## **IPCS ISSUE BRIEF**



# **Bangladesh in 2009** Challenges After Elections

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The stupendous victory that voters have given to Awami League in 2008 general election highlights "change." However, the their faith in expectations are so high; Hasina has to be not just a PM but a miracle-worker, to satisfy people's hope. It would truly need several miracles to bring any kind of positive change to a country with simmering communalism and fragile democracy while the global economy melts down all around. Past seven years, five years of BNP rules and two years of the Caretaker Government (CTG) has left a country in a crisis.

Though the government is formed by a 14-party grand alliance, it is actually by the Awami League. By not choosing H M Ershad as country's president, the AL has made it clear that it does not wish to remain under influence of its minor coalition partners as BNP remained under Jamaat-e-Islami Bangladesh's influence in 2001-2006. In a dynamic and precarious situation that faces the nation today, AL has to address four major issues/challenges immediately to bring a positive outcome during the next five-year term, which include the following: Religious Extremism, Economy, Corruption and Democracy.

#### I RELIGIOUS EXTREMISM

Communalism, ethnic violence and terrorism, remain the most potent threats to stability in Bangladesh. Despite some victories of secular forces in the country against religious extremism, there is still a long road ahead.

#### **Right-wing religious politics**

The humiliating defeat of the Jamaat-e-Islami

Bangladeh (JIB) in 2008 election and its decline -(from 19 seats in 2001 elections to only two seats in 2008) may not be a reason to celebrate too much. JIB and other religious parties of Bangladesh, are not just political organisations. Their influence over the society is substantial - through their student movements, social welfare organisations and quasireligious establishments.

The AL government has to find ways to check the power and influence of these political parties in next five years, not just for secularism but for its own political gains. The trial of war criminals, which has been on the backburner since 1971, may provide government with an opportunity to do so. Similar approach can be made through checking the violence perpetrated through Chattra Shibir and other political strong-arm organisations.

#### Communalism

The rise of communalism is the most disconcerting. The country has witnessed numerous incidents of mob violence against secular writers, poets or intellectuals, symbolic and violent gestures against secular culture and fatwas issued against activities considered to be "un-Islamic" by a parochial clergy. There are thousands of unregistered madrasas operating all across the country, some of them teaching only Quran and Arabic, producing a generation of semi-literate religious fanatics. The recent controversy of Baul sculptures goes on to depict how even secular CTG was not able to contain these communal interferences in Bangladesh society.

Unlike right-wing politics or terrorism, this streak of fundamentalism in the society is not centralised and can not be curbed by checking few people

Institute of Peace and Conflict Studies, New Delhi developing an alternative framework for peace and security in the region responsible. It is, indeed, the essential ingredient for rise of Islamic politics and terrorism in the country. The government instead needs to invest in a socio-cultural change - especially in education and reform the private madrasa system.

#### Terrorism

The execution of Bangla Bhai and other JMB leadership alone is unlikely to arrest the growing threat of terrorism in Bangaldesh. JMB was a huge organisation with large manpower and resources. The organisations capability can be judged by the complicated and elaborate acts of terrorism that it has pulled off. Clearly, the vast organisation did not dissolve by execution of a mere handful of its leaders. International terror funding organisations like revival of Islamic Heritage Society have invested millions of dollars in the country in past decades. Such investment did not just disappear without any result.

Harkat-ul-Jihad Bangladesh, the terrorist organisation blamed by India for several attacks in country's eastern regions has actually stepped up its activities in past year. Indeed, news reports highlight these terror organizations' continuing to raise funds and hold meetings. Dismantling them

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will take a long time and political commitment from the government. The government has to bring institutional changes in its security infrastructure, which is today targeted more towards external threats than internal ones, and develop a comprehensive counterterrorism strategy.

#### II ECONOMY

Bangladesh faces a multidimensional economic

predicament. Coupled with liquidity crisis and high commodity prices, country's poverty and underdeveloped status is threatening to turn the clock back on national development.

#### Energy

In Bangladesh, the energy infrastructure is under crisis. Bangladesh, with an average power supply of 3,646 MW, has a demand of 4,400 MW (unofficial 5,200 MW to 5,500 MW). The country faces a gas deficit of 200 million cubic feet per day severely hampering the electricity generation, fertilizer production and industrial operations. Thanks to CTG efforts, the new government have some breathing space as the new projects are in pipeline to activate within coming months. However, without a comprehensive energy policy and rigorous, disciplined energy development plan, Bangladesh will face a severe energy crisis by 2011 as admitted by government officials. It also must deregulate it's energy exploration sector and invite private or foreign bids to explore its untapped natural gas wealth, since it has become abundantly clear that the government doesn't have the technical expertise to do so itself. It must be kept in mind, to seek energy security would mean large-scale investments.

#### Inflation

Low cost for poor is the plank which won AL this election. Not controlling the prices of commodity can be a pitfall disillusioning entire population against the government. Luckily, inflation world over and in the country is already showing a downward trend. Nevertheless, the prices of some commodities, especially electricity and petroleum products, despite their fall, will require government subsidy. In addition, the government will be required to boost food production, reforming the agriculture policy so as to reinvigorate the ignored sector.

#### **Fiscal Deficit**

Bangladesh fiscal deficit hovers around 5-6% of its GDP every year. For a nation with remarkable growth this may not be a matter of concern, but for a country with limited growth and limited resources it is. World Bank has forecasted a 5.7% growth in Bangladesh GDP in 2009, a 0.5% decrease from 2008.

Bangladesh usually balances its deficit by credit from the private banking sector of the country and foreign sources with burden divided evenly on both. Luckily the national banking industry came out largely unscathed from the global meltdown and actually registered growth this year. But the global economic crisis is likely make foreign aid and credit less accessible. A fiscal deficit at this time would have to be balanced more stringently, at a time when more public spending is advisable not only to stimulate the economy but also to expand public welfare and infrastructure.

#### FDI

Foreign Direct Investment can stimulate the economy and bring in much needed liquidity in the system. For past few years, Bangladesh has not been very effective at drawing foreign investment in the country. According to WB, FDI inflow in Bangladesh dropped by 16% as against a regional increased of 18% in 2007. To change this, the government has to adopt a multi-pronged strategy. It would have to bring in the required economic and energy reforms and deregulate its energy exploration sector and open the natural resources for exploitation from foreign countries, an issue that has always remained a source of contention for the foreign investors.

More significantly, the government should seek out new investments through improving foreign relations with its neighbours. Mega-projects like TATA's plan of US\$ 3 billion in Bangladesh and trilateral pipeline between Myanmar, Bangladesh and India are being shelved. Recent showdown between Burmese and Bangladeshi Navies in Bay of Bengal has a put brake to the significant energy and transit projects that both countries were exploring. Improving relations with its regional neighbours like Myanmar, China and India can lead Bangladesh maximise its potential of economic growth.

#### III DEMOCRACY

#### **CTG legacy**

Legacy of the caretaker government is an issue to be considered seriously by the new government. The outgoing government will leave a record number of 114 ordinances for the new administration to ratify or reject in the Parliament. The interim cabinet took 664 decisions, of which 512 were implemented and approved a total of 113 development projects worth over Tk 84,000 crore. It made numerous arrests (a figure quoted to be 500,000 by Human Rights Watch) not only to

Awami League, with its secularist approach, is likely to appeal to the intelligentsia and the urban population. With a cleaner image than its opponent, it will also be able to appeal to middle-level towns and is likely to win the centre and north of centre regions

maintain law and order and security but also to advance its political agenda and sometimes even to extort money or favours.

Now it falls upon the new government to sift through this myriad of decisions and differentiate between good ones and bad ones. This is a daunting task. The CTG regime brought in laudable electoral reforms and historic laws like Right to Information, while at the same time sponsored extra-judicial killings and locked up journalists for speaking up against government. Clearly, the task will not be easy. But it is critical that AL government approaches this issue with all seriousness and an unbiased view. There were several of the reforms brought in by CTG that can pave way for better governance or the ones necessary but required political will not available any political party with vote bank. The new government can use this opportunity to retain the decisions by CTG that can have a positive impact on the governance instead of choosing the easy way of cleaning entire slate. However, as a flipside, the new government should also ensure that decisions by CTG with negative impact, especially the ones that undermine democracy must be repealed as soon as possible before they are institutionalised.

#### **Parliamentary Opposition**

As mentioned above, a winner-takes-all kind of politics practiced in Bangladesh is a roadblock against democracy. Traditionally the democratically elected leaders of the country have often practiced dictatorship-like

governance. There has never been a significant opposition in parliament and with both BNP and AL being personality-driven dictatorships, invariably the grassroot-level democratisation falls short of fulfilling its potential. In the current scenario, with newly-restored democracy and a government of two-thirds majority, such prospect is extremely dangerous. There is no significant opposition faced by AL today, giving it the capability of becoming omnipotent in the country. Thankfully, Hasina has promised to select deputy speaker of the parliament and chair of some important parliamentary committees from the opposition. The new government must try to develop a strong opposition, which seems antithetical to its own purposes. However, such measures are essential if democracy is expected to survive in Bangladesh. As of 5 January 2009, post-poll violence perpetrated by all political parties including AL, have claimed two lives and left more than 250 injured. The new government must severely punish these violators of law including its own party members to set an example.

#### Corruption

A country riddled with corruption has refused every effort by CTG to change. The massive antigraft campaign, hundreds of arrests and rejuvenated Anti-Corruption Commission failed to make even a dent country's corruption. Transparency International According to corruption levels in Bangladesh remain same as before. To bring any of the reforms discussed above or to expect even minor development in the country will require some sort of corruptionfree channel to deliver results. Until then, the policies will fail to implement, law and order shall not be restored and investment into development will continue to disappear before it reaches the public. Coexisting with rampant corruption, a government, no matter how well-intentioned, can only expect to keep the lid on and achieve nothing more.

To curb corruption is a problem that seems to have no solution. Probably, if unlike CTG, the new government chose carrot more often than stick, a change can be brought. Investment in awareness programs, strengthening of tools Right to Information, education can no doubt bring changes in the long run. But for immediate results the government will have to seek some other option. Either it can continue with its reform program, treating losses to corruption as "collateral damage," or it can create an alternative system to address the issues of governance create from scratch.

#### IV CONCLUSIONS

The fact remains that even Awami League, despite its current image of holier-than-thou has never been completely corruption-free, progressive political party. Crises that plague Bangladesh on multiple fronts can not be wished away or be resolved by half-hearted attempts. Today, more than ever, Bangladesh requires strong leadership that can deliver quick and effective results operating on multiple dimensions.

Moreover, a government brought into sweeping majority by the public on the promise of "change," faces an unenviable dilemma. It has to produce results and quickly. A failure to do so will result in quick discontent among people. Eventually, either the government will weaken or as is often the case in Bangladesh, take a despotic form. Unfortunately, not all challenges that government faces can be resolved immediately, leading to a Catch-22 situation.

In the likely eventuality that government fails to achieve all its goals, it must seek to invest in at least four fronts more than anything else: increasing communication between ground reality and top echelons of government, building infrastructure for future development, developing agents of socio-cultural change like education and improving relations with Bangladesh's neighbours.

As one can see, there may be a light at the end of the tunnel, but it is a long way off.



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