engage government officials, policy makers, and the local and international development communities, and works to strengthen the capacity of the National Council for Women’s Development in protecting women’s rights and opportunities.

**INTERNATIONAL RELATIONS**

The present international environment of profound security challenges and political uncertainty demands effective linkages and forums for serious exchange of views among nations of the Asia-Pacific region. The Asia Foundation supports a variety of activities that foster greater understanding and dialogue between Bangladesh and other nations in the region. As a trusted non-governmental actor, the Foundation facilitates balanced, thoughtful, and constructive dialogue between Bangladeshi leaders and their counterparts in other countries.

**America’s Role in Asia:** In February 2004, The Asia Foundation launched its America’s Role in Asia project, a comprehensive assessment of Asia-U.S. relations that aims to address critical political, economic, and security issues facing the region from both an Asian and American perspective. The project began with a regional meeting in Dhaka in which 11 distinguished foreign policy specialists representing Afghanistan, Bangladesh, India, Nepal, Pakistan, and Sri Lanka participated. Ambassador Farooq Sobhan, President of the Bangladesh Enterprise Institute and former Foreign Secretary of Bangladesh, chaired the South Asia working group. Through a series of subsequent workshops, leading Asian and American specialists have analyzed the challenges facing the U.S. in Asia and recommended policy initiatives to the U.S. administration and Congress. The project will culminate with the release of separate Asian and American reports immediately following the U.S. elections in November 2004 and parallel launch activities in Bangladesh and other countries.