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Economic reforms: Govt initiatives not sufficient

Editorial Desk

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The White paper drafting committee and the taskforce on redefining economic strategy, formed by the interim government with the aim of pursuing economic reforms, have submitted their respective reports in due time. These efforts have been widely appreciated. However, the lack of effective government action in implementing the recommendations of the White paper committee has prompted expressions of dissatisfaction from the committee's chair, Debapriya Bhattacharya.

Speaking at the 'Sixth Bangladesh Economics Summit -2025' on Thursday, he noted that the interim government has suspended the eighth five-year plan and other medium-term plans initiated by the previous (Awami League) administration. However, no alternative medium-term plan has been adopted in their place. As a result, investors are lacking confidence. They are also uncertain as to whether the current policy measures will be sustained in the future.

There are two issues here — first, no new plan has been adopted to replace the interim plan of the former government that was scrapped. Second, it is uncertain whether the policies introduced by the current government will remain in place in the future.

The white paper committee's report recommended a medium-term plan spanning at least two years. Debapriya Bhattacharya indicated that the government's failure to adopt such a plan has negatively affected private sector investment. Investment is the principal driving force of a country's economy. Without investment, employment opportunities will not be created and production across all sectors - industry, agriculture and more will inevitably decline.

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Naturally, businesspeople want the government's policies and plans to remain consistent despite changes in power. At the recently held investment summit, organised with much fanfare by the government, businesspeople also raised these concerns.

We believe there is ample reason to question why the recommendations of the White Paper Drafting Committee and the Task Force on Redefining Economic Strategy are not being implemented. If the government chooses not to act on a committee's recommendations, it must also provide an explanation to the public.

According to the White Paper Committee's report, a staggering USD 2,340 billion has been laundered abroad during the tenure of the Awami League government. Furthermore, an estimated amount ranging from BDT 1.61 trillion (1 lakh 61 thousand crore) to BDT 2.80 trillion (2 lakh 80 thousand) was exchanged as bribes within government projects. These findings are expected to aid in bringing corrupt individuals to justice. Legal action has already been initiated against several individuals.

The White Paper Committee recommended several measures to ensure economic stability, including the formulation of the budget framework for the 2025–26 fiscal year, planning for the 2025–27 period, setting priorities for reform and establishing strategies for the country's graduation from LDC status. However, government actions in these critical areas remain largely invisible.

After taking responsibility, the interim government has made progress in restoring discipline to the financial sector. Nonetheless, there remains a lack of effective and sustainable initiatives aimed at revitalising the broader economy. Due to the decrease in private sector investment, employment opportunities are not expanding—despite an annual influx of 2.4 million (24 lakh) young individuals entering the labour market.

There is also growing public concern regarding the upcoming 2025–26 fiscal budget. In the past, successive governments have followed a policy of favouring influential groups. Should the interim government continue along the same path, it will offer little in terms of positive outcomes for the wider population. If the government opts to impose the tax burden disproportionately on ordinary citizens, without expanding the tax base, inflation will remain unchecked. The situation witnessed during the last Ramadan should not be accepted as an unchangeable reality. Already, prices of essential commodities are once again on the rise and immediate action is necessary to stop this trend.

It must be remembered by policymakers that without economic reform, political reform cannot be sustainable. It is therefore expected that they will take a proactive role in implementing the recommendations set forth by the white paper committee and the economic strategy taskforce.



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