Building partnership between the parliamentarians and the private sector to modernize and update regulatory mechanism in Bangladesh

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Abstract

Private Sector Development (PSD) plays a key role in promoting economic growth via higher employment generation; greater investment; increased competitiveness and innovation and poverty alleviation. The paper examines the obstacles to PSD in developing countries and best practices aimed at facilitating growth of private sector. It then presents an in depth analysis of the state of Private sector development in Bangladesh. Infrastructural constraints, disruption in utility services, red tape and outdated and burdensome regulations are a few of the obstacles hindering growth of the private sector in the country. Parliamentarians can play a key role in promoting private sector development in Bangladesh by crafting business friendly legislations; reducing excessive regulations; ensuring greater transparency in the decision making process; engaging in collaboration with the private sector to identify and address business related problems and greater interaction and dialogue with multilateral and donor agencies on various development issues. Furthermore, there could be a core group of parliamentarians dedicated to facilitating PSD in Bangladesh (similar to initiatives taken in several African nations). The effective involvement of Parliamentarians can facilitate PSD in Bangladesh which in turn will provide a massive impetus to economic growth and development.

Keywords: *Private Sector Development, Parliamentarians*

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Background

The emerging focus on Private Sector Development (PSD) can be attributed on a basis of linking PSD to economic growth and poverty reduction. The term Private Sector Development gained prominence in the 1980s. The vibrant and dynamic private sector facilitated by market-friendly policies was seen as a catalyst for economic growth. The idea of "level playing field" was promoted and it resulted in a strong growth performance. It was mostly implemented in developing countries with incomplete market structure, or without proper institutional framework.

According to the 2003, World Bank Research paper by Beck et al "The overall business environment facing both large and small firms - as measured by the ease of firm entry and exit, sound property rights, and contract enforcement - is a driver of economic growth".[1]

However, whilst a sound business environment tends to help the poor by accelerating aggregate growth, the influence of reducing poverty through improved business environment is still in debate.

Methodology

The research is primarily based on review of secondary data collated from reports, publications and seminar proceedings. A qualitative analysis has been carried out based on these data. Relevant tables and graphs have also been used to further augment the analysis.

Objective of the paper:

The paper aims to promote capacity building of Private Sector Development amongst Parliamentarians in Bangladesh. Lawmakers would be better able to draft and implement efficacious legislations which will help facilitate the growth of a robust and dynamic private sector. In a globally competitive milieu, it is imperative that there is synergy between the government and the private sector to better utilize the economic resources and reap the benefits. The adversarial relationship between the public and private sector that once was a near ubiquitous feature of

[1] Beck, T. et al. (2003); Small and medium enterprises, growth and poverty: cross-country evidence, World Bank

ector that once was a near ubiquitous feature of developing countries has been replaced by mutually enforcing collaboration and cooperation. Thus, concepts like Public Private Partnership (PPP) have become popular all over the world. It is heartening to note that there is increased representation of Businessmen amongst lawmakers in developing countries. The same is the case of Bangladesh. This bodes well for Private Sector Development as businessmen would be well aware of the obstacles and constraints faced by businesses- both large and small. They would be in a position to influence in the drafting and implementation of business friendly legislations. Furthermore, they can identify archaic and outdated regulations that impede smooth functioning of businesses in the country. Capacity building would greatly augment and facilitate this process.

Organization of the Paper

The paper is divided into distinct components. They are as follows-

Section I looks into the economic rationale of Private Sector Development and its inherent benefits.

Section II explores the problems and constraints that inhibit the growth of Private Sector Development in developing countries

Section III presents a snapshot of best practices regarding PSD from around the world

Section IV presents a detailed analysis of the state of Private Sector Development in Bangladesh

Section V looks into the relevance of capacity building regarding PSD amongst Lawmakers and presents a few suggestions and recommendations for capacity building of Private Sector Development amongst Lawmakers.

Section VI provides the conclusion of the report.

[2] http://www.unido.org/

I. Economic Rationale behind PSD and its benefits

Private sector is the driving force behind every successful economy. Micros, small and medium enterprises makes up over 90% of enterprises in the world, and are responsible for up to 60% of employment particularly at developing countries[2]. Hence, Private Sector Development forms an integral and core element of any development strategy. The main goal of PSD interventions is to provide jobs and increase income for the poor. PSD will enable Private Sector to unleash their immense development potential where individuals can create their own wealth. Hence, private sector development is akin to the concept of enabling environment policies. Enabling environment came about in response to combat the regulatory and public service access biases in favour of large-scale formal firms. These biases provide unfair advantage to the more established large-scale firms and ignore the largely invisible rump of small enterprises and informal activities which comprises the bulk of the economy of most developing countries. Enabling environment or the concept of level playing field came about to make policies more suitable for small-scale and informal economic activities.

In some cases, a diverse and vibrant private sector can become an advocate for reform and increased transparency and accountability in government. An emerging middle class can build support for a more independent media, greater government transparency, increased democracy and improved government services. In fragile states, a legitimate private sector can also be a powerful advocate for peace. In general, the business community has a strong interest in peace and stability because it provides the right environment for investment and growth. The private sector also contributes to peace and stability by providing jobs which reduce incentives for people to return to conflict.

Competition is essential if market is to work well for the poor. Competition will force firms to find better ways to produce and distribute goods and services. The consumers are benefited with lower prices, better quality along with improved choice of products.

Competitive markets are more likely to provide jobs, giving poor opportunities to be employed or to start their own business. These competitions domestically are more likely to increase productivity. There would be even more incentive to improve their products and invest in local market to create export quality goods. Thus, PSD would give local companies greater access to the global market. Also, the country as a whole can assess their competitive advantage on the international market. The country would be better informed about which industry to focus on and prioritize their development process.

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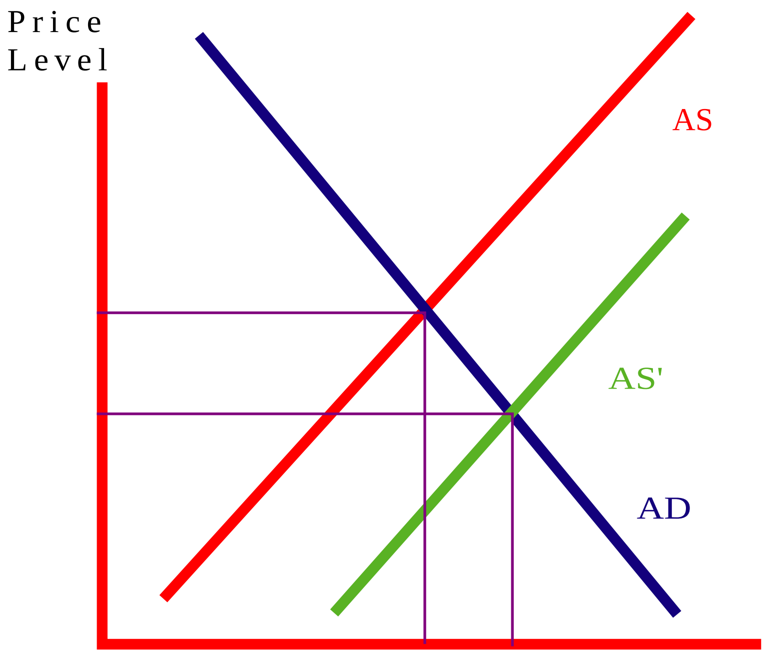
[2] http://www.unido.org/

Greater export revenue would in turn lead to a lower reliance of developing countries on foreign aid.

Rapid expansion of the private sector will enable government of developing countries to generate higher tax revenues. These revenues can be utilized at improving social structure such as health care and education.

The diagram below shows how PSD works to remove supply side constraints in the economy, which will shift the Aggregate Supply to the right thus lowering the national price level as well as increasing the real GDP.



A developing country like Bangladesh faces severe infrastructural bottlenecks and utility constraints. This leads to price hikes of basic items resulting in cost push inflation. So effective implementation of PSD would lead to an increase in aggregate supply and thereby reduce inflationary pressure. Apart from mitigating inflationary pressures, it leads to increase in investment, employment, increased income and consumption in the economy. The cumulative effect is a substantial increase in Real GDP and income per capita. Thus, PSD is crucial in order to provide private sector with an environment which facilitates growth with access to information; technical support services; funding and national and international markets.

II. Barriers to PSD in developing countries

Developing countries are usually characterized by incomplete markets and excessive governmental regulations which act as barriers to the growth and development of a vibrant and dynamic private sector. Typical barriers to private sector development in developing countries are as follows

- *Informalities in micro enterprises*- Almost all micro enterprise operates outside the formal legal system, contributing widespread informality and has difficulty getting finance. Enterprises which are operating informally cannot borrow at a reasonable cost because they do not have legal status. Small and medium enterprises lack access to financing and long-term capital. High risks associated with small and medium enterprise exist in the absence of financial instruments that manage and diversify the risk. Banks faces the case of asymmetric information since they cannot figure out the credit worthiness of small and medium enterprises. These factors raise interest rates and reduce lending volumes, setting up price and quantity barriers to small and medium enterprise growth. Small and medium enterprises have to resort to financing from networks of family or friends, from retained earnings, or from short-term credit from other small buyers or suppliers, rather than from larger institutions providing dedicated long-term financing vehicles for specific purposes

- *Uneven Enforcement*- Entrepreneurs who operate formally are hurt by the implicit subsidies that informal enterprises receive through uneven enforcement. Informal firms can charge less because they avoid paying taxes or complying with other regulations. More productive formal firms have difficulty capturing market share from informal firms because the formal firms pay taxes and other contributions, which increases their costs significantly.

- *Lack of pressure on big companies*- Large companies can take advantage of weak institutional environments to raise anti competitive barriers and protect their dominant position. These firms might also indirectly starve competitors from receiving capital by contributing to an environment that keeps finance underdeveloped.

- *Uncompetitive laws and practices*- Uncompetitive Laws and excessive regulations hinder the rapid expansion of private sector in developing countries. Often, state owned companies or state favoured private companies have near monopoly status. In other instances, a few large firms collude tacitly to artificially distort the market and prevent new firms from entering the market. Government procurement rules often are slanted to favour preferred companies. The same can also be said of government subsidies given to ailing state owned enterprises and large private companies. These practices tend to lower competitiveness; productivity; raise inefficiency and increase the burden on consumers.

- *Weak adherence to the rule of law*- The rule of law forms an integral element behind the facilitation of private sector development. It is the cornerstone for a robust private sector. Without a transparent legal framework and a fair judicial and administrative system, other efforts to foster private sector development cannot work as intended, and may even do harm. Developing countries possess an uneven record in terms of ensuring impartial adherence to laws and their effective implementation. Lack of impartial adherence and implementation of laws also adversely affects governance which spills over to Investors' confidence and job creation.

- *Lack of political stability*- The central element of a strong domestic macro environment includes peace and political stability, transparency, accountability and sound macro policies. For any business, internal and external conflicts increase cost and uncertainty which deters both domestic and foreign investment. Conflict can lead to destruction of human capital, dislocation of scarce public funds, devastation of land, or worse seizure of natural resources. Many developing countries have veered off a trajectory of high growth and development due to political instability. Countries with immense untapped potential for growth are held back due to bitter political confrontation and chaos. Political instability often leads to policy uncertainty which causes capital flight and a lowering of investor's confidence.

- *Absence of Adequate Physical and Social Infrastructure*- Connectivity plays a huge role for PSD which includes roads, power, ports, water and telecommunication as well as basic education and health. It improves the lives of poor people also enables the growth of businesses. Ensuring connectivity through telecommunications and information technology has become particularly important in recent years, helping to overcome some of the barriers of inadequate physical infrastructure. Efficient access to information is clearly a vital part of the basic infrastructure need of modern economies. Developing countries are hampered by their lack of adequate physical and social infrastructure. The improvement of social structure is vital. Investment in education and health care is beneficial for PSD. It would generate greater access to human capital.

- *Entry rules:* Excessive procedural requirements for business registration and licensing procedures raise the cost of entry into the formal sector. Extensive empirical research reveals that burdensome entry regulations are directly correlated with lower productivity; Longer registration process are directly associated with high level of corruption. Hence, excessive entry rules tend to act as a deterrent to Private Sector Development.

- *Operating Rules:* Labor market rules are critical to protecting employees from exploitation. However a number of developing countries have excessively complex labor rules, more than wealthier countries. For laying off employees, companies in middle and low income nations face higher barriers on average than their counterparts in developed economies. The mechanisms for social dialogue to find ways of mitigating the effects of layoffs, and safety nets to protect the poor are often weak or non-existent in most developing countries. In China, there is little or no form of labor unions or other forms of measures to protect the worker. As a result, the private sector companies have more freedom to operate. On the other hand, India has labor unions which provide them with collective power for a better wage, safe working environment. The companies have much more restriction to lay off workers, which restricts the firms to operate at their optimum level and eventually hinder the growth rate of the overall economy. So, finding the right balance of operating rules is essential for any country and for its sustainable growth.

- *Stringent Credit Rules:* Many countries lack the rules for sharing credit information, which presents the case of asymmetric information. Creditors have little protection in case for a default, which lessens their willingness to lend to small and medium firms. Hence, even if they are willing to lend to small and medium enterprises, the interest rates are very high. This discourages the firms borrowing from the formal sector. They are then forced to borrow at exorbitant rates from informal sector operators. Information asymmetry is also present in case of large firms. This raises the possibility of debt defaults and piling of massive bad debts which makes the financial sector anemic. The cost of borrowing then rises significantly for all the firms.

- *Red Tape and the Informal Sector*- Excessive regulations and red tape effectively discourages many small and medium enterprises from entering the formal market that there is a highly statistically significant correlation between a country's overall performance on the Doing Business indicators and the size of its informal economy; a worse environment for doing business correlates with a larger informal economy. It is possible to conclude that in general countries that have lower regulatory burdens also have smaller informal economies.[3]

It must be borne in mind that the barriers to Private Sector Development in developing countries is not limited to the ones stated above. The list is not exhaustive; rather it is a snapshot of the typical problems faced by the private sector in developing countries.

[3] USAID(2005) Removing Barriers To Formalization: The Case For Reform And Emerging Best Practices

III. Best Practices around the World

The past two decades have witnessed extensive work carried out by donor and development agencies in conjunction with governments of developing countries to reduce and remove many of the barriers to Private Sector Development. Quite a few initiatives have become highly successful in developing countries in Sub Saharan Africa; Central Asia; South Asia; South East Asia and Eastern Europe. A vast corpus of Literature dealing with Best Practices facilitating PSD has resulted from these initiatives. Some of these are listed below

- *Direct support to the small and medium firms*- Direct support is sometimes appropriate for formal small and medium firms as well as entrepreneurs in informal settings, for example, in rural areas. Such support may comprise both finance and advice, for example, rural credit and extension services.

- *Design Appropriate Laws*- Design of the laws should be conducive to the quality and quantity of the size economic development in the country. Each country should have their own laws which is suitable for its own economy and provides right environment to allow competitive markets to benefit the poor. Often there is a tendency for both donor agencies and governments of developing countries to implement laws and initiatives wholesale without bearing in mind the particular socioeconomic conditions and traits of the country. A particular piece of initiative that may have been successful in one country may not be so in another country's setting which does not possess similar income ; infrastructural facilities and institutions.

- *Design Effective Competition Law*- Focus of competition law should stay on creating competition in market. Government should intervene in markets to set the market framework, to protect competition in markets, and to ensure that consumers are able to choose and are not defrauded. This will enable the creation of Level playing field. An effective Competition Law would facilitate private businesses, rather than hinder them. There should be a dynamic working relationship between regulators and authority. Competition authority should be independent of government in its day-to-day decisions. The authority should be allocated enough budgets and should be staffed by competent officials. Competition authority should prioritize its work carefully by focusing on markets with higher price, entry barrier is high and where consumers will benefit the most.

- *Promote New Technology*- New Technology underpins regulatory best practices around the world. Focus on technology upgrade will promote business efficiency and ease the process of business start up, trade, and payment of taxes. Technology also makes compliance easier, less costly and much more transparent.

- *Promote Investment*- Promote private investment, both domestic as well as foreign direct investment, in the infrastructure sector. Developing countries are characterized by Infrastructural constraints which drags back economic growth and private sector development. It is crucial for reducing risk, so that investors are assured of transparent entry into and exit out of investments. Promoting Investment through Public Private Partnership and usage of Viability Gap Funding could be a step forward for developing countries wishing to redress infrastructural malaise.

- *Protecting Investors' Rights*- Protect property rights, legal rights and intellectual rights so that businesses feel assured of investing and get rewarded for their risks is instrumental in building and attracting investor confidence.

- *Implement best practice regulatory reforms*- Policymakers in developing countries in conjunction with donors and development agencies should implement broad based regulatory reforms programme to create a more business enabling environment. These reforms would tackle administrative barriers; tax reforms; business registration and licensing and labor laws. The policymakers in conjunction with international donor and development agencies can adopt and implement Regulatory Impact Assessment to determine the costs and benefits of the different stakeholders. The vulnerable stakeholders then can be compensated up to a certain level. The specific steps are too numerous to mention. Hence, only the broad components have been stated.

- *Create an interactive forum between the Public and Private Sector*- Developing countries of late have been experimenting in novel approaches of creating a business enabling environment that facilitates private sector development. One such novel approach is bringing together top level government representatives and diverse business representatives in high powered policy formulation forums. This is a unique way of building trust between the public and private sector. Interactive exchange of opinion helps in promoting better understanding of the business environment and framing of effective business friendly legislations. Regulatory impediments can also be quickly identified and rectified. The forum can also co-opt leading experts and academics to facilitate this process.

- *Ensure Policy Continuity*- Often, governments in developing countries' embrace reforms wholeheartedly at the beginning of their tenure. However, the initiative loses traction once the election year comes around the corner. Governments dither in making bold choices as they brace themselves for electoral backlash. Also, reformist governments are often succeeded by incumbents who unthinkingly jettison the efficacious policies and praise worthy initiatives of their predecessors. All this adversely affects the private sector as it gets mixed and confusing signals from the government. It is imperative that there should be broad continuation of PSD facilitating initiatives in developing countries.

- *Information Dissemination*- Information asymmetry can act as a deterrent to facilitating PSD in developing countries. Some of the reform measures can adversely act certain groups in the short run and intermediate time period. There should be sensitization of policymakers and the general populace of the benefits of Private Sector Development through organizing conferences, symposiums, publishing articles in newspaper and talk show programmes on Television. Innovative road shows can be held in various cities around the country in association with local trade bodies. If the people by and large are enthused about PSD, the government would feel emboldened to take business enabling policies and initiatives.

IV. State of Private Sector Development in Bangladesh

Bangladesh's journey on the path of Private Sector Development has been hesitant and faltering at best. Limited progress has been made on different facets of enabling environment. This is clearly reflected in the periodic surveys carried out by different think tanks and research organizations and the comparative rankings published annually by multilateral organizations and donor agencies. The constraints identified by these different reports were similar in most cases; the magnitude of the problems varied depending on the size of the firms.

International Finance Corporation's **Doing Business Index** sheds some light on the state of private sector development in Bangladesh. The report is deliberately narrow in its focus. The ranking is based on data available from the largest business city; is restricted to private limited liability companies or their legal equivalents and comparisons are drawn from standardized assumptions. Though this excludes a vast swathe of business firms of the economy, it still can serve as a starting point. Bangladesh's ranking has dipped from 110 in 2009 to 129 in 2013. This in itself is indicative of the fact that for formal businesses of medium and large scale, the environment has not been that conducive. Though Bangladesh has seen some improvement on "Getting Credit" criterion (83), it has seen a marked deterioration in "Getting Electricity" (185). Other areas that Bangladesh is significantly lagging behind are "Registering Property" (175); "Trading across Borders" (119) and "Resolving insolvency" (119). Bangladesh's performance over the past five years according to Doing Business Reports is far from satisfactory. In fact, even in the South Asian context, during the comparable time period, Bangladesh comes in a distant fifth, behind Sri Lanka; Maldives; Pakistan and Nepal. Only India, Bhutan and Afghanistan are lower. Nepal has overtaken Bangladesh in terms of creating a business friendly environment. These are visually depicted with the aid of diagrams below

Doing Business Index/ Bangladesh's performance over 5 years (2009-2013)

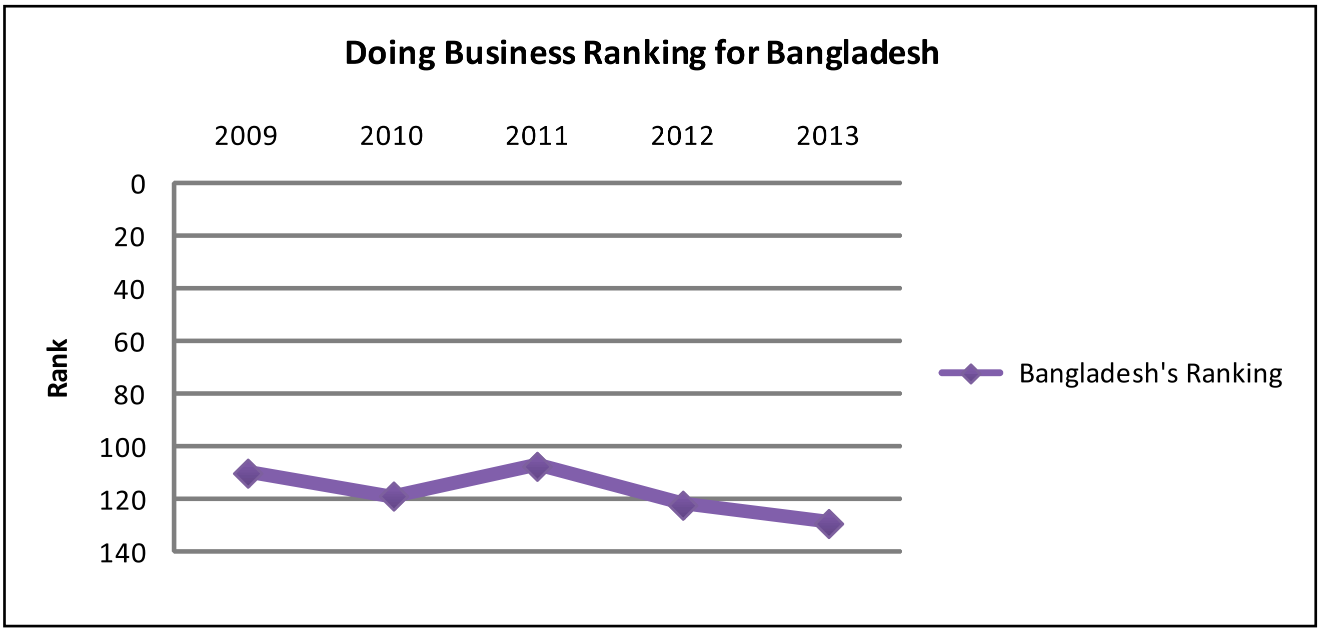


Figure 1

Source: Calculation based on Doing Business yearly report 2009-2013

Trend line of Bangladesh's rankings as compared to the rest of South Asia over 5 years

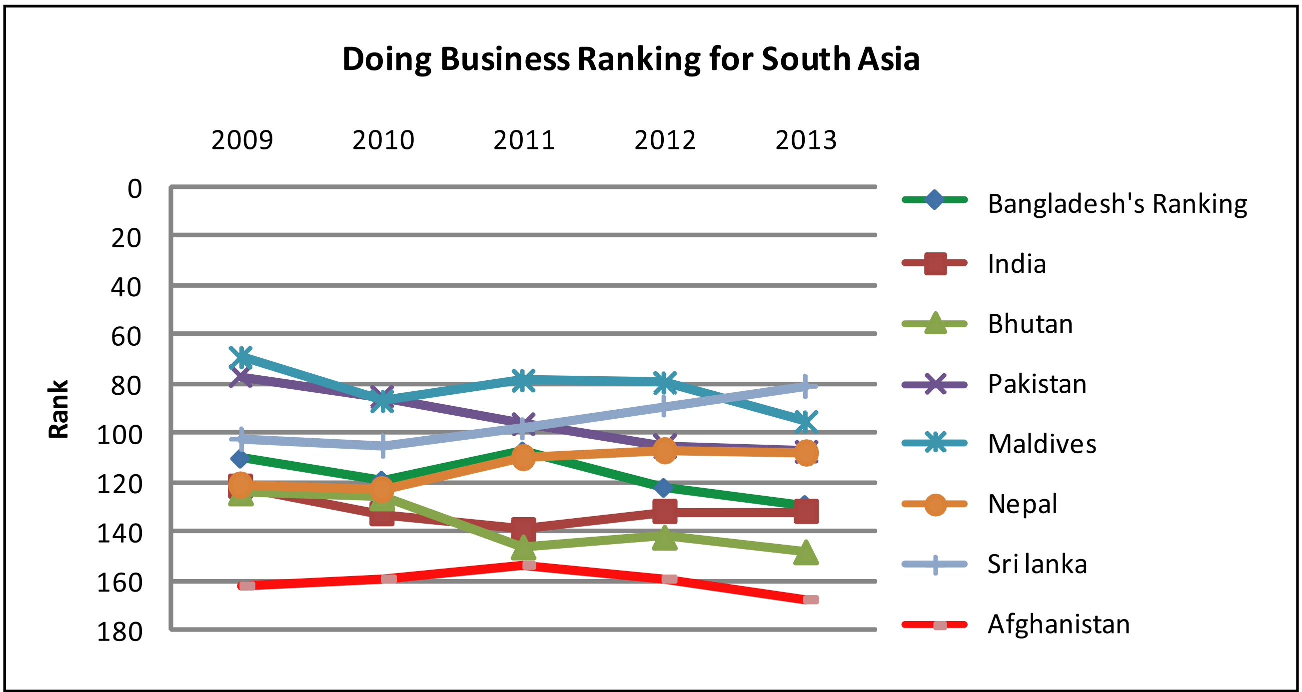


Figure 2

Source: Calculation based on Doing Business yearly report 2009-2013

As already discussed previously, the Doing Business Index deliberately presents a narrow focus. In order to further complement this analysis, we look into Global Competitiveness Report published by World Economic Forum in between 2009-09 and 2012-13. This provides a macro perspective of the economy. Bangladesh has again seen a precipitous decline from a position of 111 to 118.

Global Competitiveness Report Ranking: Bangladesh

Figure 3

Source : Calculation based on World Economic Forum.

Several factors have been identified which acts as a drag on Bangladesh's competitiveness in a global arena. They are as follows-Inadequate Supply of Infrastructure; Corruption; Access to Financing; Inefficient Government bureaucracy; Inflation and Policy Instability.

The most problematic factors for doing business

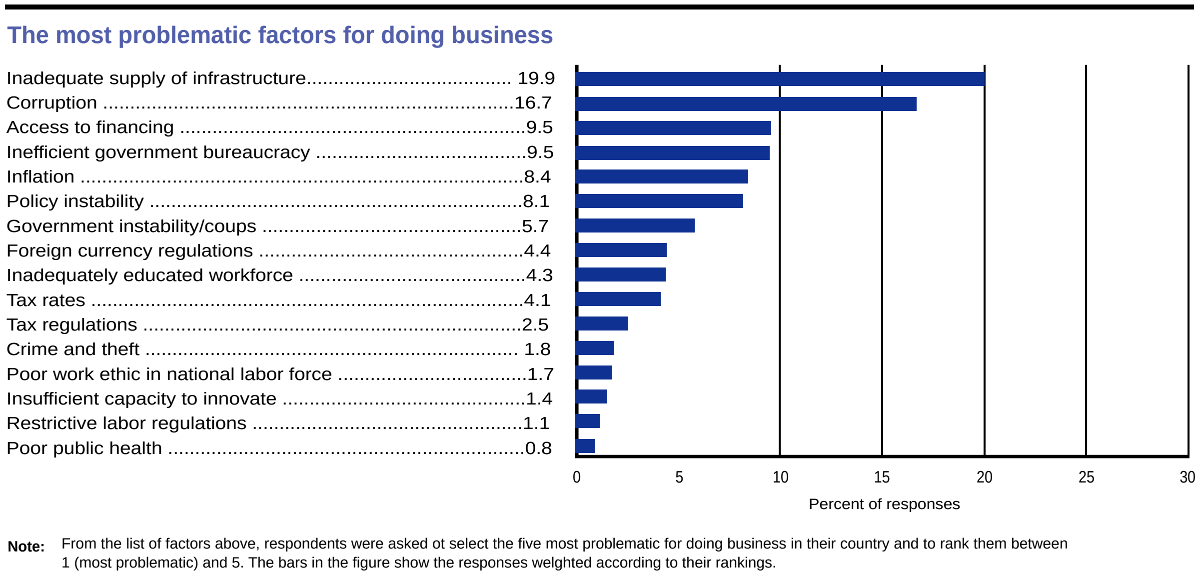


Figure 4

Source: The Global Competitiveness Report 2012-2013

It would be misleading to come to a definitive conclusion about PSD based primarily on IFC'S Doing Business Index and World Economic Forum's Global Competitiveness Report. These reports do not focus on Small Medium Enterprises (Informal or Sole Proprietorships) or Micro Level enterprises. Nor is there any comparison between the state of rural versus urban business firms or formal versus informal business firms.

There are more than 6 million Small Medium Enterprises (SMEs) in Bangladesh which employs about 31 million people. SMEs contribute between 80% to 85% of industrial employment and 23% of total civilian employment and provide 75 % of household income. About 90 % of all industrial units in Bangladesh are SMEs.[4] These facts and figures serve to reiterate the important yet unheralded role played by SMEs in the Bangladeshi economy.

[4] Data obtained from SME Foundation

SMEs in Bangladesh face several constraints. They are as follows-

- Resource scarcity
- High employee turnover
- Absence of modern technology
- Poor physical infrastructure
- Financial constraints
- Lack of information
- Lack of entrepreneurship skills
- Low Participation of women entrepreneurs
- Limited Market Access
- Lack of awareness regarding the importance of marketing
- Lack of advocacy skills
- Lack of organizational skills

Private Sector Development in Bangladesh to a large extent has been held back due to the severe constraints faced by SMEs.[5] On top of it, weak governance affects the business environment that SMEs operate in. It is imperative that an enabling environment should be created for SMEs to facilitate their development and expansion.

The last component of the State of PSD in Bangladesh looks into "Micro Enterprises". This is based on The World Bank Publication of South Asia Development Matters - More and Better Jobs in South Asia. In it, there is clear distinction made between rural firms and urban formal firms.

For Urban formal firms(no matter whether the firms were expanding or non-expanding) the top five constraints were Electricity; Political Instability; Corruption; Access to Land and Tax administration.

[5] Based on Interview at Asia Foundation

Corruption is the most severe constraint faced by urban formal firms. Firms face high levels of corruption in a range of interactions with public officials, particularly for utilities and tax inspections. It includes: Utilities (42-76 percent), tax meetings (54 percent), import licenses (51 percent). The high frequency of bribes faced in connecting to power supply is another dimension of the issue of access to electricity and could be related to businesses having to compete to secure much needed power. (World Bank 2008a). More than half of firms in Bangladesh, India, and Pakistan are expected to pay bribes during tax inspections. The tax systems in these countries are complex and create not only high costs of compliance but also opportunities for corruption.

As rural firms typically employ far fewer than 30 employees, the comparison is with a micro benchmark firm-a benchmark firm with 5 employees. For rural firms, in terms of severity of constraints, the leading areas of concern are Macro instability; Electricity; Political Instability and Transport.

Rural firms identify electricity as one of the most binding constraints to their operations. They report levels of power outages similar to those for urban firms and use generators more intensively than urban sector firms. In Bangladesh 73 percent of on metropolitan nonfarm enterprises have an electricity connection, with 99 percent of them reporting power outages.

Firms in Bangladesh and Sri Lanka complain about the poor conditions and inaccessibility of rural roads. Rural enterprises sell predominantly to local customers, which limits the size of the market for their products and goods. Poor transport limits access to larger, urban markets. Rehabilitating and maintaining existing rural roads as well as building new roads would open up opportunities to rural firms.

Summing up, one can safely conclude that almost all of the reports indicate the severe limitations and constraints faced by the Bangladeshi private sector irrespective of scale or location. Bangladesh cannot hope to unleash it's tremendous potential for growth unless an enabling business environment is created to facilitate Private Sector Development.

V. Recommendations for Facilitating Capacity building amongst Bangladeshi Parliamentarians

Legislators or Parliamentarians can play a pivotal role in creating a business friendly environment in the country. Parliamentarians can act as facilitators and creators of a favorable business en-vironment: a challenge which can be met through the enacting of laws and policies that are "business friendly" to ensure high growth rates and achieve poverty reduction. As discussed previously, there is increased representation from the business community in the current Bangladeshi parliament. This in itself is a scope for facilitating PSD. The legislators need to be sensitized about the benefits and latent potential of the resilient and dynamic private sector. The following recommendations are being put forward to facilitate capacity building of Private Sector Development amongst Parliamentarians in Bangladesh. They are as follows-

- Conducting workshops/roundtable discussion/ symposiums between parliamentarians and representatives of private sector on a regular basis.
- Engage the private sector in transparent and inclusive dialogues. Interactive forums could be created where government officials and bureaucrats could meet with representatives of various national trade associations and chambers. Parliamentarians to consult with the private sector / chambers of commerce have to identify the variables that impede or stimulate the growth and investment.
- Restoring confidence among manufacturing units/ new age entrepreneurs about Government policies
- Encouraging participation of Private sector in PPP business models.
- Parliamentarians should persuade the private sector to participate in trade development process in untapped geographies with a specific focus.
- Parliamentarians should persuade private sector to incorporate corporate sustainability in their growth mandate.
- Parliamentarians should encourage Private sector to structure competitive business models to facilitate inclusive growth
- Parliamentarians should formulate policies which would enable "easy access to credit" for service sector.
- Formation of active "competitive councils" for different industries. These councils could devise tailor made strategies to raise the level of competition in their respective industries or sectors. Identification of cumbersome government regulations that impede greater competition would become easier.
- Creating awareness about the framed public policies through mass media and subsequently mapping results.
- Reducing the timeframe between the " meetings of the advisory committee's"
- Publishing the outcomes of areas of cooperation to the representatives of private sector periodically.
- Transparent and inclusive decision making procedures.
- Ensure public access to plenary and committee legislative meetings.
- Hold public hearing on legislation and regulation.
- Parliamentarians, particularly in seeking accountability from their governments on the "public purse" - which in itself is sufficient in attracting high levels of investment.

- Increased and regular dialogue and exchange between the donors and multilateral agencies such as World Bank, IMF, ADB, USAID and Parliamentarians was emphasized and demanded to create a better reflection on how to promote the private sector and determine priority investment needs.
- Parliamentarians should be equipped with information from both the Executive and private sector as this information will help Parliamentarians properly play their role throughout legislation and oversight processes.
- Creating a network of parliamentarians with an interest in promoting private sector development
- Budget adoption and anti-corruption laws are areas in which the Parliamentarians may play a significant role in promoting the private sector.
- Citizen's groups need to be included in this interactive process as they are concerned stakeholders. Consumers protection bodies or associations could be included in the meetings and their views given due importance. It is only through the harmonious interaction between the Government, private sector and the citizens that a dynamic private sector can emerge in the country.

VI. Conclusion

The private sector in Bangladesh has long been lauded around the world as being resilient and dynamic. The Private sector has been able to flourish, despite tremendous odds and has become a world leader in the export of Ready Made Garments, Pharmaceuticals, Ceramics, Processed Food and Ship buildings are some of the emerging areas where Bangladeshi companies are making a name for themselves on the global stage. However, they face debilitating constraints which can only be removed or reduced by selective and judicious government intervention. Two areas where the government and hence Parliamentarians can step in are crafting business friendly legislation and reducing (in a phased manner) archaic and burdensome regulations. Infrastructural constraints can be redressed by engaging in the PPP model which requires collaboration between the Private sector and the Government. To do so, it is imperative that capacity building should be carried out amongst Parliamentarians. This has already been carried out in several Sub Saharan African countries. The synergy between the Private and Public sector would help unleash the Bangladeshi economy from its shackles. The country stands to gain in terms of greater domestic as well as foreign Investment, higher job creation, higher Income and higher Income growth. The resultant poverty alleviation would then result in Sustainable development. Bangladesh would then stand poised on fulfilling its long cherished dream of attaining the status of Middle Income country by 2021.

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