
Bangladesh

The Paradox of Development

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On 5 August 2024, amid escalating mass protests that saw diverse segments of society—led by students—take to the streets, the Prime Minister of Bangladesh fled to India, marking the end of her 15-year rule. What began as a democratic tenure had gradually devolved into autocratic governance. The military, notably, remained passive bystanders during the final days of the unrest. The dramatic events of that day, which brought Sheikh Hasina’s reign to an abrupt close, have been variously described as the “monsoon revolution,” a “silent coup,” or perhaps a combination of both. The book under review was released well before the revolution, yet some of the authors indicated the paradox of breathtaking economic growth combined with a growing deficit of democratic dispensations.

The edited volume *Fifty Years of Bangladesh: Economy, Politics, Society, and Culture* by Rounaq Jahan and Rehman Sobhan has some special meaning attached to it. The two editors were central figures associated with the history of the country, both intellectually as well as organically and the volume is an outgrowth of the conference at the jubilee celebration of Bangladesh. The conference was hosted jointly by the Centre for Policy Dialogue and the South Asia Program of Cornell University. It is worthwhile to mention that Jahan also hosted the conference celebrating the 25th anniversary of independence at Columbia University in 1996 and edited the conference volume titled *Bangladesh: Promise and Performance* (2000). This edited volume has a special significance because of the continuity it provides in analysing the developments in the country.

BOOK REVIEWS

Fifty Years of Bangladesh: Economy, Politics, Society and Culture edited by Rounaq Jahan and Rehman Sobhan, *London and New York: Routledge, 2024; pp 281, \$180.*

Economists at Work

This book features articles by some of the finest economists, social scientists, and other leading intellectuals of Bangladesh who have been engaged with the country’s development history professionally. In the introductory chapter, the two editors recount the rationale and the promises of the *Muktijuddho* (the Liberation War) thus setting the ground for the discussions of the achievements of the last five decades since 1971 and the challenges that beset the country. The two editors present a thumbnail sketch of the contributions.

The book offers intriguing yet varied perspectives on Bangladesh’s evolving economic fortunes. Such multifocal yet complementary takes are of great value to the students who seek to understand the remarkable economic transformation of the country from a basket-case to a lower-middle-income economy with aspirations to be a middle-income economy in the not-too-distant future in all its complexities.

For Syed Akhtar Mahmood (Chapter 2), the remarkable growth was “neither a paradox nor a miracle.” It was the culmination of an entrepreneurial spirit (p 21). There were eight acceleration points of the economy that grew out of two sets of synergies that explain the remarkable economic growth of the country. This idea of narrating the growth trajectory through inflexion points and accelerations is interesting mainly because it is non-teleological. The discussion takes the readers through a novel approach to

understanding the Bangladesh paradox. All the factors that contributed are analysed with a sense of detachment and credits are given appropriately to government policies, non-governmental organisations (NGOs), and the entrepreneurs who played their respective parts.

The two sets of synergies include: (i) a synergy of interlinking variables where one variable affects the other producing a positive outcome, often in an unintended manner; and (ii) the complementarity of the government policies with the market responses. The author as a former employee of the World Bank was in the thick of some of these changes and has discussed these developments competently armed with first-hand knowledge. Mahmood’s ringside view provides a convincing and comprehensive view of Bangladesh’s economic metamorphosis from the 1970s until the present.

In the formative decades, the first inflexion point that led to acceleration was the increase in the share of private sector credit reaching 70% in 1988–89 and 89% by 2019. This marked a shift “from a state-dominated to a private sector-dominated economy” (p 24). The second was the export growth in part enabled by the private sector credit flows. The emergence of the export-oriented ready-made garment industry was a paradigm-shifting outcome. The expansion of the rural road connectivity played a key role in integrating the economy by linking the villages to the medium-sized cities, and the latter to the capital city of Dhaka. A fivefold increase in roads took place between 1988 and 1997. The fourth acceleration was caused by agricultural mechanisation from the late 1990s till the first decade of 2000. Coinciding with this period were the remittances which rose from a trickle in the mid-1970s to \$15 billion by 2014 that led to another acceleration. Additionally, the mobile phones operational in the country since 1993 saw such a huge rise that their subscriptions exceeded the number of people by 2019, making them the sixth acceleration. The other accelerations were: the remarkable increase in power generation (from 3,700 megawatts [MW] in 2007 to

13,000 MW in 2019) and the increase in the mobile financial services marked an exponential growth from 780 billion takas in 2016–17 to 6,866 billion takas in 2020–21 (p 26).

Mahmood carefully analyses how these accelerations were caused by the interactions or synergies of multiple variables which were outcomes of policies. For example, the privatisation of agricultural inputs, such as fertilisers and irrigation, synergised with rural road connectivity while growth in remittance led to not only remarkable expansion in food production but also generated non-farm employment and related businesses. Similarly, mobile phones by helping to expand mobile financial services created associated businesses and employment. These incremental and synergistic developments took place under policy environments that created space for entrepreneurship across successive regimes.

Selim Raihan provides a nuanced institutional analysis of the economic growth resolving some of the puzzles and alerts us to pitfalls that may lie ahead. An economist and a public intellectual, Raihan's analysis defies the mainstream theories of institutional economics à la Douglas North et al. His contribution is at once empirical and theoretical as he goes on to define the role of new, short-term informal institutions which are more like settlements to compensate for the depreciation in the functioning of the country's formal institutions. This is an important theoretical contribution where he reformulates institutional economics and sides with neo-institutional economists, drawing on the political settlement theories developed by Mushtaq Khan and others.

Drawing on the standardised synthetic institutional indices such as democracy, rule of law, business environment, land management, bureaucracy, and human rights in which the performance is uniformly mediocre (p 68), he goes on to discuss the Bangladesh case comparatively with other developing countries. Raihan and his colleagues (Bourguignon, Raihan and Salam 2024) developed four generic institutional features that include “pockets of functional informal institutions” and “deals environment.” Such a

transactional spin to a conventional institutional analysis provides a more context-dependent analytical tool. This thesis has important implications which can be examined with regard to other newly emerging economies.

Raihan's model is an improvement over Mushtaq Khan's “political settlement” model which is “primarily an elite agreement and it overlooks the critical nexus between elites and non-elites within the society” (p 78). The idea of “pockets of functional informal institutions” is a significant improvement over conceptualising institutions as rigid, ossified structures. The malleability of institutions cuts both ways, as it enables entrepreneurs and agents to achieve positive goals—that is, goals with a public good component, but at the same time, depending on the quality of deals and (ulterior) motives where the outcome can be negative. Raihan notes the weakness of state capacity and of regulations as part of the remaining features of Bangladesh's institutional matrix which can be explained, in part, by the acceptance of informality of institutions.

Institutions, Labour, and Governance

Both Mirza Hassan and Hossain Zillur Rahman in their respective contributions touch on the issues of institutions, state–society relations, and governance. The concern for the sustainability of economic growth and whether the institutions have the capacity to play an enabling role is a recurrent theme in many of the chapters. Mustafizur Rahman discusses the impact of COVID-19 and the Russia–Ukraine War along with their impact on the Bangladesh economy and the policies needed to tackle the crises. The challenges of the dual transitions—the graduation from the “least developed country” status in 2026 and the attaining of the lower-middle-income country status since 2015—are also discussed, focusing on trade and foreign direct investment (FDI) where Rahman flags the risk of exposure to a debt trap.

Rizwanul Islam, a veteran labour economist, formerly with the International Labour Organization (ILO), introduces an interesting perspective on the

evaluation of Bangladesh's development experience. Through the lenses of labour economics, Islam explains—convincingly I would add—that economic success is hinged on three areas which are driven by the contribution of the working classes. First, the agricultural workers—the peasants who grew food rendering food self-sufficiency. Here he also recognises the role of appropriate policies, a point also discussed by Syed Akhtar Mahmood. Second, the migrant workers who, through their labour services abroad, remitted the much-needed foreign exchange which enhanced the foreign reserves and strengthened the balance of payments. And, finally, the garment workers (mostly female) who migrated from the rural areas to provide low-cost labour which has served to enhance the export competitiveness of the ready-made garment industry and elevated it to being the second largest exporter in the world. Islam rightly points out that the workers who have served as an important source of intensive growth in the economy have inequitably shared in the value added by the contribution of their labour.

Once combined, the three approaches tell the story of Bangladesh in a holistic manner that explains both the positive outcomes as revealed in the improved social indicators—as narrated by Selim Jahan, in the discussion of human development and the downside of growth as manifested in the growing income inequality. This is explained by M M Akash who touches on another paradox pointing to the reduction of poverty alongside the increase in income inequality as a consequence of the inequitable development strategies.

On the downside, Iftekhar Iqbal (Chapter 7) makes an important point by alerting readers to the fragility of food security. But, in haste, he wrongly declares Bangladesh as the most food-insecure country in Asia. That distinction, albeit dubious, goes to Pakistan. While Iqbal, the only historian included in the volume, further raises issues of environmental sustainability and food insecurity, Hossain Zillur Rahman dwells on the phenomenal growth in food production in Bangladesh since her independence

where the famine of 1974 was a trigger. Bangladesh in the 1970s was struggling to feed 70 million people, and by 2022 it became “a nearly self-sufficient country of 165 million people” (p 270).

Women’s empowerment in Bangladesh is another aspect of its remarkable development, a subject that has been dealt with by Sohela Nazneen (Chapter 9) who provides a nuanced perspective by introducing the concept of “contentious empowerment” to indicate the fragility and unevenness of gender equality (p 155). While broadening the discussion of women’s empowerment, Nazneen gives due credit to the policy initiatives of the government as in the case of the Child Marriage Restraint Act reform of 2017.

Contested Terrain of Culture

Fakrul Alam refers to his earlier work in emphasising the role of University of Dhaka in mobilising cultural resources as a ballast for constructing a Bengali national identity. Indeed, it was the petri-dish for the formation of Bengali cultural nationalism which morphed into Bengali political nationalism. Contra Van Schendel, the transition from ethnic to civic society has not taken place which is the source of many of Bangladesh’s problems. The university plays a crucial role in shaping the national identity as it serves as a central hub for crafting the nationalist narrative. It has the potential to become a key place for shaping the national imagination (Alam 2014: 13).

Drawing upon both C P Snow’s “two-culture” perspective and Raymond Williams’s conceptualisation of culture, Alam describes the changes in Bengali culture via the cultural representations of University of Dhaka. His analysis of the two trends, Islamicist (not his word) and secular, from the 1950s is interesting. Alam’s metaphor of meandering is perhaps appropriate in narrating the cultural changes and the different streams of religious influence in the secularist stream. Ali Riaz’s proposition in this volume, which challenges the discourse of a state-directed imposition of Islamism in Bangladesh’s polity and society, should be read alongside Alam’s chapter to get a clearer picture of the

changes in the Ideascape of Bangladesh. Alam is correct to separate the two domains—one political, which is top-down and the other, social, which is bottoms up. It would have been more incisive and interesting to show the interplay of these two strands.

There are *longue duree* or long-term trends and there are conjunctural or episodic events—a distinction I borrow from Fernand Braudel (1970), which can be used in understanding cultural and ideological shifts in Bangladesh. The change in 1975, the Shahbag movement demanding action against convicted war criminals and the Islamist-inspired Hefazat siege of Dhaka are conjunctural events designed to explore the growing contestation between secularism and Islamisation in Bangladesh.

Syed Manzoorul Islam while discussing changes in the country’s culture touches on important points about education and its multiple sources. Islam too draws upon Raymond Williams. His deep insight into this reordering and the threat and decline of Bangaliana is an important point. The rise of Islamic radicalism manifested in the *Pohela Boishak* attack on *Ramna Batmul* in 2001 which killed 10 people marked a violent attack on Bengali culture. Islam, a literary figure, shows his sociological imagination

as he traces the turn to the visual culture mediated by the satellite television and later internet connectivity. His discussion of the shift from traditional mainstream culture to online web-based culture is an important contribution.

On the cultural front, the role of architectural and spatial developments analysed by Kazi Khaled Ashraf, a professional architect, is a refreshing addition to a subject that is routinely overlooked in other volumes. The illustrated chapter (alas, in black and white) adds a new flavour to the volume. The readers will learn not only about the home-grown architects but also the link between nationalism and cultural motifs to the architectural designs in Dhaka hinting at the relationship between politics and aesthetics.

State–Society Relations

The state–society relationship in Bangladesh is as interesting as a narrative of the political developments since the 1980s. Hassan carefully reviews this relationship. Yet, the attempt at theorisation falls short in many regards. The dominant party system is applied rather loosely in too many contexts, which leads to its reduced analytical force. The Awami League in the post-independence period was a dominant party by default,

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whereas in the recent decades, circa 2010 onwards, it has become a dominant party by progressively narrowing the democratic space through the practice of exclusionary politics.

Hamza Alavi's overdeveloped state theory with roots in colonial exploitation applies to Pakistan accurately for which it was intended but it does not fit with the Bangladesh case. The bureaucracy in Bangladesh was very much under the control of the political parties in the formative years when the army was in the process of reorganisation. It is only in recent years that it has become a force as the government has relied on it for control in the face of political opposition.

The discussion on the relationship between the state and society is full of interesting empirical references but the author views society narrowly to look at the elite society of Bangladesh to the neglect of rural society, which is still the dominant sector of society. This chapter could be appropriately labelled as an exploration of the state-elite relationship. The author has used the ideas of Mushtaq Khan and others who have developed the idea of political settlement. It is interesting and refreshing, especially in view of the overuse of simplistic Marxist analysis that the state served the bourgeois class. A refined analysis of the various sections of the bourgeoisie adds to the understanding. Yet, the political settlement-centred analysis has its own shortcomings.

The idea of political settlement is intuitively satisfying but deceptively simplistic. It neatly describes what happened in a post facto manner but fails to answer why in the first place such settlements take place between Parties A and B and not between A and C, or A and D. There are many interested sectors or business houses in town. Why is it that one business house or group is able to mobilise the key players in the state sector to its advantage, and not others? The "stylised facts" in this mode of analysis provide neatness at the expense of details and complexities. As the proverbial devil is in the details!

Riaz, a leading authority on Islamic politics in Bangladesh (Chapter 14),

dispels a popularly-held view that the military rulers (Zia and Ershad) introduced and bolstered Islam in the political sphere for purchasing their legitimacy and popular support. He traced the rise of religiosity in the social sphere and its contribution to promoting the growth of political Islam. Riaz is correct in rooting the religious foment in the social sphere and providing historical depth to this development. His analysis of the different strands of Islam which have influenced the Islamist parties in Bangladesh and their political contradictions is particularly instructive.

Arild Engelsen Rudd (Chapter 15), a Norway-based scholar of Bangladesh, provides a detailed empirical discussion of the relationship between violence and politics in the country. He draws on his empirical work and experiences through field research in Barishal. In one sense, this is very useful as he examines several phases of violence in politics starting from the war of independence.

The most interesting aspect of the contribution is to situate Bangladesh in the context of other developing countries, that is, India, Indonesia and the Philippines where lower-level violence and the dominance of thugs, tough guys, and goondas (hooligans) are rampant. The author successfully weaves the underworld with the real world of politics. The machine politics of Chicago in the age of Al Capone would be a more apt reference point. The author could have included Pakistan, where the "local Al Capones" wield great power.

The author also fails to address the state or semi-state-directed violence that featured in the Khaleda Zia regime of 2001–06. One of these was the synchronised explosions of 459 bombs in 63 of the 64 districts on 17 August 2005, carried out by the banned Islamist militant group Jama'at ul Mujahideen Bangladesh (JMB) (*Daily Star* 2005; Liton 2005) and the other was the Bangladesh Nationalist Party (BNP) government patronisation of Bangla Bhai who ran a reign of terror to intimidate political opposition, especially the secular forces.

He also, except for two cases, does not fully discuss the scale of switching loyalties of goondas from one party to the

other for protection and continuity of their relevance. The goondas were introduced by the then governor of East Pakistan Monem Khan in the 1960s to intimidate national politics, especially at University of Dhaka. The Awami League did not hire the National Students Federation goondas. The Awami League had its own pro-independence musclemen with an ideology. The BNP bought goonda loyalty by providing them protection, patronage and prominence. A relevant case may be mentioned here. In 1973, a Student League leader, Pradhan, was imprisoned for the murder of another Student League muscleman, Kohinoor, as a consequence of intra-party factionalism within the Awami League. Ziaur Rahman, a general-turned-politician released Pradhan on the condition that he would join his party which he did and remained a loyal supporter of the BNP and a vocal critic of the Awami League till his last days. Thugs came to play a greater role as politics became more criminalised. The idea of polycracy is appealing. The conclusion does not tie it to the thesis of polycracy.

The concluding chapter by Hossain Zillur Rahman, a veteran of the NGO movement and an interdisciplinary scholar, sums up various strands of analysis in the volume. Though self-referential, he makes some interesting points about the challenges that lie ahead. Rahman returns to the spirit of the Liberation War as the take-off point for understanding the remarkable growth of the economy. He sums up the achievements in six points which are: the transition of the country from a disaster victim to a disaster manager; food security; integration with the global economy; road communication network; women's empowerment; and fertility decline. The chapter provides a fitting way to end the volume, not only as a paean of praise and self-congratulatory rhetoric but also to identify the malgovernance which has undermined the sustainability of the developmental journey. He flags the democracy deficit as a challenge to inclusive development and the dysfunctional state of education, which has contributed to its declining quality. Both these deficits have led to the recent

overthrow of the increasingly autocratic regime of Sheikh Hasina through a student-led mass movement.

Hossain Zillur Rahman points out, and I might add, correctly that the discourse of good governance is somewhat naïve but to support his argument he refers to just one article and assumes that it is the development discourse in Africa that gave rise to the governance discussion. It is, however, arguable that it was the remarkable rise of the Asian Tiger economies that was the other and more important context for the rise of the governance discourse floated by the World Bank.

Although the volume is dominated by the contributions of the economists, the other scholars included are also the leading lights of academia. The book will make an enduring contribution to Bangladesh studies as more narratives and counter-narratives are likely to emerge in the days to come.

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