

Bangladesh Revisited

A Comprehensive Study of an Asian Nation

Muhammad Ruhul Amin



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A Comprehensive Study of an Asian Nation

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DEDICATED

to

Md. Abdul Jalil, my brother, teacher and mentor

who

along with other freedom fighters

fought for the realization of Bangladesh

as a new nation-state

Foreword

The publication of Associate Professor Muhammad Ruhul Amin's book *Bangladesh Revisited: A Comprehensive Study of an Asian Nation* is indeed pleasing for me and for those who work in the academic field. It presents a unique style for development thinking in Bangladesh based on its own values. The book purports to structure a holistic paradigm of development that encompasses the social, economic, political and cultural aspects of Bangladesh. The author is self-motivated to rethink Bangladesh's policy issues in these areas. The task, as the author claims, requires "to unlearn" most of the socio-economic and politico-security policy perspectives that were learnt before in a stereotyped way and needs "to relearn" them in an innovative way. The author is deeply concerned over the "identity crisis" Bangladesh has suffered in the previous years. Once the country gears back to its roots, he argues, it might achieve its long-awaited development targets. The book is an exploration into the different strategies adopted by Bangladesh and an analysis of the consequences for each of them. The author's basic premise is that if viable development strategies based on the model as propounded by the book may satisfactorily be adopted in Bangladesh, they would result in a dramatic transformation of its economy allowing it to finally take-off.

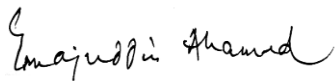
I have gone through at least two of the author's books and some research articles and have been satisfied with the cogency of his arguments. I have found his works thought-provoking, inquisitive and interesting and considered some of them exceptional. I have largely been impressed with his unique style of examining various issues. The present work named *Bangladesh Revisited: A Comprehensive Study of an Asian Nation* is very comprehensive and can be used as a textbook on *Bangladesh Studies* by different universities.

Structurally and content wise the book contains four major parts comprising twenty one chapters that cover more or less the syllabi and curricula of our universities. The wearisome assignment of incorporating so many chapters in a single volume indicates that he has worked very hard and has been able to withstand the rigors of this vigorous task.

Overall the book is a splendid and original contribution and deserves wide reading by professors, students, policy makers and development scholars and in particular political leaders and finally the interested

general readers. However, the book lacks in certain areas such as in its appraisal of different development strategies and in a comparative International Political Economy (IPE) perspective. In another respect, although, the author confined his examination and analysis to the case of Bangladesh, there are several other alternative comparisons available among the South and South East Asian nations and tiger economies that could have been covered in the context of explaining the various aspects of Bangladesh.

The language can at times appear stilted but nevertheless remains largely clear and lucid in its articulation and argument. While scholars may disagree with Amin, I am pretty sure they will agree that he has made a point and in a cogent matter. Innovative suggestions illustrated throughout the book will draw attention of Bangladesh government, policy makers, political leaders and economists as well as international development agencies. I believe that they will find many things to consider true, if not accept. Having said all this I would unhesitatingly recommend this book and I wish the author all success.



Professor Emajuddin Ahamed, Ph.D
Vice Chancellor
University of Development Alternative
Former Vice Chancellor
University of Dhaka

Preface

The book entitled *Bangladesh Revisited: A Comprehensive Study of an Asian Nation* aims to devise a holistic paradigm of development which might encompass social, economic, political, and cultural aspects of Bangladesh. The book is developed on the premise that the development of Bangladesh lies in its own roots, not in imitating others that are alien to its social fabric, cultural values, political identity and historical reality.

Bangladesh emerged as a nation-state in 1971 and slowly tried to start its own way towards development. It had the opportunities of constructing a new nation amidst manifold challenges. Unfortunately, however, Bangladesh could not achieve its long-cherished goals of development simply because of the lack of understanding of its *identity* as a nation. The author considers Bangladesh's own culture, values, roots, spirit, and the sense of self-respect as the most powerful driving forces behind its development and thus upholds *Bangladeshi* or *Asian values* in order to attain the socio-economic wellbeing of its people.

The book prescribes a basket of efficient and coherent strategies to be formulated in socio-economic and politico-security perspectives. The author observes that in the case of Bangladesh, hardly were any of these strategies adopted (or half-heartedly adopted at most) in a consistent or determined way because of the failure of its leadership in providing an appropriate vision to the nation and injecting a progressive consciousness amongst the vast proportion of the people who could have been profitably transformed into potentially productive human resources but who were instead allowed to remain apathetic, indolent, uninspired and backward looking.

While many of the newly independent Asian countries opted either for Western style capitalism, or a kind of socialistic, command economy, the author does not choose either for Bangladesh. He thinks that the free market economy might exasperate race and class relations, while the socialistic model would stifle individual endeavor. The latter is also inimical to a great extent to the culture of an Asian country like Bangladesh inhabited by predominantly Muslim and Hindu people, who are deeply attached to two great religions. While the Western capitalistic or socialistic models have an inherently deprecatory bias against third world cultures, the proposed paradigm, being a truly postcolonial one, would avoid culture shock and cultural friction to a large extent. The book recommends that Bangladesh choose or rather chart a way of its own. To that end, we must unlearn many of our policies that were learnt

before with obsessed pride and prejudices. In consequence, we should relearn them in a new way as envisaged in the present book.

Acknowledgements

I thank Almighty Allah for keeping me in good health which has been instrumental in accomplishing the troublesome work of writing the book *Bangladesh Revisited: A Comprehensive Study of an Asian Nation* which may be studied as an interdisciplinary course at different universities of Bangladesh and elsewhere in the world. I was a little cautious about how the present work would be received, but the overwhelming response of professors and students gave me a preview of the prospective appearance of the book on reading lists in many of our universities, which convinced me that what I am doing is very worthwhile.

Working on *Bangladesh Revisited: A Comprehensive Study of an Asian Nation* has been an exciting event for me in the backdrop against which the book has come to see the light of the day. As an optimistic patriot, I have always thought of writing life-awakening books that may contribute to the socio-economic development of Bangladesh, my beloved motherland. The present one is an anchoring effort to that direction. The book is written primarily for learning the strategies for building “Sonar Bangla” as dreamed by Bangabandhu Sheikh Mujibur Rahman, the founder of the nation. My life-long experiences have compelled me to conclude that we must carefully study the various aspects of Bangladesh in order to build it as a prosperous country in the world atlas. It requires restructuring of our entire system based on the reexamination and redefinition of all aspects of our life. Another important factor is related to my professional goals and compulsions. On several occasions, I have been invited by some private universities and professional institutes like Civil Service College, Bangladesh Petroleum Institute and BCS Training Academy to give lectures on Bangladesh affairs. The present book is derived from the collection of the series of my presentations. A third remarkable plot has been created by my friends, colleagues and students who are teaching or studying *Bangladesh Studies*. The repeated requests by them and the persistent insistence by some publishers finally instigated me to take the venture of writing this book. Soon after the mindset of starting the work, I surveyed the syllabi and curricula of a number of universities that brought to me a practical problem. In their course outline, while some universities focus mainly on economic aspects, other universities concentrate merely on socio-political issues. There are many universities that focus exclusively on historical aspects. I tried to integrate all major areas in the present book.

About ten years have passed since I first started writing this book. The moment I planned to quickly complete, every time I found it difficult for obvious reasons. I apologize for not being able to comply with my incessant promises of presenting the book to the readers. They are so great! So considerate!! The delay has been the result of formidable constraints. First, since I visualized that the present piece of work would be used as a textbook on *Bangladesh Studies*, it required incorporating in the present volume most

of the topics. Second, I do not claim that the book is an all-integrating collection; however, I left no stone unturned to organize its chapters in an all-encompassing manner. Thus most of its 21 chapters embrace the main topics covered under the course. Third, to combine the socio-economic and politico-security perspectives of Bangladesh in a single book is undoubtedly a time-consuming task which took some more years than I planned earlier.

I am grateful to those who have contributed in some way or another in finalizing this book. Right at this moment, I greatly miss my father Hanif bin Hussein and my mother Hazira binte Quraiysh who are in heaven and who encouraged my work from therein. I urge the readers to pray for my deceased parents. I can clearly remember my childhood days and my high school years during which the latent talents of my writing prospects were discovered by Master Abdul Jalil, my brother and teacher. Since then he has continuously trained me in the art of writing and has always expected that such a book must be published sooner. He is my mentor; my pioneer. This book is dedicated to him. Having spent long years in teaching and brought up numerous students, he is now preparing for retirement and suffering complex diseases. I request all to pray for his recovery.

I am indebted to my teachers who have helped to train and develop me all along my life. The list of gratitude is very big, I can mention a few. Those who have built my spiritual foundation are: Maolana Abdul Ghoni, Maolana Ibrahim, Principal Maolana Abdur Rob, Professor Maolana Kamaluddin Al-Jafry, Professor Maolana Rafiqur Rahman Al-Madani, Maolana Abdul Jalil, Syed Zun noor, Mr. Shirajul Islam, Shaikhul Hadith Maolana Azizul Huq, Maolana Mutasim Billah, Maolana Fariduddin Maswood, Professor Maolana Islam Ghoni, and Professor Maolana Dr. Abdul Mabud. Those who have taught me International Relations in the University of Dhaka are: Professor Dr. M.A. Aziz, Professor Dr. Nurul Momen, Professor Dr. Akmal Hossein, Professor Md. Abdul Halim, Professor Dr. Abul Kalam, Professor M. Shahiduzzaman, Professor Md. Ramjul Huq, Professor Dr. C R Abrar, Professor Dr. Imtiaz Ahmed, Professor Dr. Amena Mohsin, Professor Dr. Ahmed Anisur Rahman, Professor Ruksana Kibria, Associate Professor Azhar Jafar Shah, and Assistant Professor Aatur Rahman Bhuyyan.

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Special gift of gratitude for Professor Dr. Ahmad Anisur Rehman (Harvard), my teacher and guru who taught me how to distinguish between

the physical reality of knowledge and its spiritual entity and how to write combining the essence of both extremes. When Professor Dr. Aka Firowz Ahmed and I were debating on an appropriate name for this book, Professor Rehman appeared from overseas before us and gave the present title.

My heart-felt gratitude is dedicated to Professor Dr. Emajuddin Ahamed, former Vice Chancellor of the University of Dhaka and now working as the UDA VC, who has always guided me for academic endeavor. He has written a *Foreword* for the present book which has been undoubtedly a great bliss for me. Thanks are also due to Professor Dr. Hafiz G A Siddique (VC, NSU), Professor Dr. Moinuddin Khan (VC, ASAUB), Professor Dr. M Shamsheer Ali (VC, SEU), Professor Dr. Anisuzzaman (former VC, BIU), Professor Dr. Shoaib Ahmed (Treasurer, IUB), Professor Dr. Anwar Hossein (Pro-VC, AIUB), Professor Dr. Abdur Rab (Pro-VC, EU), Professor Dr. ABM Shahidul Islam (Chairman, BOG, EU), Professor Dr. Md. Abdur Rob (VC, MIU) and Professor Dr. Syed Rashidul Hasan (former VC, NU) for their advice and guidelines. My gratitude goes for couples of deans, development workers and *Bangladesh Studies* course teachers who have given helpful suggestions to make a comprehensive book. They are: Professor Dr. Fariduddin Ahmed (Dean of Social Sciences, DU), Professor Dr. Sadrul Amin (Dean of Arts, DU), Professor Dr. Abdur Rob Khan (NSU), Professor Dr. ABM Mahbubul Islam (Dean of Law, ASAUB), Professor Dr. Abdul Awal Khan (Dean of Business, NUB), Professor Dr. Momtajuddin Ahmed (Dean of Business, SUB), Professor Syed Shahidul Bari (BIU) and Sarker Muhammad Ramzan Ali (Team Leader, RRMP, World Bank).

I realize I am in danger of missing out many of my friends, students, near and dear ones (and apologies if I do so) but additionally this time around I would like to thank Professor Dr. M Muzahidul Islam (DU), Professor Dr. M. Delwar Hussein (DU), Professor Golam Saklayen Saqui (DU), and Assistant Professor Golam Gaus Al-Quaderi (DU) for helping me in organizing the ideas and making the contents. Thanks also to Professor Dr. Amanullah Ferdous (DU), Barrister Mahbub Biplob Islam (UK), Barrister Mehedi Hasan (USA), M Liaquat Ali Khan, CA (Canada), Ashraful Islam (USA), Professor Dr. Shahid M Rezwan (IU), Professor Dr. Tawhidul Hasan (JU), SM Rasheduzzaman (VC, JISC), Md. Abu Hena (Chairman, ICB), Faris (USA), Jakriji (Malaysia), Zuba (Ghana), Azizov (Uzbekistan), Sazid (Pakistan), Kamilov (Kazakhstan), Nicholas (Russia), Shechi (China), Seiko Onuyama (Japan), Paula (Greece) and above all Anis, Ikter and Wadud (Jessore) for debating my many ideas and kicking my points out. My heart knows no bound to appreciate the interest and feeling of Razia Pell, who from West Virginia has always pressurized me to complete and has mailed many points. I am whole-heartedly grateful to Assistant Professor N Rashid, a PhD student of AIT, Thailand who has rendered ceaseless supports in collecting data and preparing the manuscript. Thanks

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10 October 2010

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Part I

Historical Background

1

Historical Roots: From Ancient to Modern Bangladesh*

Introduction

Although the emergence of Bangladesh as an independent and sovereign nation-state is a fact of recent history, this country has been the home of an ancient civilization. The birth of this new country in the early 1970s needs to be understood based on the historical roots of Indo-Pak Sub-Continent from ancient ages to current periods.

Geographically the Indian Sub-Continent encompasses the areas that have given birth to five South Asian countries such as Bangladesh, India, Pakistan, Nepal and Bhutan. The history of these countries is closely intertwined. Thus no part of the sub-continent is understood without giving attention to other parts. In another word, historical analysis of South Asian countries should be made from both micro and macro perspectives. Macro analysis concentrates on the socio-political history of sub-continent as a whole and the micro analysis relates each country's history to the history of sub-continent. The history of this sub-continent as well as the history of each part of it is divided into three major phases: ancient period, mediaeval period and modern period. The period from the ancient age down to the advent of the Muslims in India is the ancient period. The period covering the history of the Muslim rule till the establishment of the British era is the mediaeval period. The period covering the history of the British rule and thereafter till today is the modern period.

Macro Analysis of Sub-Continent

Ancient Age

The Indus Valley Civilization

The Indus valley civilization (C. 3200-1600 B.C.) is considered as the oldest civilization of the sub-continent. It is the period of India's Bronze Age when admirable copper and bronze vessels and gold and silver ornaments were used. The Indus people worshipped snakes and various gods and goddesses. The Indus valley civilization covered an area of

* The author is grateful to Shamsy Tamara Shoury, Research Assistant, Center for International Development and Security for her cooperation in writing this chapter.

nearly half a million square miles, extending from the shores of the Arabian Sea northward through the Indus River system to Amu Darya (Oxus River) in northern Afghanistan.¹

Although resting upon an agricultural foundation it was essentially an urban civilization, with a utilitarian, comfort-loving, cosmopolitan society and extensive trade connections with the outside world. Among some seventy metropolitan centers thus far uncovered, the two principal sites are Mohenjo-Daro, about 300 miles from the seacoast, and Harappa, 400 miles farther up the river in the Punjab. It is estimated that each of these two cities held a population of 35000 or more, and the contrasts in types of housing suggest a wide range of affluence and social status among classes. Both cities were fortified, durably constructed of brick, and laid out in accordance with ambitious and intelligent planning. Solidly built houses, some with three stories, were equipped with bathrooms that drained into sewer pipes running underneath the principal streets. Mohenjo-Daro housed a public bath with an area of 900 square feet lined with watertight bricks and beautifully ornamented.

The Aryan Civilization

Before the discovery of the Indus civilization, the Aryan civilization was regarded as the oldest civilization of the subcontinent.² The Aryans were a new race who came to India either from central Asia or Europe. They defeated the local people and began to settle down in North western parts of India, particularly in the Indus valley regions. The Aryans named the seven rivers of the Indus ‘Sapta Sindhu’. These rivers include Indus, Satadru, Bipasha, Irabati, Chandrabhaga, Bitasta, and Saraswati. After a prolonged war with the local people they conquered the whole regions covered by these rivers. Being defeated the local people fled to jungles and forests. The captives were made slaves.

Aryans considered themselves superior to other human races and called themselves Aryans or kinsmen of fair skin and noble race. To them the rest of the human races were non Aryans. They looked upon these non-Aryans as ‘Dasyus and Asuras’. Family was the basic institution of the social life of the Aryans. It was patriarchal in nature and father was the head of the family. Men could take more than one wife. But women were not allowed to marry more than one. No caste system existed in the

¹ Philip LeeRalph et.al., *World Civilizations*, W. W. Norton & Company, New York, London, 1991, PP. 105-106

² Moazzem Hossain Chowdhury et.al., *Social Science*, NCTB, Dhaka, 2007, P. 29

early Aryan society. But with the passage of time there arose four classes of people in the society- Brahmana, Kshatriya, Vaisya and Sudra.³ The Aryan led predominantly rural life. Their main occupations were cultivation and animal rearing. The Aryan religion was simple and plain. They did not worship idol or image. They worshipped Dyaus (The God of Heaven), Varuna (The God of Sky), Indra (The God of Thunder), Surjya (The God of Light), and Usha (The Goddess of Morning). They sacrificed on fire various kinds of food such as grain, ghee, cake, etc. in the name of these deities. Subsequently the Aryan religion had undergone various changes. The religious book of the Aryans is the Veda. They believed that it was not composed by men. The Veda has four parts: Rik, Sam, Yaju and Atharva.

The religious reformation movements began in this sub-continent during the 6th century B.C.⁴ At this time people forgot the simple rites and rituals of Vedic religion. Men turned away from the Vedic religion. In this context North-Eastern India witnessed two remarkable religions, namely Jainism, and Buddhism. The preachers of both the religions were Kshatriya princes.

Twenty four people have preached Jainism. Among them two are famous: Parshanatha and Mahavira. Mahavira, the last preacher was born possibly in 540 B.C. During the same time, Gautama Buddha, the preacher of Buddhism was born. Both Mahavira and Gautama were married to beautiful princes, however after the birth of their first baby, they abandoned family life and immersed in spiritual meditation to find the truth of life. Ranga, Upanga, Mool and Sutra are the principal religious scriptures of Jainism. Gautama Buddha passed the last days of his life in preaching the cults of Buddhism. In course of his missionary works, he met the Magadhan king Bimbisara and the Kosal king Prasenjit. A large number of people accepted his religion and became his followers. The Tripitak is the religious book of Buddhism. It is divided into three parts- Sutra Tripitak, Binoy Tripitak, and Abhidharma Tripitak.

The Mahajanapada Era

There was no vast empire in India during the sixth century B.C. The sub-continent was divided into a number of small countries. Among them, only sixteen countries stood stronger. These are known as Sixteen Mahajanapadas that were ruled by the aristocratic kings. However, some

³ K. Ali, *Bangladesh O Pak Bharater Itihas*, Ali Publications, Dhaka, 1997, P. 23

⁴ Moazzem Hossain Chowdhury et.al, *op.cit.*, PP. 31-32

janapadas were also run by democratic norms. The lack of unity and cohesiveness among these janapadas were the principal reason of foreign aggression in the sub-continent.

The Persian and Macedonian Invasions of India

It is known from the Greek historians that the Persian emperor Cyrus was the first to intrude into India after the Aryans. He conquered some parts of India in the sixth century B.C. Later, Alexander conquered India in 327 B.C. and stayed here only 19 months.⁵ After his departure, Greek rule did not last more than two years. However, the Greek invasion brought unity and solidarity among the small states of India and helped flourish the horizons of knowledge and wisdom.⁶

The Mauryan Empire (324-185 B.C.)

Chandragupta Maurya (324-300 B.C.)

The Mauryan Empire is the first empire in the sub-continent which was founded by Chandragupta Mauryan. H. C. Roy Chowdhury regarded him as 'the first historical founder of a great empire in India'.⁷ No authentic details are known about the early life of Chandragupta. Buddhist chroniclers tell us that his father died in a battle. His helpless mother took him to the Magadha capital Pataliputra where he grew young. He made alliance with an outstanding intelligent Brahman scholar named Chanakya or Kautilya. Then they fought against the Nanda king who was ultimately defeated and killed. Chandragupta made himself the ruler of Pataliputra. He made Chanakya his chief minister. Kautilya's *Arthashastra* provided the principal guidelines and strategies for the Mauryan administration.

Having ascended on the Magadhan throne Chandragupta Maurya made successive wars against the Greeks and finally drove them away from the Western part of India. As a result the Punjab and Sind came into his possession. After the expulsion of the Greeks from North-Western India Chandragupta conquered Malwa and Saurashtra. Then he looked towards South India. He led several successful battles against the Deccan and extended his empire as far as Mysore and built a vast empire. Towards the close of his reign, Chandragupta came in collision with Seleukos, the general of Alexander and defeated him.

⁵ K. Ali, *op.cit.*, PP. 54-57

⁶ *ibid*, P. 57

⁷ K. Ali, *op.cit.*, P. 68

Asoka (273-232 B.C.)

After the death of Chandragupta Maurya, his son Bindusara ruled Pataliputra around twenty seven years. He was succeeded by his illustrious son Asoka, a converted Buddhist. His formal coronation took place after four years of his ascendancy to the Mauryan throne. The information on the reign of Asoka is obtained from various rock and pillar edicts, from remnants of buildings and monuments and from Kautilya's *Arthashastra*. He considered himself as 'Devanam Priodarshi'.

His empire extended throughout the whole of India. The boundary stretched from the Himalayas in the north to Mysore in the south and from the Arabian Sea in the west to the Brahmaputra in the east.⁸ The program of quinquennial and triennial tours of the royal officers was geared up to monitor peace, security and administration in his vast empire. As one of the greatest rulers of the world, Asoka is reported to have said, 'All are my children'. His administration aimed at achieving worldly welfare and eternal peace of his subjects. He reformed laws and reduced capital punishment. A philanthropic ruler like Asoka is rarely found in the history of the world.

The Mauryan age is an important epoch in the ancient Indian history. For the first time the sub-continent witnessed a political unity and cohesion under them. During this period a large part of India came under the control of a central government. One of the outstanding achievements of the Mauryans is the expulsion of the Greeks from the Indian sub continent. Buddhism was raised to the status of state religion under Asoka, the third Emperor of the Mauryan dynasty. He sent a host of envoys and missionary workers not only to different parts of India, but also to many countries of the world with the messages of Buddha. As a result of this efforts Buddhism spread far and wide and attained the state of one of the world religions. Asoka played a pioneering role in making world peace and international amity.

Foreign Intrusions in the Post-Mauryan Period

After the death of Asoka, the unity and solidarity of the sub-continent was fractured which resulted in the external aggressions on India by various foreign intruders including the Bactrian Greeks, Saka kings, Parthian kings and Kushana emperors. There existed no kingdom in the

⁸ *ibid*, P. 76

northern part of India for about five hundred years after the fall of the Mauryan Empire. With the rise of the Gupta dynasty in the beginning of the fourth century, a new era of solidarity was heralded in the history of the sub-continent.

Gupta Empire

The Gupta emperors first established the vast Hindu empire in the sub-continent. A number of Gupta emperors successfully ruled India. Chandragupta I, the founder of the Gupta dynasty was the first powerful monarch. He ascended the throne in 320 A.D. and reigned upto 340 A.D. After the death of Chandragupta I, his son Samudragupta assumed the power. He was the greatest ruler of the Gupta dynasty. His tenure lasted for long forty years from 340 to 380 A.D. After the death of Samudragupta, Chandragupta II ascended the throne. He ruled for 35 years from 380 to 415 A.D. with great name and fame. He took the title Vikramaditya which means powerful as the light of sun. It is evident from the epithet that he was very powerful.

Chandragupta II was succeeded by his son Kumargupta I Mahendraditya who reigned from 415 to 455 A.D. After his death, his son Skandagupta ascended the throne and stayed in the power from 455 to 467 A.D.

The Gupta era is considered to be the golden age of ancient India. This age witnessed political unity and progress of trade and commerce. After the fall of the Mauryas India saw political unity and cohesion once again under the Guptas. The age is notable for religious tolerance, flourishing science, arts and literature.

Progress in trade and commerce: Trade and commerce made remarkable strides under the liberal patronage of the Gupta emperors. In this age commercial contact was established with the Roman Empire and China. India made similar link with the South-east Asian countries. The country was resourceful and the people were wealthy and prosperous.

In spite of the heroic efforts of the Guptas, the Gupta empire did not survive long. After the death of Skandagupta, the Gupta Empire turned out very weak because of the internal conflicts among the royal heirs, the provincial rulers, impotence of the military and the external aggression. The Indian sub-continent again fell into political chaos and turmoil after the fall of the Gupta Empire. Northern India was divided into a number of petty kingdoms and principalities.

The Post-Gupta Period: Pushyavuti Dynasty

The Hunas, a fierce race from Central Asia invade India owing to above reasons. They established their authority in Northern India. Their power remained intact for quite a long time. Out of this turmoil and political instability a new dynasty named Pushyavuti emerged and became powerful in the Punjab. The capital of this new kingdom was Thaneswar. Pravakar Vardhana was a powerful king of this dynasty. He defeated the Hunas and conquered the north-western regions of the Punjab. He also defeated the Gurjaras of Rajputana and extended the boundaries of his kingdom. Pravakar Vardhana died in 605 A.D. He was succeeded by his eldest son Rajyavardhana in the throne of Thaneswar. After his death, Harshavardhana was made the king of Thaneswar in 606 A.D.

Harshavardhana is regarded as the greatest ruler of the Pushyavuti dynasty. He ruled for long 41 years from 606 to 647 A.D. In the early years of his reign Harshavardhana was very busy in wars. These wars continued for a long time. It was only after Sasanko's death that Harsha brought Magadha and west Bengal under his possession. He annexed Orissa in 643 A.D. He is said to have defeated Dhruvasena, the Valabhi king of West India. According to some historians Harsha led expeditions to Kashmir and Nepal. After establishing his supremacy in Northern India, Harsha set out to conquer the south. But he failed to make any headway against the heroic resistance of Pulkeshin II. Harsha became the ruler of a very large empire. His empire included the Punjab, Uttar Pradesh, Magadha (Bihar), West Bengal and Orissa. Harsha's forefathers were worshippers of the sun. Harsha, in his early life, was a follower of Siva. But in the later part of his life, he was attracted towards the Mahavana of Buddhism. He was equally respectful to all religions. Followers of all religions received equal treatment from him. Harshavardhana was a great ruler. Many historians consider him as the last greatest ruler of ancient India. Hiuen Tsang was a Buddhist scholar, who came from China and stayed eleven years in the court of Harshavardhana. He had recorded most of his observations and experiences in his accounts. According to his accounts, Harsha used to go out with a view to see the condition of his subjects in his own eyes. Kanauj was the capital of the empire. It was a very beautiful city. He mentioned that the Nalanda University of Bihar was the largest seat of learning in India. He found about ten thousand students studying there and about one hundred teachers taught them in different subjects. The expenses of this University were born by the royal treasury.

Mediaeval Period: Arrival of Muslims (712-1757 A.D.)

The history of the conquest of India by the Muslims is divided into three phases:

- a. The Arab conquest of Sind
- b. The invasions by Sultan Mahmud
- c. Expedition by Muhammad Ghori: permanent Muslim establishment

The Arab conquest of the Sind: the Gateway of the Muslim Advent

The first phase started as the result of the conflict between king Dahir of Sind (at present called Karachi) and Hajjaj bin Yusuf, the ruler of Iraq under the Ummayyad Caliph Al-Walid. The king of Ceylon (Srilanka) sent eight ships full of gifts to caliph Walid and Hajjaj. But the pirates plundered these ships at Debal of Sind. For this Hajjaj demanded compensation from Dahir who denied to comply with his demand. In 712 A.D., Hajjaj sent his commander-in-chief Muhammad bin Qasim who captured Dahir's kingdom and established a good administration in the conquered area. Apart from this, frequent border clashes, political disunity and weakness of the rulers of the sub-continent also instigated Hajjaj to lead the expedition. The results of the conquest of the Sind were far-reaching.⁹ Although this conquest was confined to Sind only, it encouraged and inspired them to invade India in subsequent periods.¹⁰

The Invasions by Sultan Mahmud: Weakening Sub-Continent

The second phase marked the invasion of India 17 times from 1000 A.D. to 1027 A.D. by Sultan Mahmud of Ghazni. The hostility between the Punjab and Ghazni, lack of central authority in India, disunity of Indian states and the greed for Indian wealth were instrumental behind this invasion. Sultan Mahmud had no intention to establish permanent empire in India. The purpose of his so many invasions was to annex the North-West Frontier Province and the Punjab to his kingdom. However, Sultan Mahmud's expeditions put India on extremely vulnerable situation in terms of its military and economy which made the subsequent Muslim conquests easier.

Expedition by Muhammad Ghori: Permanent Muslim Establishment

The third phase of Muslim invasions of India started after about 150 years of the death of Sultan Mahmud. These invasions by Muhammad

⁹ A. Ali, *Bangladesh O Pak Bharater Musalmander Itihas*, Ali Publications, Dhaka, 1986, PP. 1-5

¹⁰ Nazneen Begum et.al., *Social Science*, NCTB, Dhaka, 2007, P. 34

Ghori established the permanent Muslim rule in India. Although defeated in the first battle of Tarain by the Rajput king Prithwiraj, he defeated Prithwiraj in the second battle of Tarain and conquered Delhi and Ajmeer. Before going back to Ghazni, he nominated his slave and reliable commander-in-chief Qutubuddin Aibak the ruler of the conquered areas of India. Qutubuddin Aibak made Delhi the centre of administration. Muhammad Ghori came to India again in 1194 A.D. He attacked king Jayachand of Kanauj and defeated him. Thus Kanauj and Benaras came under the sway of the Muslim rule. A Muslim general Ikhtiaruddin Muhammad-bin-Bakhtiyar Khalji conquered the whole of Bihar and the north-western part of Bengal during 1204-1205 A.D. which stretched the Muslim sway upto Bengal.

Turkish, Khalji, Tughlaq, Syed and Lodi rule

With the permanent Muslim establishment, series of rulers from Turkish, Khalji, Tughlaq, Syed, Lodi and Mughal dynasties reigned the throne of the sub-continent since 1206 A.D. Turkish Sultan Qutubuddin Aibak ruled as an independent sultan only for four years from 1206 to 1210 A.D. After his death, his son-in-law Shamsuddin Iltutmish ruled Delhi during 1211-1236 A.D. He was the best Sultan in the early Turki Sultanate. His Sultanate stretched from the Sind and the Punjab in the west to Bangladesh in the east. He was followed by other Turkish sultans including Sultan Nasiruddin Mahmud (1246-1266 A.D.) and Sultan Giasuddin Balban (1266-1287 A.D.).

Jalaluddin Khaljee put an end to the early Turkish rule and founded the Khaljee rule in 1290. Other Khaljee rulers including Alauddin, Mubarak Shah and Khishroo Malik stayed in power till 1320 A.D. It was followed by the Tughlak dynasty which was in power of Delhi sultanate for about 94 years from 1320 to 1413 A.D. The rule of three Sultans of this dynasty was very significant. They were Giasuddin Tughlak, Muhammad Bin Tughlak, and Feroz Shah Tughlak. After the death of Feroz Shah, the Tughlak rule became weak because of conflicts among his heirs. From 1388 to 1398 A.D., six Sultans ruled one after another.

The famous and valiant Turki warrior Taimur Lang attacked India in 1398 during the reign of the last Tughlak Sultan Mahmud Shah. Taimur entered Delhi almost without any resistance. After unobstructed plundering and mass killing, Taimur went back to his country with huge wealth and reaches. Before his departure he appointed Khijir Khan as the ruler of Lahore and Multan. With the death of Mahmud Shah in 1413

A.D., the Tughlak dynasty came to an end. From 1414 to 1451 A.D. Khijir Khan and his descendants reigned. The dynasty established by Khijir Khan is known as the Syed dynasty. After abolishing the Syed dynasty in 1451 A.D., Bahbul Lodi anchored the administration by Lodi dynasty that lasted from 1451 to 1526 A.D. Bahbul Lodi, Sikandar Lodi, and Ibrahim Lodi were among the successive rulers of this dynasty. During the reign of Ibrahim Lodi the Mughal invasion took place under the leadership of Jahiruddin Muhammad Babur, a descendant of Taimur Lang.

The Mughal Dynasty

At the battle of Panipath in 1526 A.D., Babur defeated and killed Ibrahim Lodi and installed the era of the Mughal rule. After the death of Babur in 1530, his eldest son Nasiruddin Muhammad Humayun sat on the throne. Conflicts arose between Humayun and Sher Khan Shur. Defeating the Mughal emperor Humayun in two successive battles, the Afghan leader Sher Shah established the rule of Shur dynasty in India in 1540. He ruled for only five years. After Sher Shah, his son Jalal Khan ascended the throne and ruled from 1545 to 1554 A.D. Taking advantage of the internal dissension of the Shur dynasty, Humayun attacked India that led to the reestablishment of Mughal rule in 1555 A.D. While getting down the stairs of the library, he suddenly fell and died in 1556 A.D. After his death, his eldest son Akbar ascended the throne at the age of thirteen and a half years and ruled India till his death.

After ruling for fifty years, Akbar breathed his last in 1605. His son Selim took the name of Nuruddin Muhammad Jahangir and ascended the Mughal throne. During his tenure (1605-1627 A.D.), the Mughal rule was stabilized in Bangla by defeating twelve Bhuyas of Bangla. His eldest son Khushroo revolted against his father with the help of a Sikh religious leader Arjun Singh. After the suppression of this revolt, Khushroo was made blind and Arjun was put to death. When Jahangir died in 1627, another rebellious son Khurram sat on the throne, named himself Shihabuddin Muhammad Shahjahan and stayed in power till 1658. Conflicts grew among the sons of Shahjahan about succession after he became ill in 1657. In 1658 A.D., Aurangzeb ascended the throne of Delhi by defeating his brothers and imprisoning his father Shahjahan. After ruling for about 50 years he died in 1707 A.D. He was the last great emperor of the Mughal dynasty.

After Aurangzeb's death, the weakness and impotence of his five successors including Bahadur Shah, Farrukshior, Muhammad Shah, Ahmed Shah, and Alamgir led to the fall of the Mughal dynasty and hastened the Persian warrior Nadir Shah's invasion of India in 1739. The four invasions of India by Ahmad Shah Abdali, formerly a general of Nadir Shah and later the king of Afghanistan finished the life-force of Mughal Empire and made it completely weak.

The Modern Period: The British Rule

Englishmen were desirous to set British colony in East Bengal and gradually hold grips of the sub-continent. Apparently, they expressed their intention of doing business and trade; however, in reality, they planned to put the whole sub-continent under their domination. To that direction, East India Company was established in 1600 A.D. They got the permission from the Mughal Emperor to trade in 1612. Day by day, the British set up their trading stations in many places. At first they captured Ormuz from the Portuguese with the help of the king of Iran. They organized business establishments at Aramgoon and Muslipotam.¹¹ They bought some lands and got permission to set up a factory in Madras. They built up many factories in Bengal. They obtained permission to set up a fortified factory called Fort St. George. In 1633, factories were established at Balasore and Hariharpore.¹² In 1714, the company possessed the right to trade duty free in Bengal.¹³ Their most important achievement was to establish Fort William.

Nawab Siraj-ud-Daula had conflicts with the British. As the result, he captured the English factory at Kasim Bazar and took possession of the city of Calcutta. About 146 persons were held captive in a small room in which 123 persons died of suffocation. This incident is known as Black Hole Tragedy. After this, the British were determined to take revenge and hatched a conspiracy against the Nawab with assistance from some domestic collaborators including Rai Durlav, Mir Jafar, Jagat Seth and others. The battle of Plessey was fought on 23 June 1757. It lasted for about eight hours and Siraj was defeated because of the treachery of his

¹¹ Anjali Chatterjee, *Bengal in the Reign of Aurangzib 1658-1707*, Progressive Publishers, Calcutta, 1967, P. 16

¹² P. Thankappan Nair, *British Beginning in Bengal 1600-1660*, Punthi Pustak Publication, Calcutta, 1991, P. 14

¹³ Sirajul Islam, *History of Bangladesh (1704-1971)*, Asiatic Society of Bangladesh, Dhaka, P. 14

leading general Mir Jafar.¹⁴ After the battle, the British conquered Bengal and gradually got control of sub-continent for about two hundred years.

Micro Analysis of the Historical Roots of Bangladesh

According to the famous sixteenth century Maghal historian Abul Fazl the name Bengal or Bangla was derived by suffixing the word *al* to *Banga* or *Vanga* which was the ancient name of the major part of this region. The word *al* meant not only the boundary of farm-land; it also meant embankment. The low land of this region had so many of these *als* that this land *Banga* eventually came to be known as *Bangala* or *Bengal* or *Bangladesh* that is, the country of Bangala.¹⁵ In ancient times Bengal was divided into a number of human settlements. Each settlement grew up with people belonging to a particular clan. Generally each settlement carried the name of the clan which settled there, such as, Banga or Vanga, Guada, Pundra and Rarha. By eleventh century A.D., there was an independent settlement which was known as '*Bangala*' and whose eastern frontier was the river Bhagirathi, the southern part of the Ganges. At that time the country of Bangala embraced the whole of Eastern and the coastal region of Southern Bengal.¹⁶ This area roughly coincided with the present territory of Bangladesh.¹⁷ It may, however, be said that with some certainty that the efforts made by king Sasanka in the seventh century that the independent Pathan/Afghan Sultan Shams-Uddin Iliyas Shah had been able to conquer almost the whole of this region of Bengal and unite it under one rule.¹⁸ Subsequently, during the time of Mughal emperor Akbar Bengal became a province of the Mughal Empire and was known as '*Subah Bangala*'.¹⁹

In the preceding section, I claimed that Bangladesh's origin can not be investigated without a clear understanding of sub-continent. Like the history of sub-continent, Bangladesh's existence is deeply rooted in three historical phases:

a. Ancient period

¹⁴ *ibid*

¹⁵ Nihar Ranjan Ray, *Bangaleer Itihas*, Vol. 1, Calcutta, 1980, P. 128

¹⁵ *ibid*, P. 136

¹⁶ A. F. Salahuddin Ahmed, *Bengali Nationalism and the Emergence of Bangladesh*, International Centre for Bengal Studies, Dhaka, June 1994, PP. 11-13.

¹⁶ *ibid*, P. 12

¹⁷ Nihar Ranjan Ray, *op.cit.*, P. 149.

¹⁸ A. F. Salahuddin Ahmed, *op.cit.*, P. 11

¹⁹ *ibid*, P. 12

- b. Mediaeval period and
- c. Modern period

Ancient Time

From very early times human species belonging to various races and tribes and coming from different regions had been pouring into this land and had settled here permanently. To mention only few, there were proto-Australoid, Mongoloid, Aryan or indo-Aryan, and Scythians.²⁰ They had brought with them their own varied cultural traits. These were intermingled with the indigenous cultural elements of this region and by this process the culture of Bengal was invigorated and transformed through the ages. Besides Dravidian, Aryan, Arab, and Turko-Afghan elements there was another element which came from east Africa.²¹ For quite a number of years Bengal was ruled by five or six Abyssinian sultans. There was also a practice of keeping Abyssinian guards at royal places. Traces of this Abyssinian descent are still noticeable in the facial features of both Bengali Hindus and Muslims. Again, during the sixteenth and seventeenth centuries the coastal areas of Bengal were infested by Portuguese-Arakanese pirates known as *Maghs*. Traces of this element can also be found in the physical appearances of some inhabitants of the coastal region.²²

The Ajoy Valley Civilization

Social anthropologists found it difficult to trace the exact date of human settlement in the areas now called Bangladesh. People here have passed through stone and copper ages. Recent excavation at Panduraja Maund of the bank of the river Ajoy in Bardwan in West Bengal has resulted in the discovery of remnants of an ancient civilization. Experts are of opinion that this civilization is nearly as old as the Indus civilization. The Ajoy valley civilization is the earliest civilization in Bengal.

The Copper Age

The Nisad, Pundra and Banga races of Bengal developed a rich civilization in Bengal before the advent of the Aryans and after the development of Ajoy civilization. At that time the people of Bengal earned their livelihood by agricultural pursuit. Many of them were engaged in trade and commerce. They worshipped the Kali, Siva, and

²⁰ *ibid*, P. 51

²¹ Ramesh Chandra Majumdar, *Bangladesher Itihas*, University of Dhaka, Dhaka

²² University of Dhaka, *History of Bengal*, Dhaka, Vol. 1

Manasha along with different phenomena of nature. They observed various ceremonies at the time of harvest. We come to know from the Greek writers that there existed a powerful kingdom in Bengal known as Gangaridi on the eve of Alexander's invasion of India. This kingdom might have flourished somewhere on the banks of Ganges.

The Ancient Janapadas

There existed no united or single state of Bangladesh in ancient age. It was divided into some small regions. Each region was identified as a separate Janapada or principality of human habitation. Different rulers ruled over such principalities. These Janapadas were always in conflicts and war with one another. As a result sometimes their boundaries expanded and sometimes reduced. These Janapadas are Pundra, Verendra, Banga, Samatata, Harikel, and Gour. It is very difficult to locate accurately the boundaries of these Janapadas.

Pundra

It was probably composed of the areas that at present represent greater Bogra, Rajshahi, Rangpur, and Dinajpur districts. It was named after Pundra race which inhabited in this region. Its capital was Pundranagar which was known by another name Mahasthangar. It is only eleven kilometers north to the present Bogra town.

Varendra

Some scholars view that there was no separate Janapada named Varendra. It was a part of Pundra Janapada. Even today some parts of Rajshahi, Rangpur, and Bogra are known as Varendra region.

Banga

The Banga Janapada of ancient Bengal was formed with the south-eastern part of present Bangladesh. A race named Banga inhabited in this region. Probably its boundaries included the areas of greater districts of Dhaka, Comilla, Faridpur, Barisal, and Patuakhali. The Banga kings and the warriors earned great name and fame in those days.

Somatata

The kingdom that stretched to the south of Bengal was called Somatata. The large coastal belt emanating from the eastern bank of the Bhagirathi, one of the branches of the Ganges down to the mouth of the Meghna constituted this Janapada.

Gour

In the sixth century, the Gour Janapada was formed with the central part of the Indian province of West Bengal. In the early part of the Muslim rule, the kingdom of Lakshnavati was formed with the conquered places of Bengal. Gour was the capital of this kingdom. Sasanka was the ruler of this kingdom in the seventh century. It is more likely that the areas which are now Maldah, Murshidabad, Birbhum and Bardwan constituted the Gour Janapada.

Rarh

Rarh was the southern part of present West Bengal. The river Ajoy divided this Janapada into two parts- North Rarh and South Rarh.

With the passage of time, most of these Janapadas were integrated and united into the land of Bangladesh. The Janapadas maintained their sovereign status until the imperial expansion of the Mauryan and Gupta Empires. Afterwards many events occurred in the politics of Bengal and finally the entire Bengal became an independent state in the first phase of the Middle age.

Advent of the Aryans

Probably the Aryans came in the first century or a little before that time. From the very beginning of their advent they established their supremacy over the local people.

The Maurya and Gupta Rule

Pundranagar was the capital of Bengal under the Mauryas. A stone-inscription of the Mauryan emperor Asoka indicates that the emperor orders the ruler of Pundranagar to help the famine-stricken people with money and foodgrains.

The Gupta rule was established in India in 320 A.D. Some parts of Pundra region came under the suzerainty of the Guptas during the reign of Chandragupta I. During Samudragupta's rule all parts of Bengal except Samatata came under the Guptas. Pundra was the capital of Bengal under them too. The Gupta rule lasted here till the middle of the sixth century.

Mahasthanar (Pundranagar)

Mahasthanar is located near Bogra town. It is identified as the ancient Pundranagar. Once upon a time Pundranagar was the capital of the Pundra kingdom. It held the same status under the Mauryan and Gupta

periods. At that time it was a prosperous city which flourished over the river Karatoa. During those days, it was the center of education, culture, trade and commerce. Students and scholars from far and wide used to assemble here for the pursuit of knowledge. Merchants and tradesmen from different places would also come here for commercial purposes.

Sasanka, the First Independent King

A little is known about Sasanka's origin and assumption of power. Due to the weakness of the Gupta kings of later periods, Sasanka occupied the kingdom of Gour and established a sovereign state²³ and thus he appeared as an independent king of Bengal.²⁴ He united all these regions under his prowess and became a powerful king. He led a series of successful wars against Utkal (Orissa), Kangod and Magadha and annexed these places to his kingdom. His contemporaries in north India were Devagupta of Malwar, Rajyavardhana and Harshavardhana of Thaneswar, Grahavarmana of Kanauj and Vaskarvamana of Kamrup. Sasanka conquered most of the Janapadas of Bengal. Historical evidences suggest that he was very powerful at least upto 619 A.D. Hiuen Tsang Mentions that he was at the helm of power of the Gour Kingdom till his death. Probably Sasanka died a little before 637 A.D.

He enhanced the glory of Bengal. It was during his rule that Bengal for the first time played a dominating role in north Indian politics. He was a benevolent ruler who loved his people and cared for their welfare. After his death the kingdom of Gour was divided among his opponents. Harshavardhana and Vaskarvamana took possession of western and eastern parts of his kingdom respectively. The history of one hundred years of post-Sasanka period of Bengal is full of anarchy and turmoil. There was no central authority. The whole country plunged into total lawlessness, looting and oppression. The Pala inscriptions describe this chaotic and deplorable condition as 'Matsyanyayan'²⁵ which implies a situation of total disorder and lawlessness.

The Pala Dynasty in Bengal

Gopala, Dharmapala, Devapala, Mohipala I and Rampala are among the able rulers of the Pala dynasty.

²³ National Curriculum and Textbook Board, *Social Science for Class Six*, Dhaka, 2007, P. 62

²⁴ *ibid*, P. 66

²⁵ Sabiha Sultana et. al., *Introduction to Environment: Social Studies*, NCTB, Dhaka, 2007, P. 128

Gopala (756-781 A.D.)

In order to save the country from Matsyanyayan different selected Gopala for the throne. Probably he took over the charge of Bengal sometimes in 756 A.D. and ruled upto 781 A.D. As the founder of Pala Dynasty, he was able to restore law and order within a short time. He established his authority all over Bengal except its south-eastern parts. He nominated his son Dharmapala as his successor before his death.

Dharmapala (781-821 A.D.)

Dharmapala ruled over 40 years from 781-821 A.D. He is regarded as the greater ruler of his dynasty. He conquered Magadha (Bihar) and set up his capital at Pataliputra. He was a successful ruler and a shrewd diplomat. He firmly established Bengal's supremacy in northern India. Though a Buddhist, he was very liberal and tolerant to the followers of other faiths. One of his ministers was a Hindu.

Devapala (821-861 A.D.)

After the death of Dharmapala his son Devapala ascended the throne of Pataliputra. He reigned for long 40 years from 821-861 A.D. He was as efficient and worthy ruler as was his father. His military power brought further extension of the Pala kingdom. Under his able leadership the Pala troops successfully penetrated into Orissa (Utkala) in the south and Kamrupa (Asam) in the north-east. Like his father and grandfather, Devapala was a Buddhist and tolerant to other faiths. Historians have rightly termed the Pala rule upto Devapala as the 'era of emerging power'.²⁶ But the process of decay and decline was set in with the beginning of the second phase of the Pala dynasty.

Mohipala I (995-1043 A.D.)

Mohipala was powerful ruler of the second Phase of the Pala rule. He could not restore the glory of his dynasty in its original form. Nevertheless he was able to save the kingdom from imminent danger through about 48 years of his administration.

Ramapal (1082-1124 A.D.)

After Mohipala Bengal was devoid of any powerful and worthy ruler for a long time. The Palas could hardly resist and sustain the external aggression and became weaker day by day. However, Ramapala had a

²⁶ C.A. Bayly, *A Cambridge History of India: Indian Society and the Making of the British Empire*, Cambridge University Press, London, 1997, P. 87

long reign from 1082 to 1124 A.D. The 'Ramacharita' of Sandhyakar Nandi provides information on his kingdom. He subdued the kaivartaya rebels and regained Verendra from them. He made Verendra his second capital which was given a new name Ramavati. Ramapala is said to have regained Orissa and Kamrupa. After his death the Pala dynasty gradually came to an end in absence of any able ruler. Soon afterwards Sena dynasty succeeded in Bengal.

The Deva and Chandra Dynasties in South Eastern Bengal

South eastern part of Bengal was ruled by different local dynasties during the period between decline of the Guptas and rise of the Senas. Most of these dynasties were independent. The Deva and Chandra dynasties among them can be mentioned.

The Deva dynasty existed in power in south eastern Bengal during 750-800 A.D. The famous Deva rulers are Sri Santideva, Sri Biradeva, Sri Anandadeva and Sri Vadeva. Deva kings adopted the titles of 'Parameswara', 'Paramavattaraka' and 'Maharajadhiraja'. The Deva kings were the followers of Buddhism. The Chandra Dynasty ruled Bengal during 900 to 1050 A.D. Trailokyachandra, Srichandra, Kalyanchandra, Ladahachandra, and Govindachandra are among some of the eminent rulers.

The Sena Dynasty

The Sena rule in Bengal constitutes an important era in its history. Senas came to Bengal from Karnata in south India. Samanta Sena, the forefather of Sena dynasty was a warrior and a nobleman. But there is no evidence to show that he established any kingdom. A small principality was probably carved out by his son Hemanta Sena, who was a feudal chief in the kingdom of Ramapala. He was succeeded by his son Vijaya Sena.

Vijaya Sena (1098-1160 A.D.)

Vijaya Sena was a great ruler of his dynasty who held power for 63 years from 1098 to 1160 A.D. He conquered south eastern Bengal, a part of North Bijayapur in the Rajshahi District. He adopted the title of 'Parmeswara', 'Maharajadhiraj'.

Villala Sena (1160 to 1178 A.D.)

Vijaya Sena was succeeded by his son, Villala Sena. He reigned for 18 years from 1160 to 1178 A.D. During his reign the Sena rule in Bengal

was firmly established. He extended the boundaries of his father's kingdom.

Lakshmana Sena (1178-1205 A.D.)

Vallala Sena handed over power to Lakshmana Sena in 1178 A.D. He reigned about 27 years from 1178 to 1205 A.D. The Sena dynasty was weakened by internal rebellions, which culminated in the establishment of independent principalities in southern and eastern parts of Bengal. The process of disintegration was carried a step further by the invasion of Muslim forces led by Ikhtiaruddin Muhammad-bin-Bakhtiyar Khalji in 1204-1205 A.D. At that time Lakshmana Sena was at Nadia. Bakhtiyar occupied it almost without any resistance. Lakshmana Sena was compelled to retreat to East Bengal. He ruled there for a few days more till his death in 1205 A.D.

The Mediaeval Period: Advent of the Muslims

The advent of the Muslims in Bengal was accentuated by twin pillars of political and socio-cultural constructs.

Socio-Cultural Influx

Their cultural infiltration took place through their arrival at Bengal before they conquered it. They began to dwell in coastal zones including Chittagong and Noakhali areas for commercial purposes since the eighth century and since then their influx increased gradually. Some of them built nuptial relationships with local people. This created for them an opportunity to settle in Bengal permanently. In the eleventh century some Muslim saints migrated to Bengal. Among them notables were Shah Sultan Rumi and Baba Adam who settled here in 1053 and 1199 A.D. respectively. These Sufi saints used to hold religious discussions and preach Islam at places called 'Khanka'. Having excelled in high moral character, they used to preach the unity and greatness of Almighty Allah, equality of men and social justice of Islam. These teachings attracted the attention of local Hindus, especially those of the low caste people who suffered oppression, injustice and unequal treatment in the society. A good number of these down trodden people used to attend discussions at the Khankas that resulted in their massive conversion to Islam.

Muslim Political Establishments

The khalji Phase

The Muslims established political domination in the third phase of their arrival in sub-continent with the victorious campaign over Bihar and the

north-western Bengal of a Muslim general named Ikhtiaruddin Muhammad-bin-Bakhtiyar Khalji during 1204-1205. The results of the conquest by Bakhtiyar Khalji were far-reaching and significant. After this conquest the Muslim rule started in Bangla and Islamic culture began to flourish gradually. Muhammad Shiran Khaljee and Ali Mardan Khaljee, the two co-fighters of Bakhtiyar Khalji ruled the occupied parts of Bangla from 1206 to 1212 A.D. Bakhtiyar's another companion Hushamuddin Ewaz Khaljee ruled from 1212 to 1227 A.D.

The Turkish Rule

After the death of Ewaz Khaljee, Bangla went into the direct rule of Delhi, and it was ruled by 15 governors for 60 years from 1227 to 1301 by the rulers such as Bughra Khan, Kaikobad and Kaikaus. After the death of Kaikaus in 1301, Malik Firoz Itgeen sat on the throne taking the title Sultan Shamsuddin Firoz Shah. During his time (1301 to 1322 A.D.), Muslim rule expanded most. After Shamsuddin Firoz Shah his son Giasuddin Bahadur became the Sultan of Lakshmanabati who was succeeded by Giasuddin Bahadur, Bahram Khan, Ijjauddin Yahya, and Kadar Khan.

Shah Dynasty, King Ganes and Habshi Slave Rule

Fakhruddin Mubarak Shah ruled Bangla independently from 1338 to 1349 A.D. After his death Ikhtiaruddin Ghazi Shah ruled till 1352 A.D. But defeating him Shamsuddin Illias Shah occupied Sonargaon and survived in power from 1342 to 1357 A.D. After he died, his son Sikandar Shah ran the Sultanate for about 35 years from 1357 to 1393 A.D. He was succeeded by his son Giasuddin Azam Shah who reigned for 18 years during 1393-1411 A.D. After his death, Bengal was ruled by Saifuddin Hamza, Shihabuddin, Alauddin Firoz, and King Ganes in the successive years.

King Ganes and his descendants ruled Bangla from 1415 to 1442 A.D. King Ganes was a despotic ruler. After his defeat his son Jadu took the name of Jalaluddin Mahmud Shah and ascended the throne in 1418 A.D. Towards the end of his rule he took the title Khalifatullah. He was a devout Muslim. After the death of Jalaluddin Mahmud Shah, his son Shamsuddin Ahmed Shah was put on the throne in 1431 A.D. and he reigned till 1442 A.D. The years from 1442 to 1487 A.D., Bengal was ruled by later Illias Shahi rulers such as Nasiruddin Mahmud, Rukanuddin Barbak Shah and Fateh Shah who fortified the kingdom with a strong army with the Habshi slaves. In course of time these slaves

became powerful, killed Fateh Shah and captured power in 1487 A.D. Four Habshi Sultans ruled for about six years till 1493. It was followed by Hussain Shahi rule from 1493 to 1538 A.D.

In 1538 A.D., Sher Khan invaded Bangla and occupied Gourah. In this way the independent sultanate of Bangla which was established in 1338 A.D. came to an end in 1538 A.D. after two hundred years.

The Shur, Karrani and Mughal Rule

Bengal was governed by Shur and Karrani rulers from 1540 to 1576 which was followed by the Mughal rule. Babur was the founder of the Mughal Empire in India. During his time Bangla was not conquered. He made a treaty with Nushrat Shah, the sultan of Bangla. Humayun occupied Gourah in 1538 A.D. However, after the battle of Kanauz, Sher Shah annexed Bangla to Shur Empire by defeating the Mughal administrator Jahangir Kuli in 1540 A.D.

Although Akbar conquered Bangla in 1576, he could not hold control over the whole of it. The powerful and rich Zamindars of Bangla known as 'Baro Bhuiya' (twelve Zamindars) did not accept the Mughal rule. They made strong resistance unitedly against the Mughals with their strong army and navy.

Akbar could not subdue the 'Baro Bhuiya' during his rule but during the reign of his son Jahangir they were completely suppressed. In order to suppress the Baro Bhuiya, Emperor Jahangir appointed Islam Khan Chishti in 1608 as the Subedar of Bangla. After the death of Subedar Islam Khan several Mughal Subedars ruled Bangla. Among them Shuja Mir Jumla, Shaesta Khan, Murshid Kuli Khan, and Alibardi Khan were very famous.

Towards the end of Shaesta Khan, conflict arose between him and the East India Company of England. Shaesta Khan drove away the English from Bangla. In 1700 A.D. Murshid Kuli Khan was appointed Dewan of Bangla and he died on 30 June 1727 A.D. Then his son-in-law Sujauddin Khan sat on the throne. After his death, he was succeeded by his son Sarfaraj Khan who was killed by Alibardi Khan in 1740. During the time of Alibardi Khan the English, the French and the Dutch carried on trade in this country under his careful observation. On April 10, 1756 Alibardi Khan died after nominating his grand son Siraj-ud-Dowla as the successive Nawab.

The End of the Mughal Era

According to the nomination Siraj ascended the throne at the age of only twenty three. His eldest aunt Ghasheti Begum and the influential Amirs (nobles) of the court were not happy with the accession of the new Nawab. They started conspiracy against him. The English joined this conspiracy which culminated in the battle of Plessey on June 23, 1757 A.D. The Nawab was defeated at the treachery of general Mir Jafar, Jagat Seth, Roy Durlow, Yar Latif, Umichand and other traitors. Mir Jafar got the throne of Murshidabad with the help of the English. However, the actual power went into the hand of the English. In this way Bangladesh lost her independence and with that the mediaeval period of the history of Bangla came to an end.

The Modern Period: The British Rule

After Siraj-ud-Dowla was defeated in the battle of Plessey the modern period started with the British rule in three phases:

- a. British management by the domestic puppets
- b. Company rule
- c. administration by British government

The First Phase: British Management by Domestic Collaborators

The English did not take power directly in their hand soon after the victory at Plessey. Rather they began to strengthen the base of their power through such high born natives who would remain obedient to them.²⁷ Mir Jafar was the first to get appointment as the puppet Nawab by the British. During this time, a political vacuum led to plundering of treasury and other state property. As an eye witness Luke Scrafton observed that ladies of harem fled to safety with huge amount of gold and other treasures, and the British looted the cities indiscriminately.²⁸

When Jafar was proved inefficient to fulfill their expectations, he was deposed and replaced with Mir Quasim as the new Nawab in 1760. He was an able, vigilant and strict administrator. As the most conscientious of all Nawabs, Quasim tried to run the administration independently and strengthen the Mughal territory²⁹ against the interests of the British which

²⁷ Luke Scrafton, *A History of Bengal and After Plessey(1739-1758)*, Indian Edition, Calcutta, 1975

²⁸ Charles Stewart, *History of Bengal*, Perry and Company, London, 1847

²⁹ Alexander John Arbuthnot, *Lord Clive: the Foundation of British Rule in India*, Deep and Deep, New Delhi.

resulted in his dethronement. He had to fight two battles with the English. At last he was defeated in the battle of Boxer in 1764.³⁰ From that time the English began to capture full power. By 1857 the whole subcontinent went under their occupation with Lord Clive in the central leadership.³¹

The Second Phase: The Company Rule

The British Company rule continued here for about one hundred years from till 1857. The first ruler of the company was Lord Clive. During his time a dual administration was introduced in Bengal. In this system, the British took away the economic right and the responsibility to conduct administration was given to the Nawab. As a result the Nawab became powerless and the supreme power went in the hand of the British. As the dual administration was proved ineffective, the British took over the administrative power. By passing the 'Regulating Act' in the British Parliament, the post of Governor was changed into Governor General. A number of governor generals ruled till 1857. They took some reform programs for the convenience of their administration in this country. Lord Cornwallis introduced the permanent settlement or permanent Zamindari system. Lord Wellesly trans worked for expansion of the British empire in India. Lord William Bentinck introduced English in place of Persian as the state language. Lord Dalhousie introduced train and telegraph in the subcontinent.

As a result of all these, the British rule spread all over India. Their imperialistic policy and exploitation agitated the people of this country. People began to express their grievances in various ways. Many small and big revolts occurred against the British. The biggest of these was the Sepoy Mutiny of 1857. The British authority strictly suppressed this mutiny. After the Sepoy Mutiny, 'India Rule Act' was passed in the British Parliament. This act ended the company rule in this country.

The Third Phase: The Direct British Rule

From that time the British Government began to rule directly over the subcontinent in the name of Victoria, the Great Queen of England. The representative of the British Government who ruled the subcontinent was called Viceroy. A council was formed to advise him. In this way India went under the British Government.³² After that their rule continued here

³⁰ Sabiha Sultana, *op.cit.*, P.130

³¹ A.N.Chandra, *The Sannyasi Rebellion*, Ratna Prakasani, Calcutta, 1978, PP. 75- 80.

³² Ahmed Khan Moinuddin, *History of Faraizi Movement*, Pakistan History Society, Karachi, 1965.

for about ninety years. Right from the very beginning, anti-British many resistance movements were carried out by a number of people and organizations including the Ulemas (Islamic scholars), peasants and mass citizens. Some of these movements gained credibility among general people that led to the independence struggle of sub-continent. The most remarkable movements are Fakir-Sannyasi Resistance (1760-1800)³³, Faraizi Movement³⁴, Sepoy Mutiny (1857)³⁵, Khilafah Movement (1919-1924)³⁶, Non-Cooperation Movement (1919-1922)³⁷, Quit India Movement³⁸, Tebhaga Movement³⁹ and so on.

The strong reason of lingering the British domination despite these movements was caused by the Hindu-Muslim cleavages. Many aristocratic Hindus extended cooperation to the British, learnt English, took royal awards and worked with them in various government activities. Muslims, on the other hand, abandoned learning their language, kept them aloof from them and emerged inimical to them because of their previous political background. However, in the beginning of the twentieth century, Muslims responded to the awakening calls of some of their leaders, started learning English, formed separate political party name Muslim League that opened opportunity of reunion between the two rival communities of sub-continent. This led to combined anti-British resistance by Hindu and Muslim people which was manifest in Laknaw Pact, drafting an undivided constitution for a prospective independent India, and roundtable conferences of 1930s. Lord Curzon's Partition of Bengal¹ brought a major change in the political geography of Bengal under the Mughal and early British

³³ Sirajul Islam, *Banglapedia: Social Structure of British India*, Asiatic Society of Bangladesh, Dhaka, 2003, PP. 90-100.

³⁴ A.N.Chandra, *op.cit.*

³⁵ Online available, http://en.wikipedia.org/wiki/non_cooperation_movement, Date of access January 5, 2010

³⁶ Online available, http://en.wikipedia.org/wiki/quit_india, Date of access January 10, 2010

³⁶ Online available, http://en.wikipedia.org/wiki/tevhaga_movement, Date of access February 10, 2010

³⁷ Vinod Kumar Saxena, *The Partition of Bengal 1905-1911*, Kanishka Publications, New Delhi, 1987.

³⁸ Charles Stewart, *op.cit.*, P. 50

³⁹ Online available, http://a-bangladesh.com/HT/R_0171.htm, Date of access February 5, 2010

³⁹ Online available, http://en.banglapedia.org/wiki/lahore_reolution, Date of access February 7, 2010

regimes.ⁱⁱ The subsequent annulment of the first partition of Bengal along with other politico-security transfigurations divided this land into two halves along the same territorial lines mainly on communal and religious considerations.ⁱⁱⁱ The curving up of India in line with Zinnah's Two-Nation Theory affected the second partition of Bengal. The Hindu majority West Bengal became a part of the Indian Union with the Muslim majority East Bengal a part of Pakistan.^{iv}

The Birth of Bangladesh

Unfortunately, the movements for the independence of India were largely impeded by the communal riots and misunderstanding among the two rival communities of sub-continent that gradually gave birth to the sense of separate nationhood or statehood. Against this backdrop the Two Nations Theory was promulgated by Muslim leaders that expedited the emergence of two countries in 1947- India inhabited by predominantly Hindu people and Pakistan inhabited predominantly by Muslim people. India has been successful in maintaining its integrity and solidarity some way or other. Unfortunately, conflicts arose between the two parts of Pakistan because of socio-economic and political exploitations on East Pakistan by the West Pakistani rulers. This led to the disintegration of Pakistan in 1971 and the emergence of Bangladesh as a new nation-state in the world atlas. I will explain in details the reasons and implications of the break up of Pakistan in the second chapter.

Conclusion

The present discussion concentrates on both the micro and macro perspectives of the historical roots of Bangladesh and examines their inter-linkages for a clear understanding its origin and growth as a new country. From the preceding sections it is obvious that the contemporary Bangladesh has a complex historical background. Our history is deeply rooted in the Ajoy valley civilization, ancient Janapadas, Aryan civilization, and Maurya and Gupta dynasties. Before the Muslim conquest of Bengal in the thirteenth century A.D., Bengal was under the rule of Kings of the Pala dynasty for nearly four hundred years between the middle of eighth and twelfth centuries. Thereafter a ruling dynasty from the South Indian region known as the Senas established their supremacy in Bengal. At the beginning of the thirteenth century Bengal was conquered by a band of Turko-Afghan horde who was the followers of Islam.

Above discussion made it clear that Bengal had historically suffered from the lack of political unity, social cohesion, and cultural congruence because of the diverse historical background of our people who had been the fusion of a number of races including proto-Australoid, Mongoloid, Aryan or indo-Aryan, Scythians, Dravidian, Aryan, Arab, Turko-Afghan, Portuguese-Arakanese or Maghs and so on. The advent of Islam contributed to the unity and solidarity of sub-continent which was fractured by the British aggression.

During this period, the foregoing condition of Bengal and India began to change because of the British exploitation, oppression and policy of discrimination. A new awakening for independence came in to being following the efforts of a great number of Muslim and Hindu leaders. The awareness led to various movements against the British. As a result, the English rulers took many reformatory steps in the administration, but they could not control the movements. In the face of agitation they were at last compelled to leave the subcontinent in 1947 giving birth to two independent countries-India and Pakistan. The torture, humiliation, misrule and exploitation by the West Pakistani rulers finally pushed East Pakistani people to come out from the grips of West Pakistan and declare independence in 1971.

2

Linguistic Nationalism and the Emergence of Bangladesh

Introduction

The Muslims of East Bengal formed the nation-state named Pakistan on the basis of religious nationalism; however, forming a new nation-state called Bangladesh by those very people on the basis of linguistic nationalism within merely two decades raises considerable interests and controversies among the political analysts both at home and abroad. There may be two noteworthy explanations behind the issue. Some political analysts, leaders and intellectuals contend that though the nation was formed on the basis of religious nationalism, its base was too weak to continue to exist in the long run. The rationality of this idea emerges from the claim that Islam, a religion, which was the basis of Pakistan, weakened its foundation as a nation. To these people, a religion like Islam cannot be the basis of nation building.¹ In his “*Bangladesh: Falsifies Two Nation-Theory*”, Chitkara argues that nationhood or statehood has nothing to do with religion and the premise to base nationality on religion was contrary to the very accepted historical definition. He adds that setting up of Bangladesh has destroyed once and for all the *Two-Nation Theory* on which Pakistan was founded.² Moreover, they argue that though Islam succeeded to create a strong sense of vigour and attraction among the Muslims during the mediaeval period, it does not hold that much acceptability or applicability at the present time. The proponents of this school of thought attempts to explain politics and religion by religious neutralism called secularism. They prefer to draw a distinct line of difference between politics and religion on the ground that religion is essentially a personal property of a person and it should never intersect with national life and politics.

On the other hand, the West Pakistani rulers, many Muslim League leaders and a group of Islamic politicians came to a conclusion regarding this vital political issue without making any logical analysis and advancing appropriate information. According to this group, those who could not support the formation of the nation-state Pakistan because of

¹ Chitkara, M. G., *Bangladesh: Mujib to Hasina*, APH Publishing Corporation, New Delhi, 1997, P. 25

² *ibid*, PP. 25-57

their hostility towards Islam or who find their culture attached to Calcutta-centred Bangla were responsible for the collapse of the national integrity of Pakistan that resulted in gearing up their movement for linguistic nationalism.

The author does not accede to any of these two viewpoints. As the complete code of life, Islam is applicable to all societies irrespective of caste, colour, race and country. The inability and incompetence of political leaders to implement Islam does not invalidate it as a viable political ideology. The disintegration of Pakistan was not also caused by the anti-Pakistani conspiracy; it was accentuated by the misappropriation of West Pakistani rulers. In fact, it is still a riddle in the history of the subcontinent why Pakistan failed to sustain as a stable nation-state and why the Muslims of India who took part in the 1946 plebiscite lost their faith in Pakistani national solidarity “even though they gave whole-hearted support to Jinnah’s leadership with the total apprehension of their national expectation.”³ The national ideology of Pakistan, its implementation system and difference emerging between the declared ideological theory and its application deserve considerable attention in this regard. This chapter attempts to analyze the application dilemma of Islam as the political ideology of Pakistan and examine theoretical insights and implementation challenges of this political ideology for Bangladesh. The author concedes that Islamic ideology was never put in practice in Pakistan and thus eschews the notion of the failure of Islam as a political system. The discussion concludes that the linguistic Bengali nationalism has not replaced the political ideology of Islam; it has worked as the uniting force of the Bengal people to rise against the annihilation of West Pakistani rulers.

Theoretical Analysis of Political Ideologies

Political ideology is the principal driving force of a state. It is the political ideology of a state which determines how a state will be governed, what the governance system will be, how it will ensure the interests and peace of its citizens and above all how it will maintain its unity, solidarity and stability. Thus, the political ideology of a state is the basic foundation and source of power, which unites the individuals and groups in a unique and strong bond of values and lifestyles, and gives rise to a stable social atmosphere.

³ Chowdhury, G.W., *The Last Days of United Pakistan*, Haq Katha Prokashoni, Dhaka, 1991, P. 15

It is often noticed that people of almost all the western countries take a united stance in any national and political issues of their countries. Especially, whenever their country faces any threat of foreign invasion, they take a united and common stand forgetting their previous hostility, antagonism or ideological differences. Soon after Pearl Harbour was attacked during the Second World War in 1941, all western powers including the USA became united on a common platform ignoring their mutual antagonism and got involved in Second World War, the most terrific and tragic war the civilization had ever seen. The analysts of international politics such as Padelford, Linkon and Olvey describe this situation as “the power of political ideology”.⁴

The foundation of the communist political ideology is inherent in the “scientific analysis of history”.⁵ Communism, being strengthened by its inherent ideology, enamoured with the dream of the triumph of the exploited people over capitalism and colonialism for almost 75 years. Before Gorbachev’s Glasnost and Perestroika, no communist thinker could apprehend even a bit that communism, which came into being after so many vicissitudes and warfare, would stumble so abruptly.

If considered as political ideologies, capitalism and communism are rather new-fangled terms. Contrarily, the dominant power of Islam has flourished all over the world as a political ideology for about 1500 years. The strong influence of the Islamic ideology reached the South and South-East Asia, almost the whole of West Asia, Africa, Europe and even the states of the American continent. It becomes apparent from the recent crises and wars in Bosnia and Chechnya that Islam is the root of the ideological power which continues to struggle against the opposition to establish its superiority over them.

With a view to maintaining the national unity and solidarity of a state or a nation, Islamic ideology recommends some unique directions, and the leaders and the mass people have to perform certain duties and responsibilities. The root of the unity of the Muslim world lies in the total faith and confidence in Islam and in conducting all the activities of human life as per the rules, regulations and directions of Islam. Even if Muslims are of different languages, castes or lands, they can establish unity and fraternity among them based on their religious bond.

⁴ Padelford, N.J., Linkon, G.A. and Olvey, L.D., *The Dynamics of International Politics*, USA, P. 64

⁵ *ibid*, P. 65

As per the Islamic rule, a non-Arab has no right to claim superiority over an Arab; likewise, the white men have no right to practice hegemonic power over the blacks.⁶ By distributing all amenities and privileges equally, Islamic ideology attempts to build up a strong social structure with unity, solidarity and prosperity. Muslim leaders have a great role to perform in this regard. In respect of formulating the fortune of the mass people and the proper management of the political activities, the role of leadership is like that of the vicegerents of prophethood. However, advices and recommendations are also very important for maintaining unity and solidarity in the Muslim society successfully. Advices are very much essential for running the systematic activities and administration of any united body or entity; in fact, advices provide significant help to take the right decision at the right moment.⁷

The Political Ideology of Pakistan

Both the Hindus and the Muslims of the Sub-Continent became united in the earlier phase of the anti-British movement in the region. However, this unity did not last long. There emerged an awareness of individual Muslim nationhood in the early twentieth century, which gradually provided the Muslims with a strong ‘sense of self’ and ‘individuality’. After the defeat of Nawab Sirajuddaula in the Battle of Plessey in 1757, the Muslims were disparately suffering from anguish for about one and a half century. Nevertheless, they came up with a new vigour to re-establish their own culture, beliefs and ideology of life at the very outset of the twentieth century through enormous efforts to form an individual national identity. In this way, the distinctly emerging political identity of the Muslims became discernible in the first two decades of the century through the *Bangavanga* (the partition of Bengal) Movement, the formation of Muslim League and Lucknow Agreement. However, this awakening call and nascent nationhood were shaken by the secretly cherished opposition of the Hindu leaders that was manifest in some of their discriminatory activities towards the Muslims. Especially, the promulgation of the report of the Nehru Committee created an outstanding outburst among them. Finally, this national identity took a factual shape by Lahore Resolution and later an amended Lahore resolution, which committed to form Pakistan as a new nation-state in British India.

⁶ Al-Muslih, D.A. and Al-Sabih, D.S., *Musolman ke Ja Jantei Habe (What a Muslim Has to Know)*, Oyshy Prokashoni, Dhaka, 1999, P. 155

⁷ *ibid*, P. 184

That the political ideology of Pakistan is based on the Islamic belief system can easily be apprehensible from the analysis of the political conditions prevalent in the subcontinent in the post British era. The people of the newly formed nation-state Pakistan became preoccupied with formulating a socio-economic and political structure for the country in the light of Islamic principles. However, the reason behind Pakistan's losing its unity and integrity can be revealed through a critical analysis of the modes and ideologies embraced by the post-independence rulers of Pakistan in running the state.

In fact, that Pakistan had been created on the basis of Islamic ideology is only one side of the coin. Nonetheless, any political analyst can form a rather different opinion if he/she looks from a different angle looking at the reverse side of the coin.

Firstly, a scrutiny of the history of Hindu-Muslim conflict before Pakistan's coming into existence clearly indicates that the issue of 'inter-community conflict' overshadowed religious ideology. That is, both the Hindus and the Muslims started searching the root of their political existence for their own benefit. The principal objective of the nationalist feelings was to achieve communal advantage, and for this, they needed such an acceptable thing, which can easily promote a nationalist feeling. Possibly in this regard, the then Muslim leaders preferred Islamic slogans. Ahmed mentions: "that the Pakistan movement was basically a political movement, not a religious movement (although religion was used to serve political purpose) and that this movement did not aim at establishing a religious state or theocracy was clearly evident by the social background and character of its leadership."⁸ The real scenario was that the Muslim leaders did not possess the willingness to establish Islam in Pakistan, nor did they possess the capability to do so. For this reason, the leaders of Pakistan remained completely passive in the question of establishing Islam as a realistic, meaningful and applicable ideology.⁹ However, the mass Muslim population supported Muslim League in order to carve out a separate homeland of their own in which they can stick to their own culture and values. For a variety of reasons, a feeling of fear had grown among them that after the end of the British rule, the Hindus would dominate them which would be detrimental to the political, economic, social and cultural interests of Indian Muslims. For them,

⁸ Ahmed, A. F. Salahuddin, *Bengali Nationalism and the Emergence of Bangladesh: An Introductory Outline*, ICBS, Dhaka, 2000, P. 79

⁹ Smith, W.C., *Islam in Modern History*, Princeton University Press, Princeton, 1959, P. 226-231

Pakistan would open up opportunities for their development in various fields of their life.¹⁰

Unfortunately, the Pakistani leaders used their power to preserve the interests of a certain quarter though the Islamic slogans were used as the fundamental policy for the governance system as laid down in the constitution of 1956 and 1962. An utter indifference was observed in implementing the Islamic principles in the governance system and thus the Islamic utterances were used to create an anti-Indian feeling.¹¹

Secondly, it can easily be apprehended from the analysis of the personal characters of the political leaders of Pakistan that it was not possible for those people who themselves were ignorant and unconscious of Islam and indifferent to implement it as a complete code and ideal of life. The religious manipulation by the leaders was not supported by some Islamic organizations such as 'Majlis-i-Ahrar', 'Jamait-i-Ulema-i-Hind. They believed that the Muslim League leadership was not sufficiently Islamic in character.¹² The true implementation of Islamic ideologies was confined to mere words. In reality, no well-planned, long-term and strategic approach was sought. Rather, the leaders were cruel, autocratic, callous and above all completely ignorant of and indifferent to understanding the 'unity' and 'solidarity' of the politics of Pakistan.

For example, Prime Minister Liaquat Ali Khan and Khaja Nazimuddin opposed the demand of implementing the use of Bangla along with Urdu and English as proposed by Dharendra Nath Dutta in the first assembly of the parliament of Pakistan on 23 February 1948. The people of East Pakistan showed their reaction firstly by calling a strike in the educational institutions on 11 March. It poses a mystery to the political analysts how Muhammad Ali Jinnah, a great leader of Pakistan, could declare Urdu as the sole state language of Pakistan in his speech at Curzon Hall on 21 March even after these vigorous demonstrations in favour of Bangla. This event undoubtedly demonstrates the political immaturity of Jinnah and his lack of understanding about people's mind. To quote Ahmed: "Undoubtedly Jinnah was an outstanding lawyer and an astute politician, but he was a poor judge of the thoughts and feelings of the common man. In order to achieve Pakistan Jinnah and his political aids did not hesitate to use indiscriminately any kind of argument

¹⁰ *ibid*

¹¹ Moniruzzaman, T., *The Bangladesh Revolution and its Aftermath*, UPL, Dhaka, 1988, P. 12

¹² Ahmed, A. F. Salahuddin, *op.cit.*, P. 79

political or religious.”¹³ Especially after the death of Jinnah, no other political leader could handle the unprecedented situation that had arisen in the absence of a prudent political leader. The political short-sightedness of Jinnah, and the autocracy and incompetence of the subsequent leaders finally gets revealed through the exclusion of Bangla as an issue later in the Basic Principles Committee (BPC) report and the re-utterance of the previous declaration of Urdu as the state language in Nazimuddin’s Paltan Speech on 26 January 1952. These events created a ground to form ‘All Party Mother Language Movement Association’ and forced the people of East Pakistan to the movement on the basis of linguistic nationalism.

Thirdly, though the Muslim community of Pakistan gave their mandate in support of establishing a nation-state on the basis of Islam, the whole matter was probably not clear to themselves. Even the mass people also were probably unaware of what the role of Islam would be as the national ideology and how it would direct the overall activities of the state. For this reason, no comment was received from the mass people of Pakistan regarding these affairs. Possibly, the Pakistanis did not possess the knowledge and wisdom to apprehend what the role of ideology in politics is, or how it is interrelated with all the spheres of political life. Probably, they also were moved by the romanticism instigated by the Islamic slogans. They did not have the true knowledge of Islamic traditions and customs; nor did they have any intention to implement it in reality. However, the mass people’s adherence to Islam and their commitment to Islamic rules and regulations indicate their mandate in favor of Islamic political system.

Fourthly, the core feature of the political ideologies based on Islamic principles is to ensure the evaluation of general people’s opinion and their participation in all political issues and activities. The Holy Qur’an gives the direction to conduct all kinds of activities of the state based on the consultation and consensus among all. Unfortunately, the Pakistani leaders, as the representatives of the mass people, failed to realize the inner feelings of the people of East Pakistan. Rather, they were preoccupied with pleasing the ruling quarter by nakedly using the military personnel chosen from a certain region. The proud military dictator Ayub Khan reportedly said that he possess a vast military power, and if the political leaders want to stand against him, he will not hesitate to make them captives with the use of this army.¹⁴

¹³ *ibid*, P. 82

¹⁴ Kenwan, T.R., “And Then There Was One”, *The Reporter*, No. 19, 1958, P. 30

In this way, the political leaders of Pakistan, with the help of the military elites, kept themselves aloof from figuring out a proper political system based on officially declared Islamic ideology, which could reflect the expectations of the majority population of the country. The power was snatched away from the mass people and the military elites were brought at the centre of power by neglecting Islamic principles. A sense of introspective deprivation from the Hindus which engulfed the Bengali Muslims before the birth of Pakistan again engrossed them into deeper feelings of frustration during the Pakistan period, out of which, Bangladesh nationalism came into existence. Ziring remarks that the dream which was once Pakistan, had become a nightmare.¹⁵ A new sense of awareness regarding East Bengal's separate political, economic and cultural identity had began to manifest itself at the time of the language controversy between 1948 and 1952.¹⁶

Emergence of Language-Based Bengali Nationalism

The feeling for language and linguistic unity is the most significant prerequisite of any nationalist movement.¹⁷ Using a single language facilitates to share each other's feelings, happiness, sorrows and to get close to the heart of the other, which no other medium can provide. Just after the birth of a baby, it internalizes its mother's language and enters the world of its mother's happiness, sorrows, lifestyle, ideals and cultures, a fact which is different and uniquely different from a child from another linguistic community. The cultural discrepancy between a British baby or a Bengali baby or an Arab baby arises only due to the difference in their 'mothers' and 'mother tongues'.

From one perspective, the feeling of linguistic nationalism was there in Bangladesh long before the British came here. Even at the face of different hostilities, linguistic nationalism set up a deep root in the land centring on the mother tongue Bengali in a number of ways: by producing literature in this language, practicing culture, writing books of different branches of knowledge, attempting research activities and by efforts to equip it with all expressions possible through a language.¹⁸

¹⁵ Ziring, Lawrence, *Bangladesh: From Mujib to Ershad: An Interpretive Study*, UPL, Dhaka, 1994, P. 15

¹⁶ Ahmed, A. F. Salahuddin, *op.cit.*, P. 86

¹⁷ Amin, M.R. and Fakhruddin, A.T.M., "Arab Nationalism and Arab Unity: Problems and Prospects" *The Dhaka University Studies*, Vol. 53, No. 1, June 1996, P. 55

¹⁸ Hasanuzzaman, *Bengali Nationalism and the Freedom Fighting of Bangladesh*, Pallab Publishers, Dhaka, 1992, P. 9

Though the main stream of the nationalistic conscience of East Bengal was embedded in the Bengali language, the Bengali speaking people of the Sub Continent got emotionally motivated towards religious nationalism as an outcome of a certain socio-economic and political environment. This feeling descended from the 'factional hostility' between the Hindus and the Muslims, and as a result, the Muslims sought to form an individual nation-state considering the future of the Muslim community in the Sub Continent. As said earlier, the general Bengali Muslims presumed that if Pakistan is ruled by the Islamic ideology, they will get an exploitation-free country which will be able to preserve their interest. However, the newly formed nation-state Pakistan started disappointing them, and it prompted them to believe that a newer type of 'West Pakistani colonialism' had merely replaced the 'British colonialism'. Here Islam, which meant to preserve their interests, was being used by the rulers as an instrument of exploitation, deprivation and extermination. Islamic principles were in no way being practised. Ziring clearly depicts the picture: "Pakistan's representation as an Islamic republic and the country's stated *raison d'etre* as a homeland for Muslims of South Asia suffered a severe setback. Nationalistic forces proved stronger than those promoting Islamic ideology. Pakistan's espousal of the 'Two Nation Theory' lost its tenuous credibility as Islamic 'cement' metamorphosized into Ganges sediment."¹⁹

Moreover, Bengali, the language of the majority, was being seriously neglected. The Muslims of East Bengal became greatly agitated; 'Tamaddun Mazlis', a cultural organization, sharply reacted against it. East Bengal became vocal in the demand of using Bengali in law, courts and education and at the same time demand was pressed to use both Bengali and Urdu simultaneously in the activities of the central government.

Secondly, some of the talented intellectuals and politicians of East Bengal took their position against the 'Amended Lahore Resolution'. Even the 'Independent and Sovereign Bengal' resolution brought by Abdul Hashim, Sohrawardi and Sharat Bose during the period of 'partition' in 1947 emphasized the individuality and independence of Bengal.²⁰ The Bengali intellectuals and elites believed that apart from religion, the people of the two provinces of Pakistan were different from each other in all respects including culture, history, behaviour, attire, food habit or even socialization. Besides, the divided geographical condition

¹⁹ Ziring, Lawrence, *op.cit.* P. 1

²⁰ Hashim, A., *In Retrospection*, Mawla Brothers, Dhaka, 1974

gave rise to serious communication hazards. For this reason, Richard Wikson termed Pakistan as a 'double country'.²¹

Thirdly, in the new atmosphere, the political leaders and intellectuals of East Bengal were divided into two groups. Shamsul Haque, Aatur Rahman, Sheikh Mujibur Rahman, Abul Hashim, Sohrawardi, Sharat Bose opined that the need of religious nationalism had exhausted in Pakistan. Abul Hashem and Sohrawardi became so disappointed that they went away to India. They continued to press their demand of an individual nation-state for the people of East Pakistan as it was advocated in the main 'Lahore Resolution'.

In spite of this kind of mindset among the Bengali intellectuals and politicians towards Islamic nationalism, Pakistan emerged making Islam as its foundation. Now as soon as the inhospitable behaviour of the rulers became notice worthy in the newly formed country, different political parties started emerging at the beginning of 1947 against Muslim League, a proponent of the religion-based Pakistan. In this way came into being the opposition parties like Democratic Jubo League, Purba Bangla Chhatra League, Awami League, and so on.

Under these circumstances, the idea that 'region' is more significant than 'religion' became widespread and the concept of 'regionalism' started taking a turn towards the idea of 'Bengali nationalism'.

The Blood Stained History of Bengali Nationalism

All Party Mother Language Movement Parishad was formed on 30 January 1948 demanding Bengali nationalism, which made the political condition extremely unstable. To bring the situation under control, government imposed Section 144. The Language Movement Parishad brought out a procession in the capital on 21 February violating Section 144. Police opened gunfire upon the procession, which took away the young lives of Salam, Barkat, Rafiq, Jabbar and many others.

In these changed circumstances, the 1953 report of the Basic Principle Committee (BPC) recommended recognizing Bangla as one of the state languages, and subsequently, the 1956 Constitution recognized both Bangla and Urdu as the state languages. Thus, along with Islamic nationalism, the space for Bengali nationalism was also being created. Abdul Haque, a renowned essayist, predicted in his diary saying, "the

²¹ Wikson, R., *Pakistan: Birth and Growth of a Muslim Nation*, Van Nostrand Co., Princeton, 1964, P. 3

problem of the state language for Pakistan seems to have advanced towards its solution.”²²

But, all the hope was nipped in the bud very soon. The political environment of Pakistan became very unstable after 1954. Muslim League lost its popularity in East Bengal, which prepared the ground for the emergence of United Front, an anti-Muslim League party. Muslim League used Islamic ideology as a tool for achieving political goals again in the provincial election in 1954 and tried to regain their acceptability and popularity among the general people. Nevertheless, Muslim League was completely rejected and encountered a great defeat against United Front.

The defeated Muslim League leaders sought for ways to clinch to the power at any means and were preoccupied in finding faults with the government of United Front. In the meantime, a riot broke out between the Bengalis and the non-Bengalis in the industrial area in East Bengal, and the cabinet of United Front was suspended on the pretext that the United Front government had awfully failed to bring it under control. Now the administration of East Pakistan was brought under a Governor's rule. On the other hand, the leaders of United Front became engaged in conflict among them and subsequently failed to maintain its unity. Moreover, frequent forming and disintegration of the cabinet posed a dark future for the political arena in Pakistan. In this kind of situation full of turmoil, military rule was imposed over all parts of the country on 27 October 1958 destroying any path of democratic process and development.

Now the West Pakistani leaders sought to have a firm grip over the crown with the assistance of the military. Contrarily, the oppressed people of East Pakistan clasped the flag of Bengali nationalism, which later took the form of 'mass Bengali nationalism'. This very feeling of Bengali nationalism based on language is thought by some people to be at the root of the emergence of the nation-state called Bangladesh.

Bengali Nationalism: Replacing Islamic Ideology?

In the very beginning of the present century, I wrote an article which was published in the Bangladesh Observer in its 2 February 2000 issue. In the write up, I raised the two principal arguments regarding the disintegration of Pakistan and the establishment of a new country named Bangladesh. These two views conform to the conflicting ideas furnished in the present chapter.

²² Haq, A., *The Survey of Four Decades of Politics*, UPL, Dhaka, 1996, P. 1

As already mentioned that the Hindus and the Muslims under their respective leaders fought unitedly against British colonialism. However, the Nehru Committee Report of 1929 appeared as a serious blow to the Hindu-Muslim unity. The Muslim leaders rejected the report on the ground that it ignored their recognized rights and interests violating the spirit of the Lucknow Pact. Even the Hindu Congress leaders did not attend the roundtable conferences held in London during 1930-1932. The fragmentation of Hindu-Muslim unity was intensified further by communal riots. Lahore Resolution was amended which provided that all Muslim majority areas would form an autonomous Muslim state.²³ The amendment created confusion and dispute among many intellectuals and political leaders of East Bengal who, out of their frustration, chalked out the plan of an independent and sovereign Bengal in 1947.²⁴ Despite conflicts among them, the overwhelming majority of the Bengal Muslims supported the creation of Pakistan based on Islamic ideology. Why did they prefer Islam? It was the expectation that the rights and interests as enhanced by Islam would be ensured in Islam-based Pakistan. Unfortunately, all their aspirations ended in fiasco and soon they found that the new country brought to them nothing but a new Pakistani brand of colonialism which compelled them to fight another war to establish rights, peace and security that were unaddressed by the West Pakistani rulers. Ziring points out that British imperialism had been overbearing and stressful, but by contrast, the Pakistani rule was intolerable. For the Bengalis, the Muslim League had come to symbolize the worst of tyrannies.²⁵ The Pakistani rulers did not build up the new country on the foundation of Islam that united the Muslim people of East Bengal and West Pakistani people. The general people's sentiment towards religion and their expectation to find a just and prosperous country were far to realize. The idea of an independent Muslim Pakistan was soon replaced by the idea of a separate and autonomous state in which their identity and rights are preserved. Ziring notes that the Bengalis stressed their fidelity to Pakistan, but not at the expense of their uniqueness and identity.²⁶

As quoted the view of some people in the introduction that Pakistan did not survive as a nation state since it was founded on religious ideology of Islam. They hold that Islam lost the appeals and charms in the contemporary time and thus declined to execute Islam in politics. A large

²³ Amin, M.R., "Bengali Nationalism To Replace Islamic Ideology?", *The Bangladesh Observer*, Dhaka, March 2, 2000.

²⁴ *ibid*

²⁵ Ziring, *op.cit.*, P. 15

²⁶ *ibid*, PP. 13-15

number of young Bengalis, who were obsessed with the ideals of Communism and Socialism flourished in other parts of the world, were deadly opposed to Islam. They were disappointed and disillusioned with Islam. This was one of the reasons why secularism was incorporated as one of the four fundamental state principles of newly-born Bangladesh. In reality, the disintegration of Pakistan does not prove the failure of Islam as a state ideology; rather it reemphasizes the significance of Islam for a new country. It clarifies the fact that Islam is not something to talk about and to announce verbally; Islam is something to work for to implant it in all organs of a state's life. There is no doubt that the Pakistani rulers were not interested in the implementation of Islam, nor were they themselves true Muslims.

In the historical context of the Hindu-Muslim mistrust and rivalry, a state was needed for the Muslims that would preserve their interests and the popular Islam was easily be adopted by the leaders for this cause. Once the purpose of building the nation-state was served, they used and manipulated Islam to cling to power. Instead of realizing Islam in policy formulation of Pakistan, they took it as a device for exploitation. Thus they failed to establish peace and justice between the two wings of Pakistan and among its people that eventually frustrated East Bengal Muslims. They woke up and stood against the West Pakistani rulers under the banner of Bengali nationalism.²⁷

The Bengali nationalism brought East Bengal Muslims to a common platform without sacrificing Islamic values that are deep-rooted in their socio-economic life. Without neglecting Islam, East Pakistani Muslims united with Bengali nationalism to dethrone the West Pakistani authoritarian rulers. A number of scholars including the Western writers such as Smith²⁸, Binder²⁹, Wheeler³⁰, Donald³¹, Garder³² and Stephen³³

²⁷ *ibid*

²⁸ Smith, Wilfred C., *Modern Islam in India and Pakistan*, Ripon Printing House, Lahore, 1947, PP. 262-270

²⁹ Binder, Leonard, *Religion and Politics in Pakistan*, University of California Press, Berkeley, 1963, PP. 123-124

³⁰ Wheeler, Richard S., *Politics of Pakistan*, Cornell University Press, New York, 1970, PP. 93-109

³¹ Donald, E. Smith (ed.), *South Asian Politics and Religion*, Princeton University Press, Princeton, 1966, PP. 408-443

³² Garder, Louis, *L'Islam: Religion et Communauté*, Desclée de Brouwer, Paris, 1970, PP. 230-242

³³ Stephens, Ian, *Pakistan: Old Country/New Nation*, Penguin Books, London, 1963, PP.22-37

argue that the Bengali nation has always been a religious, ethical, and cultural community. O'Donnell clarifies that as an independent nation-state, Bengal cultural and political life continues to be influenced by religion. Islam is the faith of about 90 percent of the people and is officially recognized, making Bangladesh a distinguished Islamic state in the world.³⁴ He furthers argument saying that the partition of British India in 1947 which divided Pakistan from India was a result of Muslims' insistence on a separate state where, as Jinnah said, "they could rule according to their own code of life and according to their own cultural growth, tradition and Islamic laws."³⁵ This is perhaps the reason why the post-Mujib constitutional amendments resulting in Islamization by both Zia and Ershad gained popularity not only during the ruling era of BNP and Jatiya Party, but also during the Awami League regime in the post 1996 Bangladesh. The utterances of going back to 1972 constitution by some ministers of the present coalition government under the leadership of Awami League seem to be rhetoric than real. This is obvious when the Prime Minister Sheikh Hasina confirms that the sensitive provisions will be unaffected and the law minister assures that *Bismillah* will not be wiped out even if the constitution undergoes a new amendment.

Conclusion

Above chapter discusses the reasons, circumstances, emergence and development of the language-based nationalist movement in the then East Pakistan in the light of the prevalent political ideologies. It attempts to explain the background of the breakdown of Islam-based Pakistan and the subsequent formation of independent and sovereign Bangladesh as a new nation-state. From an academic point of view, it seeks to elucidate the socio-economic and political situation under which the Muslims of East Bengal gave their mandate in support of forming a new nation-state named Pakistan and to explain why the same group of people took a U-turn just after the formation of Pakistan and formed a new nation-state based on linguistic nationalism.

The notion that a certain quarter of Bengali intellectuals and political leaders accelerated the process of Pakistan's division because of their antagonism towards Islam is deemed as a short-sighted opinion, and can, therefore, be rejected. Likewise, the idea that it is the failure of Islam which is responsible for the disintegration of Pakistan is not acceptable. Actually, it is the Pakistani leaders' autocracy, exploitation, use of Islam

³⁴ O'Donnell, Charles Peter, *Bangladesh: Biography of a Muslim Nation*, Westview Press, London, P. 27

³⁵ *ibid*, PP. 27-28

as a political instrument and above all their distance from the mass people which led to the final collapse of Pakistan. The Muslims of East Pakistan formed the independent and sovereign Bangladesh being inspired by the language-based nationalist movement to get rid of the economic and political exploitation by West Pakistan. However, they did not come away from the path of Islam, their religion. It is manifest in Sheikh Mujib's policies, such as establishing Islamic Foundation, modernizing the Madrasah education, and developing relations with the Muslim world; in Ziaur Rahman's Islamization; in Ershad's state religion; in Khaleda Zia and Sheikh Hasina's adherence to earlier policies.

Bearing in consideration the above discussion, it can be concluded that Islam has been an integral part of the political culture of Bangladesh. As a complete and universal socio-economic and politico-religious system, Islam exists today with its luminous glories of the past. Islam can not be replaced by any other political ideology in a Muslim majority country like Bangladesh. A new country needs to determine its ideology at the very beginning and if a country fails in deciding on that, its political objectives are not achieved appropriately. Despite the explicit provision of our constitution, our political leaders' declaration about Islam along with above mentioned pro-Islam activities of all previous governments, irresponsible annotations by some imprudent political leaders generate mystification among our people which refrains from crafting a political ideology that may bring consensus among them. It is important that we agree on our political ideology be it Islam or any other political philosophy alien to it. It may require a national referendum.

Part II

Politics, Administration and Foreign Policy

3

Politics, Values and Development

Introduction

Development depends on political stability and social homogeneity. Political ideology plays an important role in determining political activities, economic strategies and social-cultural rituals for a country. Along with political ideology, good governance, freedom and democracy, human rights, rule of law, administrative decentralization and strong cultural values can constitute a sound political system which is inevitable to development. Apart from these ingredients of development, efficient leadership is also an important indicator without which other ingredients can not take root firmly in a country.

The principal objective of this chapter is to examine how the argument of politics and development is underpinned by the theory of culture and values and how these theoretical underpinnings put forth implications for Bangladesh. How to define culture and values? What are the patterns of relationship between values and politics? Are the values of a country significant for its political stability and development? What are the components of political development and how important is the premise of values among them? How to achieve the political stability and development of Bangladesh through enshrining its culture and values that are inherent in its identity? The present chapter aims to respond to these issues.

Understanding Values and Identity

Defining the terms such as culture and values do not provide unambiguous connotations. Scholars have produced hundreds of definitions of them. Some scholars consider them as synonyms of each other; some find a minor operational difference between the two; some think they are unique in their meanings and are different from each other. An overview of the definitions given by scholars helps us come to a solution that cultures are extrinsic attitudes and expressions of the intrinsic values inherent in individuals and groups. Thus cultures are actions whereas values are the constituting inspirations of those actions. In another word, people build up their culture through various activities that their values lead them to do that. Apart from values, some other terms such as beliefs, attitudes, norms, and ethos are also considered as

the building- blocks of cultures. Let me first dissect the issues related to culture.

The Concept of Culture

Back in 1996, I asked my professor Dr. Bill Tetz, President at the University of South Carolina: how can you define culture, professor? He could not answer in clear words. However, he recollected what a Supreme Court justice once attempted to define pornography: “I can’t define it, but I know it when I see it.” This is exactly what happens when everyone defines this term. Such an approach may not quench our thirst for knowledge. We need a basic definition.

The term culture is derived from the Latin word ‘*cultura*’ stemming from ‘*colere*’, meaning to cultivate.¹ It generally refers to the patterns of human activity and symbolic structures that give such activities significance and importance. Cultures can be “understood as systems of symbols and meaning that even their creators contest, that lack fixed boundaries, that are constantly in flux, and that interact and compete with one another”² Culture can be defined as all the ways of life including arts, beliefs and institutions of a population that are passed down from generation to generation. It has been called "the way of life for an entire society."³ Cultural anthropologists most commonly use the term culture to refer to the universal human capacity and activities to classify, codify and communicate their experiences materially and symbolically. Scholars have long viewed this capacity as a defining feature of humans.⁴ These criteria include almost all aspects of defining culture. According to Hofstede: “culture is the collective programming of the mind which distinguishes the members of one human group from another.”⁵

A number of writers like Sathe, Luce, Stanley, and Schein gave a comprehensive and operational definition: culture is the general pattern of behavior, shared beliefs and values that members have in common.⁶

¹ Harper, Douglas, *Online Etymology Dictionary*, 2001.

² Findley, Carther Vaughn and Rothney, John Alexander, “ Twentieth Century World, 2006,” Online available, <http://en.wikipedia.org/wiki/culture>, available on 3 October 2008.

³ Williams, Raymond, “ Keywords: Culture”, New York, Oxford, 1983; online available, *ibid*.

⁴ Goodall, J., “The Chimpanzees of Gombe: Patterns of Behavior, 1986”, Online available, *ibid*.

⁵ Mead, Richard, *International Management: Cross Cultural Dimensions*, Black Well Business, USA, 1996.

⁶ Weihrich, Heinz and Koontz, Harold, *Management: A Global Perspective*, McGraw-Hill, Inc., New York, 2004-2005, p. 334.

Culture can be inferred from what people say, do and think. It involves the learning and transmitting of knowledge, beliefs and patterns of behavior over a period of time.

Culture: Four Major Building-Blocks

Above definitions clearly prove our hypothesis that culture is the expressed action based on values, identity, beliefs, attitudes, norms and so on. These core inspiring basics are now discussed in brief.

Beliefs and Faith

The individual's beliefs indicate how he thinks that things are, or ought to be. For example, if someone believes that fire would burn his fingers, he would not put fingers into flaming fire. "I can not understand how anyone can be an Indian and not be proud", writes the plate of a key-ring. The belief contained in this phrase is that an Indian must be proud of being an Indian and this belief must lead him to act in the interests of India. The most important religions like Christianity, Islam, Judaism, Buddhism, Hinduism, Confucianism, Shintoism and so on offer explicit directions and guidelines surrounding beliefs system. The faith in Christianity encourages a Christian lady to wear a dress that covers almost all parts of her body. If a Christian lady fails to cover head with veil, she has been divinely ordained to shave hair on head.⁷ The faith in Islam prohibits all sorts of unjust killing, bloodshed, transgression, terrorism, destruction, bombing, deception, misaddressing, illegal spying and so on.⁸ Confucians believe in filial piety.⁹ Buddhists keep faiths in the respect for the sentient feelings.¹⁰

Attitudes

Attitudes are evaluative statements— either favorable or unfavorable concerning objects, people, or events. They reflect how one feels about something. Viewing attitudes as made up of three components - cognition, affect, and behavior— is helpful in understanding their complexities and the potential relationship between attitude and behavior. In the political arena, attitudes are important because they affect the

⁷ *The Holy Bible* (Revised Edition of 1611 A.D. by His Majesty's Special Command), New Testament:1 Cor, 11:6; New Testament:Matt, 5:28-29; Old Testament:Beu, 22:5; 1 Timothy, 2:9-12.

⁸ *Al-Quran* (Different Chapters), Ch. An-Nisa, V. 93; Ch. Al-Baqara, V. 178-79, 188; Ch. An-Nahal, V. 90; Chapter Al-Huzrat, V. 11-12.

⁹ Amin, Muhammad Ruhul, "Human Rights in the Cotemporary World", in *Talk Show*, TV Islam USA, July 21, 2008.

¹⁰ *ibid*

political responses of individuals and groups. Attitudes are reasonably good predictors of behaviors since they provide clues to an individual's behavioral intentions or inclinations to act in a certain way. For example, many Americans have the testimony that George W. Bush lied to them with regard to suspected weapons in Iraq as well as assured victory of the strategic offensives in Afghanistan.¹¹ This built an attitude among them that seem abstained them from voting for John MacCain in the upcoming election. Sometimes, attitudes affect in serious political violence, terrorism, destruction, theft, and other sorts of corruptions.¹²

Norms and Social Rituals

Certain norms have been in existence as social rituals of almost all countries. Proverbs, maxims, axioms are made on these norms. For example, although Confucianism is not a religion, it offers a set of practical ethics. For example, deference to elders, emphasis on family etc. are the key social norms in the Confucian societies. East Asian countries measure high on the Confucian dynamism dimension.¹³ On the other hand, there is a diverse socio-cultural, linguistic and historical composition among the African nations. However, as is the case in the other regions throughout the globe, there is an underlying Pan-African character that results from a unique geographical, historical, cultural and political experience. The African thought system, known as *Ubuntu* provides a high degree of harmony.¹⁴

Long cherished norms have been in predominance in the construction of Western culture. The 'American Dream' is driven by a social norm held by the belief that many Americans, through hard work, courage, and determinations, can gain a better life.¹⁵ This notion is rooted in the belief that the United States is a "city upon a hill, a light unto the nations, which were values held by many early European settlers and maintained by subsequent generations."¹⁶

¹¹ Ford, Glen, "9/11 and the Great American Decline", *The Daily Star*, 27 September, 2008.

¹² Newstrom, John W. and Davis, Keith, *Organizational Behavior*, Tata McGraw-Hill, New Delhi, 2002, pp. 212-217.

¹³ Rodrigues, Carl, *International Management: A Cultural Approach*, South-Western College Publishing, Ohio, 2001, p. 20.

¹⁴ Mangaliso, M.P., Mangaliso, N.A. and Bruton, I.M., "Management in Africa or Africa in Management?"- a paper presented at the International Management Division, *Academy of Management Annual Meetings*, San Diego, August 6, 1998.

¹⁵ Boritt, Gabor S., *Lincoln and the Economics of American Dream*, New York, 1998.

¹⁶ Reagan, Ronald, *Final Radio Address to the Nation*, Washington D.C.

Values and Identity

Values and identity represent basic convictions that “a specific mode of conduct or end- state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence.”¹⁷ They contain a judgmental element in that they carry an individual’s ideas as to what is right, good or desirable. Robbins claims that values have both content and intensity attributes. The content attribute says that a mode of conduct or end-state of existence is important. The intensity attribute specifies how important it is. When we rank an individual’s values in terms of their intensity, we obtain that person’s value system. All of us have a hierarchy of values that forms our value system. This system is identified by the relative importance we assign to values such as freedom, pleasure, self respect, honesty, obedience, and equality.¹⁸ Milton Rokeach created the Rokeach Value Survey (RVS) which consists of two sets of values. One set, called terminal values, refers to desirable end-states. These are the goals that a person would like to achieve during his life time. The other set, named instrumental values, refers to preferable modes of behavior or means of achieving the terminal values.¹⁹ Hiten defines values as an in-built mechanism which distinguishes the right from the wrong, the do’s and don’ts of any action even when no one is looking.²⁰ According to Hofstede, systems of values are included in culture. Values are thus defined as assumptions about how things ought to be.²¹

The Constituents of Identity, Values and Culture

The four fundamentals on which culture is built can be summed up into one all encompassing pillar- values and identity. In other words, identity and values include beliefs, faith, attitudes, norms and social rituals and on all these, the mansion of “values and identity” does stand. Culture, in this sense, includes systems of values; and values are among the building blocks of culture.²² It is worthwhile to have a glimpse into the core elements based on which identity and values are constructed. A

¹⁷ Rokeach, Milton, *The Nature of Human Values*, New York Free Press, New York, 1973, p.5.

¹⁸ Robbins, Stephen P., *Organizational Behavior*, Prentice-Hall of India, New Delhi, 2005, p. 70.

¹⁹ Rokeach, Milton, *op. cit.* p. 6.

²⁰ Hiten, Bhaya, “ Human Values: When No One Is Looking”, in Ahmad, Khaliq and Sadeq, Abul Hasan M. (eds.), *Ethics in Business and Management: Islamic and Mainstream Approaches*, ASEAN Academic Press , London, 2001 p. 239.

²¹ Mead, Richard, *op.cit*, p. 8.

²² Mead, Richard, *ibid.* p. 4.

significant portion of the values we hold, is established in our early years—from parents, teachers, friends and others. That means, identity, values and cultures originate from a number of elements. In the broader socio-political dimension, culture is transmitted by various patterns, such as, from parent to child, from teachers to pupils, from social-political leaders to followers, and from one age peer to another. Some say that, culture consists of specific learned norms based on attitudes values and beliefs.

Thus, identity, values and culture are learned and are not innate. They are passed down from one generation to the next.²³ According to the well-known anthropologist Edward T. Hall, culture is labelled as the ‘*silent language*’ which is learned through formal, informal and technical means.²⁴ In formal learning, formal activities are taught by precept and admonition. The adult mentor molds the young according to patterns he himself has never questioned. In informal learning, the principal agent is a model used for imitations. Whole clusters of related activities are learned at a time, in many cases without the knowledge that they are being learned at all or that there are patterns or rules governing them. Technical learning, in its pure form, is close to being a one-way street. It is usually transmitted in explicit terms from the teacher to the student, either orally or in writing.²⁵ These three modes constitute certain elements and sources of cultural learning that include: (a) family, (b) educational institutes, (c) government, (d) economy, (e) tradition, (f) language, (g) arts and literature, (h) social class, (i) region, (j) deference to elders, and (k) religion.

The most important and powerful among above components of identity and culture is religion. In reality, all other components are composed of religious teachings. For example, elements like family, deference to elders, economy, traditions, arts and social norms of all societies are the long-cherished principles and guidelines of their religions.

Religion: The Fabric of Culture?

I strongly argue that religion occupies the predominant position to understand identity, values and culture of all people around the globe. Why does a Christian Nun or a Muslim Lady wear veil? Why don't young muslims drink wine? Why does an american pay respect to freedom? Why does a Buddhist love knowledge? Why does a Muslim Lady preserve chastity? Why does a Confucianist indulge in hard labour?

²³ Mead, Richard, *ibid*.

²⁴ Hall, E.T., *The Silent Language*, Anchor Press, New York, 1973, pp. 68-71.

²⁵ *ibid*, pp. 69-71.

Why does a young Hindu widow throw herself into the flaming fire (*Shatidaho*) along with her deceased husband? Why is debate and dissent considered as boon for muslim societies? The answer to these questions lies in different religions prevalent in the world. It is apparent that religion is closely associated with the development of culture and values and that it affects peoples' day-to-day activities.²⁶

Religion from the Latin *religare*, meaning 'to bind fast' is a feature of cultures throughout human history. Religion is defined as "an institution with a recognized body of communicants who gather together regularly for worship and accept a set of doctrines offering some means of relating the individual to what is taken to be the ultimate nature of reality."²⁷

Religion codifies behavior such as with the *Ten Commandments* of Christianity, the *eight fold right path* and or the five *precepts* of Buddhism. Sometimes it is involved with government, as in a theocracy. For example, politics is integral to Islam. In another word, politics, war, peace, and economic activities must be governed by the Shariah rules of Islam, which holds that Islam is a complete code of life. Thus the political culture of Muslim countries needs to be built according to the Quran and prophet's Hadiths.

I see all major religions come from only one source- God. He sent same religion in different times and thus the religion took different names over the years. The Bible, The Quran and other authentic religious scriptures bear the evidence that the human history started with Adam and his wife Eve which has been followed by their children from generation to generation. In order to guide them, God has sent prophets with specific sets of rules and regulations to guide all aspects of their lives. These rules are known as religions. The guidelines of Adam, Noah (Nuh), Abraham (Ibrahim), Jaqob (Yaqoob), Joseph (Yusuf), Moses (Musa), Jesus (Isa), and Muhammad are identical in terms of fundamental themes of rules and regulations.

Well-Known Abrahamic religions include Judaism, Christianity and Islam. The values of one of the first recorded monotheistic faiths are the major parts of Christianity and Islam.²⁸ Most Western cultures today have been influenced by Christian Philosophers, such as, St. Thomas Aquinas, and Erasmus whose philosophies are nothing but Biblical reflections.

²⁶ Rodrigues, Carl; Luthans, Fred; Beamish, Paul and Koontz, Harold, *International Management*, South Western College, Ohio, 2001, p. 9.

²⁷ Reese, W.L., *Dictionary of Philosophy and Religion: Eastern and Western Thought*, 1980, p. 488.

²⁸ Online available, <http://en.wikipedia.org/wiki/culture>, *op.cit.*

Max Weber once noted that in Western Europe, business leaders, owners of capital, higher grades of skilled labor as well as the higher technically trained personnel are overwhelmingly protestant.²⁹ His writings also indicate that capitalism is founded on the teachings of the Bible. Thus the political culture of the west which is nurtured through democracy, human rights, freedom, justice, - is the ramification of the Christian religion. He also argued that the religious values contained in Christianity serve as the foundation of capitalism.³⁰ The popular Asian religions, such as Hinduism, Buddhism, Confucianism, Taoism, Shintoism, Sikhism have also great influence on the traditions and cultures of the region. Folk religions practiced by tribal groups in Asia, Africa, and the Americas have been so important that they may pervade their culture and even become the state religions. Like other religions, folk religion answers human needs for reassurance in times of trouble, healing, averting misfortune, and providing rituals that address the major passages and transitions in human life.³¹

Values: Enduring Characteristics and Emerging Deterioration

The enumeration of the constituents of values is derived from the fundamental question: whether values are fluid and flexible. Generally speaking, the answer is clearly “no”. While analyzing the stability and change in American value priorities, Ball and Rokeach remark that values tend to be relatively stable and enduring.³² Values may be deteriorated by the elements of massive moral degeneration. For example, family values have been in great decline in most western societies because of their distance from family related social rules that have been largely taken from the Biblical teachings.³³

The forces behind the deterioration of this process of degeneration are widespread corruption, individual, social and corporate crimes, violence, intolerance, vulgarity, inequality- all of which are opposed to the predominant instructions of all world religions. Many Western sociologists and political leaders are skeptical about the survival of their societal cohesion and existence. Why is this growing concern important

²⁹ Weber, Max, *The Protestant Ethic and the Spirit of Capitalism*, Scribner's Sons, New York, 1958.

³⁰ Amin, Muhammad Ruhul, *Development Issues and Strategies of Bangladesh: Lessons From Malaysia*, CIDS and Shova Prakash, Dhaka, 2007, pp. 56-57.

³¹ <http://en.wikipedia.org/wiki/culture>, *op.cit.*

³² Ball-Rokeach S. J. and Rokeach, Milton, “Stability and Change in American Value Priorities,” *American Psychologist*, May 1989, pp. 775-84.

³³ Meglino, B.M. and Ravlin, E.C. “Individual Values in Organization: Concepts, Controversies and Research,” *Journal of Management*, No. 3, Vol. 24, 1998.

for the study today? Does it imply that there is a set of values, a code of conduct, deviations from which is considered a deterioration? Are all deviations necessarily negative in their impact? How does one distinguish between positive and negative deteriorations? In reality, we need some absolute criteria to comprehend the enduring characteristics and emerging deterioration of values.

The Theory of Values in Politics

Politics, Values and Stability

A sound political atmosphere can be created if the country's political philosophy or ideology reflects the beliefs, values and attitudes of the mass of the people. Politics and culture are closely intertwined; one cannot be separated from the other. To Huntington, the culture of a country or society is founded on its religion. According to him, the most powerful determinant of civilization is religion and thus his 'clash of civilizations' means a clash of culture along religious fault lines.³⁴ Values are important to the study of politics and political behavior because they lay foundation for the understanding of attitudes and motivation and because they influence perceptions. Individuals interact with politics with preconceived notions of what "ought" and what "ought not" to be. Of course these notions are not value-free. On the contrary, they contain interpretations of right or wrong. Furthermore, they imply that certain behaviors or outcomes are preferred over others. As a result, values cloud objectivity and rationality, and values generally influence attitudes and behaviors.³⁵ People learn to depend on their cultures which gives them stability and security because they can understand what is happening in their cultural community and know how to respond while in it.³⁶ Wehrich and Koontz observe that political environments –the attitudes and actions of political and government leaders and legislators– do change with the ebb and flow of social demands, beliefs and culture.³⁷ For example, world war II patriotic fervor, affecting virtually every segment of American society, may be contrasted with the effect on government and other political organizations of disillusionment over the unpopular Vietnam and Iraq wars. Many political leaders as well as general people who strongly supported involvement in these conflicts did a complete turnabout when people became disenchanted following massive devastation of US soldiers. Hiten clearly expresses that the

³⁴ Huntington, S. P., "The Clash of Civilizations?" *Foreign Affairs*, Summer, 1993.

³⁵ Meglino and Ravlin, *op.cit.* pp. 351-89.

³⁶ Newstrom and Davis, *op.cit.* p. 80.

³⁷ Wehrich and Koontz, *op.cit.* p. 65.

concern obviously starts with the deviation from accepted values that threatens the stability of a society.³⁸

If a political system is an expression of the majority's culture, it is more likely that it will bring stability in political life and prosperity in economic life. Vivid evidence may be found in support of this claim. There is a widespread belief among many people that the European or American political systems exclude their religious or cultural teachings and values from their political life. There may be some truths to this argument. However, in reality, the rich cultural values of these Western countries have been incorporated in their political life. In fact, their political ideology has been founded on their cultural values. The perennial features of the Western political ideology- freedom, democracy, human rights, and rule of law are the manifestation of Biblical teachings and classical Greek philosophers, all of whom were deeply religious men. I already talked about *The Protestant Ethic and the Spirit of Capitalism* of Max Weber in which he argued that the religious values contained in Christianity sets the pillars of capitalism.³⁹ There should not be any doubt that the religio-cultural values that have been expressed in the political principles of the Western societies have contributed tremendously to political stability and social cohesiveness and continued as the driving forces of their growth and development.

In explaining the growth and development perspectives of East Asia, some writers have also argued that the religious teachings and beliefs of the East Asian countries have been contributing factors for East Asian economic miracle. Chan argues that Confucianism has been an integral element in enhancing growth and development in China, and Four Little Dragons-Hong Kong, Taiwan, Korea and Singapore.⁴⁰ In their "Voice of Asia", Mahathir and Ishihara Shintaro explained the implications of Asian values (that emanate from Asia's religious teachings) for building Asian prosperity.⁴¹ One explanation for the backwardness of the Arab world may be made on the basis of this argument. That is to say, the cultural values and religious beliefs of the mass of people in the Arab world have not been articulated in their political systems. Most of the Arab countries seem to be confused in terms of their political philosophies. Their political systems seem to be based on a fusion of

³⁸ Hiten, Bhaya, *op.cit.* p. 240.

³⁹ Weber, Max. *The Protestant Ethic and the Spirit of Capitalism*, Allen & Unwin, London, 1976.

⁴⁰ Chan, A. "Confucianism and Development in East Asia", *Journal of Contemporary Asia*, vol. 26, no.1, 1996, pp. 28-45.

⁴¹ Mahathir, M. and Ishihara, S., *The Voice of Asia*, Kodansha International Ltd., Tokyo, 1995, p. 13.

liberal, socialist and Islamic doctrines. Their objectives are undetermined, their goals are uncertain and, as a result, they have lagged far behind the developed world. The deterioration of values and religious guidelines has been widespread in the political areas of the Muslim world including Arab countries.

The strategy for political stability and well-developed political system requires that the political system must encompass the cultural values of the mass of people, while incorporating and adapting, at the same time the principles of other value systems. In a world of cross-cultural societies, greater flexibility creates the strengths of adaptability, which are necessary for development. Any effort to impose a political system built on one particular socio-cultural value system will be most likely to fail. The political transformation of a society must be made on the basis of its long standing socio-cultural and religious values. The question is who sets this culture? One way of answer lies in the Confucian culture that unequal relationships between people create stability in society. The five basic relationships are ruler-subject, father-son, older brother-younger brother, husband-wife, and older friend-younger friend. According to the Confucian values, the junior owes the senior respect, and the senior owes the junior protection and consideration.⁴² The Confucian political system envisages that commitment to authority and deference to rulers contributes to political stability and national security. Studies among diverse societies indicate that the parent-to-child and the senior-to-junior routes are especially important in the transmission of religious and political affiliations. Developmental psychologists believe that by age 10 most children have their basic value systems firmly in place, after which changes are difficult to make. However, because of multiple influences, individual and societal values and customs may evolve over time. Change may come about through choice or imposition. Other major religions such as Hinduism, Christianity and Islam also provide values that are important for politics.

Huntington maintains that any effort towards a shift of identity must succumb to failure unless it fulfills three requirements- cultural commonalities, general acquiescence and the favor of political, economic and intellectual elites. It is because these elements have been, wholly or partially, lacking in those countries like Turkey, they, instead of becoming Westernized or modernized have remained devastated and torn. The reawakening of identity in these torn countries such as Turkey, Egypt and Iraq is fuelling the cultural reconfiguration of global politics. Huntington observes eight major religions that revolve around core states of major civilizations. His major religions include Western Christianity,

⁴² Rodrigues, Luthans, Beamish and Koontz, *op.cit.*, p. 20.

Orthodoxy, Hinduism, Buddhism, Islam, Confucianism, Taoism and Judaism. China is a core state in East Asia; France and Germany are the European core while United States is the core of the Euro-American states. According to him, despite an overwhelming civilizational consciousness, Islam lacks cohesion and a core state.⁴³ After the political uncertainties following 9/11, Huntington recommends that Americans come back to their identity of the Anglo-Saxon Protestantism that will unite them and help them bring back a national agreement on politics.⁴⁴

The Identity Crisis Across the World: Back to Religion?

Almost everywhere of the world today, people are perplexed with the identification of their identity. Some are confused, some are careful, some are selective, some are undecided and many are in search of the criteria that distinguish “them” from “others”. Scholars as well as political leaders are now prone to reconsider or redefine their values and identity. Once the countries had strong attachment to religion, are now reviving those values to find their identity; those loosened religious bondage are moving to tighten it; and those abandoned it through placing walls between church and politics are confronted with policy complexities and societal disharmony.

The Japanese agonize whether they are western in terms of sociopolitical and economic considerations or whether they are Asian in terms of their history, culture and geographical location. Writers have described United States as “America’s great identity debate”, post Shah Iran as “a nation in search of an identity”, South Africa as engaged in “the search for identity” and China in a “quest for national identity”. Taiwan was involved in the “dissolution and reconstruction of national identity”. Syria and Brazil are each said to face an “identity crisis”, Canada “a continuing identity crisis”, Denmark “an acute identity crisis”, Algeria a “destructive identity crisis”, Turkey a “unique identity crisis” leading to heated “debate on national identity”, and Russia “a profound identity crisis”. In Mexico, big questions are “about Mexico’s identity”; in Germany struggle is on finding a “common German identity”. The inhabitants of the British Isles are less sure of their British identity and uncertain as to whether they were primarily a European or a North Atlantic people.⁴⁵

⁴³ Huntington, S.P., *The Clash of Civilizations and the Remaking of World Order*, New York: Simon & Schuster, 1996.

⁴⁴ Huntington, S. P., *America’s Great Debate: Who Are We?*, Penguin Books, New Delhi, 2004.

⁴⁵ *ibid*, pp. 12-16.

Most Muslim countries in the Afro-Asian continents are confused about their values that should have determined their political life. Whether they embrace liberal political ideology based on Anglo-Saxon protestant culture and creed of early American settlers, or, whether they imitate west European styled secularism, or whether they would revitalize their religious values. Many of the Muslim countries in the region are facing terrorist assaults or peaceful democratic demands for redefining their political system on the basis of the Quranic laws. Most Middle-East and African Muslim nations face “identity establishment confrontation”, ASEAN countries like Malaysia and Indonesia hold a “confused mixed identity”, Afghanistan seems to be shattered by “an identity war”, Pakistan is in search of “identity from the debris of lost destination”, and Bangladesh is undecided whether they are “Bangalis” or “a nation founded on Bangladeshi and Islamic values”.

Amidst this bewildering global identity crisis, religion comes to the fore for many of them. Major world religions such as Christianity, Hinduism and Islam offer distinct guidelines for running politics and administration. The ideals of Hinduism are overtly seen in the royal ceremonies (now dissolved with the practices Hindu religious rituals in various state activities. The symbols of religion are enormously available everywhere from President House to Parliament buildings to open places. Cities and villages are decorated with temples and shrines. The present Indian Prime Minister Manmohan Singh uses classical religious *pagree* (hat) of Sikhism.

Unlike in the Western Europe, Christianity plays a predominant role in the politics of the United States. There is a great debate whether religion can play any role in the American pluralist society. In his article *The Role of Religious Values in Politics*, Darrin P. Dixon claims that “in a pluralist society like ours, all values including religious values need to be incorporated into the political decision-making process. Refuting opposing views such as Richard Rorty’s, he concludes that the inclusion of religious values within political debate is not only consistent with pluralist tenets but allows for moral discussion. He argues that silencing one’s values prevents a full, honest political discourse and prevents dissenting opinions which motivate the dissenters to fight against democratic process resulting in the division of the nation.⁴⁶ He adds that the framers of the Bill of Rights explicitly affirmed these rights to expression and gave them legal standing. So the American political culture and legal system allow for religious values.⁴⁷ While analyzing the

⁴⁶ Dixon, Darrin P. “The Role of Religious Values in Politics”, Online available, <http://worksypress.com/cgi/viewcontent.cgi?>, Available on 5 October 2008.

⁴⁷ *Ibid.*

US election of 2004, Lee and Roemer emphasized the importance of values in American politics. They mentioned that the CNN exit polls after the 2004 election rated ‘moral values’ the most important issue; next came ‘jobs and the economy.’ Eighty percent of the voters who rated moral values the most important issue voted for Bush. Morality to the Americans is to preserve Christianity which they thought Bush could do better.⁴⁸ Other theorists including Huntington laid much more strong emphasis on the reconstruction of the American identity based on religious resurrection. In his recently published book *America’s Great Debate: Who Are We?*, Huntington talks about “American Creed” as crucial defining element of American identity which is based on Anglo-Protestant culture of the founding fathers. The key elements of this culture include: Christianity, religious commitment, English concepts of the rule of law, rights of individuals and English language. He maintains that Americans have been a flag-oriented people. The stars and stripes have the status of a religious icon and is more central symbol of national identity for Americans.⁴⁹ The marriage of religion and politics in America’s civil religion is well caught in Peter Steinfels’s account of the inauguration of Bill Clinton in 1993: “At its core, (was) the solemn administration of an oath on the Bible, preceded and followed by prayers and accompanied by hymns as well as patriotic music...the week was rich with religious gestures... the President was surrounded throughout the day by an array of religious leaders.”⁵⁰ the similar scenario is manifest during the inaugural ceremony of the present US president Barack Obama.

The Relevance of Islam for Identity Formation

When most countries of the world are coming back to their religious values to redefine identity in the critical junction of the grand global identity crisis, European Court of Human Rights determined, nearly two months before the 9/11 attacks in 2001, that "the institution of Sharia law and a theocratic regime, are incompatible with the requirements of a democratic society."⁵¹ This decision seems to be driven by derogatory and ill-motivated attitudes at a time, when, as said earlier, the world is moving towards their identity based on religious values. In an article named *Islam and Australian Values* furnished in the internet, the writer

⁴⁸ Lee, Woojin and Roemer, John, “Values and Politics in the US: An Equilibrium Analysis”, Online available, *ibid*.

⁴⁹ Huntington, S.P., *op.cit.* pp.XIII-XV and pp. 3-4.

⁵⁰ Peter Steinfels, “Beliefs: God at the Inauguration: An Encounter that Defies American Notions About Church and State”, *New York Times*, 23 January 1993, p. 7

⁵¹ Online available, <http://www.ozpolitic.com/articles/European-Court-of-Human-Rights-RefahPartisi2001jude.html>, Access on 3 October 2008.

raises the conflicts between Islam and Western ideals. I do not agree with him on many points he raised, but I am amazed by his understanding of Islam as a religion which can adapt in any society. This is exactly the reflection of the universality of Islam. I conform to what he suggests the West not to poison the well by making the muslim world associate Western values with oppression and decadence.⁵²

In view of above reality, I plan to draw special attention to the basic question: can Islam construct the identity for a muslim country? The answer is obviously “yes”. Despite distortions in other Abrahamic religions like Christianity, these are brought back as the foundation of the identity formation of American society as well as other Afro-Asian countries. Islam is much more qualified as an undistorted Abrahamic religion to rebuild the identity of muslim countries including Bangladesh. I now turn to provide a brief idea about Islamic values and their relevance for the remaking of the identity for those who hold this religion.

Islamic values contribute to a pragmatic political culture with universal appeals. Islam prescribes freedom of opinion in decision-making processes. Debate and discussion has been the perennial features in both religious and social affairs. In fact, Islam is integral to politics, economics and society. Islam can not be separated from these areas. It can not be observed individually. The life of the prophet Muhammad (SM) provides a glaring example of this notion. The five pillars of Islam –Beliefs, prayers (Salah), fasting (Saom), charity (Zakah), and pilgrimage (Hazz) can not be performed without the involvement of the leadership, or state and government. For example, prayer needs to be led by the social, political leaders, management of Zakah should be maintained by the government and hazz is obviously the most gigantic international congregation in which the participation and involvement of world states are inevitable. The institution of *Shura* (consultation and debate), *Qias* (Reasoning), *Izma* (consensus), *Iztihad* (analysis) etc. are the most important rules of managing politics and maintaining political culture in an Islamic country. The five sources – the Quran, the Sunnah (traditions of the prophet), Qias, *Iztihad*, *Izma*- are the basics on which rules and laws for governing a state are founded. These rules and guidelines based on Islamic values demand universal application irrespective of color, race, nationality, and region. Once these rules are implemented in a society, it becomes full of peace and prosperity. For example, once the most chaotic and volatile society of the Arabs turned to be a stable and sound state under the leadership of prophet Muhammad (SM) within a very short period of time. The ramification of Islamic values was so

⁵² Online available, <http://www.ozpolitic.com/forum/YaBB.pl?> Access on 6 October 2008.

strong that it spilled-over neighboring countries very quickly and at one time it took Asia, Africa, and Europe under its fold.

After the fall of the Shah regime following the Islamic revolution in the 1970s, Islam gave Iran a well-sustained identity which strengthened the country years after years, leaving it politically sound, economically prosperous and militarily powerful. In recent years, Iran emerged as a near-nuclear state. In the late 1980s, Algeria's attempt to revive its identity by embracing Islam through a democratic election succumbed to failure due to a military intervention propounded by the Western influence in which the United States had a strong role. Rescuing from a "torn status" following the introduction of secularism, many Turkish young leaders took efforts to rebuild the nation's identity based on Islam. Despite many years' intrafighting between the secular and Islamic forces, Turkey finally could trace the destination of their identity search. Volatile political atmosphere is the reality of most Muslim countries in which Islamic and secular or quasi-secular people are in confrontation in the quest of their identity. Islamic resurgent movement is in the offing with the target of remaking identity in almost all Muslim countries now-a-days.

Determinants of Political Development

Politics and political situations are interlinked with other factors related to the socio-economic development of a country. Every country must aspire to achieve a developed political system in order to achieve a developed economy. Political development results in enhancing effective public policy, institutionalizing bureaucracy, establishing administrative legitimacy and, above all, creating a system where peoples' interactions with political parties and their participation in decision-making processes are ensured. Political development is determined by a number of factors that include legitimate authority and responsible government, people's participation in forming government as well as in decision-making, assertive political institutions, freedom of opposition and press, competitiveness of political parties, administrative efficiency, good governance and administrative decentralization and so on.

Ideology, Politics and Society

Political ideology is a fundamental of politics which guides, supports, incites and restrains the political behavior of individuals, groups and nations. It is one of the most basic means of articulating values and attitudes in a social context. The word *ideologie* was first coined by the French philosopher Antoine Destutt de Tracy during the French Revolution. Plamenatz offered the literal definition of ideology as "a set of closely related beliefs, or ideas, or even attitudes, characteristic of a

group or community.”⁵³ However, the concept of ideology is not clearly explained through this defining criterion. The clarification may be made by both an operational and functional analysis of the term.

According to Ball, when political ideas form an articulate, coherent, systematic pattern, we speak of political ideology.⁵⁴ Friedrich defines ideology as “a set of ideas related to the existing political and social order and intended either to change it or to defend it.”⁵⁵ Christenson gives a working definition: “political ideology is a belief system that explains and justifies a preferred political order for society, either existing or proposed and offers a strategy for its attainment.”⁵⁶ Thus there may be a status-quo ideology or radical, revolutionary and reformist ideologies might shape individuals, states or societies. Padelford makes an implementation-oriented understanding of ideology. To him, an ideology is a body of propositions that purports to explain the nature of social, economic and political reality and its implementations; defines a utopian goal for the future; and posits an action program for achieving the goal.⁵⁷

All these definitions clearly identify the functions and activities of an ideology. Macridis notes that as the significant factor influencing the behavior of individuals, society, state and economy, ideologies perform important instrumental function for the society and similar functions for political movements seeking to maintain or to change societal order.⁵⁸ Through performing these functions, an ideology affects all spheres of our life and becomes a personal, group, or societal impressionistic self-portrait. When an ideology, such as Capitalism, Communism or Islam, is established in a society, its entire sectors are moved or governed by the regulations of that very ideology.

Efficient Leadership and Development

The perspective of leadership needs to be considered to understand development. The political leaders are the torchbearers and forerunners of a country and development largely depends on their perception, efficiency and vision. The development of Japan, Malaysia and Singapore owes much to their educated, efficient and incorruptible leaders.⁵⁹

⁵³ Plamenatz, *Ideology*, Praeger, New York, 1970, p. 15.

⁵⁴ Ball, Alan R., *Modern Politics and Government*, Hong Kong, 1985, p. 242.

⁵⁵ Friedrich, *Man and His Government: An Empirical Theory of Politics*, Oxford, 1986, p. 89

⁵⁶ Christenson, Reo M., *Ideologies and Modern Politics*, 1975, p. 6.

⁵⁷ Padelford, Norman J., Lincoln, George A. and Olvey, Lee D., *The Dynamics of International Politics*, p. 64.

⁵⁸ Macridis, R.C., *Contemporary Political Ideologies*, USA, London, p. 7.

⁵⁹ Amin, Muhammad Ruhul, “Development Issues and Strategies of Bangladesh”, *op.cit.*, p. 54.

Generally speaking, the leaders of the developed countries are equipped with necessary knowledge and skills for running politics and administration. In most cases, the political leaders of the developed West are graduates from their best universities. A very large number of Japanese political leaders and leading elements in bureaucracy have come from Todai (Tokyo University). In East Asia, leaders like Lee and Mahathir are highly educated. Even in ancient times, there were special arrangements and programs for political education and training among the circles of political elite. One of the important factors of backwardness among the developing countries is related to the inefficiency and under-literacy of their leaders.

Freedom, Democracy and Development

Scholars are divided on identifying the linkage between democracy and development. Some of them find a strong relationship between the two⁶⁰ while some see almost a negative relationship.⁶¹ Other studies provide inconclusive results.⁶² Interestingly, the works that suggest inconclusive results are of the opinion that economic freedom, open markets, liberal trade and other democratic features are helpful for economic growth.⁶³ If this is so, democracy can be considered conducive to economic growth.

Barro mentions the Lipset and Aristotle hypotheses, both of which show a sharp positive relationship between economic prosperity and democracy.⁶⁴ The Aristotle hypothesis suggests that a wealthy society results in people's participation, which is the fundamental component of democracy. According to the Lipset hypothesis, prosperity stimulates democracy. That means a strong relationship between economic growth, freedom and democracy.

It has been observed that all developed countries, including the US and European Developed Capitalist Countries are developed because of

⁶⁰ Fransisco, L. R. B, "Democracy, Governance and Economic Growth: Theory and Evidence", paper presented at the conference on Democracy, Participation and Development, sponsored by Columbia University on April 1999 in New York; Shen, J. G. "Democracy and Growth: An Alternative Empirical Approach", *BOFIT Discussion Papers*, Bank of Finland: Institute of Economics in Transition, Finland, no.13, 2002.

⁶¹ Ludovic C. J. "Democracy and Growth: A Relationship Revisited" *Eastern Economic Journal*, vol.. 29, no. 1, Winter, 2003.

⁶² Bhagwati, J. N, "Democracy and Development: Cruel Dilemma or Symbiotic Relationship?", *Review of Development Economics*, 6(2), 151-162, Blackwell Publishers, Oxford, 2002.; Helliwell, J. F., "Empirical linkages Between Democracy and Economic Growth", *NBER Working Paper 4066*, National Bureau of Economic Research, Cambridge, May 1992.

⁶³ Barro, R.J., *op. cit.*, Chapter Two: Interplay Between Economic and Political Development.

⁶⁴ Barro, *ibid.*

their democracy and the poor countries are backward because of their political instability or the autocratic nature of the regimes which is the result of their confusion about identity.

Politics, Values and Bangladesh

Compared to the countries in East and Southeast Asia, Bangladesh has been in a backward situation in terms of the improvement of its politico-cultural development indicators. After about four decades of its independence, the country started the democratic procedure. In the state of the fragile democracy, the congenial environment for the growth and development of the principal components of good governance such as a clear political ideology, free press, independent judiciary, decentralized administration, freedom and justice, transparency and accountability, participatory decision-making and strong cultural values could not be created. Values of the majority people of Bangladesh are not truly reflected in our policy formulation and thus Bangladesh seems to be a “torn” country in terms of its commitment to its socio-cultural and religious values that should have been in the core of its identity formation.

Political Ideology

In terms of political ideology, Bangladesh has not yet determined a clear, concise and concrete political philosophy. In the hurriedly made first constitution, socialism and secularism were incorporated that created confusion and mistrust among the mainstream population of Bangladesh. Certain internal and external factors led them to prefer socialist and secular policies that were alien in nature and explicitly in contradiction with the fabric of socio-cultural values and religious beliefs of the majority of the country's population. With this we entered into the post-independence historical era of our identity crisis. The Kudrat-e-Khuda Commission Report on our education reflected a secular view which was not accepted by overwhelming majority of the intellectual community among which the draft report was circulated. Most university professors, and high school, madrasah and college teachers were opposed to the secular education system.⁶⁵ However, there were reasons behind the inclusion of this foreign ideology in our policy guidelines.

First, the long struggle against the misrule and exploitation of the Pakistani government that used Islamic religion as an instrument to survive in power, contributed a lack of credibility among the new leaders about the relevance and implications of the ideological premises of Islam for Bangladesh. Thus Islam, the foundation of Pakistan was replaced by

⁶⁵ Moniruzzaman, Talukdar, “Bangladesh Politics: Secular and Islamic Trends”, in Rafiuddin Ahmed (ed.), *Islam and Bangladesh*, 1985.

Secularism and Socialism as the foundation of Bangladesh- the eastern part of the erstwhile Pakistan. Without in-depth academic study and required democratic procedure of running politics, the ideological transformation threw the country into the clouds of uncertainties.

Second, two triumphant ideologies- Socialism and Secularism- appeared as the powerful and popular political doctrines in most newly independent countries in the 1960s and 1970s. People especially, the revolutionary youngsters of these countries found in Socialism and Secularism the answer to most issues with regard to freedom, security and development. The left-leaning political parties and student leaders who were positioned in the high ranks of the new country played a dominant role to shape the development strategy on the basis of these political philosophies. The policy foundation of Bangladesh was also built up with strong influence of the political ideology of the neighboring country India which was closely associated in independence war. Unfortunately, socialism was embraced by our leaders at a time when this ideology proved ineffective and obsolete in the countries in which it originated. Even Socialism did not exist in India after 1980s and instead, the policy of market economy was brought in.⁶⁶

In the face of mass dissatisfaction against the secular and socialist political trends, the new government in the post August 1975 period brought a constitutional amendment that introduced Islamization which was followed by the declaration of Islam as the 'state religion' during the Ershad era. The subsequent governments also kept the amendment intact and brought no change and modification in the meaning and extent of Islamization. Critics argue that despite the constitutional amendment, the system was not restructured on Islamic ideology. Usually as soon as the ideology has been shifted, our political, social and legal systems should have been transformed from secular political principles towards an Islamic political framework. Unfortunately, the amendments brought no substantial change in the real life situation and as a result Bangladesh remained the same as was in the era of socialism and secularism during 1971-1974.⁶⁷ Despite verbal declaration, Islamic guidelines were not implemented in running our state and politics. Following a recent court verdict, our constitution may undergo a dramatic shift. The court verdict regarding the constitutional change has created debate among political leaders, educated persons and general people that have provided uncertainties in the determination of our political ideology. Neither the

⁶⁶ "Economy of India", available at <http://www.wikipedia.India.com>, access on November 18, 2009.

⁶⁷ Amin, M. R. "Constitutional Amendments of Bangladesh: Its Implications", *The Bangladesh Observer*, Observer Bhaban, Dhaka, February 9, 2000.

Muhajot government nor any political parties have so far stood against Islam. Many of the key persons in the *Muhajot* Government are not willing to insert any anti-Islamic provision in our constitution.⁶⁸

Democracy and Participation

With the emergence of the new country in 1971, it was expected by each and every corner that the country would exercise democracy in its courses of action. To that end, democracy was incorporated as one of the four basic principles of the new state in its first constitution of 1972.

In 1975, Zia came in the limelight of Bangladesh politics and introduced multi-party democracy. All subsequent regimes and governments under General Ershad, Khaleda Zia and Sheikh Hasina paid respect to democracy. It is interesting that General Ershad, although rose to power and ruled the country in an undemocratic way, he never spoke in the public against democracy. Rather he repeatedly uttered rhetoric regarding the image and implications of democracy and introduced himself and his ruling system as democratic.

Many scholars view that with the formation of the Parliamentary form of government in 1991, the actual period of democracy was brought in Bangladesh. Ahmad⁶⁹ noted that following the parliamentary form of government in 1991, Bangladesh is almost completing its first democratic tenure. The then leader of the ruling BNP party- Khaleda Zia- made an amendment and introduced parliamentary form of government. Thus the amendment during Khaleda Zia exists as a milestone in the history of democracy of Bangladesh.

Based on the 1991 constitutional amendment, the 1996 parliament election was held when the second democratic stage came into being in Bangladesh. During this time Sheikh Hasina became the Prime Minister of the country. The third parliament election was held in October 2001 and the immediate past Prime Minister Khaleda Zia came to power in a democratically election process. Thus since the early 1990s, both government and opposition have been claiming to forward their activities in order to uphold and survive the hard-earned democracy of Bangladesh. Since the completion of the tenure of the third democratic government in September 2006, Bangladesh faced a serious challenge in the history of our democracy. A number of Caretaker governments were formed, but none of them could hold elections as per our constitution. In the face of a devastating democratic decline, emergency was declared. The 1/11

⁶⁸ The Daily Naya Diganta, Dhaka. 19 September 2010.

⁶⁹ Ahmad, S., "Sustainable Democracy in Bangladesh: Problems and Prospects", paper presented at BIIS Young Scholar seminar on *Bangladesh: Search for Sustainable Development*, August 16, 1995.

incident took the country to the verge of uncertainties. After long twenty months, the last Caretaker government announced 29 December as the date for national elections. Despite widespread enthusiasm for elections and series of dialogue between the government and political parties, cloud of uncertainties was not removed fully. Finally the election was held that brought *Muhajot* under Sheikh Hasina in power.

Governance and Administration

As said before, the major elements of good governance are in the formative stage of development in Bangladesh. Despite constraints, civil society and democratic institutions have been very active to make democracy flourishing in the country. In the political system of Bangladesh, multi-party democracy, parliament, independent judiciary and various interest groups have been playing a vital role in institutionalizing the democracy of Bangladesh. The pioneer of democracy- the civil society- encompasses a vast array of organizations- economic, cultural, educational, and developmental. Despite these improvements on the governance system, good governance still remains a far cry. The concept of Caretaker Government has been ineffective in holding elections after the end of the tenure of elected governments, judiciary does not seem to be fully independent, and the civil society role seems to be ambiguous. The institutions like parliament, election commission, and judiciary can not play the required role for running efficient administration and good governance. There is no remarkable change in the corruption index of the country despite some positive efforts until in the end of 2009 when Bangladesh could come out of the curse of corruption.

The structural functional composition of the executive, judicial and legislative branches of Bangladesh government is very important to study Bangladesh's democracy. Although structurally and operationally separate from each other, there has been a great debate with regard to the separation of power. In order to ensure people's participation in the decision-making process, devolution of power is important. Regarding the decentralization of administration, the article 9 of the constitution provides that the state shall encourage local government institution.⁷⁰ The four-tier local government system existing in Bangladesh is supposed to play the dominant role to strengthen local government and administration. Unfortunately, however, the system of local government is highly dependent on the central government.

⁷⁰ Amin, M. R. "The State of Decentralization in Bangladesh", *Bangladesh Observer*, July 2, 2000.

Accountability is the most essential feature to nurture and strengthen good governance. It implies the relationships between the public servants and elected public representatives; and between politicians and people. Different formal mechanisms such as administrative, financial, judicial and legislative are in operation in Bangladesh to maintain accountability. The Bangladesh Sangsad (Parliament) is the apex political institution and the highest body to which the public servants and the politicians are held accountable. Since 1/11, most politicians have been facing corruption trials and criminal charges. Bangladesh suffers greatly the scarcity of political leadership in recent years. Unfortunately, there is no direction and guideline that can build new leaders. This throws the nation into deep darkness and uncertainty.

The Remaking of Bangladesh's Identity

Political Ideology, Identity and Values

As noted earlier, Bangladesh suffers a serious crisis in terms of political ideology and cultural identity. This frustrates people and throws them into uncertainty, impeding long-run growth and development. One fundamental task is therefore to determine a clear political ideology and national identity, avoiding all sorts of ambiguity in this regard. It is essential to decide whether Bangladesh continues to be a secular country, becomes an Islamic state or remains confused with the mixture of secularism and Islam amidst manifold uncertainties.⁷¹

Bangladesh can learn much from the Malaysian and Iranian strategies, follow their examples in determining its political ideology and thus can come out from its current frustration, confusion and identity crisis. The religious identity of the United States on the basis of which the US was founded can also be a learning example for Bangladesh. Also the emerging trends of the reconfiguration of identity in most countries of the world can provide a concrete direction for us.

The Malaysian and Iranian leaders took numerous efforts in deciding their political ideology. Despite the fact that the Muslims make up only 50 per cent of the population, Malaysia initiated rapid Islamization in economics, politics, society and culture. Bangladesh governments in post 1975 years took some steps in this regard. They examined the merits and demerits of both secularism and Islam and decided to launch Islamization process. Yet, as mentioned before, Islam is not demonstrated in the policy formulation, nor is it executed as a political ideology. In fact, as a political and economic theory, Islam is perfect, universal, viable, durable and accommodative. Islamic ideology aims to ensure

⁷¹ Amin, M. R., "Bangladesh Beyond Secularism?", *The Bangladesh Observer*, Dhaka, January 21, 2002..

freedom, participation, human rights, justice, peace and prosperity, which are also the proclaimed objectives of democracy and capitalism. Thus Islam can be the foundation of the political life and political system of Bangladesh, just as it has become in Malaysian and Iranian societies in many counts. As said before, many developed European countries, United States, and India did not abandon the spirit of their religious values from their political culture. The US currency -dollar- contains the phrase “In God we trust”. *Ishwar* (God) and the symbols of religion are present in socio-economic and politico-cultural affairs of the Hinduist India, Nepal and Bhutan.

Values and Socio-Economic Efficiency

In his “Economic and Social Efficiency in Tradition”, Safi A. Khaled remarks that when everything else fails a proper set of values will save.⁷² As said earlier, religion, values, manners and behavior have a great impact on a country’s development. Development requires a homogeneous, unified and integrated social structure. Integrity and homogeneity need to be achieved even amidst heterogeneity. Emphasis should be laid on vision, attitude, moral values, religious obligations and knowledge. Huntington’s findings also indicate how many countries became devastated and torn because of their cultural degenerations and religious deviations.

Despite the boon of homogeneous social fabrics, Bangladesh society seems to project heterogeneous attitudes and culture. There seems to be a lack of consciousness among the people of Bangladesh about their own cultural and religious values. A large and very prominent group of intellectuals, artists, TV and stage performers act the protagonists of foreign cultures that are explicitly in contradiction with that of the mainstream population. Some of the most renowned writers directly violate the constitution by their derogatory remarks against Islam. In Malaysia and Iran, in contrast, there is a wide coverage of Islam in the TV, press and other media. Their cinema, drama series and literature have continued to focus on Islamic socio-economic and political principles having implications for their society and politics. The Malaysian and Iranian policies are based on the religious values of the main stream people which created a ‘sense of self respect’ and a ‘spirit of self-awareness’ that consolidated social unity, contributing immensely to the country’s development. Iran’s cinema, drama serials took attraction of global watchers and have possessed various international cultural awards.

⁷² Khaled, S. A. “Economic and Social Efficiencies in Traditions”, a paper presented at a seminar on *Development Strategy*, organized by BIAM and Southeast University, Dhaka, September 15, 2002.

In order to create stimuli and inspiration among the people, the identity-led strategies of Malaysia, China, Japan, Taiwan, South Korea, and Indonesia as well as those of the western countries can be pioneering inspirations for Bangladesh. As mentioned earlier, values, manners and behavior have far reaching implications for development. The values of Confucianism and Buddhism were not abandoned by Japan, Taiwan and South Korea. These countries employed a strategy of integrating traditional values and modernity, which provided them with homogeneity, common purpose, faith and unity. This contributed significantly to the consolidation of their societies on the basis of their religious faith and rich traditional and cultural values. Turkey, in contrast, once restricted all traditional and religious values, which had made it a politically unstable and economically backward country. Now Turkey has backed to its value which seems to have started the spree of its development. The history of Islam offers a striking example. When Muslims were loyal to their religious values and principles, they ascended the throne of power and prosperity. The moment they deviated from their traditions and values, all their achievements were lost, which in consequence, turned them to emerge as a vanquished nation in the present world. Also, the foundation of the United States was laid based on the religious Protestantism of the early settlers. Despite Multiculturalism America holds tightly its own culture, values and identity. Being an American is the most important pride to an American citizen which means strong commitment to America's cultural values and social ethos. Before the recently held Presidential election in November 2008, McCain started a propaganda that his rival Barack Obama is not a Christian and in response, Obama assured saying that he is a Christian. The declaration of being a Christian indicates America's commitment to religion.

Islamization of Administration

Development of a country largely depends on an efficient administration and management. Accountability is the heart of administrative efficiency. The more an administration is accountable, the more the country is developed. The most important task for Bangladesh is to create an accountable administration. As is known, accountability is maintained in two ways- formal and informal. The formal strategies such as administrative, judicial and legal means can not help if people are not motivated by informal means such as beliefs, attitudes, values, self-respect, compliance of laws, and rules of the society. Obviously a muslim's belief in religion may cultivate commitment to the rules, regulations and administrative guidelines of his country. The patriotic feelings (*Hubbul Watan*) is an important teaching of Islam that binds a muslim to be accountable and dedicated for the cause of his native land.

Moreover, as per the Islamic rules, every muslim is accountable to *Allah* (God) for his role to be played in the country. A tradition (*hadith*) of the Prophet Muhammad (SM) says: “Each of you owes definite responsibilities and is answerable to Allah whether he performs that.”⁷³ The models of Malaysia and Iran can be experimented in this regard.

In their political development pursuits, Malaysia and Iran laid importance on ethical and moral values and the administration was restructured to that direction. The policy makers concluded that moral values that emanate from religious practices are important condition for development. They committed to tightly hold Islam- the state religion and the majority’s belief. A massive Islamization in administration, financial and banking sectors as well as in foreign policy behavior was carried out. Since then, spiritual enlightenment through universal moral values in general and Islamic ordains in particular have been considered as the foundation of these two countries’ development strategies.⁷⁴

The first step of Islamization was taken in the education and knowledge sectors. The restructuring of religious education system, Islamic propagation unit in radio, TV and other media, Islamization of education system, building research centers and organizing seminars brought rapid progress in the Islamization process. After strengthening the Islamic knowledge base, the policy makers concentrated on implementation of Islamic values in political and economic affairs as for achieving the development targets of the country. The governments introduced a standardized Islamic textbook system and Islamized the teaching of all disciplines including the science courses at all levels of education from the elementary to the higher schools. They decided that Islamic Studies and moral sciences would be compulsory. Special budget was declared for the training and research towards Islamization. Emulating Malaysia and Iran, Islamization of knowledge and teaching can effectively be introduced in Bangladesh.

In the 1970s and 1980s, the Iranian and Malaysian economic systems were restructured on Islamic rules and regulations. The business and financial sectors were revised through interest free banking system which had long been considered as impossible, irrelevant and non-compatible to modern financial transactions. A number of Islamic banks and financial institutions were established, morality-based management was geared up, and Islamic teachings of morality and ethics were followed in the inter-personal, business and financial transactions. This brought stimuli, confidence and enthusiasm among all segments of people. Under the

⁷³ *Al-Hadith* (Al-Bukhari)

⁷⁴ Hussin, M., *Islam and ethnicity in Malay Politics*, Singapore Oxford University Press, Singapore, 1990, pp. 136-139.

auspices of their governments, a number of seminars on the concept of development in Islam were organized and their recommendation to restructure their economic system based on Islamic development principles was adopted.⁷⁵ The government machineries were Islamized through inculcation of Islamic values in the government and administrative sectors. Although late, a number of private Islamic banks and financial institutions were established in Bangladesh and these have demonstrated significant contribution in Bangladesh's financial sectors as well as in economic development. Observing the success of these Islamic banks, other secular and western banks like HSBC, Prime Bank etc. have also opened an Islamic banking cell. Many analysts including American economists appreciate Islamic banking system and label it as the pro-people bank. According to newspaper sources of November 2009, Islami Bank Bangladesh ranks number one in extending Corporate Social Responsibilities.⁷⁶ In view of this phenomenal success in Islamic banking system, the strengthening of Islamic financial institutions under the government auspices calls for immediate action.

Conclusion

The foregoing discussion is an attempt to explore the theoretical insights of politics, identity and stability and to examine their implications for Bangladesh. A detailed analysis is made to provide a conceptual understanding of values, culture and identity as well as to uphold the operational significance of them for politics and stability. In order to build the theory of values in politics, the countries of both the developed and the underdeveloped world are cross-checked. It is found that political stability and economic prosperity are maintained in sustainable terms only when these countries are closely attached to their values and identity emanating largely from religious and long-cherished social norms.

The country like United States could be established since the founders from among the early settlers were deeply committed to their protestant culture which had been largely effective in building a well-developed and prosperous America. In course of time, the USA became a multicultural community, but certainly maintains its attachment to basic values. In the present global identity crisis, the scholars are again warning America to revive and reawaken the fore-fathers' identity. The case of a large number of developing countries like Turkey is also cross-examined. It is found that many of these countries once were well-developed with their values and identity and now remained "torn" and "shattered" when they deviated from the basic identity.

⁷⁵ *ibid*, pp. 137-139.

⁷⁶ *The Naya Diganta*, Dhaka, November 2009

This work explores that religion is the basic component of constructing the identity of a country. It is found that a country remains politically stable and economically prosperous as long as it holds its identity firmly. For example, the Turkish Ottoman rule was successful in establishing a vast Islamic empire that extended its boundary encompassing most parts of Asia, Africa, and Europe. The strength of the Ottoman Empire came from its identity based on Islamic religion. The Ottoman empire was a symbol of maintaining justice, freedom, human rights, peace, prosperity and security throughout its ruling periods, except its declining years in the end of the nineteenth century when the despotic Turkish (Ottoman) rulers deviated from basic tenets of Islam and exercised torture and humiliation on the young Arab revolts. The massive moral deterioration derived from the religious deviation resulted in the destruction of the Ottoman Empire and in the rise of Europe and America to the zenith of the world power. The efforts of Kamal Pasha to secularize Turkey by removing all prevailing Islamic symbols ended into fiasco and turned the country into a “torn and devastated” Turkey.

The countries like Malaysia, Indonesia, Iran, Japan, Taiwan, South Korea, India took steps to recapture their basic values that have helped them to tiptoe towards development in socio-economic and political areas. In the era of grand global identity crisis, almost all countries are facing the dilemma of complying with the religious teachings or being confused, destroyed and torn by keeping themselves away from these guidelines. During this critical juncture, a country’s own culture, values and identity can alone be the last “savior”. In order to be prosperous economically, stable socially, and sustainable politically, Bangladesh needs to come back to its own culture, values and identity to be extracted from its religion.

4

Journey to Democracy: Towards A Snail's Pace?

Introduction

Immediately after independence in 1971, the post-liberation government proclaimed to build up a democratic country, which was followed by the similar declarations of the subsequent governments. In reality, our democracy has been too fragile to identify whether the country has at all experienced democratic tradition. Since the formation of the parliamentary government in 1991, Bangladesh anchored the journey to democracy. Unfortunately, however, our path towards democracy has not been consistent, sustained and everlasting. People are now prone to see democracy flourishing everywhere in the state organs and institutions. Although a number of factors seem to positively work for the slow and steady growth of democracy bearing prospects for democratic consolidation in our country, there are strong negative elements that pose threats to sustainable democracy.

Under what circumstances, democracy flourishes in a smooth manner? What are the viable models for democracy? What is the pattern and process of the emerging democratic trend in Bangladesh? Is democracy a welcome sign for Bangladesh? Is there any development alternative beyond democracy? Is democracy merely a slogan and politically used ideology for the legitimization of ruling regimes and the survival of party-politics in our society? What are the issues and challenges that tend to thwart our nascent democracy? Is there any opportunity of putting democracy in practice? These questions are intended to be addressed in the present chapter.

This chapter is divided into six sections. The discussion starts with an introduction in the first section. The second section is dedicated to the conceptual analysis of democracy. The third section gives an overview of the rise and development of Bangladesh's democracy which is followed, in the fourth section, by challenges of and opportunities for our democracy. The fifth section offers a bunch of recommendations for strengthening the road to democracy. The chapter closes with some concluding remarks.

Democracy: Conceptual Analysis

Democracy: Meaning and Notion

The term democracy is derived from two Greek words- ‘demos’ and ‘cratia’, the former means people while the latter implies power. Thus the central meaning of democracy lies in the power of the people. In more precise words, democracy implies the system and procedure of such government structure where the choices and priorities of the general people must prevail.

Generally speaking, democracy is a government by the people in which the supreme power is vested in the hands of people and exercised directly by them or by their elected agents under a free electoral system. According to the Greek philosophers which has also quoted by Abraham Lincoln: democracy is a government of the people, by the people and for the people.¹ Gattell gave a comprehensive definition of democracy. According to him, democracy is that form of government in which the mass of the population possesses the right to share in the exercise of sovereign power.² Seeley has noted that democracy is a government in which everybody has a definite share. Thus the notion of democracy indicates the participation of general people in decision making of the whole mechanism of governance and government. A pragmatic definition was provided by Lord Bryce: “A government in which the will of the majority of the qualified citizens rules... say, at least three fourths, so that the physical force of the citizens coincides with their voting power.”³

Broadly speaking, all democracies are systems in which citizens make political decisions freely on the rule of majority. Paradoxically, the majority rule may not be necessarily democratic. In a democratic society, the majority rule must be coupled with the guarantee of individual human rights that, in turn, serves to protect the rights of the minority, whether ethnic, religious, or political, or simply the losers in the debate over a piece of controversial legislation. The rights of the minority do not depend upon the goodwill of the majority and cannot be eliminated by the majority vote. The minority rights are protected through democratic institutions and democratic laws that include: (i) sovereignty of the people, (ii) popular representative government made by consensus, (iii)

¹ Ahamed, Emajuddin, *Rashtrabigganer Katha (The Tales of Politics)*, Bangladesh Corporation, Dhaka, 1986, PP. 250-268.

² *ibid*

³ *ibid*

defined rights of both majority and minority, (iv) free and fair elections, (v) rule of law and equality before the law, (vi) constitutional limits of the government, (vii) social, economic and political pluralism, and (viii) values of tolerance, pragmatism, cooperation, and compromise.

In a parliamentary democracy, parliament, multiparty system, executive, legislative, judiciary and different interest groups play vital role in institutionalizing democracy through diffusing democratic norms and values in the society. Pluralism and 'check and balances' are the hallmarks of democratic political institutions. Through checks and balance, democratic institutions put a restraint on the unruly behavior of the government of many institutions. Along with institutions, the importance of civil society deserves significant attention. Civil society encompasses a vast array of organizations- economic, cultural, educational, developmental, civic and the like. In terms of civil society, the role and activities of mass media, intellectuals, NGOs, human rights organizations, business community and pressure groups are very important.

Models of Democracy

Lijphardt's hypothesis focuses on two different models of democracy: Westminster or majoritarian model of democracy and consensus model of democracy.⁴ These two models are distinct from each other in terms of the executive control, party system, electoral procedure, parliamentary function and financial structure. The Westminster model believes in one party government, bipartisan party structure, single member electoral system and highly dominated central banking system. The consensus democracy, on the other hand, advocates a coalition government, multi-party system, proportional representative electoral process and independent banking structure. In terms of parliamentary system, consensus model believes in strong bicameralism, whereas the majoritarian democracy propagates a unicameral or asymmetric bicameral model.

Scholars on politics found problems in both the models. Although, the majoritarian model seems to be better at governing, it is very worse at representing and thus this model violates one of the basic tenets of democracy. The consensus model, on the other hand, seems to be better at representing, but many practical problems obstruct the governance and

⁴ Lijphardt, A., *Patterns of Democracy: Government Forms and Performance in Thirty Six Countries*, Yale University Press, New Haven, 1999.

leadership process under such system. However, Lijphardt argues that the consensus model is as good as, even better than the Westminster model even in governing.⁵

Different Forms of Democracy

Two forms- direct and indirect- are available to understand various types of democracy. Direct form is often considered as pure democracy and the indirect form is called as representative democracy. When people express their will directly on public affairs, it is called pure or direct democracy. They formulate laws in mass meetings. Hearnshaw said that a democratic form of government refers to the system in which the community performs the functions of sovereignty directly without any agents or representatives. Direct democracy was established in Greek city-states. In India, direct democracy was seen in Vajji Sangha during the Buddhist periods.⁶ Today when large and complex societies have emerged and when the area of the state is emerging very extensively, direct democracy seems impracticable. This system prevails now-a-days only in four cantons of Switzerland.

In a representative or indirect democracy, the will of the state is formulated and expressed not directly by the people themselves, but by their representatives to whom they delegate the power of deliberation and decision-making. John Stuart Mill said that indirect or representative democracy is one in which the whole people or some numerous portion of them exercise the governing power through deputies periodically elected by themselves. Bluntschli marks: the rule in the representative democracy stems from the fact that people govern through its officials while it legislates and controls the administration through its representatives. This type of government was established in England in the seventeenth century. In France, it was established in 1830 and in Italy in 1948. In Germany it was established after the First World War according to Weimer Constitution. Again this system was established in West Germany after the Second World War. In India direct democracy was introduced in the Minto-Morley Reforms of 1909. Today this system is seen in many countries like Japan, Sri Lanka, India, Canada, Australia, New Zealand, the United States of America, West Germany, Italy, France, Holland, Denmark, Sweden, Norway, Austria and Belgium.

⁵ Sugita, H., "Party Systems", *Lecture Series*, International Relations Program, International University of Japan, Niigata, February 2004.

⁶ Sartori, G., *Parties and Party Systems: A Framework for Analysis*, Cambridge University Press, Cambridge, 1976.

Distinctive Features of Democracy

There are certain characteristics that distinguish democracy from other forms of government like dictatorship, autocracy, authoritarianism and so on. The first and the foremost feature of democracy reflect through people's participation and people's desire, which is totally opposed to enforcement. In democracy, basic concepts like equity, peace and liberty are taking roots and thus nobody can imagine an imposed situation. Some scholars argue that justice occupies the core of democracy, which seems to eradicate injustice and lawlessness. Under a majoritarian model of democracy, justice may be affected due to the absence of a judicial review; however, in a consensus model, justice can be ensured through the process of judicial review.

Different views are encouraged under democracy, hence the opposition parties play very important role in a democratic society. In a democratic country, the concentration of power in the hands of a few cannot be found; rather decentralization of power appears to be usual course of action. Some scholars view that democracy upholds orderly succession of rulers and minimizes coercion. According to Duverger's model, three types of party structure are available: single party, Anglo-Saxon two-party and multi-party.⁷ Under the single party system, democracy cannot take root, but the other two can be a breeding ground of a strong democratic system. Sartori called the single party system as non-competitive and labeled the two party and multi-party systems as competitive.⁸ Australia, for example, provides a very good example of sustainable democracy. Parliamentary system is another important feature of a democratic tradition. In a parliamentary democracy, parliament, multiparty system, executive, legislative, judiciary and different interest groups play vital roles in institutionalizing democracy through diffusing democratic norms and values in the society.

Crisscross of Bangladesh's Democracy

With the collapse of the erstwhile USSR and the dissolution of communism, the golden era of democracy started. The political science writers explained the new era in many ways and its implications for the coming days. Some considered it as the demise of the struggle between two competing ideologies, namely, communism and liberal capitalism.

⁷ Duverger, M., *Political Parties: Their Organization and Activity in the Modern State*, Methuen, London, 1964.

⁸ Sartori, G., *op.cit.*

The scholars in this line wrote about “the end of history” thesis.⁹ They view that democracy, as a mega trend is now sweeping across the world where communism is no longer an archrival to democracy.¹⁰

Bangladesh stands on the track of this mega trend. Our long struggle for democracy has put Bangladesh into Huntington’s “Third Wave” of the current worldwide democratization since 1991.¹¹ The ongoing process of democratization has rekindled the hopes and aspirations of the common people of Bangladesh. Following the introduction of the parliamentary system of government in 1991, Bangladesh entered into the tenure of democracy. However, the path of democracy seems to follow a zigzag direction of development that proceeds amidst manifold challenges and opportunities. Some observers view that the experiment of democracy and democratization in Bangladesh clearly suffers contradictory realities.

Bangladesh came into being as an independent state following the liberation war of 1971. It was the expectations of each and every corner that the country would exercise democracy in its courses of action. To that end, democracy was incorporated as one of four basic principles of the new state in its first constitution of 1972. In 1975 General Zia came in the limelight of Bangladesh politics. It is worth mentioning that he came from army headquarter and wanted to return to the army quarter. Despite the fact that he was a military person who made substantial amendments in Bangladesh constitutions, he did not bring any change in the provision of democracy. He kept the principle of democracy untouched and in tact. The subsequent regimes and governments - from Ershad to Khaleda to Hasina - all respected democracy. It is interesting that General Ershad, although rose to power and ruled the country in an authoritarian way, he never spoke in the public against democracy. Rather he repeatedly uttered rhetoric regarding the image and implications of democracy and introduced himself and his ruling system as democratic. Since the beginning, Bangladeshi political leaders have made democratic utterances everywhere which have been voiced from both the ruling throne and the opposition crown. Both the government and the opposition are claiming to forward their activities in order to strengthen and survive democracy.

⁹ Fukuyama, F., *The End of History and the Last Man*, Free Press, New York and Toronto 1992.

¹⁰ *ibid*

¹¹ Huntington, S. P., *The Third Wave: Democratization in the Late Twentieth Century*, University of Oklahoma Press, Norman and London, 1991.

Scholars view that as soon as the Parliamentary form of government was inaugurated in 1991, the actual period of democracy started in Bangladesh. Ahmad notes that “following the parliamentary form of government in 1991, Bangladesh is almost completing its first democratic tenure”.¹² The then leader of the ruling party-BNP, Khaleda Zia made an amendment and introduced parliamentary form of government. Thus the amendment during Khaleda Zia exists as a milestone in the history of democracy of Bangladesh.

Based on the 1991 constitutional amendment, the parliament election was held in 1996, when the second democratic era came into being in our country. During this time, Sheikh Hasina became the Prime Minister of the country. The third parliament through democratic election was formed in October 2001 and Khaleda Zia was elected as the new Prime Minister from the four party alliances. After the end of the Khaleda-Nizami government in 2006, the country entered into an acid test of democracy. The caretaker government failed to hold national elections in the face of opposition from the Awami League-led grand alliance. The Awami League along with its allies staged demonstrations in order to oust the caretaker government. A counter movement was also run by the four party alliance. Almost every day, the political parties used to exercise muscles against each other through hartals, demonstrations and other forms of destructive programs. A number of party activists of Jamat Islami were staked to death by the rival political parties that also claimed that some of their political workers were killed by BNP-Jamat demonstrators.

In such suffocating situation, the then caretaker government had to resign which was followed by the installation in power by a number of caretaker governments. At one point, emergency was declared, a new caretaker government was formed and the country came under the combined civil-military bureaucratic governance. The front line political leaders including former Prime Ministers, other ministers, parliament members, business magnets and other professionals were arrested on various corruption charges. Chanting slogans to curb corruption, the new caretaker government could attract appreciation from the mass people in the initial months. However, the increasingly price rise of daily necessities like food, drinks, clothes, fuels, oil, agro-fertilizers and so on

¹² Ahmad, S., “Sustainable Democracy in Bangladesh: Problems and Prospects”, Paper presented at BISS Young Scholar seminar on *Bangladesh: Search for Sustainable Development*, August 16, 1995.

created anger and suspicion about the efficiency of the newly formed caretaker government. Political parties as well as civil society stood against the government. People were afraid of the fracture and dysfunction of democracy under the caretaker advisors who also failed to hold national elections in due time. However, amidst manifold uncertainties and complexities, 29 December 2008 was declared as the date for the parliament election. The grand alliance received overwhelming support from people in the national parliament election and formed a coalition government. This heralded a new chapter in the history of our prospective democracy.

Democracy in Bangladesh: Challenges and Opportunities

In order to understand future directions of our democracy, we need to look at its problems and prospects.

Challenges of Democracy

The first and the foremost constraint is related to the fact that our constitution has not reflected democratic values in true sense of the term from the very beginning. The hurriedly made constitution of 1972 was accepted in the face of severe criticism from the opposition parties. Two of the four state principles -secularism and socialism- were incompatible with the belief and practice of muslims, Bangladesh's mainstream population. Zia and Ershad coming from military camp required people's legitimacy which they easily achieved by bridging the gap through Islamization process. They took efforts to reflect the choice and views of the Muslim majority in Bangladesh by amending the constitution by adding *Bismillahir Rahmanir Raheem* and declaring *Islam as the state religion*. Unfortunately, however, none of them go for implementation of the essence of Bismillah or the values of Islam in the state life, rather used it as the means of their survival in power. The critics pointed out that Islamization of Zia and Ershad, albeit fraudulent and treacherous, gained popularity.¹³ Moreover, the draft constitution was not finalized through necessary debate and discussion among the intellectuals, law makers, experts and other related people. Since the beginning, all governments have used the word democracy without fulfilling conditions conducive to democracy. The caretaker government system was introduced in the mid nineties and since then it has been massively misused by different governments.

¹³ Amin, M.R., "Bengali Nationalism to Replace Islamic Ideology?" *The Bangladesh Observer*, March 2, 2000.

Another problem is that the opposition views and opposition parties have always remained unheard and unnoticed. Sometimes, they demonstrate on the streets claiming the legitimate demands of national significance, but their claims are not respected through accepting their views. The newspapers and media are very often controlled and influenced by the ruling party. Especially BTV always acts as the TV of the ruling party.

Although the separation of powers is one of the hallmarks of democratic government, this has sometimes blurred. Judges are not seen free to decide. They are under the pressure of the ruling party. Although, the past caretaker government made provision for the separation of judiciary from the executive, its activities do not seem to be the ramification of a true separation. The issue of “Lathi (stick) showing” to the judges during the first Hasina regime, unauthorized interference in judges’ activities during the Khaleda-Nizami tenure, the abrupt use of the judicial mechanism for the cause of the immediate past caretaker government¹⁴ and the withdrawal of the political cases of the ruling Awami League party men in recent days are some notable examples of the executive disobedience to judiciary. In reality, true separation of power seems to be never possible nor is ensured in Bangladesh.¹⁵ As said before, the initiatives of placing wall between the executive and judiciary did not show the light of success until today.

The rule of law is the fourth important factor to play a pioneer role for strengthening democracy. But law and order has seriously been deteriorated in Bangladesh. Public Safety Act (PSA) of the Hasina government during late nineties could not limit the expansion of crimes. The dreadful news regarding killing, hijacking, robbery was splashed on the front pages of newspapers almost everyday. Despite the inauguration of Rapid Action Battalion (RAB), and Chita along with the police forces during the Khaleda-Nizami period, the dangerous incidence of terrorist activities, ransacking and firing of garment industries in Savar, Gazipur, and other places of Dhaka city could not be reduced. During the emergency under the previous quasi-military backed caretaker government, the levels of crime do not seem to be decreased.

¹⁴ Rahman, Mahmudur, “Nirbachoni Ishtehar Banam Ishtehar”, *The Amader Desh*, Dhaka, 16 December, 2008.

¹⁵ Amin, M.R., “How Independent is Our Judiciary?” *The Bangladesh Observer*, April 16, 2000.

NGOs must have positive role in strengthening democracy. But the NGOs of our country are now making unauthorized penetration in our politics. Instead of doing active development activities, they get themselves involved in our politics. NGOs' role in our politics is clear in three dimensions. First, on the development perspectives they are intimately working with the Bangladesh government. For example, Christian Commission for Development in Bangladesh (CCDB's) involvement with Roads and Highways Department and Communication Ministry for different phases of Road Rehabilitation and Maintenance Program (RRMP) is a glaring case in point.¹⁶ Moreover, many government officials including Secretaries are directly or indirectly associated with NGOs in varied forms and nature to complete their missions. Second, in local government structure, NGOs have predominant roles in many respects. Comparative studies provide evidences of relative superiority of NGOs over the local Governments in the project design and management activities suitable to the local conditions of rural Bangladesh.¹⁷ Third, NGOs' political role is also clear from some events. For example, once 'Fatwa' appeared to be a serious political issue. The issue led to irritating hassle between pro-Islam political parties and the then ruling Awami league government where the NGOs' involvement was a vivid phenomenon. Under the auspices of Association of Development Agencies in Bangladesh, a meeting was convened where the 'Fatwa' issue was the significant among the agenda. This agenda implied that the NGOs appear to be the party to the dispute of political entities of Bangladesh.¹⁸

Many third world countries started their journey towards constitutionalism and economic development with fragile institutions as is the case of Bangladesh. The basic reason behind this is concerned with leadership crisis, which has been one of the most important sufferings for these nations since independence. Mahathir, the heroic Malaysian Prime Minister was an example of a prudent and intelligent leader; he transformed his country from rudimentary stage to its 'tiger' status. Malaysia was beset with many problems earlier. South Korea's economy

¹⁶ Khan, A.R., and Amin, M.R., "Social Development of Bangladesh: the State of Poverty Alleviation", *Social Science Review*, University of Dhaka, Dhaka, Vol.14, No. 2. December 1997.

¹⁷ Huq, C.L., *Local Self Government and its Reorganization in Bangladesh*, National Institute of Local Government, Dhaka, 1987, P. 7.

¹⁸ Amin, M.R., "Problems and Prospects of Democracy in Bangladesh", *The Bangladesh Observer*, June 16, 2001.

was no better than ours in the 1960s. Its per capita income was lower than that of Bangladesh in 1953. However, by virtue of solid leadership skill, it had surpassed us long back.¹⁹ The age of our Independence is 38 years, which is a pretty long time. Unfortunately, we still talk about food, clothes, and shelter - three basic needs of the people. This long period was enough for any civilized and hard working nation to change its luck and rise to glory. Ironically we failed to meet our minimum needs in the span of such a huge time. Our people are no less hard working than those of industrial nations. The leaders in our country only aggravate the crisis of democracy by trying to shape events to suit their own exigency while disregarding the urgent need for economic growth. Their commitment is limited to their speeches and the rituals of annual plans that are drawn and implemented mainly by bureaucracy. No substantive effort is made to inspire people towards sacrifice and growth and no serious national plan is envisaged to deal with these problems. The leaders have remained too busy with small, peripheral, petty personal politics and ignored the fundamental issues of development and democracy.²⁰

Prospects for Democracy

Despite above challenges, prospects for democracy should not be ignored. With the parliamentary form of government in 1991, Bangladesh entered into the era of democracy and since then, the democratic government as well as our civil society has been very active to nurture democracy in our country.

As already mentioned, in parliamentary democracy like that of Bangladesh, parliament, multiparty system, executive, legislative, judiciary and different interest groups play vital role in institutionalizing democracy through diffusing democratic norms and values in the society. Pluralism and 'checks and balances' are the hallmarks of democratic political institutions. Through checks and balances, democratic institutions put a halt on the unrestraint behavior of the government. The role of the opposition political parties is also very important, because party people take democratic values to the lower levels in the society. Equally, democratic government is a party government. Democratic institutions may degenerate if democratic norms and values are not properly injected.

¹⁹ Ahmed, Moudud, *Democracy and the Challenge of Development*, The University Press Limited, Dhaka, 1995.

²⁰ *ibid*

Along with democratic institutions, the importance of civil society deserves significant academic discussion. Civil society encompasses a vast array of organizations- political, economic, cultural, educational, and so on. These two elements are fairly available in Bangladesh. The role of opposition in our politics has always been predominant. The combined movement of the opposition caused the fall the government of Ershad. Similarly many opposition parties staged combined movement to topple the governments of Khaleda Zia and Sheikh Hasina in their previous ruling periods. Almost all political parties also campaigned against the emergency rule of the past caretaker government. Such political culture makes the grassroots level people aware about their rights and duties to the state. They also train them how to develop the socio-economic condition of Bangladesh including its rural people.

At various times, the student community assumes the role of a catalyst in the political history of Bangladesh, ushering in changes and democratization in our country. Their role in the 1950s and 1960s took a new shape in the then democratic movement and later in the popular upsurge of 1990. In terms of civil society, the roles of mass media, intellectuals, NGOs, human rights organizations, business groups are very important. Bangladesh seems to stay in the making and strengthening the roots of a civil society. The people of our country are almost homogeneous in their original socio-economic and political beliefs. Except some minorities in CHT, almost all people are from Bengali origin and about 85 percent of our people are Muslims. Such homogeneous character of our people is strongly positive for democratic development.

The constitution of Bangladesh contains the provision of gender equality, prohibits gender discrimination and extends opportunities for women in all spheres of civic life. It also states that local government institutions should be composed of representatives of peasants, workers and women (Article 9); steps are to be taken to ensure the participation of women in all spheres of national life (article10).²¹ Our political parties are extremely flexible in making room for women in their party politics. Anyone of the two female leaders - Khaleda and Hasina - heads either the government or the opposition. Moreover, women's representation in the party committees and other bodies is remarkably increasing and the participation of women in the electoral politics is significantly expanding.

²¹ *The Constitution of Bangladesh*, Dhaka, 1994.

All political parties put emphasis on the reserved seats for women in our parliament.

Finally, political consciousness is growing among the political parties as well as in the civil society. In recent years, there has been a general consensus about understanding the significance of democracy. Several studies show that democratic traditions so far achieved have enhanced Bangladesh's growth. The first two decades (1971-1980) of quasi democratic or undemocratic rule clearly indicates the negative growth, fluctuation, and decreased rate while the last decade of democracy (1990-2000) marks a stable and steady and increased growth rate. Realizing this strong positive relationship between democracy and economic growth, the policy makers and the government leaders are now prone to practice democracy so that Bangladesh can speed up economic growth. It is expected that the declining economy during the past caretaker government under Dr. Fakhruddin would soon be revived under the present democratic government formed by the *muhajot* alliance.

Path towards Sustainable Democracy

It is very important to make our nascent democracy survive. There is no denying the fact that without practicing freedom and accountability in the political institutions, individuals' thoughts, party perceptions, political leaders' activities, real democracy cannot take root. We need to take appropriate measures so that the constraints and problems of implementing democracy can be removed and a genuinely congenial atmosphere for its survival is established. To that end, following suggestions and recommendations may be chalked out:

First, historically, Bangladesh experienced many undemocratic rules in the name of presidential authoritarian rule or one party rule or frequent military rule from 1975 to 1990. As a result, the perception regarding political power has been developed. Thus although Bangladesh has reverted to democracy, in reality, power remains in the grips of the authoritarian segment of our people. Bangladesh should come out of this situation as soon as possible.

Second, leadership role and parties' contribution are important in nurturing democracy. In the political party structure, the voice of the chief of the parties is considered as decisions. This way 'personality cult' has been injected into the higher stratum of political parties. In order to overcome this problem, democratic practices should be pulled back to the

party structures. We should not only expect a democratic state, we need also to establish democracy in parties.

Third, the ineffective local government has strengthened the absolute hands of government. The major problems lie in the lack of autonomy of local agencies. Their freedom from the control of central government is a crucial factor. In order to achieve sustainable democracy, local bodies need to be strengthened through various means. There are four theories with regard to decentralization.²² All these theories need to be examined and their implications for Bangladesh must be assessed. The most appropriate mechanism should be accepted to make local systems more workable. Bureaucratic control over the resource distribution is a major hurdle in peoples' participation in the development process. In the distribution process, people should get involved alongside other government mechanisms.

Fourth, the continued deterioration of law and order situation has made the people virtually insecure. In this situation creative potentials of individuals are not being utilized. People are not effectively raising their voices. Law and order situation should immediately be improved. The arms hooligans and local terrorists should be arrested and corrective measures need to be adopted.

Fifth, measures need to be taken to keep NGOs away from their political involvement. These organizations should be placed under strict supervision so that they undertake pro-people activities and programs, such as leadership training, voters' consciousness, and peoples' awareness about law, politics and rights.

Sixth, students are used by politicians for strengthening their political footing. It was a very good step when once President Shahabuddin repeatedly urged to stop student politics which was not paid any attention by political parties. The irritating perception about student politics poised me think that the younger generations should cut off traditional political ties and their dependence on major political parties. They may be allowed to form small political clubs in order to learn political issues for the greater understanding of democratic practices.

Seventh, intellectuals can play a pioneering role for establishing effective democracy. It is not an impossible task if they play their

²² Conyers, D., "Decentralization: A Framework for Discussion", in H.A Hye (ed.), *Decentralization, Local Government Institution and Resource Mobilization*, BARD, Comilla, 1985. PP. 26-2

appropriate role. They can teach the students democratic norms and values. They can also train mass people through their columns in newspapers and concepts on various Radio-TV talks.

Eighth, the role of newspapers, radio, television and other mass media can also play a significant role to nurture democracy. In fact appropriate knowledge and practices of democracy are not clear to many sections of people. The mass media can fill this vacuum.

Finally, the concept of democracy along with its implementation needs to be examined within the broader perspectives of socio-cultural and religious beliefs of the majority people. As Bangladesh is overwhelmingly a Muslim populated country, the significance of its political structure based on Islamic values should not be ignored. Consensus on Islamic commitment of all political parties demand the application of Islamic values in our state affairs.²³ Khaleda Zia's commitment to Islamic values and Sheikh Hasina's declaration of not framing any anti-Islamic laws in her 29 December 2008 election manifesto demand that the present government would hold tightly the already acclaimed Islamic values in running the government in tune with the demand of the majority of Bangladeshi citizens.

Islam and democracy are not incompatible. Many democratic features and institutions are in conformity with Islam. In another word, democracy and Islam are not mutually exclusive; rather in many respects they are mutually exhaustive. A number of democratic features like participation, representative parliament, consultation and debate, voting, human rights, popular government, welfare activities, accountability are also the perennial features of Islamic political ideology.

Considering above discussion, it may safely be said that Islamic political system may provide a viable alternative for sustained democracy in Bangladesh.²⁴ Realizing the importance of Islam, the provisions of *Bismillah* and *Islam as State Religion* were incorporated in the constitution through amendments that have not been questioned or modified by subsequent governments. Unfortunately, following a recent court verdict, our constitution may undergo a dramatic shift. However, neither the present government nor the opposition political parties have been deviated from their adherence to Islam. Many of the decision-

²³ Amin, M.R., "Constitutional Amendments in Bangladesh", *The Bangladesh Observer*, Dhaka, February 8 & February 9, 2000.

²⁴ Sugita, H., *op.cit.*

makers in the *Muhajot* Government are not convinced to include any anti-Islamic provision in our constitution.²⁵ One may arguably say that since Islam is a popular political ideology to the majority of people and since Islam provides important safeguards for the rights of non-Muslim citizens too, and since, under Islam, all religions can safely coexist, Islamic political system should be established for a sustainable democracy in Bangladesh.

Conclusion

The preceding discussion gives us clear idea about how democracy has been practiced in Bangladesh since independence. There has always been misperception about the theory and practice of democracy among our political leaders as well as mass people. A number of problems are identified for which the journey of democracy does not meet its safe destination. However, the opportunities for democracy are also apparent and its prospects bright.

It is obvious from the study that without practicing democracy in the political institutions, individuals' thoughts, party perceptions, political leaders' activities, real democracy can not take root. We need to take appropriate measure so that the constraints of democracy are removed and a genuine congenial atmosphere for democracy is created. The suggestions and recommendations that are spelled out in the previous section should be appropriately put into practice.

It is not easy to establish genuine democratic society in our country. It is undoubtedly a difficult job. However, the sincerity and seriousness of all segments of our people are of utmost importance. This requires knowledge about the role of individuals and groups in politics and society. Education and training being number one criterion need to be emphasized in the policy formulation and operational strategy.

²⁵ *The Naya Diganta*, 19 September 2010.

5

Symbiosis between Power Politics and Administration

Introduction

The politics of Bangladesh takes place in a framework of a parliamentary representative democratic republic, where the Prime Minister is the head of the government. The executive power is exercised by the government and the legislative power is vested in both the government and parliament. The administration of our politics has, very often, been run by the struggle for power. In another word, the concept of ‘power politics’ has been predominant in the political administration of Bangladesh.

Prior to the one eleven political transformation in 2007, the country witnessed ten weeks of political standoff, rioting and killing of more than forty political activists on the street by members of political rivals. Under the circumstances, President Iajuddin Ahmed declared the state of emergency on January 11, 2007. The Emergency was the outcome of the Awami League-led 16-Party Grand Alliance’s stubborn opposition to taking part in the parliamentary elections scheduled for January 22 on the pretext that the elections would not be free and fair for various reasons. One wonders if the State of Emergency by curtailing several fundamental rights of the people will finally lead to free and fair elections, participated by the major political parties and acceptable to all at home and abroad. It is assumed that unless both the main political rivals - the Awami League and BNP-led alliances are convinced of winning the majority of seats in the Parliament, there will not be any elections in the over-polarized polity of Bangladesh.

In our country, elections neither reflect people’s verdict through ballots nor indicate the harbingers of democracy. In accordance with the winner-takes-all rule, winning elections is a major step towards grabbing political power. The average voters, being poor clients in the patron-client hierarchy, are too weak to go against their patron. Having more in common with rural community rather than with urban society, Bangladesh polity is promoting the politics of faction-ridden, quasi-tribal, village or pre-modern peasant community. Its political culture is “pre-political”, violent and fatalist by nature. The faction-ridden Bangladesh community provides the smooth playground for the crafty faction chiefs. They take part in elections, making false promises on phony programs.

Since “politics”, or “rajniti “ in the common parlance, literally means a prerogative of the raja (king) or rich and powerful in Bangladesh, the average voters do not mind rallying around their respective patrons while the latter are busy playing the game of politics.¹ Besides getting some crumbs and immediate gratifications, voters hope that some future benefits might come in the event of their patrons winning the elections. These mass people are quite unaware of the socio-economic and political consequences of the extension of their blind support to the political parties. It is observed that the support and cooperation are manipulated by the political muscles through the use of power politics. However in the post one- eleven Bangladesh, a new chapter of politics has been in existence which aims to curb political corruption. The frontline political leaders of major political parties have been arrested including two immediate past Prime Ministers. Thus the widening gaps between the rich and the poor which have turned people apathetic to politics are now bridged though in a little extent.

Against this backdrop, it is worthwhile to understand the dynamics of the interrelationship of politics, power and administration. The author hypothesizes that the politics, political administration and political activities of a country have almost always been run by power. The political leaders have exercised power to survive in politics and political positions. All political leaders and governments of Bangladesh thus have made appropriate utilization of power to hold control of political game and thus the administration of their politics has been molded in that direction.

Structurally and content wise, the chapter is divided into five sections. The introduction and methodology are discussed in the first section. The second section is dedicated to the conceptual analysis of power, politics and political administration which is followed by a discussion on the political implications of power in section three. Section four is designed to focus on the symbiotic relationship between power, politics and political administration in Bangladesh. Finally, the write-up ends with some concluding remarks.

Power Politics and Political Administration: Theoretical Aspects

The Meaning of Power

Power is the ability to influence other people and events, the way that leaders extend their influence to others. Power refers to a capacity, for example that A has to influence the behavior of B, so that B acts in accordance with A’s wishes and desires. Power may exist but not be

¹ Europe Solidaire Sans Frontières, “Power Politics In Bangladesh”, www.europe-solidaire.org/spip.php? Access on 25 November, 2008.

used. It is, therefore, a capacity or potential. Probably the most important aspect of power is that it is a function of dependency. Dependency like B's relationship to A when A possesses something that B requires.

The famous pioneering sociologist Max Weber defined power as "the probability that one actor within a social relationship will be in a position to carry out his own will despite resistance."² The literatures on power define it as "the ability to get things done despite the will and resistance of others or the ability to win political fights and outmaneuver the opposition". Another management theorist named Chester Barnard defined it in terms of "informal authority". Many organizational sociologists define authority as "legitimate power."³ Pfeffer simply defined power as a potential force and in more detail "as the potential ability to influence behavior, to change the course of events, to overcome resistance, and get people to do things that they would not otherwise do."⁴ A person can have power over another only if he or she controls something another one desires. If a student wants to get a good grade in any subject, he or she has to maintain all rules of the course teacher. This is one kind of power of the course teacher over the students.

The Concept of Politics

The word 'politics' is derived from the Greek word 'polis' which means a city. It is confined to the study of the state. The term has acquired a variety of meanings. Crick's trite comments that 'politics is politics'.⁵ Some eminent political scientists, as Harold Laski, R.H. Solatu, Karl Deutsch and many others prefer the term politics for the subject matter of political study.⁶ Plato and Aristotle viewed politics primarily in terms of moral purposes that the decision makers ought to pursue.

Politics is the process by which groups of people make decisions. Although the term is generally applied to behavior within civil governments, politics is observed in all human group interactions, including corporate, academic, and religious institutions. Politics consists of "social relations involving authority or power"⁷ and refers to the

² Max Weber and Henderson, A.M., *The Theory of Social and Economic Organization*, Free Press, New York, 1974, P.152.

³ Grimes, A.J., "Authority, Power, Influence and Social Control: A Theoretical Synthesis", *Academy of Management Review*, October 1978, P. 725.

⁴ Jeffrey Pfeffer, *Managing with Power*, Harvard Business School Press, Boston, 1992, P.30.

⁵ Moten, Abdul Rashid, *Political Science*, Palgrave, Macmillan, USA, 1995, P. 199.

⁶ Kapur, A.C., *Principles of Political Science*, S. Chand and Company Ltd., New Delhi, P. 240.

⁷ Online available, <http://en.wikipedia.org/wiki/Politics>, Access on 12 November 2008.

regulation of a political unit,⁸ and to the methods and tactics used to formulate and apply policies. According to Paul Janet, politics is the part of Social Sciences which is treated as the foundation of the state and the principles of governance. According to Garris, politics deals with the origin, development, purpose and political problems of a state. Lasswell and Kaplan define politics “as an empirical discipline, the study of the shaping and sharing of power and a political act performed in power prospective.”⁹

The Idea of Political Administration

Administration can be defined as the activities of groups cooperating to accomplish common goals. Broadly speaking, public administration is the implementation of policy within a state structure. The adjective 'public' denotes 'government', though it often encompasses nonprofit organizations. It is different from the word private. A good working definition of public administration is to take care of the state organs and international organizations through civil servants within the executive branch of government. Public Administration is concerned with a) formulation and implementation of public policies, b) executive branch of government, c) structure of administration, and d) bureaucracy.

Political administration implies the management and operational strategies of a country's politics, political activities and government responsibilities. Political administration includes and influences all public policies and activities. Public administration or public activities are run and governed under the guidance and direction of a political party and/or parties that form a government through elections.

Distinctions between Power and Authority

Extrapolating from the definition of the need for power, “power” itself can be defined as the ability to get an individual or group to do something—to get the person or group to change in some ways. The individual who possesses power has the ability to manipulate or change others. Such a definition of power distinguishes it from authority and influence.¹⁰

Power is easy to feel but difficult to define. It refers one's influencing ability. On the other hand, authority is the source of legitimizing power or institutionalizing power. So authority is the nature of an order in an

⁸ Online available, http://everything2.com/index.pl?node_id=303454, Access on 10 November 2008.

⁹ Harald, D. Lasswell and Abraham Kaplan, *Power and Society*, S. Chand and Company Ltd, New Delhi, P. 240.

¹⁰ Jerald Greenberg and Robert A. Baron, *Behavior in Organizations*, Prentice Hall of India Private Limited, New Delhi, 1999, PP. 455- 489.

organization by virtue of which it is accepted. Authority legitimizes power and it is a source of power. Authority is the right to manipulate or change others. Power need not be legitimate. In addition, the distinction must be made between top-down classical, bureaucratic authority and Barnard's concept of bottom-up authority based on acceptance. In particular, Barnard defined authority as "the character of a communication (order) in a formal organization by virtue of which it is accepted by a contributor or member of the organization as governing the action he contributes".¹¹

The kinds of Power

According to French and Raven¹² there are five classic types of power-Reward Power, Coercive Power, Legitimate Power, Referent Power, and Expert Power. The Reward Power refers to the compliance achieved based on the ability to distribute rewards that others view as valuable. This source of power is based on a person's ability to control resources and reward others. In addition, the target of this power must value these rewards.¹³ The coercive power is defined by French and Raven as being dependent on fear.¹⁴ The person with coercive power has the ability to inflict punishment or aversive consequences on another person or, at least, to make threats that the other person believes will result in punishment or undesirable outcomes. This form of power has contributed greatly to the negative connotation that power has for most people.

The power a person receives as a result of his or her position in the formal hierarchy of an organization is called legitimate power. This power source identified by French and Raven, stems from the internalized values of the other persons that give the legitimate right to the agent to influence them. The others feel they have the obligation to accept this power. It is almost identical to what is usually called authority and is closely aligned with both reward and coercive powers because the person with legitimacy is also in a position to reward and punish. Legitimate power comes from three major sources. First, the prevailing cultural values of a society, organization, or group determine what is legitimate. Second, people can obtain legitimate power from the accepted social structure. In some societies there is an accepted ruling class. But an organization or a family may also have an accepted social structure that

¹¹ Chester I. Barnard, *The Functions of the Executive*, Harvard University Press, Cambridge, Mass, 1938, P. 163.

¹² John R. P. French, Jr. and Bertram Raven, "The Bases of Social Power," in D. Cartwright (ed), *Studies in Social Power*, University of Michigan, Institute for Social Research, Ann Arbor, 1959.

¹³ Luthans, Fred, *Organizational Behavior*, McGraw Hill, New York, 2002, P. 435.

¹⁴ John R. P. French, Jr., and Bertram Raven, *op.cit.*

gives legitimate power. The third source of legitimate power can come from being designated as the agent or representative of a powerful person or group.

The Referent Power is an influence based on the possession by an individual of desirable resources or personal traits. This type of power comes from the desire on the part of other persons to identify with the agent wielding power. They want to identify with the powerful persons, regardless of the outcomes. The others grant the person power because he or she is attractive and has desirable resources or personal characteristics. The Expert Power is based on the extent to which others attribute knowledge and expertise to the power holder. Experts are perceived to have knowledge or understanding only in certain well-defined areas. All the sources of power depend on an individual's perceptions, but expert power may be even more dependent on this than the others. In particular, the target must perceive the agent to be credible, trustworthy and relevant before expert power is granted. Thus expert power influences based on special skills or knowledge.

Contingency Approaches to Power

There are research supports for some insightful observations, and there are some research findings that lead to contingency conclusions such as: a) The greater the professional orientation of group members, the greater relative strength referent power has in influencing them. b) The less effort and interest high-ranking participants are willing to allocate to a task, the more likely lower-ranking participants are to obtain power relevant to this task.¹⁵ The following characteristics have been identified as being especially important to the influencing ability of targets.¹⁶ In another word, the following things uphold the influenceability of the targets of power:

Dependency

The greater the targets' dependency on their relationship to agents (for example, when a target cannot escape a relationship, perceives no alternatives, or values the agent's rewards as unique), the more targets are influenced.

Uncertainty

Experiments show that the more uncertain people are about the appropriateness or correctness of a behavior, the more likely they are to be influenced to change that behavior.

Personality

¹⁵ Robbins, Stephen P., *Organization Behavior*, Prentice Hall, Upper Saddle River, N.J., 1979, P. 276.

¹⁶ H. Joseph Reitz, *Behavior in Organizations*, Irwin, Burr Ridge, 1987, PP. 441-443.

There have been a number of research studies showing the relationship between personality characteristics and influenceability. Some of these findings are obvious (for example, people who cannot tolerate ambiguity or who are highly anxious are more susceptible to influence, and those with high needs for affiliation are more susceptible to group influence), but some are not (for example, both positive and negative relationships have been found between self-esteem and influenceability).

Intelligence

There is no simple relationship between intelligence and influenceability. For example, highly intelligent people may be more willing to listen, but because they tend to be held in high esteem, they also may be more resistant to influence.

Gender

Although traditionally it was generally thought that women were more likely to conform to influence attempts than men because of the way they were raised, there is now evidence that this is changing.¹⁷ As women's and society's views of the role of women are changing, there is less of a distinction of influenceability by gender.

Age

Social psychologists have generally concluded that susceptibility to influence increases in young children up to about the age of eight or nine and then decreases with age until adolescence, when it levels off.

Culture

Obviously, the cultural values of a society have a tremendous impact on the influence ability of its people. For example, some cultures, such as Western cultures emphasize individuality, dissent, and diversity, which would tend to decrease influenceability, whereas others, such as many in Asia, emphasize cohesiveness, agreement, and uniformity, which would tend to promote influenceability.

Political Implications of Power

Power and politics are very closely related concepts. A popular view of a country's politics is how one can pragmatically get ahead in the country. Alvin Toffler, the noted author of *Future Shock*, *The Third Wave*, and *Powershift*, observed that "the companies are always engaged in internal political struggles, power struggles, infighting, and so on. That's normal life."¹⁸ There is another view that there exists an inverse relationship between power and politics. For example, a recent publication aimed at practicing human resources (HR) managers noted that in this era of competing for limited resources, HR managers who lack power must use

¹⁷ *ibid*, pp. 442-443.

¹⁸ Alvin Toffler, "Powership in the Workplace", *Personnel*, June 1990, p. 21.

more politics. Putting this example in the political organizations, political parties and political practices, the weak segments always tend to manipulate and concentrates on power. Those who lack political skills will gain a reputation for folding under pressure and having no convictions.¹⁹ Such political skills largely deal with the acquisition of power. In this latter view, power and politics become especially closely intertwined. Recognition of the political realities of power acquisition in today's politics and organizations and an examination of some specific political strategies for acquiring power are of particular interest for understanding the dynamics of organizational behavior and political atmospheres.

Political Perspective of Power in Organizations

The classical organization theorists portrayed organizations as highly rational structures in which the authority meticulously follows the chain of command and in which managers try to legitimize power. It is in this more realistic view of organizations that the importance of the political aspects of power comes to the forefront. As Pfeffer notes: "Organizations, particularly large ones, are like governments in that they are fundamentally political entities. To understand them, one needs to understand organizational politics, just as to understand governments, one needs to understand governmental politics."²⁰

The political perspective of organizations departs from the rational and idealistic model. For example, Walter Nord dispels some of the dreams of ideal, rationally structured, and humanistic organizations by pointing out some of the stark realities of political power. He suggests four postulates of power in organizations that help focus on the political realities:

- a. Organizations are composed of coalitions that compete with one another for resources, energy, and influence.
- b. Various coalitions will seek to protect their interests and positions of influence.
- c. The unequal distribution of power itself has dehumanizing effects.
- d. The exercise of power within organizations is one very crucial aspect of the exercise of power within the larger social system.²¹

In other words, the political power game is very real in today's organizations and politics. Researchers on organizational politics

¹⁹ Clifford M. Koen, Jr. and Stephen M. Crow, "Human Relations and Political Skills", *HR Focus*, December 1995, PP. 10-12.

²⁰ Jeffrey Pfeffer, "Understanding Power in Organizations", *California Management Review*, Winter 1992, P. 29.

²¹ Walter, Nord, "Dreams of Humanization and the Realities of Power", *Academy of Management Review*, July 1978, PP. 675-677.

conclude that politics in organizations is simply a fact of life. Personal experience, hunches, and anecdotal evidence for years support a general belief that behavior in and of organizations is often political in nature. More recently, some conceptual and empirical researches add further support to these notions.²²

Some of today's large corporations have even formalized their political nature by creating political action committees (PACs) to support certain government positions. For example, one CEO created a stir when he proposed a PAC and purportedly suggested that employees who don't contribute "should question their own dedication to the company and their expectations".²³ But like other aspects of organizational dynamics, politics is not a simple process; it can vary from organization to organization and even from one subunit of an organization to another. A comprehensive definition drawing from the literature is that "organizational politics consists of intentional acts of influence undertaken by individuals or groups to enhance or protect their self-interest when conflicting courses of action are possible".²⁴ The political behavior of organizational participants tends to be opportunistic for the purpose of maximizing self-interest.²⁵

The research so far done on organizations and politics has identified several areas that are particularly relevant to the degree to which organizations are political rather than rational.²⁶ The first and the foremost among the areas is related to resources. There is a direct relationship between the amount of politics and the critical and scarce resources. Also, politics may be encouraged when there is an infusion of new, unclaimed resources. Another important area is decisions. The empirical evidences of administering politics and organizations suggest that ambiguous, uncertain and long-range strategic decisions lead to more politics than routine decisions. Goals are the third significant aspects of understanding the politics of power and organizations. If the goals are more ambiguous and complex, they tend to lead to more politics. Technology and external environment constitute some notable examples of power and politics. In general, the more complex the internal

²² Gerald R. Ferris and K. Mishele Kacmar, "Perceptions of Organizational Politics", *Journal of Management*, Vol. 18, No. 1, 1992, P. 93.

²³ "Labor Letter", *The Wall Street Journal*, December 23, 1986, P.1.

²⁴ Barbara Gray and Sonny S. Ariss, "Political and Strategic Change across Organizational Life Cycles", *Academy of Management Review*, October 1985, P. 707.

²⁵ Patricia M. Fandt and Gerald R. Ferris, "The Management of Information and Impressions: When Employees Behave Opportunistically", *Organizational Behavior and Human Decision Processes*, Vol. 45, 1990, P. 140.

²⁶ Robert H. Miles, *Macro Organizational Behavior*, Goodyear, Santa Monica, Calif, 1980, PP. 182-184.

technology of the organization, the more politics there will be. The same is true of organizations operating in turbulent external environments. The final significant component is concerned with change. Reorganization or a planned organization development (OD) effort or even an unplanned change brought about by external forces may encourage political maneuvering.

The preceding discussion implies that some organizations and subunits within the organization are more political than others. By the same token, however, it is clear that most of today's organizations meet these requirements for being highly political. That is, they have limited resources; make ambiguous and uncertain decisions; have unclear yet complex goals; have increasingly complex technology; and are undergoing drastic change. The existing situation facing organizations makes them more political, and the power game becomes increasingly important. Miles states: "In short, conditions that threaten the status of the powerful or encourage the efforts of those wishing to increase their power base will stimulate the intensity of organizational politics and increase the proportion of decision-making behaviors that can be classified as political as opposed to rational."²⁷ For example, with the political situation of today's high-tech, radically innovative firms, it has been suggested that medieval structures of palace favorites, liege lordship, and fiefdoms may be more relevant than the more familiar rational structures.²⁸ The next section presents some political strategies for power acquisition in today's organizations.

Strategies of Achieving Power

One of the more comprehensive and relevant lists of strategies for modern managers, political leaders and administrators are given by DuBrin. A closer look at a sampling of his and other suggested strategies provides important insights into power and politics in modern organizations. The strategies are to:

a. Maintain Alliances with Powerful People

The formation of coalitions (alliances) is critical to the acquisition of power in an organization. An obvious coalition would be with members of other important departments or with members of upper-level management. Not so obvious but equally important is the formation of an alliance with the boss's secretary or staff assistant, that is, someone who is close to the powerful person. An ethnographic study of a city bus

²⁷ *ibid*, P. 182.

²⁸ Jone L. Pearce and Robert A Page, Jr., "Place Politics: Resource Allocation in Radically Innovative Firms", *The Journal of High Technology Management Research*, Vol.1, 1990, P.193-205.

company exposes that a series of dyadic alliances went beyond the formal system and played an important role in getting the work done both within and between departments. For example, alliances between supervisors and certain drivers got the buses out on the worst winter snow days and kept them running during summer vacation periods when drivers were sparse.

b. Embrace or Demolish

Machiavellian principles can be applied as strategies in the power game in modern organizations. One management writer has applied these principles to modern corporate life. For example, for corporate takeovers, he draws on Machiavelli to give the following advice. The guiding principle is that senior managers in taken-over firms should either be warmly welcomed and encouraged or sacked, because if they are sacked, they are powerless, whereas if they are simply downgraded they might remain united and resentful and determined to get their own back.

c. Divide and Rule

This widely known political and military strategy can apply to the acquisition of power in a modern organization. The assumption, sometimes unwarranted, is that those who are divided will not form coalitions. For example, in a business firm the head of finance may generate conflict between marketing and production in hopes of getting a bigger share of the limited budget from the president of the company.

d. Manipulate Classified Information

The observational studies of managerial work demonstrate the importance of obtaining and disseminating information. The politically astute organization member carefully controls this information in order to gain power. For example, the chief information officer (CIO) may reveal some new pricing information to the design engineer before an important meeting. Now the CIO has gained some power because the engineer owes the CIO a favor. In the new information age, the amount of information being generated is growing rapidly that can provide power. Specifically, knowledge managers such as the CIO can become powerful in new economy firms.

e. Make a Quick Showing

This strategy involves looking good on some projects or tasks right away in order to get the right people's attention. Once this positive attention is gained, power is acquired to do other, usually more difficult and long-range projects. For example, an important but often overlooked strategy of a manager trying to get acceptance of a knowledge management program is to show some quick and objective improvements in the quality of a product, service, or process.

f. Show Gratitude to Others

This strategy says that the power seeker should do other people favors but should make it clear that they owe something in return and will be expected to pay up when asked. The “Godfather” in the famous book and movie of that name and Tony Soprano of the popular HBO T.V. series very effectively used this strategy to gain power.

g. Avoid Decisive Engagement or Fabianism

This is a strategy of going slow and easy- an evolutionary rather than a revolutionary approach to change. By not “ruffling feathers,” the power seekers can slowly but surely become entrenched and gain the cooperation and trust of others.

h. Attack and Blame Others

A political tactic some people try is to make others “look bad” in order to make themselves “look good.” Blaming and attacking deflects responsibility onto others. It is unethical and unacceptable, but is also a common practice in many organizations especially in politics.

i. Progress One Step at a Time - Camel’s Head in the Tent

This strategy involves taking one step at a time instead of trying to push a whole major project or reorganization attempt. One small change can be a foothold that the power seeker can use as a basis to get other more major things accomplished.

j. Wait for a Crisis

Things must get worse before they get better. This strategy uses the reverse of “no news is good news”; that is, bad news gets attention. For example, many deans in large universities can get the attention of central administration and the board of regents or trustees only when their college is in trouble, for instance, if their accreditation is threatened. Only under these crises can they get the necessary funding to move their college ahead.

k. Take Counsel with Caution

This suggested political strategy is concerned more with how to keep power than with how to acquire it. Contrary to the traditional prescriptions concerning participative management and empowerment of employees, this suggests that at least some managers should avoid “opening up the gates” to their people in terms of shared decision making. The idea here is that allowing subordinates to participate and to have this expectation may erode the power of the manager.

l. Be Aware of Resource Dependence

The most powerful subunits and individuals are those that contribute valuable resources. Controlling the resources other persons or departments need creates considerable bargaining power. All of these

political tactics are part of the games and turf wars that take place in today's organizations. On one level they are inevitable and cannot be prevented. On another, however, they are counterproductive and dysfunctional. They can impede participation and empowerment programs and cause people to waste time and resources. Consequently, many managers believe they must take steps to stop the game playing and turf wars through trust-building and goal-sharing programs. These efforts are especially warranted in a situation in which an organization is undergoing a crisis. Effective crisis management must, at some level, include social-political and technological-structural interventions, mainly aimed at disruptive dysfunctional political agendas of individuals, groups, and/or departments in order to resolve the crisis. Recently, some knowledgeable observers have even suggested that managers would benefit from reading Shakespeare in order to understand the intrigues and intricacies of political tactics used in today's organizations.

Specific Political Strategies for Power Acquisition

Once it is understood and accepted that contemporary organizations are in reality largely political systems, some very specific strategies can be identified to help organization members more effectively acquire power. For example, one study found that a supervisor-focused political strategy result in higher levels of career success, whereas a job-focused political strategy result in lower levels of success.²⁹

Authors classified the taxonomy of political strategies into the following.³⁰

- a. Information Strategy which targets political decision makers by providing information through lobbying or supplying position papers or technical reports.
- b. Financial Incentive Strategy that targets political decision makers by providing financial incentives such as honoraria for speaking or paid travel.
- c. Constituency Building Strategy which targets political decision makers indirectly through constituent supports such as grassroots mobilization of employees, suppliers, customers, or public relations/press conferences.

²⁹ Timothy A. Jude and Robert D. Bretz, Jr., "Political Influence Behavior and Career Success", *Journal of Management*, Vol. 20, No, 1, 1994, PP. 43-65.

³⁰ Amy J. Hillman and Michael A Hitt, "Corporate Political Strategy Formulation: A Model or Approach, Participation and Strategy Decision", *Academy of Management Review*, Vol. 24, No.1999, PP. 825-842.

For over 20 years, various political strategies for gaining power in organizations have been suggested. Luthans enlists the following political strategies for attaining power in organizations.

- Taking counsel
- Maintaining maneuverability
- Promoting limited communication
- Exhibiting confidence
- Controlling access to information and persons
- Making activities central and no substitutable
- Creating a sponsor—protégé relationship
- Stimulating competition among ambitious subordinates
- Neutralizing potential opposition
- Making strategic replacements
- Committing the uncommitted
- Forming a winning coalition
- Developing expertise
- Building personal stature
- Employing trade-offs
- Using research data to support one's own point of view
- Restricting communication about real intentions
- Withdrawing from petty disputes³¹

Some other researches are also being done on political tactics. For example, Yukl and Falbe derived eight political, or influence tactics that are commonly found in today's organizations. These tactics are identified in Table 1. Yukl and his colleagues found that the consultation and rational persuasion tactics were used most frequently and along with inspirational appeal were most effective.³² Table 1 below provides a representative summary of the strategies mentioned above.

Table 1: Political Tactics Derived from Research

Tactics	Description
Pressure Tactics	Using demands, threats, or intimidation to convince someone to comply with a request or to support a

³¹ Luthans, Fred, *op.cit*, P. 450

³² Gary, Yukl and Cecilia, M. Falbe, "Influence Tactics and Objectives in Upward, Downward, and Lateral influence Attempts." *Journal of Applied Psychology*, Vol. 75, 1990. P. 133.

	proposal.
Upward Appeals	Persuading that the request is approved by higher management, or appealing to higher management for assistance in gaining compliance with the request.
Exchange Tactics	Making explicit or implicit promises that someone might receive rewards or tangible benefits if he/she can comply with a request or support a proposal, or reminding him/her of a prior favor to be reciprocated.
Coalition Tactics	Seeking the aid of others to persuade someone to do something, or using the support of others as an argument to agree.
Ingratiating Tactics	Seeking to get someone in a good mood or to think favorably of the influence agent before asking to do something.
Rational Persuasion	Using logical arguments and factual evidence to persuade that a proposal or request is viable and likely to result in the attainment of task objectives.
Inspirational Appeals	Making an emotional request or proposal that arouses enthusiasm by appealing to someone's values and ideals or by increasing confidence that he/she can do it.
Consultation Tactics	Seeking someone's participation in making a decision or planning how to implement a proposed policy, strategy, or change.

Source: Gary Yukl and Cecilia M. Falbe, "Influence Tactics and Objectives in Upward, Downward, and Lateral Influence Attempts" Journal of Applied Psychology, Vol. 75, 1990. P.133.

Some modern organization theorists take more analytical approaches than most of the strategies suggested above and they depend more on concepts such as uncertainty in their political strategies for power. For example, Pfeffer's strategies include managing uncertainty, controlling resources, and building alliances. Others take a more pragmatic approach, such as the analysis that suggests that successful political behavior involves keeping people happy, cultivating contacts, and wheeling and dealing. Law Professor Theresa Beiger coined the term "reindeer games" (from the song "Rudolf the Red-Nosed Reindeer") to describe, like in the song, social activities that provide some, but not all, employees with opportunities to interact with other organization members, which helps build an individual's power base. For example, a boss who invites three male subordinates to play a round of golf and does not include a female subordinate is engaged in a reindeer game that could be considered discriminatory in terms of gaining access to the inner circle of power and influence.

Politics, Organizations and Beyond

The strategies mentioned above are only representative, not exhaustive, of the many possible politically based strategies for acquiring power in organizations. Perhaps even more than in the case of many of the other topics covered in the text, on politics and organizations there is little research backup for these ideas on power and, especially, politics. There is also a call for a framework and guidelines to evaluate the ethics of power and politics in today's organizations. This ethical concern goes beyond the notions of success or effectiveness.

For example, one study identifies that of the 10 most unethical activities, three are directly political: (1) making arrangements with vendors for the purposes of personal gain; (2) allowing differences in pay based on friendships; and (3) hiring, training, and promoting personal favorites rather than those who are most qualified.

To help overcome the negative impact that organizational politics can have on the ethics of an organization, the following guidelines can be used:

- a. Keep lines of communication open.
- b. Role-model ethical and nonpolitical behaviors.
- c. Be wary of game players acting only in their own self-interests.
- d. Protect individual privacy interests.
- e. Always use the value judgment, "Is this fair?"

As one analysis points out: "when it comes to the ethics of organizational politics, respect for justice and human rights should prevail for its own sake. Besides the possible ethical implications of power and politics carried to the extreme, there are dysfunctional effects such as morale being weakened, victors and victims being created, and energy and time spent on planning attacks and counterattacks instead of concentrating on getting the job done. There is also evidence that politics may play a large role to both base-pay and incentive-pay decisions, and in one company the power struggles and political gamesmanship were the death knell of a gain sharing plan. There is some empirical evidence that the managers who are observed to engage in more political activity are relatively more successful in terms of promotions but are relatively less effective in terms of subordinate satisfaction and commitment and the performance of their unit. There is research evidence that this finding of the importance of political maneuvering in getting ahead in the organization, but detracting from effective performance of the unit, may hold across cultures.

The dynamics of power continue to evolve. In particular, information technology and the Internet/Intranet provide information access that was

not previously available. Organizations with fewer boundaries and wider, even global, access to intellectual capital have political systems and processes that are altered considerably. Also, the ups and downs of the economy in both the United States and the rest of the world (especially Asia) have dramatically changed traditional power bases and processes. In the current social environment, many employees are as interested in jobs with meaning as they are with scoring political points and gaining power. In other words, today's organizational participants' passion for the good life may be replacing their ruthless search for power.

One thing about power and politics, however, remains certain: modern and complex organizations tend to create a climate that promotes power seeking and political maneuvering. And, in today's environment, these political activities extend beyond the traditional boundaries of an organization. For example, Microsoft learned, the hard way, that ingratiation political tactics may have been much more successful than simply trying to bully government regulators when antitrust law violations were being investigated. Other new economy firms such as Cisco are learning from Microsoft's mistakes; it makes sense to investigate and carefully implement the best political approach when seeking to deal with outside agencies and individuals who could alter or harm a firm's inside operations and growth.

Symbiosis between Power and Politics in Bangladesh

Strategies for Power Used by Political Organizations

In the previous sections, we discussed in some details various issues related to power, politics and administration. These power types and power strategies have, on many occasions, been used by different political organizations particularly political parties, political regimes and political leaders.

a. Maintain Alliances with Powerful People

Almost all political parties, political regimes and political leaders have maintained cooperation and liaison with socially influential people including rich men, business magnets, bureaucrats, intellectuals, and civil societies. For example, three major political parties – BNP, Awami League, and Jamaat have close association with these influential groups. The socially powerful segments of the people contribute directly or indirectly to the betterment and operation of these political organizations.

b. Embrace or Demolish

Like other LDCs, Bangladesh political leaders use the strategy of "Embrace or Demolish" in running their political activities. For examples, the ruling authority leaves no stone unturned to curb the roots

of power and influence of the opposition camp. This has been a well-known strategy adopted by political elites of Bangladesh.

c. Divide and Rule

The governing authorities follow the above rule in conducting their organizational activities. They create divisions among the members of the opposition and thus rule over them. For example, many often some political leaders including parliament members resign from their own party and join another one. The recent division of BNP and formation of Bikalpa Dhara and National Democratic Party (NDP) under the leadership of B. Chowdhury and Wali Ahmed and the division of Awami League by Dr. Kamal Hossain and formation of Joint Front, and division of Ershads Jatiya Party into various sects are some glaring examples of divide and rule policy.

d. Make a Quick Showing

As soon as political regime ascends the throne of politics of Bangladesh, they tend to show up their success stories through various propaganda programs. For examples, celebration of one year's success, celebration on three years' achievements, and five years' celebration and such other programs are installed and broadcast by radio, television, newspapers and other press media. By doing these activities in quick motion, they want to influence peoples' mind there by desiring to gain power.³³

e. Collect and Use IOUs

Most of our political parties and regimes in power provide favors to the individuals and groups, and expect that they would extend their moral or physical supports to their political activities. Many often, civil society work in this line, on behalf of the ruling authority. Thus, BNP, Awami League and Jamaat have built up establishments of their own civil society groups.

f. Others

In the similar way, other strategies such as attacking and blaming others have also been adopted by the political organizations of Bangladesh in the history of our political parties and political organizations.

Power Politics in our Governance Structure

When Bangladesh was born there was no well-organized administrative political structure. Soon after the release of Shiekh Mujibur Rahman from Pakistan Jail, he came back to Bangladesh and firmly grasped the reign of power. In the aftermath of the August 15,

³³ Siddiqui, Kamal, *Towards Good Governance in Bangladesh*, The University Press Limited, Dhaka, 2006.

1975 incidence, a multi party democratic political administration came into being and some new political parties including BNP were formed. During the early 1980s, the military rule by President Ershad administered the governance of Bangladesh. In early 1990s, a democratic era started. In all these regimes power has been the nerve of politics.

Power and Politics in Bangladesh

Power and politics are interchangeably used in the context of Bangladesh. Struggle for power and its consolidation have been one of the constant features of Bangladesh politics since its inception in 1971. The governments that ascended the throne of the politics and governance immediately in the post- independence country left no stone unturned to survive in the helm of power and politics.

1972-1975: Sheikh Mujibur Rahman

Mujib came to office with immense personal popularity, but had difficulty in transforming this popular support into the political strengths needed to function as the Head of the government. The new constitution, which came into force in December 1972, created a strong executive Prime Minister, a largely ceremonial Presidency, an independent Judiciary, and a unicameral Legislature on a modified Westminster model. The Awami-League under the leadership of Sheikh Mujibur Rahman came to power in the newly emerged country with four state principles as written below:

- a) Democracy
- b) Socialism
- c) Secularism
- d) Nationalism

The first parliamentary election held under the 1972 constitution was in March 1973, with the Awami League winning a massive majority. No other political party in Bangladesh's early years was able to duplicate or challenge the League's broad-based appeal, membership, or organizational strength. Relying heavily on experienced civil servants and members of Awami League, the new Bangladesh Government focused on relief, rehabilitation, and reconstruction of the economy and society. In December 1974, Mujib decided that continuing economic deterioration and mounting civil disorder required strong measures. After proclaiming a state of emergency, he used his parliamentary majority to win a constitutional amendment limiting the powers of the legislative and judicial branches, establishing an executive presidency, and instituting a one-party system - the Bangladesh Krishak Sramik Awami League

(BAKSAL). It was decided that all parliament members must join BAKSAL.³⁴ In order to implement these principles in the real life situation of the state, the then government formulated couples of operational strategies. The target of these policies was to survive in power for a longer period. All organs and institutions of the state and of the country had undergone thorough reorientation and reorganization. The initiatives to be in power included revising politics and political party formation.

Despite some improvements in the economic situation during the first half of 1975, implementation of promised political reforms was slow, and the criticism of government policies became increasingly centered on Mujib. On August 15, 1975, Sheikh Mujib was killed alongwith his close relatives and family members in his Dhanmondi residence which is now renamed as Bangabandhu Museum. The post-Mujib governments did not give any significant attention to the episode of Mujib's murder, nor did they try the killers of the founding father of Bangladesh. The assassins was not be prosecuted for a long period. An infamous indemnity ordinance was put in place by the usurper president Khondokar Moshtaque Ahmed and subsequently incorporated in our constitution. The successive governments untill 1996 made no effort to overturn the indemnity ordinance and bring Bangabandhu's killers to justice. However, the killers were found guilty and sentenced to death in November 1998 during Sheikh Hasina's first tenure. Over the last many months, the review petitions filed by the convicts have been heard and both prosecution and defence have argued the case in detail. The Supreme Court of Bangladesh delivered Bangabandhu verdict at 11:00 am on November 19, 2009 keeping the lower court judgment in tact.³⁵

1975-1981: Ziaur Rahman

After the death of Sheikh Mujib, Bangladesh entered into an era of uncertain political situation. People from various corners strived to come to the power of politics. The ambitious military officers did not even lag far behind. Following several coup detats and counter coup detats among the armed forces, the country moved to a series of political turmoil and governance crises. Against this backdrop, Major General Ziur Rahman came forward and took the responsibility of shouldering the political leadership. He declared Marshal Law and became Chief Marshal Law administrator.³⁶ He remained in the powers of politics on the three fronts – Army Chief, Chief Marshal Law Administrator, and President of

³⁴ "Politics of Bangladesh", Online available, en.wikipedia.org/wiki/Politics_of_Bangladesh, Access on 1 November 2008.

³⁵ *The Daily Star*, Dhaka, November 19, 2009.

³⁶ *ibid.*

Bangladesh. He came from army and was supposed to be back to army, but the situation remained the opposite. He made a very strong position in politics and power of the country. He came up with a grand revision in the constitution through the 5th amendment that changed the first constitution in a massive way such as:

- He introduced Bismillah in the beginning of the constitution
- He abolished secularism and introduced Islamization at a moderate level
- He modified socialism and renamed it as social and economic justice.

He pledged the army's support to the civilian government headed by President Chief Justice Sayem. Acting at Zia's behest, Sayem dissolved parliament and promised fresh elections in 1977, and instituted martial law.

Acting behind the scenes of the Martial Law Administration (MLA), Zia sought to invigorate government policy and administration. While continuing the ban on political parties, he sought to revitalize the demoralized bureaucracy, to begin new economic development programs, and to emphasize family planning. In November 1976, he became Chief Martial Law Administrator (CMLA) and assumed the Presidency upon Sayem's retirement 5 months later and promised national elections in 1978. As President, Zia announced a 19-point programs of economic reform and began dismantling the MLA. Keeping his promise to hold elections, Zia won a 5-year term in June 1978 election, with 76% of the vote in his favor. In November 1978, his government removed the remaining restrictions on political party activities in time for parliamentary elections in February 1979. These elections, which were contested by more than 30 parties, marked the culmination of Zia's transformation of Bangladesh's Government from the MLA to a democratically elected and constitutional one. The Awami League and the Bangladesh Nationalist Party (BNP) founded by Zia emerged as the two major parties of the country.

It is to be mentioned that Sheikh Mujib's secularism was severely criticized by the majority of Bangladeshi people. Zia could understand the pulse of the population that led him to the process of Islamization.³⁷ Zia's Islamization is criticized on the ground that he wanted to legitimize his ruling and so, he introduced Islamization to have the obedience and support of the Muslim majority population of Bangladesh. Critics

³⁷ Amin, Muhammad Ruhul, "Bengali Nationalism to Replace Islamic Ideology?" *The Bangladesh Observer*, March 2, 2000.

mention that to survive in his new position he proclaimed Islamization.³⁸ Also, in order to hold power and survive in politics for a longer period he formed a new political party called Bangladesh Nationalist Party (BNP) and gradually entered into the civilian segment for the purpose of being in politics and power of the country.

In May 1981, Zia was assassinated in Chittagong by some mid-ranking army officers. The attempted coup never spread beyond the city of Chittagong and the major conspirators were either taken into custody or killed. In accordance with the constitution, Vice President Justice Abdus Sattar was sworn in as acting President. He declared a new national emergency and called for election of a new President within 6 months. In the election Sattar won as the BNP's candidate. President Sattar sought to follow the policies of his predecessor and retained essentially the same cabinet, but the army stepped in once again.

1982-1990: Hussain Mohammed Ershad

President Zia was toppled from the power by the then army Chief Lt. General H. M. Ershad.³⁹ Ershad's intention was not an exception. He wanted to stick to the power and politics of Bangladesh. He declared Marshal Law and announced himself as the President of Bangladesh. He did everything to survive in power. Although almost all political parties stood against him, he did not surrender power to democratic parties. He stayed in power for around a decade. At last he failed to control and combat opposition movement against him and unwillingly transferred political power to the heights of democratic uprising.

The then army Chief of staff Lt. Gen. Hussain Mohammad Ershad assumed power in a bloodless coup in March 1982. Citing pervasive corruption, ineffectual government, and economic mismanagement, Ershad suspended the constitution and declared martial law. In the following year, he assumed the Presidency, retaining his positions as Army Chief and CMLA. During most of 1984, he sought the opposition parties' participation in local elections under martial law. The opposition's refusal to participate, however, forced Ershad to abandon these plans. Ershad sought public support for his regime in a national referendum on his leadership in March 1985. He won overwhelmingly, although turnout was small. Two months later, he held elections for local council chairmen. Pro-government candidates won a majority of the posts, setting in motion the President's ambitious decentralization program. Political life was further liberalized in early 1986, and additional political rights,

³⁸ *ibid.*

³⁹ "Virtual Bangladesh: Politics", Online available, www.virtualbangladesh.com/bd_politics.html, Access on 27 November 2008.

including the right to hold large public rallies, were restored. At the same time, the Jatiya (People's) Party, designed as Ershad's political vehicle for the transition from martial law, was established. Despite a boycott by BNP led by Begum Khaleda Zia, parliamentary elections were held on schedule in May 1986. The Jatiya Party won a modest majority of the 300 elected seats in the national assembly. Although the participation of Awami League led by Sheikh Hasina lent the elections some credibility, there were widespread charges of voting irregularities.⁴⁰ However, Ershad used his power to the full swing to hold the control of the politics of Bangladesh.

Ershad resigned as Army Chief of Staff and retired from military service in preparation for the presidential elections, scheduled for October. Protesting that martial law was still in effect, both BNP and AL refused to put up opposing candidates. Ershad easily outdistanced the remaining candidates, taking 84% of the vote. Although Ershad's government claimed a turnout of more than 50% opposition leaders and much of the foreign press estimated a far lower percentage and alleged voting irregularities. He continued his stated commitment to lift martial law. In November 1986, his government mustered the necessary two-thirds majority in the national assembly to amend the constitution and confirm the previous actions of the martial law regime. The President then lifted martial law, and the opposition parties took their elected seats in the national assembly. After the government hastily pushed through a controversial legislative bill to include military representation on local administrative councils in July 1987, the opposition walked out of Parliament. Passage of the bill helped spark an opposition movement that quickly gathered momentum, uniting Bangladesh's opposition parties for the first time. The government began to arrest scores of opposition activists under the country's Special Powers Act of 1974. Despite these arrests, the opposition camp continued to organize protest marches and nationwide strikes. After declaring a state of emergency, Ershad dissolved Parliament and scheduled fresh elections for March 1988. All major opposition parties refused government overtures to participate in these polls, maintaining that the government was incapable of holding free and fair elections. Despite the opposition boycott, the government proceeded. The ruling Jatiya Party won 251 of 300 seats. The Parliament, while still was regarded by the opposition as an illegitimate body, held its sessions as scheduled, and passed a large number of bills. In June 1988, a constitutional amendment was made which declared Islam as Bangladesh's state religion.

⁴⁰ "Politics of Bangladesh - Wikipedia, the free encyclopedia", *op.cit.*

By 1989, the domestic political situation in the country seemed to have quieted. The local council elections were generally considered by international observers to have been less violent and more free and fair than previous elections. However, opposition to Ershad's rule began to regain momentum, escalating by the end of 1990 in frequent general strikes, increased campus protests, public rallies, and a general disintegration of law and order. On December 6, 1990, Ershad submitted his resignation only when he failed to stop anti-Ershad movements. Until this moment, he left no stone unturned to be in power.

1991-1996: Khaleda Zia

After the resignation of Ershad, the country seemed to tiptoe towards democratization through an election. BNP won a plurality of seats and formed a coalition government with Jamaat-e-Islami Bangladesh, with Khaleda Zia, obtaining the post of Prime Minister. Only four parties had more than 10 members elected to the 1991 Parliament including BNP led by Begum Khaleda Zia; Awami-League, led by Sheikh Hasina; Jamaat-e-Islami (JI) led by Golam Azam and Jatiya Party (JP) led by the then acting chairman Mizanur Rahman Choudhury.⁴¹ The electorate approved still more changes to the constitution, formally re-creating a parliamentary system and returning governing power to the office of the prime minister, as in Bangladesh's original 1972 constitution. In October 1991, the members of Parliament elected a new Head of state - President Abdur Rahman Biswas.

In March 1994, a controversy rose over a parliamentary by-election. The opposition claimed that the government had rigged the voting that led to an indefinite boycott of Parliament by the entire opposition. The opposition began a program of repeated general strikes to press its demand that Khaleda Zia's government resign and a caretaker government supervise a general election. Efforts to mediate the dispute, under the auspices of the Commonwealth Secretariat failed. After another attempt of settlement failed narrowly in late December 1994, the opposition resigned en masse from the Parliament. The opposition then continued a campaign of marches, demonstrations, and strikes in an effort to force the government to resign. The opposition Sheikh Hasina pledged to boycott national elections scheduled for February 15, 1996. It is remarked by many political analysts that government tried its best to be in power and as a result in February, Khaleda Zia was re-elected for the second term by a landslide victory in the election which was boycotted and denounced as unfair by the three main opposition parties. In March 1996, following escalating political turmoil, the sitting Parliament

⁴¹ Amin, Muhammad Ruhul, "Problems and Prospects of Democracy in Bangladesh", *The Bangladesh Observer*, June 16, 2001.

enacted a constitutional amendment to allow a neutral caretaker government to assume power, and conduct new parliamentary elections. Former Chief Justice Mohammed Habibur Rahman was named Chief Advisor in the interim government. New parliamentary elections were held in June 1996 and were won by Awami League under the premiership of Sheikh Hasina.⁴²

1996-2001: Sheikh Hasina

Sheikh Hasina formed what she called a "Government of National Consensus" in June 1996, which included one minister from Jatiya Party and another from Jatiyo Samajtantric Dal, a very small leftist party. Jatiya Party never entered into a formal coalition arrangement, and the party President Ershad withdrew his support from the government in September 1997.

Although international and domestic election observers found the June 1996 election free and fair, the BNP protested alleged vote rigging by Awami League. However, BNP decided to join the new Parliament and soon charged that police and Awami League activists were engaged in large-scale harassment and jailing of opposition activists. At the end of 1996, BNP staged a parliamentary walkout over this and other grievances but returned in January 1997 under a four-point agreement with the ruling party. Again BNP staged another walkout in August 1997 and later returned to Parliament under another agreement in March 1998.

In June 1999, BNP and other opposition parties again began to abstain from attending Parliament. Opposition parties staged an increasing number of nationwide general strikes, rising from 6 days of general strikes in 1997 to 27 days in 1999. A four-party opposition alliance formed at the beginning of 1999 announced that it would boycott parliamentary by-elections and local government elections unless the government took steps demanded by the opposition to ensure electoral fairness. Unfortunately, the government equally had strengthened its power base and continued to rule the country. So, the government did not realize the opposition demands which resulted that the opposition had boycotted all elections, including municipal council elections in February 1999, several parliamentary by-elections, and the Chittagong city corporation elections in January 2000. The opposition demanded that the Awami League government step down immediately to make way for a caretaker government to preside over parliamentary and local government. Yet the government under AL did not pay any attention to the opposition movement and held power more tightly.

⁴² "13th Amendment", *The Constitution of Bangladesh*, GOB, Dhaka, 1996.

2001-2006: Khaleda Zia

The national election was held in 2001 in which Khaleda Zia won a third term of government. Her coalition included several Islamist parties, a fact which was criticized by those who feared post-9/11 Islamic radicalism and de-secularization in Bangladesh. The main opposition Awami League along with leftist parties mainly opposed many of the Khaleda-Nizami Government's programs. They continued abstaining from joining parliament sessions. As always, the government gave a little attention to the opposition demands. Both government and the opposition exchanged each- other their power muscles. In the face of persistent boycott of parliament by the opposition and multifarious movements, a political stalemate existed. Yet the then coalition government did not surrender power and filled its term fully. Thus the government completed its 5 years' government and handed power over to the caretaker government.

2006-Present: Muhajot Government

After the Caretaker Government took office, an election was scheduled for the end of 2006, however it did not take place. The Caretaker Government was accused of BNP bias by Hasina and her coalition, who fomented nationwide protests and shutdowns. All major political parties including BNP, AL and Jamaat demonstrated their political powers and programs almost everyday on the streets of the cities and towns. They fought each other both ideologically and politically. The October 28 tragic killing of some political activists of Jamat Islami (JI) and other political parties turned the future of Bangladesh politics to many uncertain directions and complexities. However, by this time the Caretaker Government was reconstituted for at least three times. Yet AL and its political allies continued their demand that president [Iajuddin Ahmed](#) resign as the Chief Advisor. In January 2007, the Head of the Caretaker Government stepped down, many believe under pressure from the military.

[Fakhruddin Ahmed](#), former [World Bank](#) economist emerged as the Chief Advisor of the newly formed Caretaker Government and committed himself to rooting out corruption and preparing a better voter list.⁴³ Emergency law was declared and a massive campaign to crack down on corruption was underway. By July 2007 some 200,000 people were arrested.⁴⁴ The bigwigs of major political leaders including Khaleda Zia and Sheikh Hasina were also arrested. The government tried to show all its powers including implementing a 'minus two formula'. Despite

⁴³ *The Guardian*, 16 July 2007.

⁴⁴ *BBC News*, 23 July 2007

limits, the new Caretaker Government took massive reforms programs in almost all branches of the country and held general election by the end of 2008.

Muhajot under the leadership of Awami league formed a coalition government and has demonstrated its power and influence in all sectors. As soon as the new government came to power, it faced some important political issues and challenges, such as BDR carnage, Education policy, Gas and Oil exploration issue, Asian highway debate, the Tipaimukh dam episode, withdrawal of the political cases during the Fakhruddin tenure and reintroducing the 1972 constitution- all these require national consensus for solution. The opposition parties, intellectuals and civil society have continuously alleged that the government do not pay heed to their views and plan to impose the government decisions about all these issues.

Conclusion

This chapter examines the dynamics of organizational nexus between power, politics and political administration of Bangladesh. We mentioned how power can be distinguished from authority and influence. We also clarified that most of the attention given to power over the years has centered on the politics and political administration of our country. In above analysis, we explained how politics is very closely related to power and this discussion gives particular attention to a political perspective of power in political organizations in terms of resources, decisions, goals, technology, external environment, and change. In this context, we described some specific political strategies in section three. Considering all these theoretical insights of power and politics, it is obvious that both power and politics of Bangladesh replicate the realities of modern organizational life. The study of these important dynamics can significantly improve the understanding of the political-organizational behavior of the political regimes, political parties, political government and other political organizations of our country.

The interrelationship between power, politics and political administration is precisely understood from the history of governance, administration and politics of Bangladesh. The administration of our power and politics is mainly classified into two stages- authoritarian military rule and democratic rule. The authoritarian, quasi-authoritarian and military rule existed before the onset, of democracy and democratization in Bangladesh in early 1990s. The power was almost always misused in both stages. We observed how President Shiekh Mujib tried to strengthen his power and position in the administration of political organizations of Bangladesh through strategies like formation of BAKSAL, Rakhibahini, and one-party politics and so on. Following the

1975 August 15 event, Zia took steps to legitimize his position and strengthen his power. The same trend was observed during the rule of the army dictator H.M. Ershad. After the Ershad's authoritarian era was over, a democratic election was held when Bangladesh entered into the era of democracy. In the post authoritarian period, Begum Khaleda Zia came to power through a democratic election and after her tenure; a new election was held which resulted in the victory of Awami -League with Sheikh Hasina in power in 1996. After her tenure ended, Begum Zia of BNP and Sheikh Hasina of Awami League have again been elected as the Prime Minister of Bangladesh in two consecutive terms.

Although two decades years of these two female Prime Ministers are labeled as the democratic periods, critics find multifarious undemocratic practices during their tenures. Corruption topped the list. Transparency International of Bangladesh (TIB), in its three consecutive reports labeled Bangladesh as one of the most corrupt countries of the world and called its political leaders the most corrupt people of the country. However, with the passage of the political government under khaleda Zia in December 2006, a number of Care-Taker Governments were formed, but they could not operate due to the opposition from some of the political parties. Bangladesh faced a serious constitutional crisis. Finally the immediate past Caretaker Government took control of the country under the leadership of Dr. Fakruddin Ahmed with overwhelming support from army persons and some political parties. As said before, the new government held national election in which the *Muhajot* alliance gained overwhelming majority and formed government. Despite the present government declaration for building a digital and prosperous Bangladesh, it is alleged that the *Muhajot* government like the previous ones will likely to use their power more for their personal gains than maintaining the commitment to the nation and the country. It is time to wait whether the present Government will try to hold the power of politics or speed up the process of democratization and conduct elections in the declared time. It is premature to make comments on the present government right at this moment.

6

Good Governance through Administrative Decentralization

Introduction

One of the most important ingredients of development is concerned with the decentralization of administration and the much of good governance lies in an appropriate decentralization or local government structure. Since independence, attempts have been made in order to run decentralized devices and various initiatives for local government have been taken to that end. This work observes that despite the existence of local government in Bangladesh in various forms at different times, a genuine decentralization has not yet been experienced owing to the lack of an appropriate decentralization paradigm. This is one of the most important reasons behind the absence of good governance in our country.

The role of a strong and viable set of local government institutions in good governance can hardly be overemphasized. In the process of governance, local government provides the vital missing link in service delivery, mobilization of productive forces, providing mediating space between grass-roots people and the state machinery, grooming local and intermediate leadership and its graduation into national leadership and a host of other functions. Since independence local government institutions of Bangladesh have been chronically weak. The elected positions at some tiers are miserably lacking. Profuse promises are made and commissions are formed to introduce reforms or set up new local bodies. However, whenever a new regime takes over power, simply old bodies are replaced by new ones that are weak, ineffective and politicized at its birth and devoid of resources and operational autonomy just like the old ones. Authority is not usually delegated to local bodies; the best that is done is deconcentration of bureaucracy and other organs of the state machinery down to the lower levels. The consequence is co-option and integration, extraction and bottom up resource transfer, but not strengthening the local government institutions. On the contrary, there is more centralization than before. The local bodies, elected or otherwise, are accountable neither to local people nor to the central government. The beneficiaries of local development activities and the delivery of services are local influential persons and the elite class.

Question is: why are not local government institutions strengthened by the regimes in power? Why is there unwillingness to delegate power and resource mobilization to local level? If it is argued that perhaps the fear of loosing control over resources and power to local institutions is the reason, is the apprehension then well-founded? It is possible to argue by bringing in examples from elsewhere that strong and effective local government institutions do not show necessary obedience to the central authority because of their autonomy. The truth is that it lays the foundation of democratic institutions and political leadership. Whether it weakens the central authority and power depends on how someone looks at it.

This chapter establishes its argument that good governance can be maintained by implementing a viable form of local government and decentralization. The principal objective of the present work is to search for an appropriate decentralization mechanism. What is decentralization? How can a local government system be defined? What are the linkages between decentralization and local government? What are the criteria for an effective decentralization? What are the models of decentralization and which one of them can be appropriate for operating good governance in Bangladesh? These are a few questions that this chapter tends to respond.

Structurally this chapter is divided into six sections. First, the topic starts with an introduction and analytical roadmap. Second, a general discussion on the concepts and linkage between good governance and local government system is made. Third, a critical evaluation of the local government system in Bangladesh is examined. Fourth, various forms of decentralization are explained. Fifth, the prevailing forms of decentralization of Bangladesh are reviewed and suggestion is made to find the best one for the country. Finally the discussion ends with some concluding remarks.

Local Government and Decentralization:

Conceptual Analysis

Local Government Defined

Local government is a decentralization device of the modern political and administrative system. It is both a political institution for ensuring people's participation in government and a device for providing basic amenities in the local areas in the manner in which the people living in these areas want them. The 'local government' usually refers to

administrative boards and committees appointed or set up by the government.¹

Local Government is a body of central government composed of appointed or nominated authority by the government which performs its functions in a particular geographical area. for providing basic amenities in the local areas. The United Nations defined the term as “a political sub-division of a nation or state which is constituted by law and has substantial control of local affairs, including the power to impose taxes or exact labor for prescribed purposes. The governing body of such an entity is elected or otherwise locally selected.”²

In modern nations, local governments usually have less power than national governments do. They usually have some power to raise taxes, though these may be limited by central legislation. In some countries local government is partly or fully funded by subventions from central government taxation. The question of Municipal Autonomy which powers the local government is a key question of public administration and governance.

The institutions of local government vary greatly between countries, and even where similar arrangements exist, yet the terminologies often vary. Common names for local government entities include state, province, region, department, county, district, city, township, town, borough, parish, and village. However all these terminologies are often used informally in countries where they do not describe a legal local government entity.³

Decentralization: Meaning and Definition

The term ‘decentralization’, which describes both a structural situation and a process, had become the “latest fashion in development administration”⁴ and thus decentralization of authority is considered as one of the most fashionable catch phrases of modern administration.⁵ Simply it refers to the transfer of authority from a higher level of

¹ Hinden, C. *Administrative Decentralization*, Oxford University Press, Oxford, 1950.

² Alderfer, Harold F., *Local Government in Developing Countries*, McGraw-Hill Book Company, London, 1964, P.164.

³ Encyclopedia, Online available at http://www.encyclopedia.laborlawtalk.com/Local_government, 2005

⁴ Conyers, D. “Decentralization: A Framework for Discussion”, in H.A Hye (ed.), *Decentralization, Local Government Institutions and Resource Mobilization*, BARD, Comilla, 1985.

⁵ Alam, Muhammad Mustafa, Ahmad Shafiqul Huq and Kirsten Westergaard, *Development through Decentralization in Bangladesh: Evidence and Perspective*, University Press Limited, Dhaka, 1994, PP.15-19.

government to its lower levels. The decentralization process of the era of the welfare states of the contemporary period transforms the centralized system of the era of the police states.⁶

Scholars such as Maddick⁷ and Smith⁸ use “decentralization” to mean the geographical dimension of the state apparatus encompassing both deconcentration of the administrative apparatus and devolution of political apparatus of the state.⁹ Samoff has pointed out that while some authors are primarily concerned with administrative decentralization as a means of improving government performance and thus implementing development programs, but for others, the primary concern is with political decentralization involving a more effective transfer of the decision making authority to the previously under-represented groups at the grassroots.¹⁰ Maddick notes that without decentralization, it is almost impossible for the central organ of the welfare states to perform the multidimensional activities effectively.¹¹ Smith views that the central governments use decentralization devices as the strategies for coping with political instability, which is threatened by secessionist movements and demands for regional autonomy.¹²

Keeping in mind this meaning, the scholars of Social Sciences offered various definitions for the term. Allen defines decentralization as the systematic effort to delegate to the lowest levels all authorities except that which can only be exercised at central points.¹³ Rondinelli, Nellis and Cheema explained decentralization as the transfer of responsibility for planning and management from the central government and its agencies to the field or subordinate units and regional authorities.¹⁴ Many scholars explained the significance of decentralization for democracy and good governance. Maddick observed that Decentralization is absolutely

⁶ Wahhab, M. Abdul, *Decentralization in Bangladesh: Theory and Practice*, Osder Publications, Dhaka, 2002, P. 1.

⁷ Maddick, Henry, *Democracy, Decentralization and Development*, Asia Publishing House, Bombay, 1963, P. 26.

⁸ Smith, B.C., *Decentralization: the Territorial Dimension of the State*, George Allen and Unwine, London, 1985, P. 3.

⁹ *ibid*

¹⁰ Somoff, Joel, “Decentralization: The Politics of Interventionism”, *Development and Change*, 1990, Vol.21. PP.513-530.

¹¹ Maddick, *op.cit.*.

¹² Smith, *op.cit.*

¹³ Allen, Louis A. *Management and Organization*, 1958, PP.162-192.

¹⁴ Rondinelli, D.A. and Cheema, G., “Decentralization in Developing Countries”, *World Bank Staff Working Paper*, No. 581, The World Bank, Washington, D. C.,1984, P. 9

necessary for democratic development, political consciousness and popular participation. Smith has pointed out that many arguments for decentralization follow the liberal views in favor of democratic local government which is claimed to be good not only for national democracy, but also for providing benefits to the local levels.¹⁵

In the light of above discussion by the scholars it can be said that decentralization implies the transfer of all major administration organs of the central government to its peripheral units with an aim to enhance more efficient and better administrative management.

Good Governance through Decentralization

Good governance is ensured under administrative decentralization which aims at achieving certain objectives. It is considered as a necessary condition for socio-economic and political development. In most cases, it is cited as the means of achieving multifarious objectives. Conyers has grouped these objectives into three dichotomous pairs: managerial versus political, top-down versus bottom-up and explicit versus implicit objectives.¹⁶ The objectives of decentralization can easily be understood from the fourth five-year Plan (1990-1995) circulated by the government of Bangladesh. It listed three following objectives:¹⁷

- a) Reduction of dependence of the rural people on the national government for meeting the needs;
- b) Mobilization and Utilization of local resources which have hitherto remained untapped;
- c) Reduction of the direct involvement of the national government in planning and implementing such projects which are purely local in nature.¹⁸

The objectives of decentralization, however, focus on four broad categories that include administrative, financial, equity and political aspects. Cohen and others enlisted the objectives of decentralization in four categories- administrative, political, economic and primary values such as participation, democracy and self-reliance.¹⁹ Cheema and

¹⁵ Smith, *op.cit.*

¹⁶ Conyers, D., *op.cit.*, PP. 26-27.

¹⁷ *Fourth Five Year Plan*, 1990-1995

¹⁸ *ibid*

¹⁹ Cohen Stephen S., J.W. Dychman, E. Schoenberger and R.C. Downs, *Decentralization: A Framework for Policy Analysis*, University of California, Berkeley, 1981, PP. 33-44.

Rondinelli identified a wide range of factors behind strong decentralization some of which are written below:²⁰

- a) Pressure from below to incorporate equal participation in administration and governance.
- b) Failure of centrally planned programs to mobilize human resources for development.
- c) Influence of donor agencies to enhance rural development schemes.
- d) Empowerment of local institutions so that they can grow on their own and assist the central government.
- e) Inter-regional economic disparities and ethnic varieties.
- f) The need to attract political supports from the grassroots.

Thus decentralization contributes to greater administrative efficiency and accountability, better economic planning, equitable distribution of the benefits of development; and greater participation in administration, planning and decision making processes.²¹

Criteria for Effective Decentralization

An effective decentralization is achieved by fulfilling certain important criteria and no objective of a decentralized administration is successful unless those preconditions are met either in part or in full. The first and the foremost prerequisite is related to people's participation and democratic values. These are the fundamental pillars that serve as the most important contributing factors for decentralization. In a decentralized administration, democratically elected representatives should function at various tiers of administration.

Second, some development theorists consider a minimum level of economic development as essential before decentralized institutions specially, the local government assumes broad development responsibilities.²² The activities of local government require huge financial resources without which no development plans can be successful. The central government needs to give attention to the fund generation strategies by its local organs.

²⁰ Cheema, G. Shabbir and Dannis A. Rondinelli, *Implementing Decentralization Programs in Asia: Local Capacity for Rural Development*, United Nations Center for Regional Development, Nagoya, 1983, PP. 27-30.

²¹ Hye, Hasnat Abdul, *Decentralization Policies and Programs in Bangladesh, Indonesia and Nepal*, Dhaka, 1986, PP. 32-33.

²² Wahhab, *op.cit.* P. 25

Third, Rondinelli emphasized that successful implementation of decentralization programs depends on certain factors- political, administrative, organizational, economic and psychological.²³ Political and administrative conditions include strong political commitment, credibility of the programs, acceptance by the opposition of the program and strong administration efficiency. Organizational factors focus on strong grassroots level institutions, assertive laws, pro-people activities and appropriate planning. Economic factors imply resource conditions including sufficient local revenues and adequate physical infrastructures. Psychological factors emphasize behavioral patterns including attitudinal changes in the bureaucracy, means of overcoming resistance of local elite and traditional leaders.

Fourth, Wahhab enlists a couple of conditions that are required for effective decentralization.²⁴ These include democratic values, political commitment, administrative support and capability, explicit objectives, behavioral factors, organizational factors and a strong resources base. National leaders from both the government and the opposition contribute to a democratic environment and political commitment in which decentralization process flourishes. The effectiveness of decentralization greatly depends on the support of and commitment to decentralization policies and programs within the line and staff agencies of central bureaucracy. The objectives, rules and directives of decentralization should explicitly be stated and documented through declarations. The behavior and attitudes of political personalities and other officials should also be contributing to the congenial atmosphere for decentralization. The strategic planning of organizations, their implementation strategies, their post operational evaluation, and above all financial sustainability are among the important prerequisites of decentralization.

Finally, it can be mentioned that an effective decentralization requires the participatory role between the central and the local, strong coordination between them, flexibility of the laws governing their relationship, mutual distribution of power and equitable resource sharing. A number of scholars hold the opinion that decentralization partially creates conditions of its own success.

²³ Rondinelli, Dannis A, "Government Decentralization in Comparative Perspectives: Theory and Practice in Developing Countries", *International Review of Administrative Science*, Vol. 47, No. 2, 1981, PP. 142-143.

²⁴ Wahhab, *op.cit.* PP. 25-27

Local Government System in Bangladesh: Genesis and Development

Local government in Bangladesh developed over the years amidst manifold reforms and modifications. In the Indian sub-continent, numerous efforts were made in the past to delegate power and responsibilities from the central to the local level. The land now comprising Bangladesh has a long tradition in doing this.

The Mughal Era

Although the genesis and growth of Bangladesh administration dates back to the periods of the Buddhist/Hindu, the Muslim and the British rules, the first effort towards decentralization was initiated during the early years of Mughal rule. The villages of Bengal in the olden days had Panchyats or bodies of elders who were responsible for governing the rural affairs. The local bodies including the regular and modern municipal government commenced its journey in 1687, when King James II granted the East India Company a Charter according to which the Company was empowered to establish Municipal Corporation at Madras. It also empowered the Company to establish Municipal Corporation at Calcutta and Bombay through the Charter of 1726 granted by King George I.²⁵

However, most of these programs were piecemeal, narrow and restrictive in nature.²⁶ For example, although the institution of village Panchyats of ancient times including the Mughal period played an effective role in managing the village community affairs, it did not, as an institution, manifest any uniform, cohesive or universal structure or function of the type of a local government.

The separate and organic status of these Panchyats used to be overloaded by the calibrate centralized structure of the Mughal administration. They were no longer in a state of representing the decentralized vehicles of local administration nor could they command the central attention. In reality, these organizations gradually became revenue-collecting agencies that provided such services as and when felt necessary by the headmen.²⁷

²⁵ Choudhury, Lutful Hoq, *Social Change and Development Administration*, National Institute of Public Administration, Dhaka, 1978, PP. 12-19.

²⁶ Khan, M.M., "Process of Decentralization in Bangladesh", in H.A. Hye (ed), *op.cit.*, P. 224.

²⁷ Chowdhury, Lutful Hoq, *Local Self Government and its Reorganization In Bangladesh*, National Institute of Local Government, Dhaka, 1987, P. 7.

An overview of the socio-economic and anthropological studies suggests that the British rulers inaugurated modern administration in the sub-continent.

The British Period

The British rulers were not interested in participatory democracy and decentralized administration unless these serve their interests. Before 1870 the British governments took no initiatives to reorganize the Panchyats or the self-governing institutes of villages. Rather, they handled the socio-economic and legal issues of the villages through a system called Zamindari under the Permanent Settlement Act 1793.. However, decentralization process was introduced with the Charter Act 1853 in a limited scale and restricted sense.²⁸ Efforts were taken to set up municipalities in many towns with the Acts of 1842, and 1850. In the subsequent years, many Acts were passed with regard to the municipal government. For instance, the Bengal Municipal Act 1932 was the final Act which not only governed the municipalities of Bengal, but still it provides the fundamental principles of municipal government in Bangladesh.²⁹

During the late nineteenth century, they felt the necessity of establishing local government institutions in the rural areas and thus the government passed the village-Choukidari Act of 1870. The Act was directed to the creation of village union covering 10 or 12 square miles and each union was placed under a Panchyat which comprised five villagers selected by the district magistrate. The Panchyat was not an elected body and the selection of its members by the Magistrate was obligatory. The refusal of any member was subject to punishment which could be fined up to Rs. 50.³⁰

Lord Ripon's Resolution on Local Self-Government of 1882 emphasized the system of election and participation of non-official members of local bodies. He is considered as the father of modern local self-government in India. There were three objectives of Ripon's resolution: financial decentralization of local agencies, improvement of local administration, and development of local organizations for political

²⁸ Ali, Shaikh Maqsood, Rahman, Saifur and Das, K.M., *Decentralization and People's Participation in Bangladesh*, National Institute of Public Administration, Dhaka, 1983, P. 39

²⁹ Wahhab, *op.cit.*, P. 50

³⁰ Roy, N.C., *Rural Self-Government in Bengal*, Calcutta University Press, Calcutta, 1937, P. 133.

and popular education.³¹ This Act eventually contributed to the enactment of local self-government Act, 1885 which established a series of local administration everywhere in the country that still serves as the basis of network system in the rural government of Bangladesh. Under this Act, three tiers of local bodies came into operation: (a) the District Board in the District, (b) the Local Board in a sub-division, and, (c) the Union Committee in a group of villages. The district Magistrate and the Sub Divisional Officer respectively were made chairmen of the District Board and the Local Board. Two-thirds members of the Union Committee, Local Board and District Board were elected by an informal election, and one-third nominated by the government. The nomination procedure continued till 1946 when it was dissolved on the recommendation of the Bengal Administration Inquiry Committee 1944-45.³²

In 1892, an Act was passed through which the control of Choukidars was replaced by regular police. Following this reform, the Panchyat could recommend candidates for the posts of Choukidars and the district Magistrate would appoint them. The Act 1892 made the Panchyat totally powerless and dependent on central administration.³³ The Hobhouse Commission on decentralization of 1907 suggested some improvements on local administration that include: (a) the election of Panchyats, (b) independence and separate spheres of duties of Local Board, (c) election of members of the District Board, (d) greater autonomy and independence of local agencies and the expansion of their activities, and (e) formation of circles within the sub-divisions.³⁴ The circle consisting of 2 or 3 members was introduced in the selected sub-divisions of Bengal in 1911, headed by a Circle Officer (CO) who worked as a junior civil servant for supervising and guiding local bodies at the union levels. The circle system continued until January 1961 when the thana was converted into a development circle.³⁵

In the face of popular demands for greater participation and self-government through constitutional means, the British government reviewed the Montague-Chelmsford Report of 1918 which gave birth in

³¹ Tinker, Hugh, *The Foundations of Local Self-Government in India, Pakistan and Burma*, Athlone Press, London, 1954.

³² Rashiduzzaman, M. *Politics and Administration in Local Councils: A Study of Union and District Councils in East Pakistan*, Oxford University Press, Dhaka, 1968, P. 5.

³³ Ahmed, Ali, *Administration of Local Self-Government for Rural Areas in Bangladesh*, Local Government Institute, Dhaka, 1979, PP. 13-14

³⁴ Tinker, *op.cit.*, PP. 64-83

³⁵ Ali, A.M.M., Shawkat, *Field Administration and Rural Development*, Centre for Social Studies, Dhaka, 1983, PP. 36-38

1919 to the Bengal Village Self-Government Act.³⁶ It brought important changes in the structure of local bodies. The Government of India Act 1919 demarcated provincial subjects from central subjects. Finally, the Government of India Act 1935 partially granted autonomy to the provinces. Under Act 1919, the Panchyats and the Union Committee were merged into Union Board. The three-tier system was replaced by a two-tier system that included: (a) District Boards, and, (b) Union Boards. The two-tier system of local administration continued until India and Pakistan gained independence in 1947.³⁷

The Pakistan Period

With the emergence of India and Pakistan as two independent states, present Bangladesh became a part of Pakistan. Initially, the West Pakistani rulers tried to dominate East Pakistani people that appeared to be a major barrier to the establishment of local government. However, with the passage of time, Pakistan could strengthen the local government system which was on its last legs during the British era. One important feature of local bodies in East Pakistan was the system of election for members and chairmen, which made them more representative in character.³⁸

A radical change occurred in the inherited local government system after the coup d'état by Ayub Khan who argued that the Westminster model of democracy was not suitable for Pakistan. He introduced Basic Democracy through the Basic Democracies Order in 1959, according to which the President and the members of the central and provincial legislatures were to be elected by the members of the lowest tier of local government. The new system covered both urban and rural areas. It was pyramidal in structure having four tiers that included: a) Union Council at the Union level, b) Thana Council at the Thana level, c) District Council at the District level, d) Divisional Council at the division level. Town and Union Committees existed in the urban areas and Cantonment Boards in the cantonment areas. Municipal Committees were formed in the towns where Union Committees functioned. Ayub claimed that the new local government system took democracy to the doorstep of his people and

³⁶ Choudhury, Lutful Hoq, "Local Self-Government and its Reorganization in Bangladesh", *op.cit.*, PP. 10-11

³⁷ *ibid*, P.11

³⁸ *ibid*, P. 13

brought them to the management of their own affairs through their representative bodies.³⁹

Critics argue that except the bodies at the grass roots levels, all other bodies of the higher tiers were devoid of the characteristics of election and representation.⁴⁰ The Union Council election was held on the basis of universal adult franchise. The tenure of the Council was five years. The Thana and Divisional Councils were composed of official and non-official members. The Deputy Commissioner was the Chairman of the District Council and similarly, the Divisional Commissioner headed the divisional councils. Although the official and non-official members used to elect the Vice Chairman, it seemed difficult for one to get elected as a Vice-Chairman without the support of the government bureaucracy. The Thana and District Councils were completely dominated by the government officials. Thus they became rubberstamps for official decision-making.⁴¹ More importantly, the basic democrats were given the power of the Electoral College to elect the President and, the central and provincial legislatures. The political role of the system assumed greater interests than their administrative decentralized functions.⁴²

In spite of the limitations of Basic Democracy, it contributed a lot to the development of the thana which, once used for police outpost, was now converted into a development circle involving various development activities. Many officers from different nation building departments including a development officer called the Circle Officer were posted at the thana level. The objective of developing different departments of the thana level was to mobilize the development activities through the elected leaders.⁴³

The Bangladesh Period

The local government structure that existed immediately after the independence of Bangladesh dissolved Basic Democracy and brought mere changes in the names of various tiers of the local government system. In most Union Parishads, the Union Agricultural Assistant (UAA) was appointed as Administrator and the Union Council was

³⁹ Inayatullah (ed.), *Basic Democracies, District Administration and Development*, Pakistan Academy for Rural Development, Peshwar, 1964, P. 29

⁴⁰ Wahhab, *op.cit.*, P. 35

⁴¹ Sobhan, Rehman, *Basic Democracies, Works Programme and Rural Development in East Pakistan*, Oxford University Press, Dhaka, 1968, PP. 94-95

⁴² Jahan, Rounaq, *Pakistan: Failure in National Integration*, Columbia University Press, New York, London, 1972, P. 130

⁴³ Ali, Shaikh Maqsood et.al, *op.cit.*, P. 153

renamed as Union Panchayat. The Thana Council was abolished and replaced by a Thana Development Committee (TDC), which was constituted with the officers of the Nation Building Departments. The Municipalities were renamed as Paurashavas and the Union Council was renamed as Union Panchayat and later Union Parishad. The District Council remained as Zila Board, where the concerned Deputy Commissioner was appointed as Administrator. Every town, whether big or small, was converted into Paurashava. The function before each of the bodies remained almost unchanged with an added emphasis on the reconstruction work as well as the enforcement and restoration of law and order situations. The post independent government planned to recruit its party members in different local bodies in order to distribute the relief materials among people, however in the face of severe criticism it stopped that plan.

The first government in the new country set up a four-member Administrative and Service Reorganization Committee (ASRC) on 15 March 1972 that recommended for three tiers of local government, namely Union Parishad, Thana Parishad, and Zila Parishad. The constitution of Bangladesh, promulgated in December 1972 made provision for the elected local government agencies. Unfortunately, the government neither followed the provision of the constitution nor made the ASRC report public. Rather the government thought of the party-based local administration.⁴⁴ It was decided that the Administrative Council was to be set up at the district and thana levels from September 1975. Accordingly, the government announced the District Governors from among the members of the newly formed BAKSHAL party. Also the plan was to put half a battalion of Jatiyo Rakhi Bahini (JRB) under each governor, with governor being directly under the control of the President.⁴⁵ However, after the August 15 coup occurred in 1975, the planned local administrative system was not materialized.

The post-coup Mushtaq government abolished the party-oriented local government structure and ordered the continuation of original districts. Mushtaq's period was very short and after less than three months a Sepoy Revolt occurred and the then Army Chief Lt. General Ziaur Rahman took over the power and brought democratic changes in the administrative system. With the Local Government Ordinance 1976, the newly emerged country introduced an election procedure for enshrining Union Parishad

⁴⁴ Wahhab, *op.cit.*, P. 61

⁴⁵ Maniruzzaman, Talukdar, *The Bangladesher Revolution and its Aftermath*, Bangladesh Books International Ltd., Dhaka, 1983, P. 181.

and Paurashava representatives. The Ordinance provided with a three-tier local government system as listed below:

- a. Union Parishad (UP) at Union Level
- b. Thana Parishad (TP) at Thana Level
- c. Zila Parishad (ZP) at District Level

The nine members of a UP were to be elected from each of three wards in the Union, which has also a popularly elected Chairman. The Thana Parishad consisted of SDO as ex-officio Chairman, Circle Officer as ex-officio Vice-Chairman and all UP Chairmen.

A Thana Parishad primarily looked after the coordination of all development efforts within its jurisdiction. A Zila Parishad consisted of such number of elected members, official members and women members as determined by the government. A Thana Development Committee (TDC) was created in each Thana and was composed only of the UP chairmen. An MP was appointed in each district as District Development Coordinator (DDC). The Swanirvar Gram Sarker (SGS) was established in each village, which provided for representation in equal numbers of the disadvantaged groups. It consisted of an eleven member executive committee where two were women, two landless peasants, two farmers, two youths and the remaining two or three members were of functional groups. Critics point out that despite wide enthusiasm, the SGS was established in isolation from the main structure of local government in which no linkage was established with the UP. With the assassination of Zia on 30 May 1981, the momentum generated by the SGS began to degenerate slowly, and ultimately after the assumption of power by General Ershad in 1982, the SGS along with the local government scheme of DDC was abandoned.

During the reign of General Ershad, a quite innovation was achieved in our decentralization policy. Less than one month after the assumption of power, Ershad constituted a Committee for Administrative Reorganization/Reform (CARR) on 28 April 1982. It recommended establishing a high-powered National Implementation Committee for Administrative Reorganization (NICAR). Based on the administrative reform committee report, the existing 460 Thanas were elevated to Upazilas which gave them a democratic character and thereby substantially increased their power and authority.

The Upazila Parishad is the central point of decentralization policy of the new regime. The responsibility for a large number of development activities was transferred to a new democratic institution named the

Upazila Parishad(UZP). With the introduction of UZP, more officials were placed at the Upazila level, more government funds were allocated and a rapid construction of physical facilities was carried out. Most of the line ministers such as health, agriculture, rural development and education had their officers at Upazilas. The membership of the UZP composed of a directly elected Chairman, all UP Chairmen, three government nominated Women members, one government nominated member, Chairman of the Thana Central Cooperative Association and the official members without voting rights. An elected Chairman who was assisted by a civil servant called Upazila Nirbahi Officer (UNO) headed each Upazila. Adequate powers were given to the Chairman to ensure that his staff including the UNO could be accountable to him. Efforts were made to ensure the institutional supremacy of the UZP. Critics argue that the participation of the people in sharing the benefits was not achieved even after the UZP system. A research work states that more than three fourths of the villagers under observation were not benefited by the upazila development projects. The research also indicates that there was no remarkable improvement in the socio-economic conditions of the rural people. About twenty percent of the respondents complained the worse condition of their socio-economic profile.⁴⁶

With the democratic Government under Khaleda Zia of BNP in 1991, Upazilas were replaced by Thanas and the functioning of the UZP was simultaneously dissolved. The government appointed a commission called 'Local Government Structural Review Commission' in order to strengthen a suitable and strong local government structure. The Commission recommended a two-tier local government system as follows:

- a. Union Parishad
- b. District Council

As per the recommendation of the commission, the Union Parishad was considered to be the focal point for all development activities in the rural areas.⁴⁷ On the other hand, the Zila Parishad did not secure appropriate and due attention from the government. This is evident from the government's lack of interest in conducting elections for the positions of Zila Parishad Chairman.

⁴⁶ Wahhab, *op.cit.*, PP. 159-169

⁴⁷ Khan, Shahnaz, "Rural Development Administration in Bangladesh: Demand for Institution Building", *The Journal of Local Government*, Vol. 25, No.1, Dhaka, 1996, P. 112.

The Awami League government under Sheikh Hasina during 1996 decided to restore the Upazila Parishad and introduced Gram Shava in order to bring local administration nearer to people. The immediate past government under Khaleda-Nizami coalition retained the Gram Sarker system in the initial years of the twenty first century. This government also reintroduced the Upazila system. Despite a number of beyond jurisdiction activities, the immediate past two year caretaker government under Fakhruddin did not play any role in the local government structure.

The present government under Mohajot will possibly bring changes in the structure and implementation of our rural administration. The recently pronounced Gram Adalat (village Justice) by the present LGRD minister indicates a dramatic transformation to be undertaken in the local government structure of Bangladesh.

Professor Wahhab approaches a critical overview of administrative decentralization in Bangladesh. In his book *Decentralization in Bangladesh: Theory and Practice*, he deals with decentralization process in general and Upazila scheme in particular. His study reveals that the decentralization system of Bangladesh has been undertaken mainly by the military regimes. Different regimes experimented local government reforms differently according to their own plan to build support base in the rural areas. The Upazila scheme was the continuation of chronic change in the structure of the rural local government following the change of power at the center by the military take over in 1982.⁴⁸ It is known that decentralization process and local resource mobilization go together. In most developing countries, the inadequacy of financial resources is the main cause of the failure of decentralization policies. Wahhab claims that though the Upazila Parishads were given power to generate revenue from the local sources, they failed to earn it for a variety of reasons. Consequently, revenue collection was very meager that made these local bodies dependent on the central authority. It was essential for the Upazila Parishads to frame five year plan and annual plan, but no Upazila Parishad could make such plans. Thus the Upazila plan was an amalgam of the projects proposed by the Union Parishad Chairmen who were the representative members of the Upazila Parishads. People's participation in these Parishads was also very poor.⁴⁹

After the overwhelming victory in the Jatiya Sangsad elections on December 29, 2009, the Muhajot formed government under the leadership of Sheikh Hasina. Soon after the Sangsad elections, the Upazila

⁴⁸ Wahhab, *op.cit*

⁴⁹ *ibid.*

Chairmen elections were held. Unfortunately, the elected Chairmen are now staging movements for their autonomy and independent operations. The quarrel is going on between the elected Chairmen and the Government⁵⁰. The future of the autonomy of these local bodies depends on how the present government handles the situation.

Various Forms of Decentralization

The necessity of measuring decentralization leads to its forms. A number of terms have been used to measure the level of decentralization. These terms are considered as the forms of decentralization. According to the Commonwealth Secretariat, four broad categories of decentralization are identified and discussed in the texts and literatures on administration.⁵¹ They are as follows:

1. Deconcentration
2. Delegation
3. Devolution
4. Privatization or Dispersal

Out of these four forms, the first two categories- deconcentration and delegation - fall within the ambit of administrative decentralization where central government retains ultimate power and authority. The remaining two forms - devolution and privatization - are included within the purview of political decentralization.

Deconcentration

Deconcentration involves the redistribution of administrative responsibilities only within the central government. Usually, it implies the transfer of less significant powers to the local arms of the central government by administrative means rather than by a legal arrangement.⁵² Cohen considers deconcentration as the transfer of specific responsibilities from center to its subordinate officials operating outside the capital city in a system of field administration.⁵³ It is known as bureaucratic deconcentration.

Deconcentration is achieved through various deconcentrated units including field administration, and local bodies. Its main feature lies in the fact that only limited discretion is enjoyed by the deconcentrated units

⁵⁰ ETV, *News at 9 P.M.*, April 16, 2009

⁵¹ Commonwealth Secretariat, *Decentralization for Development: An Annotated Bibliography*, Commonwealth Secretariat, London, 1984, P. 5.

⁵² Conyers, *op.cit.*, 1987

⁵³ Cohen Stephen, *et.al.*, *Decentralization: A Framework for Policy Analysis*, Institute of International Studies, University of California, Berkeley, 1981, P. 26

without having any authority to plan, decide or manage. Thus it implies merely the “shifting of workload” from the central government to the local units without transferring the decision making authority which is absolutely held by the central government.⁵⁴ Deconcentration has been the most popular form of decentralization in most developing countries. Many Afro-Asian countries such as Indonesia, Pakistan, the Philippines, Thailand, Tunisia, Algeria, Morocco, Kenya and Tanzania have adopted this form of decentralization during recent decades.⁵⁵ The central governments of these countries prefer to transfer some insignificant administrative responsibilities to their local units.

Delegation

Delegation refers to the form of decentralization through which central government delegates and transfers decision making authority to such organizations as public corporations, regional planning and area development authorities, multipurpose and single-purpose functional authorities, special project implementation units and so on. Cohen and others have found two types of delegation, such as, delegation to autonomous agencies and delegation to parallel organizations.⁵⁶

The main difference between deconcentration and delegation is observed from the understanding of the extent, features and types of the powers transferred by the central government. Delegation represents a more extensive form of decentralization than administrative deconcentration. Under deconcentration, only limited power is transferred whereas under delegation, substantial powers including decision making and management authorities are delegated to semi-independent organizations that are not under the direct control of the central government.

Some people view that delegation does not signify real transfer of power. Under delegation, though the central government passes some authority and decision-making powers to specialized organizations, it retains the right to overturn local decisions and can, at any time, take these powers back.⁵⁷ Through this transfer of power, ultimate responsibility lies with the transferring authority. Delegation of decentralization has been practiced by many developing countries

⁵⁴ Rondinelli and Cheema, *op.cit.*, P. 18.

⁵⁵ Siddique, N.A., “Decentralization for Development: A Conceptual Analysis”, *BISS Journal*, Vol. 16, No. 4, 1995, P. 544

⁵⁶ Cohen, *op.cit.*, PP. 20-26

⁵⁷ Rahman, Mohammad Habibur, “Decentralization and Local Democracy: A theoretical Overview”, *Theoretical Perspectives*, Vol. 2, and No.1, 1995, PP. 72.

through creation of boards, authorities, corporations or any other separate agencies for carrying out specific functions like water supply, power generation and distribution, agriculture development and rural development.

Devolution

Devolution, which is universally acclaimed as the most important form of decentralization involves the transfer of power from the central government to legally incorporated local bodies. Under this form, a wide range of political, administrative and financial powers are legally conferred to local government institutions. Some scholars consider devolution as the transfer of significant powers including the law making and revenue raising authorities to the locally elected bodies.⁵⁸ The local government is essentially a form of decentralization under the spirit of devolution⁵⁹ and thus the devolutionary decentralization is known as democratic decentralization. When devolution is referred to provincial legislature, it is called as political decentralization. To enable them perform the functions, the local bodies employ their own professional staff of administrators and specialists.⁶⁰

Under devolution, local units of government enjoy considerable autonomy and have a clear and legally recognized geographical area within which they exercise exclusive authority for certain functions without any interference of the central government. This definition gives devolution some distinctive features that include: a) independence and autonomy of local units; b) certain geographical boundaries of local wing of administration; c) corporate status and secure resource base; d) promotion of local institutions and e) mutually beneficial and interdependent relationship between the center and the local.⁶¹ A classic example of devolution is the local council system in Nigeria, which came into existence in 1976.⁶²

The process of devolution with all the required characteristics can hardly be found in any Third World country. Fred W. Riggs remarks that the purest form of devolution is not possible in the Third World because

⁵⁸ Ahmed, Tofail, *Decentralization and the Local State Under Peripheral Capitalism*, Academic Publishers, Dhaka, 1993, PP. 27-29.

⁵⁹ Muttalib, M.A. and Khan, Akbar Ali, *The Theory of Local Government*, Sterling Publishers Pvt. Ltd., New Delhi, 1982, P. 2

⁶⁰ Dotse, F. Mawuena, 'Thoughts on the Concept of Decentralization', *Green Hill Journal of Administration*, Vol. 7, No. 1-2, January-June, 1990, PP. 42-55

⁶¹ Rondinelli, *op.cit.*, P. 138

⁶² *ibid*

of the nature of the politicians who tend to be “goal and case oriented” and the nature of the administrators who function as “quasi-politicians”. A number of scholars, on the other hand consider that devolution is a more far-reaching form of decentralization.⁶³

Privatization or Dispersal

Some scholars do not mention dispersal as the form of decentralization and instead, they use the term privatism or privatization which implies the transfer of authority from public to private sectors.⁶⁴ Some writers consider privatization as the means of the transfer of responsibility for public services and utilities from the state or parastatal enterprises to private or voluntary organizations.⁶⁵ Friedman notes that debureaucratization is used by some instead of dispersal or privatization.⁶⁶ In other cases, governments may decentralize by shifting responsibility for producing goods or supplying services to private organizations, a process often called “privatization”. Such transfer of responsibilities allows the organizations to license, regulate or supervise their members in performing functions.

In many countries, the transfer of some of the planning and administrative responsibilities of public functions from government to private or voluntary agencies facilitates the process of decentralization.⁶⁷ In recent years, privatization has become a major policy prescription of international aid agencies. For example, in Bangladesh “polli Bidyut” (rural electricity) is a privatized organization. Under its structural adjustment programs, the world bank prescribes wide privatization and deregulation.

Towards a Viable Decentralization Paradigm for Bangladesh

Different views are available concerning the form, nature and characteristics of viable decentralization in Bangladesh. Opinion also differs with regard to the choice and implementation of the best form of the decentralized administration. Prior to the recommendation for the best

⁶³ Rahman, M. Zillur, *Principles of Local Level Planning*, NILG, Fhaka, 1986, P. 9

⁶⁴ Rondinelli, *op.cit.*, P. 189

⁶⁵ Siddique, N.A., *Decentralization and Development: Theory and Practice in Bangladesh*, University of Dhaka, Dhaka, 1997, PP. 30-35.

⁶⁶ Friedman, Harry, J., “Decentralized Development in Asia: Local Political Alternatives” in Cheema and Rondinelli (eds.), *Decentralization and Development: Policy Implementation in Developing Countries*, SAGE Publications, Lonfon, 1983, P. 47

⁶⁷ Ahmed, Syed Giasuddin, *Public Personnel Administration in Bangladesh*, Dhaka University, Dhaka, 1986.

form of decentralization, it is worthwhile to examine the existing forms in our country.

The Prevailing Structure of Decentralization

At least two extremes of explanation may be considered with regard to the identification of the form, structure and nature of administrative decentralization prevalent in Bangladesh. The majority of the alternative theorists tend to consider that the existing administrative decentralization of Bangladesh falls under the orbit of deconcentration. In order to substantiate their opinion, these scholars put forward the following arguments.

First, the current decentralization of Bangladesh exists in the form of Local Government where Union Parishad, Upazilla Parishad and District Councils are seen as the Local bodies performing decentralization. Among these tiers, district level activities are mostly dominated by the civil servants. The elections of Upazilla Chairmen as well as the Upazilla activities are performed by the large involvement of government or the government supported political party. What remains then a genuine decentralized system? It is Union Parishad.

The Union Parishad Chairmen and members are the examples of peoples' representatives. But again the pertinent questions are: Do the elected leaders act independent of the central government? Do they regulate local government activities as is required for the existence of a local government? Do they possess administrative autonomy and financial sustainability? The answer to these questions is perhaps "no". In fact, these local bodies are provided with the redistribution of administrative responsibilities only within the central government. In another word, less significant powers are transferred to the elected local leaders and thus they are not given any authority to make decisions. Only the 'workload' of central government is shifted to these agents or local arms of the central government.

Second, the local bodies of Bangladesh do not possess any opportunity of resource mobilization. They are financially dependent on the central government. The preparation and implementation of plans relating to public services and economic development are the act of Parliament which shall, by law, confer powers on the local government bodies including the power to impose taxes for local purposes, to prepare their budgets and to maintain funds.

Third, these bodies are judicially dependent on the central government. The local people do not enjoy any advantage of legal

support from the Union Parishad, rather they are required to go to the regular courts by spending much money and energy. Theoretically it is argued that Union Parishads can perform judicial activities in the local areas by arbitration or by Alternative Dispute Resolution (ADR) or by village courts. Thus small cases can be tried here to avoid pecuniary or physical sufferings of the regular courts. The expected result is that the people should get the opportunity of legal support from the Union Parishad. They do not need to go to the regular courts in each and every conflict or for minor cases. This can save their time and money. Besides, it can ensure quick equitable disposal of cases. However, in reality, the rural people under Union Parishads face variety of difficulties and constraints with regard to legal problems. They suffer from immeasurable agonies with their cases. For example, if someone loiters around the floors of the Supreme Court based in Dhaka, he/she can easily meet the people who come from remote villages with such legal matters, which could easily be solved at the Union Parishad level.

In view of the patterns and characteristics of the central-local relationship mentioned above, the first group of scholars conclude that the decentralized process of Bangladesh can best fall under the realm of deconcentration.

A quite reverse view is that the prevailing decentralization process seem to fall within the structure of delegation. In some areas among ministries of Bangladesh, there exists the delegation type of decentralization. In these areas, the central ministries or agencies transfer decision-making and management authority to such semi-independent organizations that are not under their direct control. In such cases, the central government ministry normally delegates functions and responsibilities to public corporations and planning and development authority.

In quest of the Best Form

It is evident from the earlier discussion that each of the forms of decentralization possesses very unique implications. Deconcentration and Devolution emphasize the territorial dimensions, while delegation and privatization highlight the functional aspects of the decentralization process. Under each form, powers are limited and may be withdrawn by the transferring authority. Except for devolution, in case of other forms, the transferring authority does not require any formal authorization in annulling the transferred powers. In these forms, accountability is upward to the transferring authority.

It is to be noted that although these four forms of decentralization differ in their characteristics and implications they are not mutually exclusive. In practice, most governments use some combination of these four forms. Thus though it is analytically convenient to distinguish each type of decentralization from the other, in specific situation, it may not be possible to distinguish exactly what kind of the “mix” of decentralization a country pursues. However, in order to strengthen the process of decentralization and to maximize the benefit from its implementation, a country needs to exercise a ‘genuine mix’ of its different versions.

Some people suggest an alternative approach, which involves a detailed examination of the main characteristics of a decentralization process. Sometimes, it may be difficult to understand the exact features or elements of a particular type of decentralization. For example, it is a troublesome work to identify whether decentralization policies introduced in Ghana in 1971, in Tanzania in 1972 and in Zambia in 1980 should be regarded as “devolution” or “deconcentration” since they incorporate the elements of both types.

With a view to providing the basis for the analysis and comparison between and among different styles of decentralization process, an alternative approach may be considered for Bangladesh. Prior to the examination of such an approach, it is worthwhile to have a brief look at the five basic criteria⁶⁸ that have already been discussed in order to fulfill the objectives of decentralization.

The first criterion is the functional activities over which an authority is transferred. The second criterion involves the type of authority or powers, which are transferred with respect of each functional activity. The third is the levels or areas to which the authority is transferred. The fourth criterion is related to individual organizations or agencies to which the authority is transferred. Finally, decentralization is being strengthened with the legal or administrative means by which the authority is transferred. These criteria have much value and significance because they provide a basis for describing the degree of decentralization in a more efficient manner.

A group of scholars suggest that the delegation of power seems to be the best alternative. They argue that through the decentralization of power, proper development activities can be performed, transparency and accountability can be maintained and proper decision making and efficient management can be ensured. The proponents of delegation hold

⁶⁸ Rahman, M. Zillur, *op.cit.*

that although under delegation, central authority transfers powers and responsibilities to the semi-autonomous organizations and the local bodies enjoy sufficient autonomy and independence in handling their affairs, they are not able to act arbitrarily. It is so because, they are held responsible for their activities to the central government. The local bodies, if delegated power, can plan and execute overall development activities for the grassroots level. Thus the activities like education for all, family planning, food for work and so on can smoothly be run by local bodies under the structure of the delegation of power.⁶⁹

The majority of scholars as well as policy makers recommend devolution of power for effective decentralization in Bangladesh. In favor of their opinion, they put forward the following arguments. First, in order to ensure peoples' participation in the administrative, legal and judicial activities of a democratic state and to delegate power to the people, actual devolution of power is essential. In this regard proper delegation of authority to conduct administrative, legal and judicial activities from higher authority to the local authority is very necessary. The process of devolution of power must be conducted in an organized way.

Second, the importance of the devolution of power cannot be ignored in order to conduct the activities of a country. The central government remains busy in dealing with various domestic and foreign issues concerning the interests of the country. As a result, the government fails to concentrate on each and every issue of the country, which is very much related to local interests. It is not easy for the government to engage its officials to solve all the problems of the country. Hence the devolution of power can solve this problem.

Third, as the lowest tier of the local government, the Union Parishads can be compared as small states that can perform the responsibilities with regard to law enforcement, budget preparation financial management and resource mobilization.⁷⁰ The 'Choukidars' and 'Dafadars' appointed by the Union Parishads can help police to ensure peace in the locality. To resist all sorts of unrest and to stop black marketing, Union Parishads can take steps. Union Parishads can also perform judicial activities. Regarding financial management, the Union Parishads can prepare budget, collect taxes, and raise funds for development activities.

⁶⁹ World Bank, *Government that Works: Reforming the Public Sector in Bangladesh*, University Press Limited, Dhaka, 1996.

⁷⁰ Shamim, Nazmul Huda, "Local Government, Devolution of Power and Constitutional Provisions", *The Bangladesh Observer*, Dhaka 16 May, 2000.

Fourth, in the context of the present situation of Bangladesh, the devolution of power is of utmost importance in order to ensure participatory development activities, democratic practices and civic culture. The Union Parishads can be considered as the first institutes of learning these values. For equal participation and democratic culture, the devolution of power is essential. In other words, the devolution of power can be meaningful if democratic norms can be established.

Fifth, the transferring authority does not withdraw powers under devolution unless there are legal or constitutional obligations. Again in devolution, responsibility is downward, it is to the respective electorate, not to the central transferring authority.

The exponents of devolution also claim that the constitution of Bangladesh puts emphasis on the devolution of power through the local government system. The objectives of the constitution framers perhaps reflected this view. To ensure equal participation of people in the government, the constitution provides that “the state shall encourage local government institution composed of representatives of the areas concerned and in such institutions special representations shall be given, as far as possible, to peasants, workers and women”.^v This provision is much more important which inspired to issue the Local Government Ordinance in 1983. It indicates that the ultimate goal was the devolution of power. However, the constitution provides several other provisions with regard to local governments that aim at establishing the devolution of power. Apart from this, the mainstream writers on decentralization hold that among four forms, devolution manifests the highest degree of decentralization.

Conclusion

In above analysis we explained theoretical perspectives of decentralization process that has been existing in Bangladesh. We focused on four major forms of decentralization that have been considered significant in the vocabulary of Public Administration. We also examined various views with regard to the thinking of the efficient model for Bangladesh. It is pertinent to find a suitable way to execute those forms. It is obvious that although some of the characteristics of devolution can be seen as important for being the appropriate decentralization model, some other characteristics of this theory may not be applicable for Bangladesh. Similarly some aspects of delegation may fit well with our governance structure, while some others may not. Thus a genuine mix that combines delegation and devolution seem to be the better strategy.

As suggested by the exponents of devolution, Union Parishads can play an active role in resolving social conflicts of small scales, raising small fund through tax collection and maintaining some development activities. In playing such a role, the devolution of power might be effective. The problem is that there is a possibility of corruption, mismanagement and disorder owing to the lack of the control of the central government. However, this shortcoming of the devolution of power may be removed. On the other hand, corruption may not prevail if the system of delegation is adopted, because the control of the central government is exercised under the delegation of power. The point to note here is that local bodies have not been given a required environment to act as continuing administrative agencies after the emergence of Bangladesh as the new country. The national government did not formulate a definite set of policies regarding the local government. Against the circumstances, the mixed form should be initiated all over the country to have a productive local government system. An effective decentralized administration also depends on some components like financial sustainability, fund mobilization, efficient administration, democratic norms and practices, transparency, accountability, credibility and so on. If a mixed theory is executed, it is possible that all these requirements are incorporated in the system.

Now the question is: how can we implement a mixed form? It is obvious that any successful operation of administrative decentralization largely depends on a situation where the macro-environment of the administration remains corruption free. Again the paradox lies in the fact that the development activities at local level may be jeopardized, if the central government puts excessive pressure on local bodies. A congenial atmosphere needs to be created in which an intimate and responsible central-local relationship can exist in a way where the local bodies can be dedicated to the development program at the local level without much control from the central administration. If this strategy is adopted, the local bodies can perform activities freely and at the same time their accountability to the center ensures transparency. One point should be made clear that an efficient local government depends on the sincerity of the central government. If our policy makers and political leaders understand this point sincerely and implement decentralization process in our beloved country appropriately, we may predict that the objectives of administrative decentralization would be fulfilled.

7

Recruitment Strategy under Public Service Commission

Introduction

Public Service Commission (PSC) is a constitutional body of Bangladesh, which has been assigned the task to select and recruit the suitable candidates for civil service. It contains some defined powers and functions in order to implement efficiently the tasks of recruitment and selection. It is expected that if these powers and functions could appropriately be utilized and materialized by PSC, it could have been a very powerful and affective organization. It is a very pertinent question whether this institution is constitutionally empowered to function as an independent recruiting agency or whether there are other constraints or difficulties that impede to operate effectively and substantially.

The central theme of the present work is to identify the issues and challenges inherent in the recruitment policies and procedures of PSC – the apex recruitment body of the Government of Bangladesh. What are the features that characterize PSC as the most significant recruitment company of Bangladesh? What is the premise and back ground against which PSC has sorted out its recruitment policies and selection strategies? Is the PSC recruitment policy independent of external interference? How much is PSC free to decide its recruitment procedure? What are the virulent issues that are intrinsic and extrinsic in its selection and recruitment criteria? In what ways, these problems can be overcome? These are a few issues that this chapter tends to address.

This chapter is divided into seven sections. Section one is the opening, which includes an introduction, and the analytical road map of the present work. Section two focuses on the conceptual analysis of the term 'recruitment'; which is followed by a discussion on the profile of Bangladesh Public Service Commission in section three. Section four explains the recruitment policies of PSC, while section five deals with the problems of recruitment in Bangladesh. Section six examines the measures to overcome the problems. Section seven is dedicated to make some concluding remarks.

The Concept of Recruitment

Recruitment and selection which are triggered by vacancies are two biggest challenges facing human resource managers now-a-days. These techniques have developed since 1930s when the queues of unemployed people used to wait at the factory gates and foremen would choose, 'you, you, you'.¹ Recruitment is one of the most crucial functions of management. Especially in public sectors, the task of recruitment is the most significant aspect upon which the efficient delivery of government workers depend which is the main vehicle for sound development of a country. In a politically volatile country the Bangladesh, recruitment in public service passes through a unique and complex process.

Werther and Davis define recruitment as the process of finding and attracting capable applicants for employment.² According to Klingner, Recruitment is the process of attracting qualified candidates for a job vacancy in the public sector or in the private sectors.³ So, we can say that recruitment is the process of finding and attempting to attract job candidates who are capable of filling job vacancies effectively. The recruiting process begins after identification of Human Resources needs to fill up the anticipated organizational vacancies. Recruiting brings together those with jobs to fill and those seeking jobs. The Goal of Recruiting is to provide information that will attract a significant pool of qualified candidates and discourage unqualified ones from applying. Certain Factors that affect recruiting efforts are: Organizational size, Employment conditions in the area, Working Conditions, salary and benefits offered, Organizational growth or decline and so on.

A number of Recruiting Sources match the position to be filled. The internet is providing many new opportunities to recruit and causing companies to revisit past recruiting practices. Other than the internet sources some major recruiting sources include: internal searches, employee referrals/recommendations, external searches, and other alternatives.⁴

Internal source implies recruitment and the likes from within the organization. It includes the existing employees of an organization. The advantages of promoting from within include: good public relations, morale building, cost savings, encouragement of ambitious employees

¹ Attwood, M. and Dimmock, S., *Personnel Management*, Cambridge, 1985, P. 28.

² Werther, W.B. and Davis, *Human Resources and Personnel Management*, McGraw Hill, New York, 1930, P. 96.

³ Klingner, D.E., *Public Personnel Management*, New York, 1979, P. 106.

⁴ Decenzo, Davis A. and Robbins, Stephen P., *Fundamentals of Human Resource Management*, John Wiley and Sone Inc, 2005.

and members of protected groups, the availability of information on existing employee performance, the necessary skills and knowledge of internal candidates, and the opportunity to develop the middle and top-level managers. On the other hand, disadvantages include: possible inferiority of internal candidates, infighting and morale problems, and potential inbreeding.

Employee referrals/recommendations have also advantages and disadvantages. The advantages include: the employees' motivation to make a good recommendation, the availability of accurate job information for the recruits, and a higher survival rate. On the other hand, disadvantages include: the possibility of friendship being confused with job performance, the probability of nepotism, and the potentials for adverse impact.

External sources mean the employees taken from outside the organization. These sources include: a) advertising, b) educational institutions, c) private placement agencies, d) websites, e) recommendations, d) labor organizations, e) employment agencies, f) professional organizations. Moreover, temporary help services, employee leasing, independent contractors are some of recruiting alternatives.

A Profile of Bangladesh Public Service Commission

Basically, a Public Service Commission is a governing body that regulates the rates and services of a public utility, or other entities.⁵ The Bangladesh Public Service Commission (BPSC) is a quasi judicial body established under the Constitution of the People's Republic of Bangladesh.⁶ It works under the provisions of articles 137 to 140 of the Constitution and certain other rules and regulations made by the Government from time to time under the Constitution.

The Evolution and History of BPSC

Public Service Commission was first established in India in 1926, when it was entrusted with functions almost similar to those of its British counterpart in London, particularly in the matters of recruitment of public servants for the central government of British India.⁷ Similar provincial level commissions were subsequently established, including the Bengal Public Service Commission in 1937, following the formation of

⁵ Wikipedia – the Free Encyclopedia, “Public Service Commission”, Online Available, en.wikipedia.org/wiki/Public_Service_Commission, 2006.

⁶ Banglapedia: Bangladesh Public Service Commission, Online Available, banglapedia.search.com.bd/HT/B_0235.htm, 2006.

⁷ Hayes, C. J., *Report on the Public Service Commissions of British Commonwealth Countries*, London, 1995.

responsible governments in different provinces in the pursuance of provisions made in the Government of India Act, 1919, and thereafter in the Government of India Act, 1935. After the partition of India in 1947, replicas of the Public Service Commission in British India were created in Pakistan, both at central and provincial levels.⁸ Hence a body designated as Public Service Commission, Eastern Pakistan (renamed later East Pakistan Public Service Commission) came into being in East Bengal (later named East Pakistan) in August 1947.

After the emergence of Bangladesh, two separate commissions, namely the first Public Service Commission, and the second Public Service Commission were initially established in May 1972 under provisions made in President's Order No. 34 of 1972. But to give effect to the provisions on public service commissions in the Constitution adopted in November 1972, a fresh Presidential Order (President's Order No. 25 of 1973) was promulgated in March 1973 which in effect formally regularized the establishment of the two commissions in existence since May 1972.⁹ However, in November 1977 the government promulgated another ordinance to establish a single commission in place of the existing two commissions, which, in effect, came into being on 22 December 1977 and was designated as Bangladesh Public Service Commission.

Formation of PSC

The most important characteristic of the BPSC is its constitutional rather than statutory basis. The Constitution of Bangladesh defines the composition and functions of the commission in a chapter of five articles. The chairman and members are appointed by the President (in practice on the advice of the Prime Minister) for a period of five years, or for periods not exceeding the appointees' age of sixty two. The number of members to be appointed is not constitutionally specified, but is fixed by a Presidential ordinance issued in 1977 at fifteen (minimum being six) including the chairman. There are no special qualifications for the appointment except the requirement that at least one-half of the members must be the persons who have held offices in the government sectors for at least twenty years. Normally, the chairman and members who come from the government service are senior officers and those from outside are mostly senior academicians. A member from the government service is not eligible for further employment in the government service

⁸ Muttalib, M A, *The Union Public Service Commission*, New Delhi, 1967.

⁹ Islam, Sirajul(ed.), *Banglapedia: National Encyclopedia of Bangladesh*, Asiatic Society of Bangladesh, March, 2003

(including in the BPSC) after retirement, except the chairman who is eligible for re-employment for one additional term as chairman.

Any member can be removed from the office under provisions made in the Constitution. The rank numbers of the BPSC's chairman/members in the Warrant of Precedence tend to constitute an index of their status in relation to officials in the executive wing of the government. The existing Warrant of Precedence ranks the chairman of BPSC with a full secretary to the government, although the chairman precedes everyone listed in that rank number. On the other hand, members of the BPSC have been given the rank number of an officer holding the status of an additional secretary.

The Vision and Mission

The vision is to ensure that all decisions relating to recruitment and other service matters are made consistent with the principles of merit and equity. In terms of mission, it can be said that the Bangladesh Public Service Commission discharges all duties and responsibilities with regard to the recruitment and selection of the public sector human resources. The mission of BPSC is more clearly understood from the functions and activities mentioned below.

The Functions and Activities

As soon as the BPSC came into being, its power and functions are clearly defined in the constitution. In view of these powers and functions, the activities of PSC are as follows: First, its main job is to prepare persons for various civil service positions. It shall be the duty of the PSC to conduct tests and examinations for the selection of suitable persons for their appointment to the service of the Republic. Second, to conduct psychological and intelligence tests for the candidates who qualify in the competitive examinations. Third, to recommend for promotion at the levels of Class-I and Class-II Gazetted positions. Fourth, to select candidates from among the existing temporary government servants for their appointment to the permanent posts. Fifth, to endorse *ad hoc* appointments made under various ministries/ divisions. Sixth, to examine and approve the rules and syllabi of various departmental and professional examinations as well as to conduct such examinations for the government servants. Seventh, to regularize the tenure of the government servants which is required under certain rules. Eighth, to contribute in framing the recruitment rules for various government departments. Ninth, to conduct the senior scale promotion Exams for the BCS cadre officials. Tenth, to conduct departmental exams for both cadre and non-cadre officials. Eleven, BPSC also performs functions in the field of

personnel research, such as, compiling data and analyzing the aptitudes (including academic, socio-economic, regional and institutional background) of the government employment seekers. Twelve, the PSC is also assigned to advise the President on any matter when the PSC is consulted or when President refers consulting to PSC. Thirteen, PSC may be consulted on all disciplinary matters affecting a civil servant including memorials or petitions relating to such matters. Finally, PSC is consulted on any claim for the award of a pension and on matters affecting the terms and conditions of that service.

PSC Secretariat

There is a Secretariat to assist the Commission which is called the Bangladesh Public Service Commission Secretariat. Structurally, it is a part of the Ministry of Establishment, a ministerial portfolio of the Prime Minister, and is accorded the status of a ministerial division.¹⁰ The business of the BPSC headquarter located in the capital city is conducted in ten functional sections, including establishment section, accounts section, examination section, recruitment section, psychology section, research section, and library section. In addition, there are six zonal offices of which five are located in the outlying five divisional headquarters. These zonal offices, in effect, acts as liaison offices. The Secretariat has an officer designated as secretary who acts as its chief executive officer. He is an additional secretary to the government placed in BPSC on deputation. The secretary's senior aides include a joint secretary, controller of examinations, chief psychologist, two deputy secretaries, and seven directors.

Recruitment Policies of PSC

Methods of Recruitment

A uniform method is followed for the entry into the Bangladesh Civil Service positions. Based on the Gazetted, non-Gazetted, cadre and non-cadre services, the method of recruitment varies. Generally, three methods are in existence for recruitment in Bangladesh.

- 1) Direct recruitment
- 2) Promotion
- 3) Transfer on deputation.

Besides, some less frequently methods are also employed that include: 1) ad hoc appointment; 2) seasonal appointment; 3) part-time appointment; 4) absorption of surplus personnel; 5) lateral entry.

¹⁰ Bangladesh Public Service Commission, *Official Document*, Dhaka, 2006.

Recruitment Rules and Policy

Bangladesh Civil Service Recruitment Rules, 1981 laid down the procedure for recruitment to various services of the Republic. There are some general rules for direct recruitment. The nationality of the person to be recruited needs to be Bangladeshi. His/her age should range between 21 and 30 years except in the case of freedom fighters and Health cadre. The prospective candidate must possess at least bachelor's degree. According to the general rule, a candidate having a foreign spouse is considered ineligible. Moreover, the candidate must be recommended by BPSC and certified by a medical board.

Theoretically speaking, Bangladesh follows the policy of 'closed entry' system in recruiting the civil servants keeping both 'merit' and 'quota' principles in consideration.¹¹ The distinguishing feature of the recruitment policy of the Bangladesh civil service is "geographical representation" on the basis of the size of population and "quota reservations" on the basis of the following distribution:

Diagram 1: Different Categories of Quota

Quota	Class I and Class II posts	Class III and Class IV Posts
(1) Merit quota (Outside district / division quota)	45%	–
(2) Residents of Orphanages (Outside district / division)	–	10%
(3) District Quota (On the basis of population)		
(a) Freedom fighters or their children	30%	30%
(b) Women's Quota	10%	15%
(c) Tribal Quota	5%	5%
(d) Members of Ansar and Village Defense force	–	10%
(e) Rest (for general candidates of districts / divisions on merit basis)	10%	30%
Total	100%	100%

Source: *The Daily Star*, "Quota in Government Services", September 29, 2002.

¹¹ Ministry of Establishment, *Personnel Manual*, Dhaka, 1998, P. 12.

However, the detailed recruitment policy in quota system is described in the 'Personnel Manual'.

Process of Recruitment in the Higher Civil Services

The process of recruitment in Bangladesh provides a very unique style of selection. BPSC and the Ministry of Establishment (ME) act jointly to recruit and select candidates for the higher civil services of Bangladesh.

Need Assessment of Personnel

In case of the BCS cadre service, the administrative Ministry / Division concerned sends its demand of personnel based on the following equation: Sanctioned Strength - Actual Strength = Vacancies

After the need of personnel is assessed, they send their demand to the ME for Recruitment to be made through PSC.

Advertisement of Vacancies

On receipt of the requisition, PSC advertises the vacancies in the national dailies with all pertinent information about BCS examination including the total number of vacant posts, name of cadres, syllabus, data and place of examination etc.

Conducting Examinations

The inclined candidates have to pass four stages of examinations conducted by PSC. The details of these examinations are portrayed in the following diagram.

Diagram 2: Stages of BCS Exam

Stage 1	Preliminary Test	Total Marks: 100 Minimum Marks Requirement (MMR): Changeable
Stage 2	Written Test	Total Marks: 900 a) Bangla – 200 (Paper I and II) b) English – 200(Paper I and II) c) Bangladesh Affairs – 200 (Part I and II) d) International Affairs – 100 e) Mathematical Reasoning and Psychological Ability- 100 f) General Science and Technology - 100 M.M.R - 45%
Stage 3	Psychological & Intelligence test	Candidates have to Pass in the step
Stage 4	Viva Voce	Total Marks- 100 MMR: 45%

Source: BCS Exam Booklet, BPSC, Dhaka.

Medical Certification

According to the BCS recruitment Rules, 1981 (Rule 4:3), all successful candidates in the examination must be certified by a medical board appointed by the PSC.

Quota Based Final Selection

After all steps of examination are completed, the PSC prepares a list of finally selected candidates on the basis of the marks obtained by the candidates keeping in view of the persons based on merit as well as quota reserved for different categories or persons.

Police Verification

The ME arranges verification of the character and antecedents of the candidates through the Ministry of Home affairs.

Final Approval for Appointment

After a satisfactory police report is submitted, the ME provides the offer of appointment to the candidates after obtaining the approval of the President. However, on receipt of acceptance from the candidates formal notification of appointment in the gazette is issued.

Problems of Recruitment System

The recruitment system under the civil service of Bangladesh is constrained by multifarious problems. Some of these are listed below.

Institutional Identity Crisis

This is a very important question whether or to what extent the PSC is constitutionally empowered to do above functions and specially to act as an independent recruiting agency. The search for appropriate response to such queries discloses many perspectives and insights. The proper analysis and investigation regarding the constraints and opportunities of smooth operating of PSC needs to be conducted.

In the first instance, there has been a controversy over the role, power and function of recruiting agencies like Parliament, President, Ministry of Establishment (ME) and PSC. Parliament has been kept out of its arena in respect of services, though our constitution has authorized it to enact laws regarding the appointment and service conditions. A second extreme of thinking goes that in the absence of any act of Parliament the service is governed by the rules made by the President.¹² But these rules are too complex to be viable. The third group of scholars find that the

¹² Amin, Muhammad Ruhul, "PSC Needs A major Overhaul", *The Bangladesh Observer*, May 25, 2001.

responsibilities of public personnel administration are vested in two bodies - the PSC and ME, and not alone in the hands of PSC.

Considering above premises the critics argue that PSC does not seem to be an independent body to work in this area. The reasons are many: first, although PSC is a constitutional body with defined powers and functions; in reality, the ME controls the public personnel system in the country. Again the recommendations of PSC are not always accepted by ME. Second, there has been a reduction of the power of PSC by regulation made by the President under article 140(2). Third, the independence of PSC is also affected by the Parliament. It is Parliament, which makes and regulates the service conditions and decides on the PSC.

It is obvious that above challenges dominate the most important aspects of the issues and problems facing our PSC nowadays. Apart from this, there are many constraints that obstruct the effectiveness of the operational feedback and modus operandi of PSC. Corruption and nepotism are the most important among the problems that draw the attention of both academicians and general people. This creates tension and confusion among a great number of BCS candidates. The news regarding nepotism and corruption is published nowadays. It is alleged in recent years that some BCS cadres have been recruited in different posts through unfair means. On many occasions, accusations have been raised that bribery and financial tips help some people to avail BCS positions. In view of these circumstances, the supposedly autonomous character of PSC is greatly hampered and thus PSC's constitutional position is greatly reduced. Some scholars consider PSC as a subordinate body rather than an independent recruitment agency.¹³

The Policy of Quota: A Perpetual Injustice?

Many writers on Bangladesh administration hold the opinion that the quota system affects adversely the incentives of the intending candidates.¹⁴ Siddiqui considers this quota as "Pandora's box".¹⁵ For example, the district quota does not make any sense in view of the increased number of the districts. A candidate can sit for the BCS exam

¹³ Ahmed, Syed Giasuddin, *Bangladesh Public Service Commission*, Dhaka, University of Dhaka, 1990, P. 34.

¹⁴ *The Daily Star*, "Quota in Government Services", September 29, 2002.

¹⁵ Siddiquee, Noore Alam, "Human Resource Management in Bangladesh Civil Service: Constraints and Contradictions", *International Journal of Public Administration*, Vol. 26, No.1, Routledge, Taylor & Francis Group, 2003. PP. 35-60.

from any part of the country that should not allow any discrimination based on a particular region. Citizens at all strata should enjoy equal opportunity without any discrimination.

Inconsistency in Recruitment Rules

There is no elaborate recruitment rule for civil services of Bangladesh. Some rules are inconsistent and problematic to implementation.

Ad hoc and Contractual Appointment

Different government agencies have repeatedly ignored appointments and continued *ad hoc* appointees for several years. Such practice affects civil servants' career mobility.

Unjust Cadre System

Though all the cadres are recruited at the same level, they do not have the same chances for career mobility and job enrichment. College teachers, for example, will continue to teach the same subject and only a few can get higher positions in educational administration. But in secretariat, most positions still go to the administrative cadre officers. Moreover, the departments from which the candidates graduate do not have any significance for their placements and positions. For instance, a medical graduate or an engineer or an Accounting graduate may be recruited in a foreign office job, whereas graduates from the Social Science or Business schools may be placed in the positions that are irrelevant with their previous study.

Problems with Prescribed Form

There is a bundle of complexity and inconsistencies in the forms. For the last 24th BCS exam, two amendments were advertised which bears a testimony of inconsistency in the form.

Problems with Examination

Problems are common at all stages of examination. For example, in the preliminary exam, there is no provision of marks deduction in case of incorrect answers. In written exam, candidates' eligibility is not appropriately measured keeping in consideration of the particular choice of cadre.

The Lengthy Process of Examination

The process of appointing the successful BCS candidates to their respective offices is very much sluggish. For example, the results of one

BCS exam are published at a time when the preliminary test of another BCS is held.

Other Issues

Apart from the above, the political appointment of PSC's Chairman and member and political influence over the BCS exam also remain a matter of criticism. Besides in recent times successive leaking of the question of BCS preliminary test made considerable damage to the image and confidence of a constitutional body like service commission. The current recruitment system suffers from a multitude of anomalies and deficiencies including the lack of human resource planning, inappropriate staffing policy, discriminatory system of promotion, erratic postings and transfers, absence of any objective performance appraisal system and irrational reward structure.¹⁶ These deficiencies combined with bureaucratic corruption and increasing incidence of politicization adversely affect the quality and performance of civil service.

Furthermore, if any party government influences PSC for appointing party-line candidates, it kills many essential elements throwing a single stone.¹⁷ It downgrades the PSC, makes the BCS examination unreliable, deprives the potential candidates, kills the morale of students, pollutes the educational environment, deprives the people of neutral effective service and kills the morality of officers themselves. The move may also make the party lose in the ensuing general election.

Overcoming the Problems: Measures and Recommendations

In the preceding section, we identified a number of issues and challenges that stand as major barriers to the successful implementation of the recruitment policies of PSC. As it is mentioned above, recruitment in the civil services in Bangladesh has a number of areas to be reformed. Various committees and studies have suggested many reform measures. To get the real qualified candidates, a comprehensive study should be made to devise a sound recruitment policy and develop a just and equitable recruitment process by an organization where people can have complete trust and confidence. These suggestions put forward some measures of reform that can be furnished below:

¹⁶ *Ibid*

¹⁷ Molla, M A S, "PSC Made A Suicide Bomber", *The Bangladesh Observer*, Thursday, March 3, 2005.

First, a revolutionary reform measures need to be taken with regard to the quota system. The reforms should be made successful through required debate and discussion in the academic circles as well as policy meetings. Second, equilibrium can be maintained between the intended examinee from science and arts background students. Third, more importantly, the confidence over PSC should be regained soon.

In order to get rid of the problems of fair human resource recruitment by PSC, some recommendations may be made. We can contend that PSC in Bangladesh should have sufficient power for a productive civil service system. The effective measures need to be taken in order to provide PSC with more autonomy and more powerful footing. A second recommendation concerns the reduction of interference and interruption by ME, parliament and other government bodies in the working of PSC. That is to say, the independence of PSC for its role and functions should, in no way, be tarnished. Thirdly, in order to ensure transparency and accountability, the necessity of smooth harmonization can not be denied. The coordination and cooperation between PSC and other organizations that share and associate the PSC in its activities seems to be of dire need. To fight shy of corruption, nepotism, factionalism, indecencies, and other obscenities, specific purification measures may be effective, and to that end, monitoring and evaluation will undoubtedly play the most significant role. Efficient and powerful monitoring and Evaluation committee may be comprised with retired civil service personnel, university professors and military officers. This evaluation team may be assigned to keep close watch on PSC and its activities and also submit its reports to the Prime Minister.

Last and not the least, awareness, and consciousness among the PSC Members, Directors and others who are involved in its executive function, seem to be the most important weapon. As the most prestigious and gruesome responsibility of BCS recruitment lies in the hands of PSC, sincerity, integrity, honesty, moral uprightness and other virtues may be considered as integral ingredients and attributes to be sketched in the PSC personnel characteristics.

Conclusion

Process and practice are the answers to ensure the best candidates getting appointed in the higher civil services of Bangladesh. We have observed that recruitment of BCS, with all its limitations has its charms and thrills

and thus it has been considered as the most effective way of human resource recruitment in the public organization in Bangladesh.

However, the recruitment policies of PSC have not been without limitations and criticisms. A number of problems and constraints have been identified that impede the objectives of recruitment and selection by PSC. We examined various measures that can be taken to overcome those problems. Once these remedies are conducted, and the PSC recruitment policy is fine-tuned with the suggested measures, the selection of civil servants will be more effective. Through this way, an effective and efficient human resource recruitment system in the government organization can be ensured through the recruitment strategies of Public Service Commission.

8

Economic Diplomacy: The Vehicle of Foreign Policy

Introduction

'Economic Diplomacy' pursued by Bangladesh has opened a very significant chapter in the history of achieving our foreign policy objectives. The important goal of our foreign policy is to enhance our development through pursuing efficient economic diplomacy. Immediately after independence, the paramount task was to reconstruct the war-ravaged country and to accelerate the pace of its economic and social development. Along with the preservation of national security, which is an important premise of the country's foreign policy, equally crucial was the economic content which warranted a special trust in bilateral and multilateral economic diplomacy with a view to accelerating the process of national development through a rapid flow of external resources, an increasing access to the world stock of knowledge and technology and a fair share in international trade. Besides, in order to break the vicious trap of poverty, unemployment, and low productivity, it was necessary to raise investment level in the development of human resources and infrastructures. Thus the most significant emphasis was given on the pro-economy foreign policy agenda soon after independence.

The realities in the post-cold war era especially those in the new millennium re-emphasized the importance of the country's 'economic diplomacy'. With the end of the cold war, there are indications that the agenda in external role will be much less dominated by ideological-military confrontation and instead, political, socio-economic, trade and investment and environmental issues are likely to gain prominence.¹ In the context of the changed global scenario at the threshold of the new century, the foreign policy objectives of Bangladesh should be reviewed and greater priority is accorded to economic area without undermining the political and security aspects of diplomacy. In line with the policy thrust on economic diplomacy, a high-level government committee named 'Morshed Khan Committee' once spoke of

¹ Iftekharuzzarnan, " Bangladesh in the Post-Cold War Era: Primacy of Domestic Imperatives", *Journal of International Relations*, Vol. 1, No. 1, July- December, 1993.

a national standing body to coordinate external relations issues and suggested changes in the conduct of official business to suit Bangladesh's pro-economy foreign policy agenda.² The foreign office people in the later periods including Sheikh Hasina government, Khaleda-Nizami government and the present Mujibur Government have continuously talking about economic diplomacy.

The central theme of this chapter is to examine the implications of our 'economic diplomacy' for the attainment of pro-economy foreign policy objectives of Bangladesh in the new millennium. To what extent have the strategies in our 'economic diplomacy' been successful? What are the issues and challenges facing economic dimension of our foreign policy? What are the ways and means by which our 'economic diplomacy' can better be pursued? In which way a country as weak and vulnerable as Bangladesh can achieve economic prosperity? How better Bangladesh can maintain her external linkages in terms of aid, trade and investment? What are the factors and rationale behind our choice of 'economic diplomacy'? These are a few issues that the present work attempts to address.

Economic Diplomacy and Foreign Policy:

The Conceptual Issues

Relevant Terms

The meaning of 'economic diplomacy' has a very wide connotation. The terms 'economic policy', 'economic diplomacy', 'economic instrument', and 'economic weapon' etc., are indiscriminately used in the literature on international relations. The implication of 'economic diplomacy' is, therefore, based on the clear understanding of these vocabularies.

As the chapter discusses a certain type of diplomacy, it is necessary to define diplomacy. 'Diplomacy' is a very ambiguous word, which is carelessly taken to denote several quite different things. At one moment it is employed as a synonym for 'foreign policy', as when we say 'British diplomacy in the Near East has been lacking in vigour'. At another moment it signifies 'negotiation', as when we say 'the problem is one which might well be solved by diplomacy'. A third meaning is that 'of a branch of the foreign service' as when one says 'my-friend is working for diplomacy'. A fourth interpretation implies tact or skill in the conduct of international negotiation. A fifth meaning is 'the process of negotiation'. Thus no general definition of diplomacy can be very satisfactory or very revealing. According to the Oxford English Dictionary: "Diplomacy is

² *The Financial Express*, 26 July 1995.

the management of international relations by negotiation; the method by which these relations are adjusted and managed by ambassadors and envoys; the business or art of the diplomatist".³ Thus it is an organized pattern of communication and negotiation, now-a-days continuous, which enables each independent government to learn what other governments want and what they object to. In a developed international society it becomes more than an instrument of communication and bargaining.⁴ A charming characterization, though vague and inadequate, is given in Ernest Satow's *Guide to Diplomatic Practice*, a work which has been the bible of British diplomats for many years. "Diplomacy", wrote Ernest Satow, "is the application of *intelligence* and *tact* to the conduct of official relations between the governments of independent states".⁵

Economic instruments are in constant use in furtherance of national policy. In times of peace all states have objectives which must be pursued whenever possible, such as raising the standard of living, promoting foreign sales, expanding employment, conserving natural resources, advancing technology, and improving health. Economic instruments may also be used when a state is preparing to go to war or is fearful of being attacked. It may wish to conserve certain goods and to stockpile others, or it may seek to impede the war preparations of the threatening state or states. Finally, war itself changes the non-violent conflict of 'near war' into a struggle that calls into play all the resourcefulness of the state in mobilizing its economic power as well as its military power. The state may then resort to the most drastic economic controls in order to husband its own resources and to reduce the war-making effectiveness of the enemy.⁶

Let us now consider the term 'economic weapon'. Economic weapons must not be assumed to mean the weapons of 'economic warfare'. Many of the operations of full-scale war are aimed at the destruction of the economic assets of the enemy: factories, railroads, harbours, warehouses, supplies, dams, power installations, ships, and the like. Some writers call this destruction as 'economic warfare',⁷ but the instruments employed are obviously military rather than economic. Indeed, in this sense much of

³ Nicholson, H., *Diplomacy*, Oxford University Press, London, 1969, PP. 4-5.

⁴ Watson, A., *Diplomacy*, Eyre Methuen Ltd., London, 1982, P. 20.

⁵ Satow, Sir Ernest, *A Guide to Diplomatic Practice*, Long man, London, 1922, P. 1.

⁶ Palmer, Norman D. and Perkins, Howard C., *International Relations: The World Community in Transition*, The Riverside Press Cambridge, Boston, 1957, P. 150.

⁷ Gordon, David L. and Royden, Dangerfield, "The Hidden Weapon", Harper, New York, 1947, P.151, Quoted in Palmer, Norman D. and Perkins, Howard C., *ibid*.

the modern warfare is economic. Economic instruments, on the other hand, are nonviolent in nature; they represent manipulations of a state's economic policy in an effort to advance the national interest. They reflect policy choices, which lie within the right of the state under the law of peace, although their use may of course lead to reprisals and to armed conflict.

'Economic instruments' may serve either good purposes or bad ones; they may be used to secure desperately needed markets or to relieve widespread unemployment or, on the other hand, they may be used to establish foreign control, as during the rise of the 'new imperialism', or to expand the power of an aggressor, as in Nazi Germany.

Distinction between 'Foreign Policy' and 'Diplomacy'

The distinction between 'foreign policy' and 'diplomacy' needs to be made. 'Foreign Policy' is an interplay between the outside and the inside.⁸ From the operational point of view, it may be stated that 'foreign policy' consists of the course of actions, which a state usually undertakes, in its effort to carry out its national objectives beyond the limits of its jurisdiction.⁹ The 'foreign policy' of a state is, therefore, "the substance of foreign relations", whereas "diplomacy proper is the process by which policy is carried out".¹⁰ Thus diplomacy provides the machinery and the personnel by which foreign policy is executed. One is substance, the other is method, one is end, and the other is means.

Based on the meaning of above two-terms - 'diplomacy' and 'foreign policy', it may be argued that 'economic diplomacy' deals with the economic dimension of foreign policy of a nation. In other words, 'economic diplomacy' implies the process or method by which economic and/or political goals of foreign policy are achieved. More clearly 'economic diplomacy' is the process by which a state translates its broadly conceived economic interests, into specific courses of action in order to achieve its objectives and preserve its interests.

To distinguish between 'economic policy' and 'economic diplomacy,' it may be noted that 'economic diplomacy' is more specific whereas economic policy is a broad one, which relates the economic aspect of both domestic policy and foreign policy. A state may adopt economic

⁸ Northedge, F.S., "The Nature of Foreign Policy", in Northedge, F.S., (ed.), *The Foreign Policies of the Powers*, Faber and Faber, London, 1968, P.15.

⁹ Modelski, G., *A Theory of Foreign Policy*, Praeger, New York, 1962, P. 3.

¹⁰ Childs, J.R., "American Foreign Service", 1948, P. 64, Quoted in Palmer, Norman D. and Perkins, Howard C., *International Relations: The World Community in Transition*, The Riverside Press Cambridge, Boston, 1957.

policies designed to promote its domestic welfare without having any intention to injure another state. A protective tariff may be levied to encourage home manufactures, and adulterated goods may be excluded to protect the public health. But a state may also adopt economic policies clearly intended to injure another state. Because every state is in some degree dependent on other states, because it must import or export or both, it is to some extent responsive to pressures which other states may bring to bear on it, just as it may itself bring pressures to bear on other states. Whenever economic policies are shaped to promote national ends-whether or not they are intended to injure other states- they are economic instruments of national policy.

Economic Diplomacy and Global Economy in the New Millennium

One of the important reasons of the 9/11 incidence is the perceived politico-economic exploitation, which has been accentuated by the developed capitalist countries (DCCs) in almost all parts of the developing world.¹¹ Except for some unknown terrorist events, we are now living in a world of much lower levels of military tension and a much higher degree of economic integration and interdependence. As the ideological division of the world as capitalist and communist is over, the world is now becoming a safe haven for free market economy. The United States and its West European allies are more engaged in expanding capitalist system or economic liberalization.¹² International system is now likely to witness intense international competition and strengthened cooperation on the economic front. Hua Biyun, a senior fellow of China Institute of Contemporary International Relations, states that dramatic changes have been taking place in the post-cold war world strategic balance in the form of a shift from bipolar military confrontation to multi-polar economic competition and cooperation with rapid strides in economic regionalism.¹³

In recent years, analysts have noted a marked tendency toward what has come to be referred to as globalization. As a result of improvements in transportation and communication, countries at all levels of development are becoming increasingly tightly interconnected not only

¹¹ "TV Interviews with Usama Bin Laden", *Al-Zajirah Television*, September 19-25, 2001.

¹² Hussain, Akmal, "Recent Global Changes and New Imperatives for SAARC", in Iftekhharuzzaman and Ahmed, Imtiaz (eds.), *Bangladesh and SAARC: Issues, Perspectives and Outlook*, Academic Publishers, Dhaka, 1992, P. 218.

¹³ Biyun, H., "Economic Liberalization and Cooperation in South Asia", paper presented at the International Seminar on *South Asia at the Crossroads: Conflict and Cooperation*, organized by BIIS, 6-8 February, 1994, P. 1.

through the traditional ties of trade; but also by vast and rapid financial flows, exchanges of information, people, and technology; increases in all forms of foreign investment; the worldwide dispersal of production facilities by large corporations; and the formation of business-alliances across national boundaries. Thus the world economy is a system-a complex web of feedback relationship - not a simple chain of one-way effects. In this interdependent global economic system, wages, prices, trade and investment flows are outcomes, not givens.¹⁴ The globalization of world economy is being enhanced by a large amount of macro-economic stabilization policies under the World Bank-IMF structural adjustment program.

Along with the rapid pace of globalization of world economy, both the developed and developing nations are seeking to pool their resources through regional groupings. The EU, ASEAN, NAFTA, SAARC, and ECO are some notable examples. Thus increasing globalization and liberalization of trade over the past few decades has been especially marked in developing economies. The early success of the newly industrialized countries of East Asia followed by the liberalization of former inwardly-oriented economies, which changed their policies of import substitution to more liberal, export-oriented ones has led to a trade explosion in the developed world.

Many developing economies, most notably, those in the Latin American and Caribbean region, have jumped on the free trade bandwagon- implementing trade policy reforms, reducing price and exchange controls, removing export taxes and controls, and lowering and unifying tariffs. The bandwagon ride, however, has not proved to be altogether smooth: resistance to free trade in the form of non-tariff barriers in the developed countries presents a poor precedent for liberalization in developing countries. Given the decline in aid from the developed countries over the course of the past decades, and the improbability that new markets will open up in the industrialized world for exports from developing countries, the South Asian countries are increasingly turning towards each other.

Rather than looking to the North, the developing countries are forming intra-regional trade pacts, which both encourage trade among members and foster the growth of a more stable and trade-oriented economic environment in each country. In the last decade of the immediate – past century, trade among the developing countries comprised about a quarter

¹⁴ Krugman, P., "Does Third World Growth Hurt First World Prosperity?", *Harvard Business Review*, July-August, 1994, P. 115.

of total world trade: in 1990 figures, South-South trade represented US \$186.7 billion out of \$740 billion worldwide.¹⁵ With the implementation of the Uruguay Round of the GATT multilateral trade negotiation, however, this percentage is expected to decrease. According to the World Bank, non-oil exports of the developing countries to OECD markets covered by non-tariff barriers will fall from just over 18 percent to less than 4 percent. At the Group of 15 (G-15) caucus of developing countries, an official stated that although "GATT claims to foster free trade, the pact does not appear to extend to areas where the developing world had an advantage such as textiles".¹⁶

A third feature of the international economic system in the new millennium is that in a world of economic interdependence politics is not going to cease and neither is political conflict. States are going to continue to have differences. In the past, nations have often used economic diplomacy as a way of attempting to influence the political behavior of their rivals. Such use of economic diplomacy could become more common in the years ahead, as interdependence intensifies, political relationships shift and the utility of military power in most situations remains relatively low. National security policy may, therefore, come to encompass measures designed to reduce a country's vulnerability to economic influence attempts.

In this changing relationship between economics and security, there are basically three different kinds of situation in which economic diplomacy and economic statecraft could play a central role.¹⁷ The first are those in which relatively weak states seek to use their control over scarce resources to influence the policies of the comparatively strong and wealthy. This, of course, is what the Arab oil-producing countries sought to accomplish in the 1970s and in part what Saddam Hussein hoped to achieve in 1990. As in the past, what is true of 'oil diplomacy' will be even more the case for other, less critical commodities.

A second form of economic statecraft would involve attempts by strong states to use trade and financial assistance to shape the political preferences of the weak. Sanctions are the most familiar instrument for this purpose, although their successful application usually requires the cooperation of a large number of states. It is also possible that under certain conditions, individual countries might try to build blocs or spheres

¹⁵ Kotschwar, B.R., "Regional Trade Agreements among Developing Countries", *The Independent*, 9 July, 1995.

¹⁶ *ibid.*

¹⁷ Friedberg, A. L., "The Changing Relationship Between Economics and Security", *Political Science Quarterly*, Vol. 106, No. 2, Summer, 1991, PP. 272-3.

around themselves, as Germany and Japan sought to do in Central Europe and East Asia respectively during the 1930s. A large country's willingness to direct private investment and governmental assistance on especially generous terms toward its smaller neighbors can help to make them more sensitive to its wishes. If they find their exports to other parts of the world blocked by rising tariffs, smaller countries can become dependent on a larger one that is willing to grant them continued access to its domestic markets. The price extracted by the bloc leader may be primarily economic-preferred treatment for its own exporters and investors.

The final and in many ways most dangerous possibility is that strong countries could begin with increasing frequency to use economic instruments against one another. As the extent to which the United States was relying on foreign, especially Japanese, investors to finance its budget deficit became clear during the 1980s, there were growing fears that the United States might be becoming, as Rohatyn put it, a "prisoner of foreign capital".¹⁸ If Japanese investors were ever to hold back from buying U.S. Treasury securities, it was claimed, the results could include rapidly raising interest rates (which would lead to slower U.S. economic growth) and a drastic decline in the value of the dollar (which would promote inflation). The mere threat of such action could conceivably be sufficient to force American compliance with Japan's wishes.

Considering the realities of the current international system, particular emphasis has been given on the economic development of developing countries of the world in various summits or international conferences held in the recent past. Earth Summit, NAM Summit, Copenhagen Summit etc. are a few glaring examples. In the foreign policy formulation of the developed countries, considerations of economic issues are increasingly being strengthened. President Bill Clinton proclaimed three essential elements of American foreign policy: peacekeeping, nuclear non-proliferation and sustainable development. Thus the US assistance program was considered as a must for supporting sustainable economic development in South Asia. After the 9/11 events, strategies that were adopted to combat any future terrorist attack(s) emphasized the reconstruction of and rebuilding of the politico-economic foundations of those countries where terrorism is likely to be germinated. The subsequent US presidents including George W. Bush and Barack Obama has also put emphasis on facing the challenges of international terrorism.

¹⁸ Rohatyn, F., "Restoring American Independence", *New York Review of Books*, 18 February, 1988, PP. 9-10.

Economic Diplomacy for Bangladesh

Rationale and Significance

A distinction is often made between 'high foreign policy' and 'low foreign policy'. The high foreign policy is concerned with national security and survival while the low foreign policy deals with matters relating to foreign trade, investment and financial relations among countries.¹⁹ Once the high foreign policy is taken care of, the next objective is to promote economic advancement through pursuing trade, investment and financial relations with other countries. It requires ceaseless efforts on the part of national policy makers to undertake the task of economic advancement through foreign policy. Foreign aid, foreign investment and foreign trade are major sources of such advancement. The significance of economic diplomacy is obvious to achieve the goals of both 'high foreign policy' and 'low foreign policy'.

Although the nations of the world have been making an increasing use of diplomacy as the major instrument of foreign policy, a few developing countries still seem to be bent upon acquiring nuclear war capabilities either as an instrument of blackmailing their enemies or as shield of security against foreign aggression. As one of the poorest and the LDCs of the world, Bangladesh can hardly think of making use of war or aggression against its neighbors. On the contrary, this country is yet to be a strong state and to gain full control over its legitimate territorial jurisdiction and over its domestic and foreign policy making. Such control can be attained only when it grows economically and politically strong enough to make even bargains with its economic and political partners. Bangladesh cannot gain these kinds of control without generating adequate positive response from world community of nations to meet the challenges it has been confronted with.²⁰ Secondly, for almost all the countries in South Asia including Bangladesh, the most serious threats to the national security are domestic in nature and stem from the problems of poverty, illiteracy, disease and social and economic inequalities. In order to attain the objectives of 'high foreign policy' of Bangladesh, the importance of economic diplomacy is very high.

By most canons or definitions, Bangladeshis is a small state. Its lack of resources and poor state of economic development, weak military

¹⁹ Cooper, Richard N., "Trade Policy is Foreign Policy", *Foreign Policy*, 1972, Quoted in Kabir, M.G., and Hassan, Shaukat (eds.), *Issues and Challenges Facing Bangladesh Foreign Policy*, BSIS, Dhaka, 1989, P. 168

²⁰ Mandal, M.S., "The Global Setting and Bangladesh Foreign Policy", in M. G. Kabir, and Shaukat Hassan (eds.), *Issues and Challenges Facing Bangladesh Foreign Policy*, BSIS, Dhaka, 1989, P. 209.

capability and its foreign policy considerations being regional rather than international squarely rank Bangladesh in the category of a small power. Our country of only 55,598 square miles with a population of more than 135.2 million has one of the lowest levels of per capita income of about US \$444.²¹ There is thus an urgent need for rapid economic development. The urgency has been heightened by the increasingly growing expectations of the people after independence. Moreover, in view of the inadequate resource endowment and consequently of the poor scope for internal resource generation for developmental thrust, Bangladesh is in need of a steady external resource inflow. Thus the structure of economy and the aspirations of the people are some of the facts that have been factors of foreign policy in Bangladesh.

In fact, there is an intimate relationship between size and foreign policy behavior. The categorization of states according to size has long been a part of world politics. Rothstein notes, for example, that the formalization of the categories of great and small powers occurred as a result of the signing of the Treaty of Chaumont in 1817.²² Recently, the concept of size has received an increasing attention as a factor affecting foreign policy. One manifestation of this is the renewed interest in the foreign policy behavior of small states. In his pre-theory of foreign policy, Rosenau includes size as one of three "genotypic" variables assumed to exert a major influence on foreign policy. In addition, empirical studies have shown size to be an important factor underlying variations in the international behavior of nation-states. After detailed analysis East had demonstrated the importance of economic factors in small states' foreign policy. He marked that those international issues, which are directly related to their economic growth and development, will be the most salient for small states.²³

Being small in terms of size, the predominant part of Bangladesh's external policy (apart from a limited number of regional or area issues) consists of generalized objectives, for example, statements expressing a belief in international peace and security, verbal support for universal human rights and condemnation of aggression. In the context of conducting the foreign policy, in the 'minimal sense' how does a small state like Bangladesh try to preserve the high foreign policy? As pointed out earlier, the lack of a number of prerequisites limits Dhaka's options to

²¹ *Bangladesh Economic Review*, Economic Adviser's Wing, Finance Division, Ministry of Finance, Bangladesh, June, 2004.

²² Rothstein, R.L., *Alliances and Small Powers*, New York, 1968, PP. 12-13.

²³ East, Maurice A., "Size and Foreign Policy Behavior: A Test of Two Models", *World Politics*, Vol. XXV, No. 1, October-July, 1972-1973, PP. 556-576.

ably pursue an active foreign policy strategy. Rather, in order to achieve high foreign policy objectives, she relies on 'diplomacy'. With this end in view, she pursues non-aligned foreign policy, which is the cornerstone of Bangladesh's external policy. And thus the 'policy of non-alignment' is vital for the national security of Bangladesh, both political and economic. We shall now examine how the idea of 'economic diplomacy' evolved over the years in the context of the foreign policy of Bangladesh.

The Evolution of Bangladesh's Economic Diplomacy

The nine-month long war of independence, besides taking a heavy toll of life and property, left the country on the verge of economic collapse and disintegration of the entire community life. On the other hand, the long colonial exploitation of the country had left behind an inheritance of a backward economy based on archaic technology and its inevitable concomitants of mass poverty, mass unemployment, and widespread illiteracy.

In the case of Bangladesh, the special urgency and the magnitude of the need for external resources are placed in perspective when viewed against the two formidable challenges that confronted the new state of Bangladesh at independence: (i) the enormous task of reconstruction and rehabilitation of the war-ravaged country; and (ii) the acceleration of the pace of economic and social development of the country. Keeping in mind that one of the major causes for the declaration of independence of Bangladesh in 1971 was economic emancipation, the national policy makers in an independent Bangladesh realized that political independence is hollow if it does not provide the vision of a good life for the average people of Bangladesh.²⁴

Thus the gigantic task of economic reconstruction extremely needed external economic assistance. Bangladesh made repeated requests for commodity assistance to the former USSR on the political ground that this would contribute towards reducing its dependence on the Developed Capitalist Countries (DCCs). When Prime Minister Sheikh Mujibur Rahman made his first state visit outside the subcontinent to the USSR in March 1972, he carried a big shopping list for commodity assistance. But this was met by only a small grant to procure certain commodities provided by Moscow. During this period, according to Sobhan, Bangladesh faced the problems of building links with socialist bloc countries. He argues that other socialist bloc countries shared the

²⁴ Halim, Md. Abdul, "Foreign Policy of Bangladesh: Framework of Analysis", in Ahamed, Emajuddin (ed.), *Foreign Policy of Bangladesh: A Small State's Imperative*, University Press Ltd. (UPL), Dhaka, 1984, PP. 4-5.

incapacity of the USSR to commit any significant volume of food or commodity aid to Bangladesh.²⁵

Economic development being top priority, Dhaka needed massive external assistance, which only the United States was in a position to pledge. The relationship between Dhaka and Washington was far from satisfactory in spite of latter's recognition to Bangladesh on 4 April 1972, and pledge for economic assistance. Economic imperatives had compelled Mujib to turn to the west and express his willingness to accept American aid. Most observers believed that he dropped his pro-Indian/pro-Soviet Finance Minister Tajuddin Ahmed in order to appease the United States. The replacement of Foreign Minister Abdus Samad Azad, known to be a staunch supporter of both India and the USSR, by pro-American Kamal Hossain, was believed to have been executed for the same considerations. Similarly, Mujib's attempts to diversify Dhaka's foreign relations by establishing relations with the US and links with the Islamic World, Pakistan and China ran counter to his warm relations with India and the erstwhile USSR, although they may well have been consistent with Dhaka's promised policy of non-alignment, good neighborly relations and developing traditional ties with the Muslim countries. Thus the diversification of foreign relations was reflected in diversification of aid flow into the country. Bangladesh received external assistance from five groups of the world: (a) DCCs; (b) International Institutions like UN, UNICEF, WFP, IFAD, etc.; (c) Socialist bloc Countries and India; (d) member countries of the OPEC; and (e) others. Bangladesh, during 1971-1981, received US \$10885.6 million in aid (food commodity and project).²⁶

The abrupt change of government in August 1975 started the beginning of a parametric shift in our national policies, which largely affected our 'economic diplomacy'. Soon after Khondaker Mushtaq came to power, Saudi Arabia and China extended recognition to Bangladesh. Since Mushtaq was well-known for his pro-American attitude, his arrival as head of the state pleased those who wanted a shift from Indo-Soviet axis. With the rise of Zia in power, the emphasis was given on diversifying the country's external relations in order to increase flow of external resources to Bangladesh. This goal, as the then foreign minister stated, "... presented a challenge in diplomacy which profoundly influenced the sculpting of the foreign policy, in particular, in expanding

²⁵ Sobhan, Rehman, *The Crisis of External Dependence*, University Press Ltd., Dhaka, 1982, PP. 126-7.

²⁶ *ibid*, PP. 122-3.

and diversifying the external relations of Bangladesh. President Ziaur Rahman and I perceived early enough that the success of 'economic diplomacy' depended pre-eminently on the strength of bilateral and multilateral political relations and in the case of a weak state like Bangladesh on concerting with other nations in mobilizing international support to the flow of larger resources to the less developed countries".²⁷

It was during 'Zia's regime that the relationship between the US and Bangladesh had markedly improved. The cultural and educational penetration among the Bengali elites provided Washington the opportunity to rectify its apparent 'mistake of 1971'. The economic cooperation thus gave way to further political considerations and both the countries started taking similar stand on international events, which are of major consequence to the west and the US. With Beijing, as well, Dhaka's relationship grew rather rapidly during the period. The formal establishment of relations began with Beijing's recognition of Bangladesh in August 1975 and it was followed by trade links and economic cooperation in many areas. Relationship with Pakistan and the Muslim countries improved dramatically. The pace of growth of bilateral bonds between the Muslim countries and secular Bangladesh was rather slow. Dhaka's policy shift through replacing secularism had rapidly strengthened relationship with Islamic World, which was based on historical, religious and cultural bonds. This resulted in increased aid flow from Muslim countries.

In carrying forward her foreign policy objective of diversification, Bangladesh missions abroad, foreign missions in Bangladesh, and the international forums like the UN system, the NAM, the G-77, the OIC, and the Commonwealth, were used for strengthening relations with the resource-rich countries like the DCC and OPEC countries and the multilateral institutions like the World Bank, the IMF, the UNDP, UNICEF and other bodies within the UN system. Special attention was paid to relations with Japan, which happily appeared to have drawn Japan closer to Bangladesh. As a result of the 'economic diplomacy' adopted in post-1975 period, the total quantum of aid in grants and loans increased from US \$7,164.082 million during the first five years after independence (1971-72 to 1975-76) to US \$15, 873.262, that is, more than two fold during the next five years (1976-77 to 1980-81).²⁸

²⁷ Huq, M. Shamsul, *Bangladesh in International Politics: The Dilemmas of the Weak States*, UPL, Dhaka, 1993, P. 241.

²⁸ *ibid*, P. 207.

The shift in the foreign policy that began under Zia, had been continued by the Ershad regime. Keeping in mind the developmental requirements of Bangladesh, Ershad sought to further build up Dhaka's friendly relations with Washington, Beijing and the Muslim countries. The relationship with India though continued to be bedeviled by a host of outstanding issues, yet had improved a little. The Bangladesh-USSR relationship, which was fractured and plummeted to a bottom low in 1984 after Dhaka's ouster of Soviet diplomats in December 1983, had also improved. The rapprochement, which was underway since Soviet leader Gorbachev's coming to power, had been possible. New barter trade agreements and credit accords signed in 1985 relaxed the strained relationship. It was further improved with the visit of the Soviet Deputy Foreign Minister to Dhaka in August 1985 and Dhaka's permission to reopen the USSR cultural center, which was closed in 1983. In order to enhance economic cooperation in South Asia, Ziaur Rahman had initiated the idea of regional cooperation in 1977 and by realizing Zia's dreams, in December 1985, SAARC was officially launched. The average annual aid commitment during Ershad regime (upto 1987-1988) stood at US \$ 1776 million as compared to US \$ 1333 million during the Zia regime and US \$ 828 million during the Mujib regime.²⁹

The tenure of Khaleda Zia embarked on the unprecedented history of opening democracy in Bangladesh. Soon after the fall of Ershad, the new government under Khaleda Zia reemphasized the significance of economic diplomacy in the new democratic environment with renewed vigor. The most remarkable success of the economic diplomacy during this time was manifested in the inauguration of trade liberalization, which aimed at stimulating economic growth by expanding foreign trade, increasing export, strengthening manufacturing base. The industrialization policy introduced during the 1991-92 period contributed to an environment that resulted in export promotion through reduction of anti-export bias in the country's economy.

During this period, a very important reform was made through the Industrial Policy of 1999. Under this policy, restrictions on private sector participation in all areas except defense, nuclear energy, currency note printing and forest plantation were withdrawn. It set a target contribution of 25 percent of GDP coming from the manufacturing sector along with a target of 20 percent employment generation in the sector. The 1999

²⁹ Bayes, Abdul, "Foreign Policy and External Economic Relations: Direction, Nature and Implications" in M. G. Kabir and Shaukat Hassan (eds.), *op.cit*, P. 180.

policy was followed by the Privatization Law, which was enacted in July 2000 in order to unburden the public sector of loosing SOEs.³⁰

The unprecedented success in the economic diplomacy of Khaleda Zia was extended to the second democratic regime under Sheikh Hasina. A few years before the dawn of the new century sparked on the foreign policy horizons of Bangladesh, the government of Sheikh Hasina adopted a number of economic development strategies that reiterated Bangladesh's emphasis on economic diplomacy. The activities of Hasina's economic diplomacy include some remarkable events such as trilateral trade summit, sub-regional organization, BIMSTEC, Bangladesh's participation in Micro-Credit World Summit, inauguration of D-8 conference in Dhaka and above all US President Bill Clinton's Bangladesh visit.

During this phase a trade summit was held in Dhaka in which the Prime Ministers of the three leading SAARC countries-India, Pakistan, and Bangladesh concluded some important agreements with regard to trade, investment and economic cooperation. In order to strengthen SAARC, Sheikh Hasina proposed to form a Sub-Regional Organization comprising Bangladesh, Nepal, Bhutan and Eastern parts of India. This proposal was vehemently appreciated in the Colombo Summit. Besides, in order to build bridge between South and Southeast Asia, a new organization named BIMSTEC was formed in 1998 by stretching its membership among Bangladesh, India, Myanmar, Sri Lanka and Thailand. Bangladesh participated as the Co-Chairperson in the World Summit on Micro-Credit, which was held in Washington in 1997. Moreover, in March 1999, the Summit of Development 8 (D-8) was held in Dhaka in which Bangladesh was elected as the Chairperson of the forum of eight developing countries – Bangladesh, Malaysia, Indonesia, Pakistan, Iran, Egypt, Nigeria, and Turkey.

The visits of the heads of the states of a number of countries including USA indicate the successful orientation of Bangladesh's economic diplomacy during this phase. The visits of the US president Bill Clinton, South African Present Nelson Mandela, Turkey's President Solemon Demirel and the Palestine President Yasir Arafat are the landmark in the history of our economic diplomacy.

The much talked about visit of the US President Bill Clinton was scheduled on March 20, 2000. The visit itself created enthusiasm and

³⁰ Amin, Muhammad Ruhul, *Development Issues and Strategies of Bangladesh: A Malaysian Model?*, International University of Japan, Japan, May, 2004, PP. 64-65.

excitement among thousands of millions of Bangladeshi people both home and abroad and the success of Sheikh Hessian's economic diplomacy has upheld the image and prestige of Bangladesh. Yet the analysts of the pronounced program of Bill's visit provided different perspectives of the objectives of the visit. President Clinton while staying Bangladesh visited different Program areas of BRAC and Grameen Bank located in different villages of Bangladesh. Many critics argue that this visit seemed to be more a result of NGO endeavor than the achievement of Bangladesh government. Thus they were of the opinion that instead of serving interest of Bangladesh Government, the visit was an attempt to serve the interests of some leading NGOs.³¹

Another extreme of analysts viewed the whole issue from quite an opposite outlook. They argued that since the visit was a result of long cherished desire of Bangladeshi people, which has finally been implemented by dint of successful diplomatic effort of the Government of Shekih Hasina, it must have served the economic interests of Bangladesh. But again they were skeptical whether the visit, instead of giving importance on Bangladeshi economic thrust, would be an attempt to preserve US interest. A young student of Dhaka University has recently expressed his concern in 'Prothom Alo' saying that Bills visit would only serve the interest of oil and gas exploring companies of the United States and those of the West. This extreme of thinkers tended to equate Bill's visit with that of Queen Sophia's visit a few days back which, instead of emphasizing Government programs, served the interest of leading NGOs. The scholars in this line strongly argue that US based multi national companies engaged in oil and gas sector exploration worked as the major catalyst in the visit of the US President.

Despite these critical views regarding Bills visit strong expectations had been borne by Bangladesh government diplomatic efforts. As the visit proved to a brilliant success of Sheikh Hessian's economic diplomacy, it would not go without having positive impact on our economic aspect of foreign policy. A 16 Member high-powered advance team from White House already arrived in Dhaka forty days ahead of the much-expected visit of the President. The advance team looked into different aspects of Clinton's visit. Although the team was particularly busy to examine the security arrangements and accommodation facilities for the US President during his visit to Bangladesh, the officials of the Bangladesh Foreign Office have been working vigorously to make the

³¹ Amin, Muhammad Ruhul, "Implication for Economic Diplomacy of Bangladesh", *The Bangladesh Observer*, March 20, 2000, P. 20.

first ever visit by any US President to Bangladesh meaningful and successful. Enhanced economic co-operation and greater investments by American companies in Bangladesh seemed to feature high on this agenda of discussion between Bangladesh Prime Minister Sheikh Hasina and US President Bill Clinton.

It is learnt that bilateral trade, duty free access of products and immigration matters received due attention at talks between Bill Clinton and Sheikh Hasina. The agenda of discussion between the US President, and American Chamber (AmCham) President Forrest E Cookson included issues on redirecting the amount of debt under PL 480 to reforestation program in Bangladesh, increasing garments import quota by UDA, development in the field of Information Technology (IT) through US cooperation, introduction of trade unionism in the Export Processing Zones and peace keeping operation might be held.

President Bill Clinton's visit was conducted at the most crucial and critical period of Bangladesh politics when the major opposition parties were combined to gear up one-point oust-government movement. As already mentioned, the economic advancement of a developing country like Bangladesh was hardly possible without a congenial and stable political atmosphere. As the pioneer of democracy and guardian of world leadership, this reality might be understood by the US authority and thus the domestic political issues of Bangladesh should not have been ignored. The demand of situation has rendered the historic responsibility to President Clinton at the advent of his visit to Bangladesh. The whole nation was eagerly expecting that Bill's visit could be a milestone through making his role in bringing back political stability and mutual understanding.

The significance of our economic diplomacy has been reiterated by both the coalition governments under the four Party Alliance and Muhajot. The objectives of economic diplomacy were achieved steadily during the Four Party Alliance Government (Jot Sarker) which was seriously thwarted during the immediate past Caretaker Government that was formed following the declaration of an emergency. The present Muhajot Government took power in the beginning of 2009 with a renewed utterance to strengthen the ties of economic diplomacy.

We shall now very briefly focus on 'economic diplomacy', Bangladesh adopted to attract foreign investment and foreign trade throughout these regimes. The responses of foreign private investors during the Mujib regime was very poor. During 1973-74 to 1974-75, foreign private investment as percentage of the total investment was only 0.04 percent

and 0.02 percent respectively. The commitment of the regime to socialism and large-scale nationalization policy acted as a strong deterrent to increased investment. During the Zia regime, a significant shift in the government's economic policies towards private foreign investment was initiated in December 1975. Among the changes worth mentioning are: rise of the investment ceiling to Tk.100 million, measures to expand the role of the private sector investment permitted in ten sectors previously reserved for public sector etc. As a result of these policy changes the percentage rose sharply to 3.86 in 1975-76; but the enthusiasm was lost in subsequent years and from 1976-77 to 1982-83, the proportion, on average remained at 0.64. During the Ershad regime there was a further gradual liberalization of the government attitude towards foreign investment. As a result, the percentage of foreign private investment of the total investment rose to two percent.³²

'Trade diplomacy' played so far by Bangladesh requires a critical examination. As trade restrictions and domestic interventions impede growth by creating an anti-export bias, many countries have undertaken major trade reforms coupled with other macro-economic adjustments to create a growth-oriented trade and payments regime. Bangladesh has initiated major reforms in these areas as a part of macro-economic adjustment beginning with the end of the 1970s.

Bangladesh's trade volume, pattern and structure have evolved mainly by its domestic requirements, its economic relations with the rest of the world and by the determinants of inter and intra-industry trade, viz., the differences in factor endowments, factor proportions, nature of comparative advantage etc. In overall terms, our imports and exports as proportions of GDP have been around 10 and 6 percent, respectively, on an average during 1976-77 to 1989-90. Balance of payments on current account has been around 4 percent of GDP during this period with a declining trend: 2.0 percent in 1990 and 1.4 percent in 1991. It is projected to decline further in the years to come as the exports grow further. Though Bangladesh's overall exports to the world as a whole have registered an increase during 1975-76 to 1989-90, those to the South Asian countries have declined. There have also been changes in the commodity composition of Bangladesh's trade. The shares of agriculture and manufacturing in the export to the developed countries have increased during the same period with a decline in the share of raw materials. It is contended that Bangladesh needs to undertake efforts to

³² Bayes, Abdul, "Foreign Policy and External Economic Relations: Direction, Nature and Implications" *op.cit.*, PP. 181-2.

diversify and expand its exportable to achieve a higher growth rate along with the recent liberalizing policies.³³

Economic Diplomacy of Bangladesh: Strategies for Twenty First Century

Major Thrust of the Strategy

Like many other developing countries, the strategies of economic diplomacy of Bangladesh need to be restructured in a way, which will aim to implement the objectives of Millennium Development Goals (MDGs). As the new century starts with many uncertainties, the economic development strategies to be adopted in coming years must meet the demands of the usual discourse of the new century's economic diplomacy.

We have already examined how the policy of non-alignment had advanced the process of national development as the central principal in Bangladesh foreign policy objectives. Bangladesh is interested in a New International Economic Order and seeks closer cooperation with all the countries without being aligned with any country, therefore the policy of non-alignment clearly helps her in achieving such goal. Thus in the context of the post-cold war world, the concept of non-alignment has new meaning and connotations and does not apply to the initial concept of steering one's way out of the power-bloc politics of cold war days.

While discussing the dimension of global economy in the new century's context, we mentioned that the globalization and economic regionalism are two important features of today's international political economy. For attaining globalization program, foreign aid, foreign investment and foreign trade are must for the developing countries like Bangladesh. Keeping in mind the significance of economic self-reliance, 'economic diplomacy' is more strongly pronounced by the national policy makers in the changed realities of the twenty first century.

As an engine of economic prosperity, the necessity of regional economic cooperation is now widely felt. One of the challenges facing Bangladesh and other countries in South Asia is to evolve a concrete and constructive action plan to make SAARC an effective instrument of mutually beneficial cooperation within the region. As a foreign policy goal this deserves high priority in view of Bangladesh's initiatives in the creation of the SAARC. The Seventh SAARC Summit, held in Dhaka in

³³ Chowdhury, O.H., "Trade and Economic Cooperation between Bangladesh and the Major Partners: An Exploration", *Journal of Economic Cooperation among Islamic Countries*, Vol. 14, No. 1, Ankara, January, 1993, PP. 25-42.

1993, recognized the significance of economic cooperation as a major area of SAARC activity. The signing of the Agreement on the SAARC Preferential Trading Arrangement (SAPTA) and the reaffirmation of the consensus on poverty alleviation are historic developments in the economic dimension of Bangladesh foreign policy.³⁴

Our pro-economy foreign policy agenda also emphasized the need for economic cooperation among the Muslim countries and with this end in view Bangladesh proposed the idea of an Islamic Common Market (ICM) in 1981.^{35*} Bangladesh's policy thrust on 'economic diplomacy' also encouraged Bangladesh to become one of the members of "Indian-Ocean Rim Initiative" (IORI) which seemed to be the largest economic bloc so far in terms of population and area. For Bangladesh, the IORI would provide a larger international market for its exportable. As in SAPTA, India is unlikely to dominate the upcoming IORI because of the presence of other potential member countries.³⁶

The significance of foreign trade and foreign investment has largely been reflected in Bangladesh's 'economic diplomacy' in the new millennium. With the continued operation of the liberalization policies and various kinds of export incentives provided to the export trade helped the promotion of export earnings of Bangladesh. On various occasions of bilateral or multilateral meetings, conferences or summits, Bangladesh emphasizes trade and investment. Bangladesh Minister for Commerce and Information M. Shamsul Islam while visiting Pakistan in July 1995 expressed Bangladesh's desire to further strengthening relations with Pakistan through exchange of mutually agreed program in trade and commerce.³⁷ In Bangladesh-Nepal Joint Economic Commission (JEC) meeting on 2 August 1995, the entire gamut of bilateral trade, joint

³⁴ Amin, Muhammad Ruhul, "Towards a Better Understanding among SAARC Countries", *Thoughts on Economics*, Vol. 5, No. 1& 2, January-June, Islamic Economics Research Bureau, 1995, P. 64.

^{1*} Bangladesh had been playing a prominent role in articulating the concept of Islamic Common Market over the last decade. Late President Ziaur Rahman concretized the concept in the Plenary Session of the Third Islamic Summit Conference held in Taif in 1981. He emphatically said: "A special effort should be made to import goods from fellow Islamic countries on preferential basis. In this connection, we would also commend to this august body an immediate action on our proposal for creation of an Islamic Common Market." In December, 1991 in the Plenary Session of the Sixth Islamic Summit held in Dakar, Prime Minister Khaleda Zia reiterated: "A decade ago, Shaheed President Ziaur Rahman floated the idea of forming an Islamic Common Market as a long term OIC objective. This can be pursued through practical steps."

³⁶ *The Bangladesh Observer*, 5 April and 30 July, 1972 and 1995.

³⁷ *The Independent*, 28 & 29 July, 1995.

venture projects and the program of scientific and technological cooperation was discussed. Bangladesh's trade relations with Canada, Japan, India and US had considerably expanded. According to a report entitled "Bangladesh's Economy During 1994-95", prepared by the economic research cell of Dhaka Metropolitan Chamber of Commerce and Industry: "... the export earnings of the country increased by 38.12 percent to US dollar 3500 million compared to 2534 dollar in the preceding year".³⁸ The trade deficit in the fiscal year 1994 was \$1650 million compared to \$1848 million in 1993.³⁹

It appears that the pursuance of Bangladesh's 'economic diplomacy' in the post-cold war era resulted in the country's economic development to the extent that the overall performance of Bangladesh economy in 1994 was better than the earlier years. It is widely known that the target growth rate of Bangladesh economy during the fourth five-year plan was fixed at 5 percent per annum. The economic growth measured at 1985 constant prices lies above 4.6 percent in 1994. When compared with a growth rate of 4.5 percent in 1993, it seems that our economy has shown signs of some improvements. The macroeconomic and structural adjustment policies created conditions such that macroeconomic indicators like savings, investment, resource gaps etc., were slowly improving.⁴⁰

But the pace of our economic growth and development has been handicapped by a number of constraints. The critics argue that Bangladesh's foreign policy is nothing but aid diplomacy.⁴¹ Now, if 'foreign aid simply became a new feature of economic dependence',⁴² it might not have necessarily led to our growth. With the mounting debt burden, the hope for economic growth through aid should be reassessed and reexamined.

Second, our limited diplomatic capacity has greatly been affected by our political instability. The political stalemate on the issue of caretaker government was a single important factor that adversely affected foreign investment. While visiting Europe and North America during 25 June-3

³⁸ The Financial Express, 28-29 July, 1995.

³⁹ Ahmad, A.K.M., "The Challenge of Bangladesh Economy: Some Macroeconomic Dimensions", paper presented at the seminar on *Macroeconomic Profile of Bangladesh*, Bangladesh Institute of International and Strategic Studies (BIISS), Dhaka, 1995, P. 11.

⁴⁰ *ibid*, PP. 2-3.

⁴¹ Chakravarty, S.R. and Virendra Narain, "Introduction" in S.R. Chakravarty and Virendra Narain (eds.), *Bangladesh: Global Politics*, Vol. 3, South Asian Publishers, New Delhi, 1988, P. xiii.

⁴² Spero, J.E., *The Politics of International Economic Relations*, St. Martin's Press, New York, 1977, P. 141.

August 1995, the 20 member Trade and Investment Expansion Mission led by FBCCI President Salman F. Rahman had to face severe criticism on three major fronts: political instability, bureaucratic malpractice and the workers' indiscipline.⁴³ A similar complain was raised by the ADB's resident representative in Dhaka when he said: "a distorted image outside had been a major factor for Bangladesh's failure to attract any substantial amount of foreign direct investment".⁴⁴ A contemporary study by a government-sponsored research group identified a number of major obstacles: *viz.*, administrative complexities, lack of adequate infrastructure, lack of efficient banking service, high rate of duty structure, unnecessary legal restrictions, insufficient market mechanism, unstable political situation and fragile law and order situation.⁴⁵

However, the policy framers of Bangladesh have continued their effort to overcome those post-cold war problems in order to fine-tune the strategy of economic diplomacy in the new millennium. This brings a new chapter in economic diplomacy under the present government of Khaleda-Nizami Coalition on the eve of the new century. Two remarkable events are recognized as the milestone in the economic diplomacy pursued by Bangladesh in the new millennium - one is "Look East Diplomacy", and the other is the orchestration of Bangladesh as a "Moderate Muslim Country".

In his article named "Diplomacy: A Timely Move", Babar approached a critical evaluation of Bangladesh's "Look East Diplomacy".⁴⁶ He mentioned that the stress on 'look east diplomacy' seem to be trumpeting a new rhythm in the foreign policy of Bangladesh. Official visits of Prime Minister Begum Zia to Thailand and the visit of the Chairman of the State Peace and Development Council of Myanmar General Than Shwe to Dhaka in the same month kept the Foreign Office personnel on their heels trying to ensure fullest success of the programs. All these events in short succession of time stirred much enthusiasm in the political and diplomatic circles so much so that these have stimulated a thought and approach for a new string of regional cooperation in South and Southeast Asia. Prime Minister Khaleda Zia's expected visit to Myanmar in March, 2003 would not only be a booster for this overture alone but may roll on the efforts to activate the cooperation axis as well. The 'look east

⁴³ *The Daily Sangram*, August 5, 1995.

⁴⁴ *The Independent*, 28 & 29 July, 1995.

⁴⁵ *The Independent*, 29 July, 1995

⁴⁶ The Bangladesh Observer, Online available, <http://www.bangladesh.net/observe/show.php3?>, Access on February 4, 2003.

diplomacy' of the government matches the need of the hour. As the new move is predestined to stipulate economic cooperation and benefits more than anything else, it merits strong appreciation. People in the region still remain to be one of the poorest in the world and devoid of opportunities to utilize their resources to improve their life-style. In the era of globalization, it is imperative and worthy to maintain close economic cooperation regionally and even-sub-regionally to maximize benefits.

While China and Thailand would come as very big and fruitful partners in the new web of economic cooperation, a deep relation with Myanmar would bring no less benefit. Besides India, Myanmar is our only other bordering country and that the opportunities of trade between the two countries are enormous. Geographically, Myanmar is about five times bigger than Bangladesh. Being the largest country in Southeast Asian region and having borders with as many as five countries, it is strategically located to be a gateway between Southeast Asia and south Asia. Besides possessing huge untapped natural resources like minerals, oil and gas, the country has the biggest agriculture sector in the region. Unlike other countries in the region, Myanmar possesses huge cultivable land area and can be the bowl of Asia. Only 12 per cent of its land area is presently under cultivation. Both Bangladesh and Myanmar can benefit each other enormously through mutual cooperation. The areas of cooperation between the two countries can encompass trading of consumer goods, pharmaceuticals, fertilizer, minerals, forest resources, fisheries and tourism.⁴⁷

It is unfortunate that the neighboring countries do not have any tangible communication network. Construction of the proposed road link should go a long way in setting up the network, so vital for envisioning the cooperation web with Myanmar, China and Thailand and more importantly, linking up with the ASEAN region. The road link between Bangladesh and Myanmar will not only stipulate trade between them but enable the people on both sides of the border to improve their life and living through increased job opportunities to be created by transportation network and allied services.

As Myanmar intends to develop its vast cultivable land in its central region, it needs huge amount of fertilizer. Bangladesh could seize this opportunity to export the same. Bangladesh could also export pharmaceuticals and many other consumer items. On its part, Myanmar could export clinker to Bangladesh. Currently, Bangladesh imports its entire clinker needs from Thailand and Indonesia, far away from

⁴⁷ Babar, *The Bangladesh Observer*, February 4, 2003.

neighboring Myanmar thus enforcing added transportation costs. Myanmar also has huge forest resources including an abundance of bamboo which could be imported for use as pulp for production of paper.

With both countries having similar parameters of per capita income and related economic indicators, it will be worthwhile if they cooperate intensely through joint venture endeavors in the sectors of agriculture, fisheries and tourism. These will have direct impact on the lives of millions of people in these countries through creating new opportunities. In the fisheries sector in particular, there lies huge opportunities. Both Bangladesh and Myanmar hold longest edge of the Bay of Bengal and an abundance of fish resources. Trawlers from other countries in the region make good prey of these resources from even the exclusive fishing zones of both the countries. If both countries join hands and set up facilities along their long coastline, they could take a substantial segment of global fish export pie. It is estimated that Myanmar has a maximum sustainable yield of over 1 million metric tons of fish but its current catches amount to only half of this. The scenario is almost similar for Bangladesh and the main reason for this is the lack of investment, technology and marketing.

Another area where both countries could accrue enormous benefit is the tourism sector. Though global tourist flow has been increasing over the years, neither Bangladesh nor Myanmar has seen any intensity in this regard. Bangladesh with such attractions like sandy beaches and large mangrove forest of the Sandaracs on one hand, and Myanmar with abundant springs, water falls and streams within its huge mountain ranges along with ancient palaces and golden temples on the other could draw in huge number of tourists from rest of the world. As tourism is turning out to be one of the most vibrant sector in global economy and that it is becoming competitive every new day, Bangladesh and Myanmar can forge a strong alliance and offer package programs to allure the tourists. As both these countries share a low index of cost of life, they can avail better competitive advantages.

The 'look east diplomacy' of the government is undoubtedly a pragmatic thinking and the approaches being made in this direction are befitting. Though there has been sporadic development in several regions of the world in the recent decades, our region is still in a lull. With globalization and free-market economy in place, there has been a dramatic growth in cross-border investments and global trade during the recent decade. This region, despite having enormous potentials yet to be tapped, failed to attract even a sizeable segment of the global FDI flow. So rich in agriculture and minerals to fuel much of the world's

manufacturing lifeline, the region of Bangladesh and Myanmar and the countries beyond should be able to tap the opportunities. Only then, these countries could bail out of the vicious cycle of poverty that has always been dominating their socio-economic outlook. Therefore, Bangladesh has taken a proper initiative in netting Myanmar in the fold of its new diplomatic move.

The second important milestone of economic diplomacy of Bangladesh under the present government is related to determination of Bangladesh's identity as a moderate Muslim country during a critical junction of time when some Muslim countries are labeled as "rogue states", or "terrorist countries" or "fundamentalist State" and are black listed by the Western developed countries who are the important partners of the development schemes of the LDCs like Bangladesh.

The 9/11 terrorist incidence has brought the world at a 'super-alert' situation. The western world appeared clearly skeptical about any Muslim country. It is important to note that without cooperation of the west, the development effort of a developing country may succumb to failure. Thus it was uncertain whether Bangladesh's external image will be positive. Fortunately the US Embassy in Dhaka promulgated Bangladesh as a moderate Muslim country. The immediate-past US ambassador Harry K. Thomas appreciated Bangladesh's role in combating extremism and world terrorist networks. The US Defense Secretary Donald Rumsfeld's visit to Bangladesh reiterated the US positive attitude to Bangladesh. Other European countries also appreciated Bangladesh's cooperation in facing global challenge of terrorism. While making a farewell call on Prime Minister Khaleda Zia at the PM's office on September 28, 2005, the outgoing High Commissioner of Canada David Sproule remarked that traditionally Bangladesh is a moderate country and hoped that this tradition will continue in future.⁴⁸ The High Commissioner also appreciated the economic diplomacy of Bangladesh and acknowledged that Bangladesh exports to Canada has increased and thus assured his government's continued support.⁴⁹ The role of Bangladesh in combating terrorism has largely been appreciated by major western countries including USA. In cooperation with USA and donor countries, Bangladesh has demonstrated efficiency in facing terrorist activities by the leftist extremists, JMB cadres and other forms of violence and destruction. The news of arrest of the key leaders of JMB as well as the trials in this regard has widely been circulated and appreciated throughout

⁴⁸ *The Daily Star*, September 29, 2005.

⁴⁹ *ibid.*

the world, which has increased Bangladesh's external image.⁵⁰ The present Mujib Government under Awami League gives emphasis on curbing corruption and eliminating terrorist networks. This has, in many ways, rebuilt our image outside Bangladesh. The overwhelming external support extended to this government is an indication that Bangladesh can achieve objectives of its economic diplomacy in an efficient manner.

Recommendations for Effective Strategies

While focusing on the relevance of the 'economic diplomacy' of Bangladesh in the new century, we identified a number of constraints facing our pro-economy foreign policy agenda. It is worthwhile to find some ways and means so that those obstacles can be removed and the country could successfully achieve the objectives of our economic diplomacy.

The first and foremost among them is that we have to get rid of the bad external image, which our country has earned over the years. To be able to define position of dignity for the nation, the first priority for Bangladesh is to build up the internal and intrinsic national resilience capable of ensuring sustainable development. Smooth democratic political system, economic reforms, a reasonable degree of social equity, an active and spontaneous popular participation are badly needed to develop instinctive national vibrancy and resilience. But the imperative in this respect is the accountability of the political authority as well as strong and responsible opposition to ensure democratic check and balance. Much would depend on the degree of success in institutionalization of the democratic process. A truly democratic and accountable government which is a result of shared contribution of both the government and the opposition beyond their party interests, may successfully run the country to maintain a 'good image' outside the country.

Second, a strongly effective external economic policy should be formulated to strengthen socio-economic base of the state by poverty alleviation measures, converting its poor masses into productive human resources and relieving the country of its chronic aid dependence. The need for a "pro-poor approach" should be stressed and to that end, the reform agenda of the country should be transformed from a "state-centered approach" to a "people-centered approach" where the private sector is considered as the main engine of growth. In terms of external economic policy, the aid-thrust, pursued until recently must

⁵⁰ ATN News, *News at 10*, March, 2006.

make room more definitely for trade and investment oriented diplomacy. In adjusting itself to the global change, our country should diversify her economic linkages and promote trade and investment relations with countries like Japan and the Newly Industrialized Countries of East Asia. The existing foothold in the US and West European markets need to be consolidated. We must also make the best use of the export and employment opportunities in the Middle Eastern markets as well as former Soviet republics particularly in Central Asia. In this way we may be able to replace aid by trade and investment as the source of resource flow into the country.

Third, the need for restructuring the world economic order should acquire a new sense of urgency. Bangladesh should use her diplomatic tact to convince the world leaders to enhance structural changes in world economic order allowing a more equitable distribution of world resources and their application to production-based on factor endowments and geographical division of labor, thereby stepping up the pace of development of the developing countries like Bangladesh.

Fourth, since the proliferation of regional economic blocs has emerged as new strategy to enhance economic development through various functional co-operations, Bangladesh should strongly advance the idea of SAPTA, ICM and IORI initiatives. As the main initiator of both SAARC and ICM, our diplomats must have that skill to use diplomacy for the successful implementation of those organizations. Thus the contemporary history of international relations has placed upon our leaders great responsibilities. If they falter in their leadership, they endanger the peace of the region and thus they will endanger the prosperity of their own nation.⁵¹

Fifth, the recently formed "Look east diplomacy" needs to be strengthened. In fact, the success of our economic prosperity depends in many respects on smart-handling of look east policy. The policy makers as well as scholars need to study extensively the problems and prospects of this policy. No doubt, it will create a new era of success in our economic diplomacy.

Sixth, the Ministry of Foreign Affairs (MOFA) and our missions abroad should play an increasingly crucial role in enhancing our economic objectives through use of economic diplomacy. This requires appropriate reorganization of the MOFA as well as our missions abroad. To do this, as the Morshed Khan Committee recommends, an Economic

⁵¹ Amin, Muhammad Ruhul, "Towards a Better Understanding Among SAARC Countries", *op.cit.*

Coordination Wing within the MOFA should be created with a senior officer of the level of Secretary as the head and required number of officers and staff.⁵² The MOFA has already created a 'Trade and Investment Promotion Wing' (TIP), but due to some problems it has not been made sufficiently strong and effective to handle the trade and investment issues.

The MOFA should be given an effective role in the matter of coordination of our external economic relations whereas the lead role should remain with the ministry concerned. To fulfill this target, there should be an effective research-policy planning cum training and documentation center attached to the MOFA. Moreover, the MOFA should have an economic advisory committee comprising men of public affairs, retired diplomats, economists and university professors who have extraordinary skill in external economic affairs. The utility of such a committee lies not in repeating platitudes but in exchanging views and passing value judgment in external economic matters. This may help in making sound policy decisions.

Seventh, before any final decision is made on the issues of external economic relations of Bangladesh, an open discussion should take place so that the people can participate in the process of policy making. Radio Bangladesh, Bangladesh Television, various research institutes like BISS, BIDS, and press media may play active role in generating public debate on the matters of our economic diplomacy. In fact, the foreign policies undertaken so far by the previous governments seemed to be rhetorical rather than real. The past regimes framed the policies but neglected the strategies of their implementation. Professor Halim remarks: "Sheikh Mujib's dream of building Sonar Bangla, General Zia's message of a self reliant Bangladesh, Khaleda Zia's branding of Bangladesh as an emerging tiger, and Sheikh Hasina's resolve to materialize the dream of her late father are all rhetorical ploys. Yet the fact that Bangladesh has considerable potential for achieving at least moderate development has been recognized even by an internationally acclaimed authority such as the late Dr. Mahbub ul Haq. Bangladesh has not so far been able to realize that potential owing to the lack of enlightened political leadership. The responsibility for this is to be put at least partly on the pursuit of essentially inept, though apparently glittering, foreign policy of the country".⁵³

⁵² *The Daily Star*, July 26, 1995.

⁵³ Halim, Md. Abdul, "Foreign Policy: A Review", *Bangladesh on the Threshold of the Twenty First Century*, Asiatic Society of Bangladesh, Dhaka, 2002, P. 593.

Finally, It is evident from above discussion that 'economic diplomacy' is the most important feature of our foreign policy through which we can easily attain the goals of both 'high foreign policy' that is concerned with national security and survival and the goals of our 'low foreign policy' that deals with the promotion of our economic advancement through pursuing trade, investment and financial relations with other countries.⁵⁴ This leads us to frame our foreign policy by giving appropriate attention to the structure of an efficient economic diplomacy.

Concluding Remarks

In the foregoing sections we have described how the economic considerations have been playing the key role in formulating the foreign policy of Bangladesh since the independence of the country. We have mentioned two formidable challenges that confronted the new state of Bangladesh at independence: (i) the task of reconstruction and rehabilitation of the war-ravaged country; and (ii) the acceleration of the pace of economic and social development of the country. We have clarified how the pro-economy foreign policy of our country attempted to face those challenges; and how our 'economic diplomacy' has shaped throughout all these years the major foreign policy agenda in order to accelerate the pace of economic self-reliance through an increased amount of foreign aid, foreign trade and foreign investment.

In this chapter, it is emphasized that without restructuring our external relations by keeping in consideration of the issues of economic diplomacy, we would fail to achieve both short term and long term objectives of our foreign policy. We need to put our economic targets first while forming any sort of our policy towards outside, be it bilateral or multilateral agencies, or be it inter-governmental organizations (IGOs) or International non-governmental organizations (INGOs).

Part III

**Economics and
Development**

9

Bangladesh Economy: Achievements and Impediments

Introduction

In the mid 1990s, Bangladesh ranked 10th from the bottom in the world economic map with a population of 111.45 million¹ and a per capita income of US\$220 which grew annually at an average rate of 1.8% during the past decades.² At present, its population rose to about 140 million who live in a total area of 147,570 sq km having one of the largest deltas in the world.³ As one of the most densely populated country, Bangladeshi policy makers need to have a clear idea about its economy that might help them adopt viable strategies to develop the country. The purpose of this chapter is to provide an overview of the economy of Bangladesh from macroeconomic perspectives.

The economy of Bangladesh is basically agrarian with a nascent manufacturing sector. However, over the decades, especially during the 1980s, structural changes have taken place in the economy. Industrialization process which started in late 1970s added much to our economy beyond the agricultural products. With the inauguration of democratic government system from the 1990s, GDP growth rate started to increase in a slow and steady trend which was largely affected after a non-democratic caretaker government came to power following the 1/11 incident. In the beginning of the New Year 2010, economists are concerned that our GDP will decrease which will lead to a deep economic crisis.⁴ Now is a big challenge to understand the dynamics of our economy and examine the opportunities of our development.

Structure of the Economy of Bangladesh

The following discussion looks at the economic development trends in Bangladesh in terms of macro-economic growth, sectoral growth rates,

¹ World Bank, *Bangladesh: Recent Economic Developments and Priority Reform Agenda for Rapid Growth*, Washington D.C., March 16, 1995, P. 1.

² World Bank, *World Development Report 1994*, Washington D.C., P. 162.

³ BBS, *Statistical Pocket Book of Bangladesh 2007*, Dhaka, April 2008, P. 3

⁴ *The Daily Naya Diganta*, Dhaka, 18 December, 2009, PP. 1-2.

especially growth of the industrial sector, savings and investment, and foreign trade.

GDP Growth Trend

Although policy makers and economists hardly agree as to what have been the growth rates of Bangladesh for any particular period of time, the growth was by all accounts less than the target of 5% upto 1990s. It stagnated at around 4% in the 1990s, which according to some source was lower than rates prevailing in the 1980s.⁵ GDP growth rates of Bangladesh stood at 4.5% for fiscal year 1992-93 and 4.6% for 1993-94.⁶ The World Bank sources put the five-yearly average growth rates at much below 4%-3.1% during 1980-84 and 3.4% during 1985-89⁷ to be precise despite the initiation of the structural adjustment programs and other reform measures based on the spirit of the Brettonwoods institutions. Independent measurement of GDP giving due weightage to rising input costs in the country suggests that the growth rates have been 3.4% for 1992-93, 3.2% for 1993-94 and a projected 3.1% for 1994-95.⁸ Thus, the overall growth rate of the economy has not shown any upturn in the 1980s and mid 1990s.⁹ While natural disasters including devastating floods and recurrent droughts accounted for much of this trend, share of agriculture in the GDP and depressed domestic demand associated with low investment activity also contributed to the situation.¹⁰

However, since the late 1990s and the beginning of the twenty first century, GDP growth rate started to rise up. The first few years of the new century shows almost stable economic growth. During the periods from 2001 to 2005, our economy experienced growth rates of 5.27, 4.42, 5.26, 6.27 and 5.38 percents respectively.¹¹ From the second half of the present decade, growth statistics crossed 5 percent rate and increased to 6.4 and 6.2 percents in the years 2006-2007 and 2007-2008. During the emergency rule following 1/11, growth rate sharply declined to 6.2

⁵ The only exception, according to a competent source, has been 1989-90, when the growth rate of GDP exceeded 5%. See, Centre for Policy Dialogue, *Independent Review of Bangladesh's Development*, Dhaka, April 1995, P. 5.

⁶ World Bank, 1995, *ibid*, P. 2.

⁷ *ibid*.

⁸ Centre for Policy Dialogue, *op. cit.* P. 6.

⁹ For longer term growth rates and structural changes in the macro-economic variables, see, Azizur Rahman Khan and Mahabub Hossain, *The Strategy of Development in Bangladesh*, Macmillan, London, 1989, PP. 19-23.

¹⁰ World Bank, 1995, *op. cit.*, P. 1.

¹¹ Government of Bangladesh, *Bangladesh Bureau of Statistics*, Dhaka, 2009

percent in 2008-2009 period.¹² Although some economists¹³ predict a growth rate of 6.3 percent under the present *Muhajot* government, others who find from empirical studies, give frustrating picture. In its recent report, the Manila-based ADB economists found that the GDP growth will decrease to 5.2 percent during 2009-2010 from 5.9 percent during 2008-2009. The report says that the principal indicator of a country's GDP growth is determined by its export growth which has severely diminished in previous months. The agricultural products could not also achieve the expected targets. The report considers this negativity as the economic stagnation of Bangladesh.¹⁴

Sectoral Growth

While the overall GDP growth over the decades remained stagnant, some structural transformations, e.g. changes in the sectoral composition of GDP took place during the last decades. The percentage share of agriculture to GDP stood at 36% in 1993 as against 47.4% during 1973-80. The share of industrial sector increased marginally from average 16.5% during 1973-80 to 18.1% in 1993. Service sector contributed 45.9% in 1993 relative to 36.1% during 1973-80.¹⁵ The performance of the agriculture sector continued to remain weak particularly because of lower production of foodgrains and natural calamities.¹⁶ The sectoral share of agriculture in GDP growth in 2006-2007, 2007-2008 and 2008-2009 periods accounts for 21.4 percent, 20.8 percent and 20.6 percent respectively; the share of industry during the same periods account for 29.4 percent, 29.7 percent and 29.7 percent and the share of service sector amount to 49.2 percent, 49.5 percent and 49.7 percent.¹⁷

Value added of the three sectors at market price in 1993-94 presents a slightly different picture. It was 30.5% for agriculture, 17.7% for industry and 51.8% for the service sector.¹⁸ According to another variant of the inter-temporal comparison of sectoral share in GDP, the share for agriculture declined from 55% in 1972 to 34% in 1992, 21.9% in 2005,

¹² Government of Bangladesh, *Bangladesh Bureau of Statistics, ibid*

¹³ Ayubur Rahman Bhuyan, *Bangladesh Economy: Present State and the Short-Term Outlook*, IERB, Dhaka, 2009

¹⁴ Asian Development Bank, *Three Monthly ADB Report*, Dhaka, 17 December, 2009

¹⁵ World Bank, *World Bank Report*, Washington D.C., 1994.

¹⁶ Ayubur Rahman Bhuyan, *Half Yearly Review of Bangladesh Economy*, IERB, Dhaka, February 27, 2006, P. 2

¹⁷ Government of Bangladesh, "Bangladesh Bureau of Statistics", *op.cit*

¹⁸ World Bank 1995, *op. cit.*, P. 1

21.4% in 2006, 20.8% in 2007, and 20.6% in 2008, that of industry increased from 9% to 17%, 28.4%, 29.4%, 29.7% and 29.7% during the same period. During these periods, manufacturing sector marked a growth from 6% in 1970 to 90% in 1992 while the share of the service sector increased from 37% in 1970 to 49%, 49.7%, 49.2%, 49.5% and 49.7% in the respective years. It is noteworthy that though the relative share of agriculture in GDP is steadily declining, agriculture remains the major source of employment and input supply to the industrial sector. In terms of absorption of civilian labor force, agriculture accounted for 65% of the labor force, industry for 16% and services for 19%.¹⁹

Table 1: Temporal Comparison of Sectoral Share in GDP

Sector	1970	1992	2005	2006-2007	2007-2008	2008-2009
Agriculture	55	34	21.9	21.4	20.8	20.6
Industry & Manufacturing	15	26	28.4	29.4	29.7	29.7
Services	37	49	49.7	49.2	49.5	49.7

Source: World Bank, World Development Report 1994, P. 166; GOB, Bangladesh Bureau of Statistics, , Dhaka, 2009

In terms of sectoral growth, the average annual growth of agriculture has been 2.05% during the period 1981-94.²⁰ Agriculture growth is accounted for mainly by crop production, especially that of rice, which experienced an upward trend in the late 1980s but remained stagnant since then. During 1973-80 industrial sector registered an average 7.9% growth rate per annum, which, however, declined to 4.8% during 1981-1990.²¹ Though in following years it was showing some improvement (7.4% in 1993) it still lagged far behind in later years compared to the other countries of the region. It is also noteworthy that contribution of manufacturing sector to GDP declined to 9.9% during 1981-90, compared to 12% during 1973-80. Growth in the manufacturing sector historically has been linked to growth of agriculture because of input supply and demand linkages.²² Growth rate of manufacturing sector fell down to 2.6% in 1981-90, compared to 7.8% but registered some

¹⁹ Data for 1989-90 Civilian Labour Force, See, World Bank, 1995, *op.cit.*, P. 1.

²⁰ World Bank, *World Development Report 1994*, P. 166

²¹ World Bank, 1994, *ibid*

²² Centre for Policy Dialogue, *op. cit.*, PP. 8-9.

marginal improvement (8.0% in 1993) in the end of the last century and in the beginning of the present century.

Table 2: Sectoral Growth Rates During 1981-2010

Sector	1981-94	1987-94	1990-94	2006-2007	2007-2008	2008-2009 (provisional)	2009-2010 (Estimated)
Agriculture	2.05	2.46	1.58	4.6	3.2	4.6	4.5
Industry & Manufacturing	3.99	5.27	6.71	8.4	6.8	5.9	6.4
Services	5.31	5.01	5.30	6.9	6.5	6.3	7.0

Source: *Wahiduddin Mahmud, "The Macro Economy" in Centre for Policy Dialogue, Independent Review of Bangladesh's Development, April 1995, p. 9; GOB, Bangladesh Bureau of Statistics, 2009*

The relatively higher growth rates of the manufacturing sub-sector are accounted for by the growth of readymade garment industries accounting for about three-fourths of the overall growth in the sub-sector.²³ Another one-third growth in the manufacturing sector was accounted for by the growth in fertilizers, drugs and pharmaceutical industries. Production in all other industries including the export-oriented ones like fish, shrimp and leather, either declined or remained stagnant.²⁴ In the 1980s however, the industrial structure in the manufacturing side was more diversified and they displayed an upward growth trend. The BBS projected the overall industrial sector to grow by 8.9 percent in 2006. Thus, it may be argued that the economy is far short of reaching the goal of a core broader export-oriented industrial base. The service sector during the past decade grew at 5% with public administration and defense registering the fastest growth.

From above, it turns out that the decline in the share of agriculture in GDP has not been compensated by an increase in the share of industry and, for that matter, manufacturing sector. The service sector had indeed filled the gap. The low share of manufacturing sector is possibly due to lower consumer demand originating from low income levels, and import financing from aid and remittances (rather than earnings from merchandise exports), which has a depressing effect on domestic demand from production of tradable compared to non-tradable such as services. That raises an important question as to whether Bangladesh should focus on a "medium-term growth agenda that relies on an export-oriented,

²³ *ibid*

²⁴ *ibid*, P. 9

private manufacturing sector”.²⁵ There is possibly the need for assessing the likely contributions to growth arising from other sectors like non-crop agriculture, rural industries, formal and informal services.

Savings and Investment

Theory says that high rates of savings and investment are essential prerequisites for high economic growth, but our domestic saving has remained stagnant at around 20 percent of GDP in the past years.²⁶ National saving rate has demonstrated encouraging movements since 2004-2005 due mainly to robust remittance growth. Because of low domestic saving rates, gross capital formation has slowed down consistently in recent years.

Table 3: Saving and Investment (as percent of GDP)

Fiscal Year	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009 (Provisional)
Domestic Saving	20.01	20.25	20.35	20.31	20.01
National Saving	25.84	27.67	28.66	30.21	32.37
Gross Investment	24.53	24.65	24.46	24.21	24.18
<i>Public</i>	6.21	6.00	5.45	4.95	4.63
<i>Private</i>	18.32	18.65	19.02	19.95	19.55
Investment-Saving Gap	4.52	4.40	4.11	3.90	4.17

Source: Bangladesh Bureau of Statistics, GOB, Dhaka, 2009

Bangladesh's overall low level of economic growth can be largely attributed to low level of savings and investment. During 1973-90 gross domestic savings as percentage of GDP averaged only 2%, the variations ranging from Zero to 3.4%.²⁷ Being largely dependent on external finance the share of investment in GDP varied between the ranges of 12% to 13% over the past decades. Though in later years it was showing some improvements, investment registered a sluggish growth rate of 3% to 4% over the past years. While both public and private investment remain almost stagnant, in recent years private sectors contributed two-thirds to the growth rate of fixed domestic investment.²⁸ Private investment as a share of GDP showed a moderate increase of 7% in 1993, but public

²⁵ Quoted from World Bank, 1994, in *IRBD*, 1995, P. 10.

²⁶ Ayubur Rahman Bhuyan, "Bangladesh Economy: Present State and the Short-Term Outlook", *op.cit.* P. 2

²⁷ *ibid*

²⁸ *ibid*

investment remaining at a stalemate condition. The past experiences dictate that the problem of investment and savings is something beyond macroeconomic management; it is rather intermingled with the structure of the economy itself.

It is relevant to mention that consumptions plus savings have always exceeded GDP (income), reflecting a structural imbalance between aggregate domestic savings and investment. The resource balance (gap between investment and savings) shows the dependence of the economy on external resources. During the initial years of structural adjustment resource gap declined due to declining investment rate, but in recent years the situation shows some marginal improvement.

Aid Dependency and Domestic Resource Mobilization

In Bangladesh, foreign aid serves to bridge the gap between savings and investments and make up the deficits in the balance of payments. Foreign aid is a major means of financing the country's economic development. Since its inception, the development of Bangladesh economy has been critically dependent on foreign aid which made the country one of the major recipients of external assistance. The donors of foreign aid to Bangladesh include individual countries, multinational financial institutions and international agencies and organizations. Foreign aid to Bangladesh is classified on the basis of terms and conditions, source, and use. Accordingly, the various types foreign aid are loans and grants, or bilateral aid and multilateral aid, or food aid, commodity aid, project aid and technical assistance.

The aid committed to Bangladesh by donor countries and international agencies and organizations up to 30 June 1999 was \$42.54 billion of which 14.08% was food aid, 24.42% was commodity aid and 61.50% was project aid.²⁹ From a modest beginning with the disbursement of \$270.8 million in 1972, the aid disbursed rose to \$901.3 million in 1975, \$1.27 billion in 1985, \$1.81 billion in 1990 and \$1.5 billion in 1999. Total foreign aid disbursed to Bangladesh during the period from 1972 up to 1999 amounted to \$34.76 billion of which 48.2% was grants and 51.78% was loans. As a percentage of the country's GDP in current prices, foreign aid was 9.3% of the GDP in 1975, 7.0% in 1982, 6.76% in 1993, 4.53% in 1996, 3.67% in 1998 and 4.22% in 1999.³⁰ The gradual

²⁹ Sharmin Khan Shefa et.al, *Can Micro-Credit be an Alternative to Foreign Aid?*, paper presented to the Department of International Relations, University of Dhaka, 23 July, 2007

³⁰ *ibid*

decline in the foreign aid-GDP ratio during 1972 -99 despite the consistent increase in the volume of foreign aid took place because of the increase in GDP during the same period.

Table 4: Volume of Foreign Aid

Fiscal Year	Food Aid	Commodity Aid	Project Aid	Total Aid	Repayment (Principal)	Net Foreign Aid
1999-00	142.20	282.90	1150.00	1575.10	396.10	1179.00
2000-01	50.80	183.70	1134.30	1368.80	416.46	952.34
2001-02	35.78	154.91	1250.10	1440.79	420.99	1019.80
2002-03	47.75	175.20	1362.20	1585.02	452.00	1133.02
2003-04	35.00	11.50	907.00	953.50	397.00	556.50
2004-05	24.30	0.00	1234.70	1259.00	449.00	810.00
2005-06	15.81	0.00	235.18	250.99	200.00	50.99

Source: Ministry of Finance, External Relations Division, Dhaka, 2009

Table 4 shows that the foreign aid (including food, commodity and project aid) committed during 1999-2006 period totaled US\$ 8432.20 million. However, net foreign aid disbursed was US\$ 5700.65 million. The table indicates that both the commitment and the disbursement of aid were declining over the years. In 1999-00, the committed aid was US\$ 1575.10 million and the disbursed amount was US\$ 1179 million, where as in 2005-06 period, the figure declined to US\$ 250.99 million in case of committed aid and US\$ 50.99 million in case of disbursed aid. Total aid commitment for July-November 2005 was US\$ 383 million, out of which only US\$ 251 million was actually disbursed. This amount is 64 percent less than the amount of aid disbursed (\$692 million) in the July-November period of the preceding fiscal year.³¹ This is not the whole story. The disbursed amount of \$251 million was gross aid. After amortization payments of US\$ 200 million, net aid received was only US\$ 51 million.³² Bhuyyan comments that the low disbursement of foreign aid is due to a very slow implementation of project aid.³³

There had been significant changes in the structure of aid to Bangladesh in the three decades after its independence. The share of grants was 89.0% in 1971-73 but it declined to 53.2% in 1979-80 and to 43.6% in 1998-99. Consequently, the aid volume contained increased amount of loans leading to increased debt-service liability. Bilateral aid,

³¹ Ayubur Rahman Bhuyan, "Half Yearly Review of Bangladesh Economy", *op.cit.*, P. 21

³² Ministry of Finance, *External Relations Division*, Dhaka, 2009

³³ Ayubur Rahman Bhuyan, "Half Yearly Review of Bangladesh Economy", *op.cit.*, P. 21

which was 73.9% of the total aid during 1971-76, decreased to 42.6% in 1998-99 and accordingly the multilateral aid increased from 26.1% to 57.4%. The share of food and commodity aid in the total flow of foreign aid showed a declining trend. Food aid declined from 47.9% of total aid in 1971-72 to 11.5% in 1998-99. Similarly, commodity aid fell from 50.8% to 21.15% during the same period. This took place along with a sharp increase in the share of project aid from just 1.35% in 1971-72 to 67.4% in 1988-99.³⁴

A special group of the recipients of foreign aid in Bangladesh is the non-governmental organizations. They are receiving increasingly large amount of funds from donor agencies and organizations. These funds are almost exclusively grants and are channeled through the NGO Affairs Bureau of the government. According to the Bureau sources, the donor fund received by the NGOs up to 30 June 1999 amounted to \$180 million.³⁵

Most major donors of foreign aid to Bangladesh are now members of an Aid Consortium, often referred to as the Aid Group, which meets every year to review developments in the economy of Bangladesh and to pledge aid according to the judgments on its aid requirements. Members of the Aid Group include Australia, Belgium, Canada, Denmark, France, Finland, Germany, Italy, Japan, Netherlands, Norway, Sweden, Switzerland, UK, USA, IDA, ADB, EU, IFAD, UN agencies, the Ford Foundation and Asia Foundation. Non-Aid Group donors of foreign aid to Bangladesh include China, India, Kuwait, Pakistan, Saudi Arabia, South Korea, Spain, UAE, the IDB and OPEC.

The aid package, covering both grants and loans, has undoubtedly contributed to the development of the economy, but it is also leading to growing indebtedness. The per capita GDP increased from US\$ 102.98 in 1976/77 to US\$ 284.11 in 1998/99 but the per capita debt obligation of the country however, increased from US\$ 6.59 in 1973/74 to US\$ 115.9 in 1998/99.³⁶ The progressive increase in per capita debt obligation is partly attributable to a shrinking of the share of grant in the external aid package. The country's debt obligation belongs mainly to the public sector. The share of private sector borrowing is negligible. The total public sector debt increased from US\$ 501.4 million in 1973/74 to US\$

³⁴ Sharmin Khan Shefa et.al, *op.cit*

³⁵ Sharmin Khan Shefa et.al, *ibid*

³⁶ *ibid*

14.84 billion in 1998/99. Debt service payments on the total public sector debt rose from US\$19.0 million in 1973/74 to US\$ 773.1 million in 1998/99.

Foreign Trade

After the global recovery from the recession of the 1980s, Bangladesh over the years had achieved a good external balance position. Value of export registered a significant increase from US\$ 710.41 million to US\$ 2383 million in 1993 averaging a 19.6% annual growth rate in nominal terms.³⁷ The strong export performance had been mainly due to the rapid expansion of exports of ready made garments which reached US\$ 1240 million in 1993. During the recent years the share of non-traditional commodities in total export outpaced the share of traditional items reflecting a diversification in the export base reducing the past dependency on the primary sector. On the other side, value of total imports increased from US\$ 2533 million in 1980 to US\$ 3986 million in 1993. After stagnating in the early 1990s, there was an 11.8% increase showing signs of an improving economy.³⁸ The main increase occurred in imports of textiles which are used as an input for garments production share of capital goods in total exports declined in the early 1990s though the situation slightly improved in 1993. Due to improvement in cereal production import of primary commodities decreased from US\$ 7.13 million in 1980 to US\$ 497 million in 1992. Owing to bad harvest in 1994 and in the initial phase of 1995 government imported large quantity of rice which obviously dampened the overall balance of payment position. After recovering from a stagnant level of US\$ 760 million in the early 1990s overseas workers' remittances increased to US\$ 942 million in 1993. The overall account balance depicted a considerable improvement in those years. The account deficit had risen from US\$ 1.54 billion in 1990 to US\$ 2.02 billion in 1993.³⁹

At the policy level in recent past the government launched rigorous trade liberalization program. Openness of the economy had been greatly enhanced by dismantling various trade barriers. Highest priority had been attached to propelling the economy through a dynamic growth of export sector. Exchange rate had been frequently devalued and deregulated in

³⁷ Abdur Rob Khan and Muhammad Ruhul Amin, "Social Development in Bangladesh: State of Poverty Alleviation", *Social Sciences Review*, Vol.xiv, No. 2, Dhaka, 1997

³⁸ *ibid*

³⁹ *ibid*

favor of tradable sector. In mid 1990s, the government made domestic currency fully convertible with major trading partners. There was little doubt that a more rapid implementation of the ADP was the most effective direct instrument at the governments' disposal for stimulating investment employment, economic growth and a robust means of poverty alleviation. The lackluster ADP performance over the recent past and commensurably a small ratio of public investment to GDP was a matter of considerable and continuing concern.⁴⁰ ADP implementation was disappointingly low in 1993 and early indications for 1994 were not promising. The realized ADP in 1993 was only 80% of the original ADP and 85% of the operational target. The real increase in ADP expenditure was only 5.55%. If these trends continue Bangladesh will not reach the target investment rate of 18-20 percent and a GDP growth rate of 7% required to bring about a significant reduction in poverty.

Tables 5 and 6 give a clear picture of our foreign trade in recent years and explain the reasons behind the trade imbalance that Bangladesh has always suffered.

Table 5: Export of Primary and Manufactured Commodities
(Value in million US\$)

Year	Total Exports	Primary Commodities		Manufactured Commodities	
		Value	% Share	Value	% Share
1997-98	5161.20	501.93	9.73	4659.27	90.27
1998-99	5312.86	422.33	7.95	4890.53	92.05
1999-00	5752.20	469.14	8.16	5283.06	91.84
2000-01	6467.30	484.62	7.49	5985.68	92.51
2001-02	5986.09	390.30	6.52	5595.79	93.48
2002-03	6548.44	462.59	7.06	6085.85	92.94
2003-04	7602.99	553.36	7.28	7049.63	92.72
2004-05	8654.52	648.29	7.49	8006.23	92.51
2005-06	10526.16	772.70	7.34	9753.46	92.66

Source: *Statistical Pocket Book, Export Promotion Bureau, Dhaka, April 2008, P. 283*

Table 5 provides information that exports of primary and manufactured commodities from 1997-98 period to 2005-06 period totaled US\$ 62,011.76 million, out of which the share of primary

⁴⁰ Begum Meherunnesa Zaman, "Poverty Alleviation in Bangladesh: Past, Present and Future", *BISS Journal*, Vol. 16, No. 2, 1995. P. 148

products is only about 7.6 percent and the remaining portion includes the share of manufactured commodities.⁴¹ The table also indicates that the share of primary goods gradually decreased whereas the share of manufactured products increased over the years.

Table 6: Exports as a Percentage of Imports
(Value in million US\$)

Year	Exports	Imports	Exports as % to Imports
1992-93	2383	3986	59.78
1993-94	2534	4191	60.46
1994-95	3473	5834	59.53
1995-96	3882	6827	56.86
1996-97	4418	7150	61.79
1997-98	5161	7545	68.40
1998-99	5313	8006	66.36
1999-00	5752	8403	68.45
2000-01	6467	9363	69.07
2001-02	5986	8540	70.09
2002-03	6548	9658	67.80
2003-04	7603	10903	69.73
2004-05	8655	13147	65.83
2005-06	10526	14746	71.38

Source: Statistical Pocket Book, Export Promotion Bureau, Dhaka, April 2008, P. 282

Table 6 gives a profile of export-import situations. During the periods from 1992-93 to 2005-06, both exports and imports register increasing figures. However, exports increased in less quantity compared to import growth. According to the table, exports increased from US\$ 2383 million in 1992-93 to US\$ 10526 million in 2005-06 and in the same time, imports grew from US\$ 3986 million to US\$ 14746 million. Thus, the export-import gap has always been a remarkable event in our foreign trade sector. In 1992-93, exports compared to imports were 59.78 percent which dramatically increased to 72 percent in 2005-06.

Major Impediments and Measures to Overcome

Understanding Sectoral Priority

A number of sectors are mentioned above to glimpse into the macroeconomic performances of Bangladesh. The economy had been

⁴¹ Statistical Pocket Book, "Export Promotion Bureau", Dhaka, April 2008, *op.cit*

under considerable macroeconomic constraints because of the growing trade deficit, a sharp depreciation of Bangladesh currency, heavy pressure on the country's foreign exchange reserves and rising inflation. The misunderstanding of sectoral priority by the policy makers has always been a big problem. The industry and services sector growth has been below their potential. The achievements of our agriculture sector have been far from satisfaction. The lower production of foodgrains including rice and wheat, insufficient supply of vegetables and fruits, and natural disasters are among the main causes of our failure in agri-performance. Although the share of agriculture has declined to a great extent, the resulting structural change has been directed towards the services sector than towards manufacturing. The services sector which does not offer much of an opportunity for employment generation, particularly of the unskilled labor, accounts for about half of the GDP. The agriculture and manufacturing sectors need to grow much faster than in previous years.

Efficient Industrial Policy

The industrial sector also has witnessed a moderate growth. The manufacturing sub-sector within industry has started to feel the impact of global recession as evidenced by the fall in exports of manufactures. So is the growth of the large services sectors. Bhuyyan explains that the dominant causes of these sectors' low growth are indigenous, viz., under-developed physical infrastructure, insufficient and irregular power and gas supply, high interest rates on bank loans, and a host of non-economic factors like bad governance, corruption, terrorism, deteriorating law and order situations and so on.⁴² In particular, the slow growth of electricity and the severe gas crisis pose a threat not only to industrial growth, but also to other sectors. He recommends that every conceivable action need to be taken to find solution to this problem.⁴³

Amin identified a number of problems in this regard. These include insecure export growth, lack of capital intensive production, lack of technology, predominance of consumer goods, and neglected domestic industries.⁴⁴ He puts emphasis on strategies, such as, 'modest

⁴² Ayubur Rahman Bhuyan, "Bangladesh Economy: Present State and the Short-Term Outlook", *op.cit.* P. 10

⁴³ *ibid*

⁴⁴ Muhammad Ruhul Amin, *Development Issues and Strategies of Bangladesh: Lessons from Malaysia*, CIDS, Dhaka University and Shova Prokash, Dhaka, 2006, PP. 146-150

liberalization', 'not too much open', 'rural-focused development, not urban', 'agro-industrialization, not too heavy'.⁴⁵

Minimizing External Control

The World Bank, IMF, and other bodies have continuously imposed on Bangladesh series of restrictions by recommending unrestrained outward-orientation like deregulations and privatizations. These reform measures are very dangerous in view of the prevailing situation in the country. Instead of privatizing or closing public institutions like banks, industries, other financial bodies, their organizational set up can be restructured through private management of public owned enterprises; their management skills may be developed through appropriate training; their financial weaknesses may be removed by taking them in joint ventures; and their institutional capacity may be built up through providing them with the required equipment, inputs, and personnel.

IMF's formula of financial deregulation led East Asian financial institutions to collapse. In place of taking the risks and uncertainties, the strategies of joint shares, joint stock, leasing and private management can be viable alternatives. The East Asian miracle economies allowed deregulation and privatization with some sorts of control and regulation. The states had a say in the decision-making, they could enjoy freedom to plan and implement any decision. After the Chinese open door policy, although China emphasized significant inflow of FDI, it retained central control of foreign borrowing, and discouraged portfolio inflows.

Stimulating Self-Reliance

As an aid-recipient country, Bangladesh's development policy is subservient to the donors' prescriptions. Bangladesh enjoys a little freedom to plan, undertake and implement development programs. There is a dire need to escape from this miserable situation. However, certain measures can be adopted to achieve the goal of self-reliance.

The dependence of development activities on foreign aid needs to be reduced by a very significant level. Amin observes that aid obstructs the spirit of 'self-reliance', 'self-help' and 'self-respect'- the three psychological and spiritual stimuli that are the most important prerequisites for development. Foreign aid is nothing but an aristocratic style of alms taking; the aid transaction patterns demonstrate the culture of neocolonized exploitation. Bangladesh's condition can be compared

⁴⁵ *ibid*, PP.150-154

with that of Japan in the late nineteenth century when it did not have strong economy nor any significant resources.

Bangladesh can emulate Japan's strategy of deferment of avoidable consumption. Extreme dependence on foreign assistance without strengthening an industrial base will chronicize the dependency syndrome and increase deindustrialization. The policy makers need to realize that although aid seemingly mitigates the immediate problems, it also binds the recipients into a 'structural inter-locking', which means the more they receive aid, the more they become dependent and the more they remain backward.

Overcoming the Stagnancy of Savings and Investment

In order to overcome the stagnancy of savings and investment, we need not undermine our own source of resources. The vision of long-term development of Bangladesh lies in industrialization based on its own resources out of its own savings generated by deferring consumption in line with Japan's deferment policy during its early period of development. Another way-out is to transfer foreign funding from the 'foreign aid burden' to the 'foreign investment stimulus', thus creating a strong source of capital accumulation. Regarding foreign capital flows, Bangladesh can follow the strategies of Malaysia and China by initiating joint ventures and inviting foreign investment. Until 1997, the Chinese policy focus was on encouraging foreign capital in manufacturing and other industrial sectors. But after 1997, various service sectors began to operate and several foreign banks were allowed to offer services.

Moreover, in order to generate capital, multiple means of resource generation, may be devised. Foreign aid is received mainly to overcome the domestic resources gap and foreign exchange gap. The scarcity of domestic resources can be reduced by domestic industrialization based on domestic resources and the problem of foreign exchange can be solved significantly by simply making the products of domestic industries export-oriented.

Conclusion

To summarize, the overview of the trend in economic growth provides not much of an optimistic picture excepting the fact that some positive trends have been observed in private investment, manufacturing sector, especially, textiles, leather and frozen food industries, and export trade. To what extent these silver linings could be converted into vibrant growth of the concerned sectors would depend on industrial and trade policies of

the government, on the one hand, and actual behavior of the actors concerned, on the other.

The goals of our economic development may be achieved through nurturing our own values, emphasizing agriculture and our nascent industries, generating savings from our domestic resources, and avoiding insecure foreign investment. It should, however, be recognized that the world economy is still dominated by the West and by the international organizations like World Bank and IMF as well as other donor agencies closely linked to the West. No economic plan or endogenous strategy can be successful without the support or involvement of these exogenous elements of development.

An effective and pro-development economic diplomacy is essential to transform the instincts and attitudes of 'aid-begging' into the vision of 'development-seeking'. The aid-thrust must make room for a trade and investment oriented diplomacy, relieving the country of its chronic aid dependence. In order to adapt to the fast-changing global situations, Bangladesh needs to diversify both inter and intra-regional and international development linkages and promote trade and investment relations with the regional, inter-regional and international partners across the globe. This is perhaps the most challenging task ahead.

Agriculture: The Nucleus of Bangladesh's Economy

Introduction

Agriculture is the *nucleus* of our economy. Ours is an agricultural country. The development of our country largely depends on our agriculture. This is the root of our journey to national development. Almost 80 percent of Bangladesh's population lives in the rural areas, with 54 percent of them employed in agriculture and the remainder in the rural non-farm (RNF) sector. The rural economy constitutes a significant component of the national GDP, with agriculture (including crops, livestock, fisheries and forestry) accounting for 21 percent and the non-farm sector, which is also driven primarily by agriculture, for another 33 percent.¹

Once we believe that agriculture can promote our development, we need to think of developing our agricultural sector. I am convinced that the development of our country cannot be geared up without an appropriate attention to this area. Many scholars on development might have their distinct views on the topic; however, I strongly believe that we can improve our economy primarily through modernizing and mobilizing our agriculture and secondarily through industrialization. It does not mean I ignore the other means like significance of industrialization process. I would like to argue that industrialization should start with the industrialization of our agriculture which will gradually spill-over in other areas of industrialization. In other words, agro-based industries and agriculture-oriented industrial activities need to be given the utmost importance.

I dream of a future when the innovation of today's information technology (IT), computer knowledge and other scientific means would be used for enhancing our agricultural development and to that end, our students of different science majors would throng to our agro-farms with all scientific and technological instruments. The purpose of this chapter is to provide a clear direction in this regard. We first look at the theoretical

¹ Online Available, <http://: Agriculture - Bangladesh Priorities for Agriculture and Rural Development.htm>, Access on September 12, 2008.

insights of agriculture in development and try to build up a nexus between agriculture and economic development. It is followed by a discussion on agriculture and rural development strategy. We then identify the challenges and opportunities of agriculture for our overall development.

Agriculture and Development: Theoretical Foundation

The Economics of Agriculture in Development

Both conventional and modern wisdom recognize agriculture as an indispensable element of effective development.² Rostow considers an agricultural revolution as a necessary condition for successful take-off.³ Some scholars hold that agricultural development is the first step towards inauguration of industrialization. Nurkse argues that the industrial revolution in Britain would not have been successful if the agricultural revolution had not preceded it.⁴ Thus modern development analysts find a close association between agricultural productivity and economic development. The modern views suggest that the potentials for huge productivity can be achieved if the “science-based agriculture”⁵ is introduced, an “appropriate agricultural policy”⁶ is designed, the “computerized farming and agro-industries”⁷ are established, a “green revolution”⁸ is geared up and above all, the “transformation of the peasant subsistence to specialized commercial farming” is conducted.⁹ It is to be noted that many of these policies, however, can be ecologically disastrous and non-sustainable in the long-term.

The agro-sectors can be a major source of capital for modern economic growth. Some development experts even argue that this is the main, central or sole source of capital in the initial stage of

² Amin, Muhammad Ruhul, *Development Issues and Strategies of Bangladesh: A Malaysian Model?*, International University of Japan, Niigata, May 2004, PP. 33-36.

³ Rostow, W.W., *The Stages of Economic Growth: A Non-Communist Manifesto*, Cambridge University Press, Cambridge, UK, 1960, P. 8.

⁴ Nurkse, R., *Problems of Capital Formation in Underdeveloped Countries*, Oxford University Press, New York, 1953, P. 52.

⁵ Hayami, Y. *Development Economics: From the Poverty to the Wealth of Nations*, Clarendon Press, Oxford, 1997, PP. 78-83.

⁶ Meier, G.M. and Rauch, J.E., *Leading Issues in Economic Development*, Oxford University Press, Oxford, 2000, PP. 336-340.

⁷ Mingsarn, S.K. and Benjavan, R., *The Growth and Sustainability of Agriculture in Asia*, Oxford University Press, Oxford, 2000, PP. 179-220.

⁸ Perkins, D.H., et al., (eds.), *Economics of Development*, W.W. Norton & Company, New York, 2001, P. 579.

⁹ Todaro, M.P. and Smith, S.C., *Economic Development*, Addison Wesley, New York, 2003, PP. 440-449.

development.¹⁰ There are three important ways to understand the relationship between agriculture and development. First, most people in developing countries rely on the agricultural sector for their basic needs, including food, clothes and housing. Agriculture can ensure food sufficiency, shortage of which causes the curse of famine. When people are hungry, the world becomes a place of horror, sufferings and miseries. Once the people are provided with the necessary food, nutrition and drink, they can concentrate on development activities. The productivity of agriculture thus can sustain a growing population in the industrial sector. Second, agriculture contributes to generate domestic savings that can finance industrialization. Unless a country possesses abundant natural resources like petroleum or copper, its agro-products may generate the necessary foreign exchange to import capital equipment and intermediate goods. Third, the income earned by agro-sectors may create domestic demands for industrial products and thus agricultural productivity enhances markets for industrial goods.¹¹

The strategy, therefore, needs to focus on the multidimensional aspects of agriculture. The first and the foremost task is to modernize agriculture through technology in order to increase labor or land productivity and thereby to increase production. The agro-technology may be of two kinds- mechanical and biological. These differ from country to country. The mechanical package of technologies includes tractors, combines and other machineries that increase labor productivity. The biological package includes improved plant varieties such as hybrid corn or rice that improves land productivity. The US and Japan have increased labor and land productivity through the use of modern agro-technologies.

The establishment of an efficient institutional set up is another important job. Agricultural subsidies, rural bank and credit cooperatives, rural markets, strong research and development (R&D) agencies, improved communications and transportation for agro-products and, above all, infrastructural development, are necessary conditions for exploiting agriculture based development.¹² The government incentives for the rural entrepreneurs in order to establish agro-industries equally play an important role in this regard. Finally, agricultural strategy needs to focus on both national and international policy aspects. The prices of

¹⁰ *ibid.*, P. 579.

¹¹ Amin, Muhammad Ruhul, *Development Issues and Strategies of Bangladesh: Lessons from Malaysian*, Center for International Development and Security & Shova Prokash, Dhaka, September 2007, P. 45.

¹² *ibid.*, P. 46.

agro-products in international trade have declined since the 1950s and 1960s. These poor terms of trade need to be revised both in national and international trade.

Agriculture as an Economic Activity

The significance of economies of agriculture is vividly seen in the historical development of agriculture. At least three phases mark the historical evolution of agriculture economic activity - primitive agriculture, intensive subsistence agriculture and agriculture revolution.¹³

Primitive Agriculture

Primitive cultivation represents the first endeavor of people to control static resources, that is, the bounty of the land. Agriculture, more than any of the economic activities, is influenced by technological innovations and applications of capital and energy.¹⁴ Primitive cultivation is called such because it manifests only rudimentary technical management of the land, and limited amounts of time, effort, and capital are devoted to this activity. It should be noted that unlike the other economic activities, primitive forms of cultivation are still practiced widely in the modern world.

Different types of primitive cultivation are known by a bewildering variety of names, yet only a few reflect real differences between agricultural systems. Primitive agricultural is synonymous with the system of shifting cultivation and its more progressive counterpart, rotational bush-fallow cultivation.

Today there are three broad regions where primitive agriculture can be found. The largest and most populous is in central Africa. Straddling the equator, nearly half of the continent lies in this zone. Most of west Africa's farmers practice rotational bush fallowing. The second major region lies in the south east Asia and the adjacent offshore islands, from Sumatra eastward through Bourneo, Papua – New Guinea, the New Hybrides (Now called Vanuatu), and numerous tropical islands of the Pacific Ocean. On the main land of Asia, Primitive cultivation tend to be confined to the interior of Burma, Thailand, Cambodia and adjacent potion of India and China.¹⁵

The third generation when primitive agriculture is practiced embraces most of the Amazon basin, reaching from the Atlantic coast to the Andres

¹³ Truman A. Hartshorne and John W. Alexander, *Economic Geography*, Prentice Hall of India Private Limited, New Delhi, 2005, PP. 32-40.

¹⁴ *ibid*, P. 32.

¹⁵ *ibid*, P. 35.

Mountain, and from Bolivia to Venezuela. The practice of primitive agriculture is also found in Ecuador, Columbia, extends northward through central America into southern Mexico. A small part of the west India's is also included.

Intensive Subsistence Agriculture

Considering the importance of agriculture, people started developing this sector quite intensively for their subsistence and sustenance. In order to keep the survival of mankind, they began to promote intensive subsistence agriculture with a view to ensuring the supply of number one basic need – the food.

Contemporary agricultural practices in east south Asia contrast sharply with the primitive economy. The classic forms of intensive subsistence agriculture, found today in Bangladesh, China, India Southeast Asia, Korea, and Japan, involve high levels of output per unit of land. This intensive use of the land produces relatively large yields per acre, but frequently little surplus occurs because of the vast food needs of the tremendous domestic population that is supported by this agricultural system.¹⁶ In Japan, however, considerable surpluses do exist, owing to the impact of modern practices, including the use of hybrid seeds, mechanization, modern irrigation practices, and commercial fertilizers.

Green Revolution

Green Revolution is a notable example of the phenomenal growth and development of agriculture in the history of human endeavor for economic activities. The introduction of many cultivation and management techniques increases yields in this intensive agriculture environment. Several deal with modern technological application, such as commercial fertilizer, pesticides, improved hybrid seeds, and machinery. These advances, collectively known as the Green Revolution, have been responsible for dramatic increases in yields in recent years. Greater local control and incentive arrangements, improved marketing assistance, the use of cooperatives, the expansion of credit arrangements and the use of trained agricultural specialists are other factors promoting greater productivity.

The term “Green Revolution” refers to a major biogenetic advance in agricultural technology. In the mid-1960s, agricultural scientists developed high yielding varieties (HYVs) of rice and wheat. There so

¹⁶ Hanks, Lucien, Rice and Man, *Agricultural Ecology in Southeast Asia*, Harlan Davidson, Arlington Heights-III, 1972.

called “miracle seeds” offered an opportunity to increase agricultural output in many poverty-stricken third-world countries.

However, Green Revolution could not, in many instances, bring forth the desired success. There are two major explanations for the failure of the Green Revolution to reduce the level of poverty in many areas. First, the Green Revolution is essentially class biased, in that only those agriculturists with sufficient land and other assets could afford to adopt its innovations. The Green Revolution required large quantities of chemical fertilizer and pesticides together with a well-developed system of irrigation.¹⁷ Worldwide increases in the price of petroleum products in the 1970s further distanced the poor from access to many of these products. Only wealthy and prosperous land-owning farmers could afford to buy or obtain these products on credit. The poor and landless peasants, on the other hand, did not have access to these resources even on credit, owing to the lack of sufficient assets for collateral. Consequently, the benefits of the Green Revolution technology have accrued mostly to farmers with considerable land and wealth.

Second, once the wealthy and landed farmers realized that the Green Revolution together with agricultural mechanization provided great potential for self-cultivation, they began to withdraw land from the sharecropping and rental market. They began to cultivate the land themselves using hired laborers during the harvest and planting seasons when the labor need reached its peak. A large number of tenants and peasants who previously had access to this land on a rental or share-crop basis lost their jobs. They became more dependent on irregular seasonal labor. Thus, in many instances, the Green Revolution contributed to the aggravation of poverty rather than to its solution.

The Rural Development Strategy through Agriculture

In the context of the developing countries rural development is considered as the most important part of overall development. As Bangladesh is predominantly inhabited by the rural people, its development cannot be promoted without the elevation of the rural economy through agriculture. Tanzania's President Julius Nyerere marked that a policy of rural development is, in fact, a policy of national development.¹⁸ Among the seven indicators of rural development, five

¹⁷ Barker, Randolph, et al., *The Rich Economy of Asia*, Resources for the Future, Washington, D.C., 1985.

¹⁸ Haque, W., et al., “Towards a Theory of Rural Development” in *Development Dialogue: Uppsala*, Dag Hammarskjöld Foundation, Sweden, 1977, P. 14.

are related to agriculture and rural income¹⁹ and thus rural development strategy largely depends on agricultural growth.

This theory has been instrumental in sketching various development paradigms of our rural development. The policy makers, development analysts and our rural people have continued their ceaseless efforts to devise the development strategies for the rural economy. The chapter on *Rural Development* of this book provides an elaborate discussion on the rural development strategy through developing our agriculture.

The strategy of our agriculture and rural development owes much to the Cooperative Movement of early 1900, the Rural Reconstruction Program of pre-1947, V-AID of 1950s, and the Comilla Approach of 1960s. The major focus of the strategy has been on poverty alleviation through agricultural development. The Swanirvar Movement of 1970s aimed at the construction of a well-developed and self-reliant country.

After the emergence of Bangladesh as a newly independent country, our Government established national Integrated Rural Development Program (IRDP) with the task to extending the Comilla program of 1960s. In the early eighties, the IRDP was transformed into Bangladesh Rural Development Board (BRDB), which started a Rural Poor Program (RPP) in 1983. Its activities include Rural Works Program (RWP), Thana Training and Development Center (TTDC), Thana Irrigation Program (TIP), and a Two-tier Cooperative System (TCS). The BRDB offers a comprehensive, multidimensional and unique rural development strategy that supervises rural credit, provides training, and introduces agro-markets for agricultural products and supplies agro-inputs.

All subsequent governments in different regimes emphasized rural development through the promotion of agriculture. Sheikh Mujib's 'Swanirvar Movement'; Ziaur Rahman's 'Gram Sarker', 'Canal Digging' and 'Shobuj Biplob'; General Ershad's 'Patho Kali Trust', 'Guccho Gram', 'City Palli' and 'Agricultural Bank'; Khaleda Zia's 'Dal Bhat' and 'Food for All' and Sheikh Hasina's 'Adarsha Gram', 'One Home, One Farm' and 'Employment Bank'- all these are the notable examples of the government strategies for the rural development initiatives through agriculture.

The Government of Bangladesh also has organized various training programs on micro- finance and micro credit in order to advance income-generating activities. To that end, the Palli Karma Sahayak Foundation

¹⁹ Silva, A. M., "Role of Rural Organizations in Rural Development: A National Survey of Sri Lanka (1950-75)" in Inayatullah (ed.), *Rural Organization and Rural Development: Asian Experience*, APDAC Publication, 1978, PP. 45-111.

(PKSF) was founded in 1990. It is an apex financing institution to assist prospective small and medium NGOs in expanding their micro credit programs. Government encourages the greater involvement of voluntary and non-government agencies in this area. Different credit institutions have been developed through public initiatives, although the formal financial sectors like nationalized commercial banks (NCBs) and specialized banks offer rural credit programs in a large scale.

An Overview of Bangladesh Agriculture

The development strategy based on agriculture has been on the top of the development agenda of our country which resulted in the remarkable success in our policies towards agricultural sector. A number of items are produced under the agricultural schemes. Prominent among them are various categories of paddy like Aus, Aman and Boro as well as other crops such as jute sugarcane and wheat. Table 1 provides information on areas under our principal crops.

Table: 1: Areas under Selected Crops of Farm Holdings

(In '000' acres)

Items	Agriculture Sample Survey 2005		
	Total	Urban	Rural
Aus (% of gross cropped area)	2671 (8.90)	68 (14.02)	2603 (8.82)
Aman (% of gross cropped area)	10489 (34.96)	164 (33.88)	10325 (34.98)
Boro (% of gross cropped area)	9272 (30.91)	141 (29.13)	9131 (30.93)
Jute (% of gross cropped area)	1102 (3.67)	13 (2.70)	1089 (3.69)
Sugarcane (% of gross cropped area)	294 (0.98)	6 (1.24)	288 (0.98)
Wheat (% of gross cropped area)	897 (2.99)	13 (2.62)	884 (3.00)

Source: Statistical Pocket Book, Bangladesh Bureau of Statistics, Ministry of Planning, July 2008, P. 177

According to the table, the Aman rice has the highest share of the areas occupying about 35 percent of total cropped lands whereas the Boro brand holds the second position occupying about 31 percent of areas under cultivation. Sugarcane is produced in the lowest quantity of land which is less than 1 percentage of total areas. In order to satisfy the growing demands of sugar and minimize our dependence on sugar–

imports, larger portion of land needs to be brought under the civilization of sugarcane. Table 2 concentrates on the land utilization statistics.\

Table: 2: Land Utilization Statistics

(Area in '000' acre)

Year	Culturable waste area	Single cropped area	Double cropped area	Triple cropped area	Net cropped area	Total cropped area
1993-94	1568	7229	9497	2364	19090	33315
1994-95	1547	7228	9530	2375	19133	33413
1995-96	1314	7875	8702	2704	19281	33391
1996-97	1295	7196	9722	2483	19401	34089
1997-98	1241	7083	10094	2513	19690	34810
1998-99	1100	7408	9914	2419	19741	34493
1999-00	781	7395	10246	2460	20101	35267
2000-01	794	7141	10293	2536	19970	35335
2001-02	799	7097	10200	2527	19824	35076
2002-03	764	7108	10193	2544	19845	35126
2003-04	736	794	10212	2538	19843	35129
2004-05	663	7091	10082	2530	19703	34845
2005-06	640	7041	9841	2407	19703	33944

Source: *Statistical Pocket Book, ibid, P. 203*

We observe a very satisfactory picture of land utilization which indicates positive achievements of our agriculture. The cultivable waste areas fell down to more than double from 1568000 acres in 1993-94 to 640000 acres during 2005-06 periods.²⁰ That means more areas are used for cultivation. The single cropped areas have been decreased whereas the double and triple cropped lands have been increased resulting in the increase of total cropped areas which eventually stimulates the increased production. Table 3 shows a remarkable increase in the major agro-crops although some important items suffer efficient production.

²⁰ Bangladesh Bureau of Statistics, *Statistical Pocket Book*, Ministry of Planning, July 2008, P. 177

Table 3: Production of Major Agro Crops

Year	Prod. '000' (m.ton)							
	Rice	Wheat	Jute	Sugarcane	Tea	Pulses	Oilseeds	Tobacco
	Prod. '000' (m.ton)	Prod. '000' (m.ton)	Prod. '000' (bales)	Prod. '000' (m.ton)	Prod. '000' (m.ton)	Prod. '000' (m.ton)	Prod. '000' (m.ton)	Prod. '000' (m.ton)
2000-01	25086	1673	821	6742	57	366	385	36
2001-02	24299	1606	859	6502	52	341	376	38
2002-03	25188	1507	4408	6838	57	349	368	37
2003-04	26190	1253	4376	6484	57	333	270	39
2004-05	25157	976	4035	6423	58	316	587	40
2005-06	26530	735	4619	5511	58	279	597	43
2006-07	27253	737	4884	5770	-	259	-	39

Source: *Statistical Pocket Book, ibid, P. 205*

As we see the production of rice, jute, tea, oilseeds and tobacco has been increased over the years from 2000 to the present time. However, the output of wheat, sugarcane and pulses has been slightly decreased. Tables 4, 5 and 6 clearly portray the phenomenal growth of the production of fruits, vegetables and spices.

Table 4: Production of Fruits

Items	(Thousand tons)						
	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Banana	606	654	650	707	899	909	1005
Mango	188	187	243	243	662	640	767
Pineapple	152	153	154	213	235	254	238
Jackfruit	268	275	276	279	1745	7120	926
Papaya	44	48	48	51	99	105	96
Melon	85	86	85	89	31	97	106
Mandarine	-	-	-	-	-	-	-
Ber	16	16	17	23	79	73	64
Guava	49	50	77	81	149	146	152
Citrus Fruits	10	10	11	12	10	19	17
Others	21	21	20	26	27	14	12

Source: *Agriculture Statistics Wing, BBS, 2008*

Table 4 describes about ten categories of fruits each of which demonstrates a sharp increase in its production in the previous years. For example, the production of bananas, pineapples, papaya, melons and citrus fruits has almost doubled in last ten years. Other fruits like mangoes, jackfruits, bers, and guava have increased 4 times in the present

time compared to the year 2000.²¹ This overwhelming increase in the production of fruits would undoubtedly adjust the shortage of nutritional intakes of our poor people. The food and beverage companies of the country like Pran Group, BD Food, Ahmed Products, Fame, Proshika, Arong, Mouri etc. have already started manufacturing varieties of exportable drinks and juices by the proper utilization of these fruits.

Table 5 clearly shows that the production of most vegetables doubled during 2000-2008 periods. We may mention for instance that potatoes, pumpkins, petals, lady's' finger, karala, chichinga and cucumbers have doubled in the above-mentioned time. Unfortunately, the production of brinjal, arum, radish does not demonstrate a mentionable increase. Other vegetables such as cabbage and cauliflower have been almost tripled in 2008 compared to their production quantity in 2000.²²

Table 5: Production of Vegetables

Vegetable	(Thousand tons)					
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Potato	2994	3386	3907	4856	4161	5167
Kharif pumpkin	45	47	49	58	67	78
Rabi pumpkin	69	71	77	80	94	104
Kharif brinjal	114	114	118	110	115	111
Rabi brinjal	264	256	240	230	219	222
Patal	39	40	41	61	61	68
Lady's' finger	21	22	24	26	33	39
Jhinga	30	30	31	32	34	37
Karala	22	21	26	33	33	34
Arum	139	139	178	182	152	157
Puisak	18	19	20	32	44	52
Chichinga	12	12	15	18	23	24
Cucumber	22	23	25	24	28	32
Cabbage	119	118	129	142	176	183
Cauliflower	82	84	101	109	138	143
Water gourd	96	95	99	101	110	117
Tomato	103	102	120	122	131	137
Radish	202	199	211	223	229	236
Beans	51	50	59	61	73	83
Other Rabi vegetable	30	31	32	31	31	33

Source: Agriculture Statistics Wing, BBS, *ibid*, P. 209

²¹ Bangladesh Bureau of Statistics, "Agriculture Statistics Wing", Government of Bangladesh, *ibid*, P. 208

²² *ibid*, P. 209

The increased production of vegetables would not only satisfy the domestic needs, but also open the opportunities of enormous export earnings. Huge potentials of export earnings may be achieved through vegetables. For example, our cheaply produced vegetables may be sold at much more higher prices in the Western markets of the United States, Europe, and Japan where vegetables are rare and expensive. Our food and beverage companies may also produce vegetable drinks, vegetable cakes/biscuits, and vegetable butter (Ghee) in order to export them to the markets of the developed economies that would add figures to our export income through foreign currencies.

Table 6 discloses that the production of spices has increased from 418000 tons during the 2001-02 periods to 1181000 tons during 2005-06 periods tripling total production of different spices in last one decade.²³

Table 6: Production of Spices

(Thousand tons)					
Spices	2001-02	2002-03	2003-04	2004-05	2005-06
Chilies	136	137	139	186	155
Onion	150	153	272	589	769
Garlic	41	43	73	77	102
Turmeric	43	44	70	79	92
Ginger	43	43	48	49	57
Coriander seeds	4	4	5	6	6
Others	1	1	1	1	-
Total	418	425	608	987	1181

Source: Agriculture Statistics Wing, BBS

A number of companies including Pran, Radhuni, Arku and Fresh are exporting spices in different forms to various countries and making significant contribution to the foreign currency reserve of Bangladesh.

Constraints and Opportunities

A number of constraints and issues stand as barriers to the development of our agriculture. Despite these challenges, the prospects for improving agricultural sector do not seem to be bleak. Certain preventive and corrective measures may be adopted that are useful for overcoming the prevailing constraints. The remaining parts of this section enumerate the existing challenges and enlist the future prospects of Bangladesh's development through agriculture.

²³ *ibid*, P. 211

Issues and Challenges

Stereotyped Cultivation Procedure

The first and the foremost challenge is related to the stereotype cultivation procedure prevailing in our agro sector. This is the direct result of the wide spread rural poverty. In order to achieve the Millennium Development Goals (MDGs) of halving poverty to 26.5 percent by 2015, we require a growth rate of at least 4.0 percent in agriculture and 7.0 percent in the non-farm sector.²⁴ However, the economic and institutional realities of Bangladesh, its geographical and demographic characteristics, and its vulnerability to natural disasters, make it a very challenging task to sustain long-term growth. Owing to this excessive poverty, the agro technology is beyond the reach of the landless farmers and thus stereotyped cultivation procedure is available throughout the country. Table 7 shows the predominance of stereotyped method of irrigation.

Table 7: Areas Irrigated By Different Crops

(Thousand acres)							
Methods	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Modern Method:	10118	10558	10917	11476	11234	12774	13532
Power pumps-	1870	1898	1931	1940	1982	2191	2371
Tube wells-	7810	8258	8626	9177	9252	10583	11161
Canals-	438	402	360	359	-	-	-
Traditional Method: (Doons, swing baskets and others)	802	800	759	718	1207	1068	1037
Total	10920	11358	11676	12194	12441	13842	14569

Source: The Ministry of Agriculture, BBS, 2008

Above table identifies two modes of irrigation: traditional and modern. The modern method includes power pump, tube wells and canals, whereas the traditional means incorporate boones, swing baskets and other stereo type tools. Doons are conical shaped containers usually 10*1' used for lifting water. Compared to the beginning of the 21st century, no significant increase is observed in the areas irrigated by modern methods in the later years. On the contrary, the areas under the stereo type traditional technique of irrigation increased from 802000 areas during 2000-01 periods to 1037000 areas in 2006-07 periods.²⁵

²⁴ Online Available, "http://: Agriculture-Bangladesh Priorities for Agriculture and Rural Development.htm", *op.cit.*

²⁵ Bangladesh Bureau of Statistics, "Statistical Pocket Book", The Ministry of Agriculture, *op.cit.*, P. 213

Decreased Productivity

Another important issue is concerned with the rapidly shrinking land base. While the country's population is growing at the rate of 1.6 percent per year, demographic pressures and increased urbanization cause cultivated areas to decline at a rate of 1 percent per year. As cropping intensity has approached its limit (about 175 percent now), growth needs to come from the intensification of cereal production, diversification into high-value crop and non-crop activities, and value addition in agro-processing sectors that include storage, processing and marketing and so on. This must require fundamental reforms in the agricultural research and extension systems as well as financial and other regulations. Land administration and security issues also need to be addressed.²⁶

Scarcity of Seeds and Fertilizer

Another important problem emanates from the shortage of seeds and fertilizer. During each and every harvesting season rural farmers face several hassles in this regard. The lack of availability of seeds and fertilizer in both private and public agencies creates serious concern among them. Besides they can not afford to purchase necessary seeds or fertilizer because of the sky high rise in their prices. During the immediate past caretaker government which was formed in the aftermath of the 1/11 incident the price of the fertilizer went far from the reach of the farmers because of its unprecedented price. However the new *Mohajot (Grand Alliance) Government* under Sheikh Hasina which earned absolute majority in the Jatiya Sangsad election held on 29 December 2008 came up with the promise of reducing the prices of agricultural products.²⁷ The Minister for agriculture Matia Chowdhury has already taken some notable initiatives in this respect.²⁸ Despite continued government declarations, the scarcity of fertilizer remains as a main culprit that obstructs our agriculture. The 22nd February issue of the *Nayadiganta* headlining "*Urea Sankate Sara Desh*" (the entire country in crises of Urea) depicts the horrible picture of the unavailability of *Urea*- a special kind of fertilizer.²⁹ Various newspapers report that the farmers do

²⁶ Online Available, "<http://: Agriculture - Bangladesh Priorities for Agriculture and Rural Development.htm>." *op.cit.*

²⁷ Awami League, *The Election Manifesto*, The Jatiya (national) Sangsad Election, Dhaka, December 2008.

²⁸ *The Bangladesh Observer*, Dhaka, January 24, 2009.

²⁹ *The Naya Diganta*, Dhaka, February 22, 2009.

not get fertilizer even by giving more money than the market prices. This causes serious hazards to our agriculture.³⁰

Table 8 portrays a comparative picture of the use of fertilizer by selected East, South-East and South Asian countries.

Table 8: Comparative Perspective on Use of Fertilizer

Country	Kg/ Per Ac.
South Korea	281
China	157
Malaysia	102
Indonesia	75
Sri Lanka	71
Pakistan	61
Bangladesh	51

Source: M. Shamsul Kabir khan, Bangldesher Arthoniti, UGC, Dhaka, 2000, P.139

According to the information contained in the table, Bangladesh happens to be the lowest user of fertilizer per acre of land. Bangladesh uses 51 kg of fertilizer whereas South Korea, China, Malaysia, Indonesia, Srilanka and Pakistan use it in much more quantity.³¹

Weak Rural Institutions and Problem of Distribution

While the NGO sector in Bangladesh is well developed and the quality of informal institutions is improving, formal rural institutions remain very weak. The Government agencies at all levels face overlapping functions, lack of coordination, low levels of skills and lack of responsiveness.³² Despite the perceived emphasis to be given on agriculture by the Government, the required attention is not paid on the institutional set-up in the rural areas for gearing up the programs for the promotion of agriculture. As the consequence, the distribution system is not properly working. Acknowledging this, the present agriculture minister Begum Matia Chowdhury said in parliament on 8 February 2009 that the present system of fertilizer distribution is not flawless. She also frustrates by saying that it's not possible to neither reappoint nor re-structure the

³⁰ *ibid*

³¹ khan, M. Shamsul Kabir, *Bangldesher Arthoniti*, University Grants Commission, Dhaka 2000, P. 139

³² Online Available, "<http://: Agriculture-Bangladesh Priorities for Agriculture and Rural Development.htm>", *op.cit*, Available on October 25, 2008.

existing distribution system.³³ It can easily be predicted that the strong institutional linkages might contribute a lot to our agriculture.

Ineffective Input-Output Markets

The lack of easily accessible markets and collusion by the traders pose significant constraints on both agricultural input and output markets. Marketing margins are high relative to the services provided. The lack of market information and infrastructure, the poor law and order situation, the existence of syndicates, and collection of illegal tolls further aggravate the situation. The so called free market economy provides excessive freedom for the foreign goods to enter into our domestic markets. Some agro products also enjoy monopolistic market characteristics everywhere in our country. Unfortunately, however in an era of globalization the agro-products of Bangladesh hardly enjoy any market beyond the frontiers of Bangladesh.

Natural Calamities

Bangladesh is the terminal floodplain delta of three large rivers – the Ganges, the Brahmaputra and the Meghna. Every year about 20 to 30 percent, and every few years about 40 percent, of the country is flooded, causing serious damage to infrastructure, crops and our overall economy. Projected climatic changes and the predicted rise in the sea level are likely to worsen the situation. Since independence in 1971, the Government has made large investments to prevent natural calamities like floods, hurricane, sitor, draught, cyclones and so on. Also the issues such as public and private roles and the community participation in disaster management, environmental protection, and institutional reforms of Bangladesh Water Development Board (BWDB) are not properly addressed.

Potentials of Agriculture for Economic Development

The preceding discussion on the overview of agriculture clearly indicates the glaring prospects for the economic development through agriculture. As mentioned earlier that total cultivated and cropped areas have marked a sharp rise in recent years. The production of rice, jute, tea, oilseeds and tobacco has increased to a great extent. Bangladesh tends to transform gradually its primitive agriculture to the intensive subsistence agriculture unto the green revolution. The production of vegetables, spices and fruits of different varieties also has moved to a dramatic increase in last decades.

³³ *The Bangladesh Observer*, Dhaka, 9 February 2009.

It is very unpleasant story that there has been a bewildering decline in the production of pulses. Similarly, the output of minor cereals like barley, jower, bajra, and cheena has been drastically decreased from 1995-96 periods to the recent time.³⁴ In order to bring increased output in areas like cereals and pulses, improved R & D measures, government subsidy and multifarious training schemes are strongly recommended.

Apart from the increasing trends in different agricultural outputs, a glimpse into the index of agricultural production along with its components reflects discernible impression that our agriculture is sure to take us to the long-awaited destination of our development. Table 9 shows the extreme rise in the index of agro products. The index is an indication that agriculture runs towards a prospective path of development. The figures in the index explore the multiplying effect of the increased agro-products on overall economic development. The statistics under the index incorporates various agricultural products, such as cereals, fiber, beverage, pulses, spices, oilseeds, fruits sugarcane, vegetables as well as other related outputs such as livestock and poultry, forestry and so on.

The total agricultural crops index increased from 92 during 1994-95 period to 104 during 1997-98 period. The interesting point is that all agro-crops as well as other related products have registered an increased index in the subsequent years. The index of all groups rose from 102 in 1994-95 to 122 in 1997-98 periods.³⁵ It is expected that the future indices would show much more increases in above products.

Table 9: Index of Agricultural Production and its Components

(Base: 1991-92 = 100)

Items	1994-95	1995-96	1996-97	1997-98
1. Agricultural Crops				
i) Cereals	71	98	105	106
a. Paddy (at varieties)	92	95	104	103
b. Minor-cereals (wheat)	117	132	139	169
ii) Fibre (Jute & Mesta)	110	104	120	112
ii) Beverage	106	108	117	112
iv) Pulses (all varieties)	104	105	107	100
v) Spices	99	100	104	98
vi) Oilseeds	99	100	104	104
vii) Fruits	101	106	108	103
viii) Sugarcane	89	85	88	96
ix) Vegetables	107	105	108	106

³⁴ Bangladesh Bureau of Statistics, "Statistical Pocket Book of Bangladesh", *op.cit*, PP. 176-221.

³⁵ "Prices & Wages Section", in Bangladesh Bureau of Statistics, *ibid*, P. 204

Items	1994-95	1995-96	1996-97	1997-98
Total Agricultural Crops Index	92	97	102	104
2. Livestock and Poultry	123	133	142	164
3. Forestry	116	121	135	141
4. Fishery	125	135	140	153
5. All groups	102	108	115	122

Source: BBS, "Prices & Wages Section", in *Statistical Pocket Book: Bangladesh 2007*, P. 204

The bright prospects of agriculture for Bangladesh's economic development are equally understood in terms of its evaluation from the international trade perspective. Table 10 depicts the exports of our principal commodities. The information furnished in the table tells us that agricultural goods occupy dominant position among all principal commodities. Except for readymade garments, almost all these products come from agricultural sources such as prawn, shrimps, tea, spices, raw hides and skin, raw jute, jute yarn, jute products, leather and leather products, handicrafts and so on. Another learning point of the table lies in the fact that the export-earnings from these agro products are increasing year after year.

Table 10: Exports of Principal Commodities

(Million taka)

Commodities	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Total Exports	302119	337885	437098	532831	691950	850309
1. Prawns and shrimps	15908	16920	20272	19565	27394	38669
2. Tea	996	844	682	979	713	480
3. Spices	12	15	34	183	134	223
4. Raw hides and skins	1	47	33	29	15650	18421
5. Raw Jute	2734	2848	4692	5708	8347	11930
6. Jute Yarn	4534	5187	5519	8276	9875	13672
7. Jute mfg. total	9704	11926	14674	17983	12552	13086
Jute fabrics	-	3227	2846	3339	3915	4260
(a) Hessian	2527	-	-	-	-	-
(b) Sacking	83	-	-	-	-	-
(c) Carpet backing cloth	907	-	-	-	-	-
(d) Others	6187	8699	11828	14644	8637	8826
8. Leather and leather products	11432	10160	11799	4798	6340	9191

Commodities	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
9. Ready made garments	226371	258455	336901	398150	478226	633430
10. Handicraft	416	176	202	286	252	354
11. Others	30011	31307	42290	77061	132467	97767

Source: Source: BBS, "Foreign Trade Section", in Statistical Pocket Book: Bangladesh 2007, P. 272

For example, the income from the foreign trade totaled Tk.302119 million in the beginning of the twenty first century. After only five years, the export-earnings rose to Tk.850309 million during 2006-07 periods. That means the export income tripled in last five years.³⁶ The table also educates us about the explicit potentials of agricultural sector for our foreign trade. Unfortunately, however, the export income from leather and leather products as well as from handicrafts is gradually decreasing. Interestingly, this sector is a very important part of the agricultural activities. It is important that the concerned authority would pay an appropriate attention to the development of this sector.

The strength of a country's economic development largely depends on the promotion of its foreign trade. Since agriculture is the only means for our export earnings, more smart programs needs to be undertaken by both the government and non-government organizations.

Measures to overcome the Problems and How to

Realize the Potentials

In view of various issues identified above, a couple of recommendations may be put forward in order to attain the prospective fruits of agriculture. The policy makers especially the Agriculture Ministry should consider these proposals for stimulating our economic growth through agriculture. In order to achieve sustainable development, the focus should be given on multifarious aspects of the topic.³⁷

Increasing Agro-Product through Modernizing Cultivation Procedure

Stereotype cultivation procedure should gradually be phased out in order to increase food products. Without an exact evaluation of the existing human resources base and the fertility of our land we overemphasize on

³⁶ *ibid*, P. 177

³⁷ Lo, Fu-Chen, Tokuda, Hiroyasu, and Cooray, N. S., *The Sustainable Future of the Global System III*, United Nations University and OECD, Tokyo, 2000.

our disadvantages. The shortage of our agro-products, insufficient food stock, the lack of our product and quality competitiveness and our foreign trade inefficiency- all these are the direct result of understanding the root of the problems. The potentials of agriculture for Bangladesh's development are tentatively assessed in this context. The point of departure is trivial, but nevertheless revealing recognition of the fact that there exist in Bangladesh vast human and natural resources which, if properly mobilized, could easily bridge the entire 'food gap' by narrowing the wide gulf that separates the agricultural potentials of the country and its actual levels of production and employment. The agricultural sector as a whole and its different components right down to the individual farm can be looked upon as economic units that are now functioning far below their capacity. For example, rice which is our main crop and which once used to provide low yields is now-a-days transformed to a moderate yielding of varieties. Other food products need to be taken to different degrees of diversification. Thus the nature-based production system should be reduced and the cultivation process must be modernized.

Providing Government Subsidy to Agriculture

An appropriate attention needs to be given to the rationalization of the government subsidy to agro sector. Despite opposition to agro subsidies in different WTO meetings, the developed Western countries have greatly subsidized their agriculture since the start of the developed economies. The intention of their present position on the prevention of subsidy to this primary economic sector is not clear. However, LDCs including Bangladesh should allow subsidies required for flourishing agriculture which is the foundation of the economic development of these countries. The planning commission should undertake policies related to agro-subsidy by adjusting the vision of our agricultural development as well as the proposed restrictions of the developed countries. The present *Mohajot* government under Sheikh Hasina declared some important policies in this respect in its election manifesto. The *Charter of the Change of Days* in the Awami League manifesto of 2008 fixed *Food for All* and *Transforming Bangladesh into a Self-Reliant Country in Food* as the main targets of the prospective government under Mohajot. It also declared to increase subsidies on agriculture and agro-elements.³⁸ The agriculture minister Begum Matia Chowdhury has particularly mentioned about the government subsidy in order to reduce the price of seeds, fertilizers and other related stuff.³⁹

³⁸ *Th Dailye Jugantar*, Dhaka, 13 December 2008, P. 5.

³⁹ *The Daily Star and other daily newspapers*, Dhaka, January 12-31, 2009.

Increasing Domestic and Foreign Loans and Providing Seeds and Fertilizers

The revised agro-loan system as well as the appropriate utilization of foreign aid for agro sector is another important area. The farmers should be provided agro loans free of interest or on soft terms. The contribution of the immediate past 4 party alliance government under Prime Minister Khaleda Zia in this respect is noteworthy. On the 1st April of the year 2004, the then government announced the institution of 'mortgage free' agro-loans, withdrawal of all cases against farmers of bank default and a reduction of 8-10 per cent interest rate on agro-loan.⁴⁰ In its election manifesto, Bangladesh Awami League declared that efforts would be taken to expand the agro-loan sectors and to provide agro-loans on very soft terms.⁴¹

Unfortunately, Bangladesh receives foreign aid mainly for non-agricultural sectors. A significant portion of the external assistance must be allotted for our agriculture. If our industrious farmers can avail the required financial support, they can make splendid contribution in order to build up an economically prosperous Bangladesh. By ensuring required financial assistance to the farmers, we may reduce the problem of the huge scarcity of seeds and fertilizers that hinder agriculture. An efficient distribution system is of utmost importance. The ongoing agriculture minister Matia Chowdhury recommends that a hassle-free fertilizer distribution system need to be made.⁴²

Increasing Agro Exports and Strengthening International Negotiation

Attention should also be given to attain the necessary gains from international trade through the export of agro products in large volumes. The voice of LDCs including Bangladesh must be raised much more loudly in the international negotiation forums such as WTO, North-South dialogue, bilateral and multilateral business dealings and so on. A very frustrating message is attained from the comparative foreign trade perspective where the trade gap of developing countries is an alarming experience. During the last few decades, dozens of countries in Asia, Africa and Latin America have been converted into net importers of food grains.⁴³ The Third world's trade deficit in cereals has increased from just a couple of metric tons in the early 1950s to around 30 million tons in the

⁴⁰ *The Daily Jugantar*, Dhaka, April 1, 2004.

⁴¹ *The Daily Jugantar*, *op.cit.*

⁴² *The Bangladesh Observer*, *op.cit.*

⁴³ Stefan, Dr Viler, *Agriculture in Chains*, Zed press, 1982, PP. 1-5.

mid-1960s, 52 million tons in 1973-74 and 66 million tons in 1977-78. One can easily estimate the overwhelmingly increasing trend in the trade deficit of these poor countries in the 1980s, 1990s and in the first decade of the new century. In recent years food production has increased remarkably in several major areas, most notably in Asia, but all forecasts nevertheless indicate that the developing countries' trade gap in food grains will continue to rise in the foreseeable future.⁴⁴

Agro-Based Education and Training

Education is the key to all considerations. Soon after the establishment of our Agricultural University, students from the east and southeast countries including Thailand, Malaysia, Indonesia, Philippine rushed to study agriculture at our university. Going back to their countries, these students contributed significantly to promote the agricultural development of their countries. Unfortunately, our agriculture graduates do not seem to get involved closely in enhancing our sectors owing to the policy constraints of Bangladesh. For example, the BCS system does not specify the positions related to agriculture for those graduating from Agriculture University. The agro education needs to be expanded and to that direction, specialization in agriculture should be offered in both public and private universities. Agri-business programs at both BBA and MBA levels should be taught keeping in consideration of application of this study in our real life agriculture. Apart from formal education, special training and workshops can be organized for the illiterate farmers. Radio, television and NGOs can play an important role in this respect.

Stimulating Agro-Industrialization

Agro-industrialization should be emphasized instead of focusing on heavy industries. The industrialization process of Bangladesh needs to be focused on environment-friendly industrial ventures and to that end, agro-industrialization must get the first priority. Malaysia generated the bulk of its capital from the agricultural sectors. The International Airport at Bangkok is flooded with sophisticated agro-products, rural crafts and rural industrial products that demonstrate Thailand's agro-focused developmental scenario. Almost all industrialized countries have a history of agriculture in the initial stage of their development. In order to speed up rural industrialization, some effective measures were considered by China and thus the State Planning Commission set detailed priorities to guarantee the implementation of the light industry strategy. This anchored the journey of China's TVEs -the rural based light

⁴⁴ R. Dumont, *Problems and Prospects for Rural Development in Bangladesh*, The Ford Foundation, Dhaka, November 1973, P. 71.

industrialization, which has remained the foundation of the Chinese economy.

Rationalizing Prices for Agro-Products

In most cases farmers are deprived of the actual prices of agro products. Thus there exists a wide gap between the production costs and the sales revenue. In order to remove the discrepancy between the input costs and output gains, the prices of agro-products need to be rationalized. Almost all governments so far have promised to pay an appropriate attention in this regard. Bangladesh Awami League, in its election manifesto of December 12, 2008 declared that the actual prices of agro-products would be ensured⁴⁵ and now is the time for the farmers to expect to see that promises realized.

Facing Challenges of Natural Calamities

Effective disaster management programs should be chalked out in order to fight natural calamities that hinder our agriculture. The government as well as the non-government agencies should work together in this regard. We should also seek support from the donor countries in facing the situation so that they need not come up with aid package on the eve of natural calamity almost every year.

Conclusion

The present chapter explores high potentials of agriculture for the development of Bangladesh. The opening of the discussion introduces agriculture as the *nucleus* of Bangladesh's economy. It perceives that the country's development largely depends on its agriculture, which should be the inauguration of the arduous journey towards national development. By modernizing and modifying the agricultural sector and by introducing sophisticated agro-industrialization, Bangladesh can generate huge capital for its transformation towards large-scale environment-friendly industrialization. In the formative stage of its development, agro-industrial ventures, agro-based industries and agriculture-oriented industrial activities need to be given the utmost importance.

Despite the capacity of the agricultural land of Bangladesh to produce 3-4 crops in a year compared to normally one crop a year in Japan, the land productivity of Bangladesh is less than half that of Japan. The stereotype cultivation procedure, shortage of seeds and fertilizers, unplanned production, lack of infrastructure, scarcity of agro-loans and agro-subsidies, and, above all, anti-farmer pricing and lack of marketing are some of the constraints that impede our agricultural development. In

⁴⁵ The Daily Jugantar, *op.cit.*

order to overcome these challenges, the preventive strategies, such as, soft and interest free loans, agricultural subsidies, external assistance, other financial benefits, price rationalization of agro-products, and agro education need to be formulated.

The agricultural sector needs to be modernized through the application of science and technology and, for that, a science-based system and computerized agriculture must be introduced. In universities, different subjects should be offered to enlighten the students regarding agriculture-related knowledge. In addition, extensive agricultural workshops and seminars on agriculture must be held in the rural areas. Employment opportunities need to be created in this sector, where only illiterate people are now involved. Unless educated youngsters are involved in this sector, it will not be developed. Educated people must take agriculture with pride as a profession and must find their future in agriculture. Once the whole nation starts recognizing agriculture as the root and nucleus of our development, nothing can obstruct the agricultural development, and, eventually, the national development of Bangladesh.

11

Industrialization: Policies and Performance

Introduction

The literatures on development economics indicate a strong positive relationship between industrialization and development. The terms industrialization and development are used synonymously in the writings of many economists. Immediately after the industrial revolution in Great Britain which was followed by other parts of Europe, people in developing countries also planned to move towards industrialization. Soon after the liberation of Bangladesh, the new country's policy makers adopted Import Substituting (IS) Industrialization. In order to succeed in IS program, they implemented nationalization and socialism as the means towards the success of IS strategy. Unfortunately, however, this policy did not attain the expected results.

Against this backdrop, export-oriented growth strategy was incorporated in the policy planning during the late 1970s. This led to the industrialization process in Bangladesh. The principal objective of this chapter is to examine the policies, performance and evaluation of our industrialization. What is an industrialization process? When and how did it emerge in development economics? In what ways, it is contributory to a country's development? What have been the policies of industrialization of our country? Are these policies successful? If not, what to do for building an industrialized Bangladesh? These are a few issues that will be raised in the present chapter.

Conceptual Analysis

The Idea of Industrialization

In order to have comprehensive idea about industrialization, we need to understand certain terms, such as, industry, industrialization, and industrial revolution. The term industry is sometimes used to describe a very precise business activity (e.g. semiconductors) or a more generic business activity (e.g. consumer durables). If a company participates in multiple business activities, it is usually considered to be in the industry

in which most of its revenues are derived.¹ “Industry” means any systematic activity carried on by co-operation between an employer and his workmen (whether such workmen are employed by such employer directly or by or through any agency, including a contractor) for the production, supply or distribution of goods or services with a view to satisfy human wants or wishes.²

Industrialization refers to the development of industry on an extensive scale.³ Industrialization is a historical phase and experience. Industrialization is the overall change in circumstances accompanying a society's movement population and resources from farm production to manufacturing production and associated services.⁴

Before going to focus on the meaning of industrial revolution, we should focus on the difference between evolution and revolution. The term evolution implies a situation in which a thing gradually changes from its simple state to complex. It is natural and not controlled by man. The evolution of biology, the evolution of mind and the evolution of society may be some examples. The term revolution applied to technological change was introduced by Friedrich Engels and Louis-Auguste Blanqui in the second half of the 19th century. The term revolution refers to a process by which a sudden and large change occurs regarding an issue. It is unnatural, but can be controlled by man. The French Revolution, Industrial Revolution, and Green Revolution are the examples of this kind. Industrial Revolution is the process of change from an agrarian handicraft economy to one dominated by industrial and manufacturing technologies.

Before Industrial Revolution, the characteristics and features of the then society were as follows:

- Small scale production
- Family or group based production at home
- Use of small hand tools

¹ “Definition of industry”, Available at <http://www.investorwords.com/2447/industry.html>, Access on March 2008.

² “Definition of industry”, Available at <http://www.labour.and.nic.in/forms/Definition%20of%20Industry.doc>, Access on March 2008.

³ “Industrialization - Definition of Industrialization”, Available at <http://www.onlinedictionary.datasegment.com/word/industrialization>, Access on March 2008.

⁴ “Industrialization-Dictionary Definition of Industrialization”, Available at <http://www.economics.about.com/cs/economicsglossary/g/industry.htm>, Access on March 2008.

- Barter System
- Distribution in limited areas

Industrialization in Developed Countries: History and Reasons

History of Industrialization

It began in England and from there spread to other parts of the world. The Industrial Revolution was the major technological, socioeconomic and cultural change in the late 18th and early ies resulting from the replacement of an economy based on manual labour to the industrial and manufacturing products.⁵ It began in Britain with the introduction of steam power (fueled primarily by coal) and powered machinery (mainly in textile manufacturing). The development of all metal machine tools in the first two decades of the nineteenth century enabled the manufacturing of more production machines for manufacturing in other industries.

The dating of the Industrial Revolution is not exact. T.S. Ashton holds that it was roughly 1760-1830 period, in which the reigns of George III, The Regency, and part of William IV existed.⁶ There was no cut-off point for it merged into the second Industrial Revolution from about 1850, when technological and economic progress gained momentum with the development of steam-powered ships, and railways, and later in the nineteenth century, people found the growth of the internal combustion engine and the development of electrical power generation.

The effects spread throughout Western Europe and North America, eventually affecting the rest of the world. The impact of this change on society was enormous and is often compared to the Neolithic revolution, when mankind developed agriculture and gave up its nomadic lifestyle.

Reasons Behind Industrialization

The causes of the Industrial Revolution are complex and have remained a topic for debate for centuries. Some historians see the Revolution as an outgrowth of social and institutional changes brought by the end of feudalism in Great Britain after the English Civil War in the 17th

⁵ Bernal, John Desmond. *Science and Industry in the Nineteenth Century*, Indiana University Press, Bloomington, 1970.

⁶ Hobsbawm, Eric J., *Industry and Empire: From 1750 to the Present Day*, New Press, New York, Distributed by W.W. Norton, 1999.

century.⁷ The Enclosure movement and the British Agricultural Revolution made food production more efficient and less labour-intensive, forcing the surplus population who could no longer find employment in agriculture into cottage industry, such as weaving, and in the longer term into the cities and the newly-developed factories. The colonial expansion of the 17th century with the accompanying development of international trade, creation of financial markets and accumulation of capital are also cited as factors, as is the scientific revolution of the 17th century. Technological innovation was another important factor, in particular the new invention and development of the steam engine during the 18th century.

The presence of a large domestic market should also be considered an important catalyst of the Industrial Revolution, particularly explaining why it occurred in Britain. In other nations, such as France, markets were split up by local regions, which often imposed tolls and tariffs on goods traded among them.⁸

Another theory is that Great Britain was able to succeed in the Industrial Revolution due to the availability of key resources it possessed. It had a dense population for its small geographical size. Enclosure of common land and the related Agricultural revolution made a supply of this labour readily available.⁹ There was also a local coincidence of natural resources in the North of England, the English Midlands, South Wales and the Scottish Lowlands. Local supplies of coal, iron, lead, copper, tin, limestone and water power, resulted in excellent conditions for the development and expansion of industries. The stable political situation in Great Britain from around 1688, and British society's greater receptiveness to change (when compared with other European countries) can also be said to be the factors favoring the Industrial Revolution.¹⁰

⁷ Lines, Clifford, *Companion to the Industrial Revolution*, London, New York etc., Facts on File, 1990, ISBN 0-8160-2157-0

⁸ Derry, Thomas Kingston and Trevor I. Williams. *A Short History of Technology : From the Earliest Times to A.D. 1900*, Dover Publications, New York, 1993.

⁹ "Industrial Revolution - Wikipedia, the free Encyclopedia" Available at http://www.en.wikipedia.org/wiki/Industrial_Revolution, access on March 2008.

¹⁰ Paul Mantoux, *The Industrial Revolution in the Eighteenth Century*, First English translation 1928, revised and reset edition 1961.

Industrialization of LDCs: Effective Strategies

Unlike the Newly Industrialized Countries (NICs), Japan, other ASEAN countries, most underdeveloped and developing countries of Asia, Africa and Latin America are still in the primitive level in terms of industrial development and industrialization. It is very important that some efficient strategies for industrialization process in those countries need to be considered. The next sections will focus on those strategies.

Capital Accumulation

Invested savings is the main source of capital accumulation, which is the number one condition to plan, develop and promote any development strategy. The savings are generated from income. In the developing countries, income may come from diverse sources. The comparative advantage of most of the developing countries lies with mainly two sectors- their primary products and their human resources. Development economics theory as well as empirical evidence suggests that these two sectors can contribute a significant portion of the capital required for their growth and development if the appropriate strategies can be evolved. Therefore, the development strategies of these developing countries need to be made keeping in consideration of these two sources of income.

Primary products and primary industry include a broad range of sectors including raw materials, agricultural products, food processing industries, mineral resources, rain forest resources and so on. Although the agriculture and primary industry products contribute typically less than half the gross domestic product in the national economy¹¹, their contribution is significant for savings and hence for investment. Human resources are another important source of capital accumulation. The huge labor forces can be trained with appropriate skills and be mobilized both at home and abroad. The foreign exchange earned by foreign employment constitutes a significant part of some developing countries' GNP.¹²

Industrialization: Dual Focus and Outward-Oriented

The terms 'industrialization' and 'development' are many often used by the economists as synonymous. Industrialization process has been

¹¹ Perkins, D.H., et al., (eds.), *Economics of Development*, W.W. Norton & Company, New York, 2001, p. 579.

¹² *The Daily Inqilab*, Inqilab Bhaban, Dhaka, April 7, 2004.

considered as the most significant factor for raising per capita income, which is a precondition for development. Following the industrial revolution, the industrial products of Britain rose 400 per cent and since then industrialization has been prescribed as the vehicle for development for all countries. The biggest contribution that industrialization can offer is that it helps a country in achieving self-sufficiency by reducing external dependence.

An integrated industrial structure with a dual focus on both primary and secondary industries is the best option to achieve that goal. In another words, a country needs to undertake phased diversified industrialization programs starting from the primary to manufacturing to heavy industries. Yet the key is an outward-looking strategy, that is, the country has to produce various goods so that these can be traded on international markets and at the same time it can obtain some goods overseas to its advantages. Malaysia, for example first concentrated on primary industries that include minerals, agricultural and forest resources and then moved gradually to manufacturing and technology-oriented industrialization.

In terms of policy selection, the developing countries need to make very cautious decisions. A slow and steady transition towards industrialization may be more beneficial than a hasty process. The consolidation of indigenous and primary industries may serve as the foundation of capital-intensive and technology-based industrialization. The East Asian industrial policy was very selective of priority sectors and built a strong foundation of selected industries. Initially, the policy maintained temporary protective barriers to start new industries that were followed by subsequent industrial upgrading.¹³

Trade Strategy

After World War II, the policy makers of most of the developing countries had reservations about outward-oriented trade strategies owing to the frustrating international trade experience following the Great Depression, volatility of the prices of primary goods and their declining terms of trade. In the 1970s, the resurgent Neoclassical economists found positive association between openness and growth that shifted trade focus

¹³ Chang, H.J. (ed.), *Rethinking Development Economics*, Anthem Press, London, 2003, p. 116.

from inward-orientation to an outward-oriented direction. Since then international trade has been considered as the engine of growth.

Although it has stimulated unprecedented economic growth for the advanced nations, it has not been notably instrumental in promoting progressive development for the developing countries. Despite immense expansion of their trade, they have always faced formidable difficulties in achieving growth based on open trade. The reasons for this have been many, such as unfavorable terms of trade, non-competitiveness in terms of the products and their prices, tariff and non-tariff barriers, dependence on natural resource-intensive trade sectors, West-biased trade rules and the discriminatory structure of the international political economy. Discriminatory trade issues have been on the top of the agenda of the North-South dialogue in different forums. The collapse of WTO's Seattle (1999) and Cancun (2003) talks has been largely the result of the exploitative Western-biased trade principles and the Westerners' rigid commitment to maintaining those rules. Another central issue revolves around the abundant natural resources of the poor countries and trade theories concerning those resources. An extraordinary, but very real feature of the international economic structure is that the resource poor countries enjoy resource-rich economies and vice versa.¹⁴

The leading economic theories also raise similar points. Matsuyama's model looks at two sectors of economy- agriculture and manufacturing. Manufacturing economy enhances 'learning by doing', while agriculture transfers resources from manufacturing to agriculture. According to this model, agriculture employs the factors of production that otherwise would be used in manufacturing. The model suggests that the shift of resources from manufacturing towards agriculture results in decreased growth. Similarly, the Dutch Disease Model suggests that the availability of huge natural resources leads to resource-based production and transfers capital and labor from the manufacturing to the agricultural sector. Thus it causes the manufacturing sectors to shrink and non-traded goods sectors to rise.¹⁵

¹⁴ Meier, G. M. and Rauch, J. E., *Leading Issues in Economic Development*, Oxford University Press, Oxford, 2000, pp.161-164.

¹⁵ *ibid*, p.161.

In view of above situation, the developing countries many often face decision dilemmas regarding international trade. There has always been a controversy over the choice of development strategy between exponents of emphasis on the efficiency of the free market and those who urge control on market activities through government planning and command. Two contrasting arguments on international trade have emerged out of this debate- the free trade argument, based on the free market approach and the infant industry protection argument, based on the concept of trade protection.

The infant industry argument postulates that the government should extend temporary support to the nascent industries during the 'learning by doing' period. The history of the vast majority of developed economies shows that their manufacturing industries were protected initially against external competition. The British protectionist policy of the eighteenth century and the Taiwanese protectionism in the 1950s and 1960s are vivid examples. The strategy of protectionism through government regulations (like tax, tariffs, quantitative restrictions and subsidies) in order to stimulate domestic industrialization and thereby to replace or substitute imports is regarded as import-substituting industrialization (IS) policy.

A subtle way for a developing country to benefit from trade is to incorporate, in its trade strategy, the contents of both free trade and protected trade. A developing country needs to identify the industries in which its long-run comparative advantage is available and in which the potential for its economic growth is predicted. The next step is to protect these initially from foreign competition until they reach maturity.¹⁶ As noted above, the infant industry protection strategy was followed by almost all developed countries in the early days of their development. During those days, they also used tariffs, subsidies and other measures of intervention to protect new industries.¹⁷

Along with an infant industry protection strategy, an emphasis on openness is equally important. In their regression analysis, Meier and Rauch found evidence that natural resource abundance may affect growth indirectly through the extent of trade openness. They argue that although

¹⁶ Hayami, Y., *Development Economics: From the Poverty to the Wealth of Nations*, Clarendon Press, Oxford, 1997, p. 206.

¹⁷ Chang, H.J., *Kicking Away the Ladder: Development Strategy in Historical Perspective*, Anthem Press, London, 2002.

the existence of natural resources may result in a squeeze of the manufacturing sector, it generates the strengths and capabilities of industrialization despite the Dutch Disease.¹⁸ The proposed trade strategy may be supported by Krueger's Trade Model, which includes an agricultural sector plus a manufacturing sector. Her argument suggests that both the agricultural and manufacturing products can be traded internationally.¹⁹

Industrialization in Bangladesh: Policies and Performance

This section concentrates on the evolution of the development strategies of the industrialization in Bangladesh.

Inward-Oriented Policies

Import-Substitution (IS) Industrialization

From the very beginning, the strategies of the nascent country paid attention to the multidimensional perspectives of development. Initially an inward-oriented Import-Substitution (IS) Industrialization, nationalization and the framework of socialist political economy were geared up. In view of the failure of these policies, the country's development strategies underwent massive reorientation and reorganization right from the late 1970s. The new policies focused on the outward-oriented trade liberalization in order to enhance the economy through export expansion.

Initially, Import Substituting Industrialization (IS) was on the top of the policy agenda of the post independence government. It was assumed that a rapid success in economic development could be achieved through the IS strategy and extensive government intervention in resource allocation. Emphasis was given on production for domestic markets and incentives were biased in order to realize that goal. This was reflected in high nominal and effective rates of protection, direct controls and an overvalued exchange rate.²⁰ Nationalization and foreign aid were considered to be key instruments in realizing the IS policy.

¹⁸ Meier and Rauch, *op. cit.*, pp. 165-166

¹⁹ Deardorff, A.V., "An Exposition and Exploration of Krueger's Trade model", *Canadian Journal of Economics*, 17 November, 1984, pp. 733-740.

²⁰ Love, J., "Adoption of the Export-Led Growth Strategy in Bangladesh: Some Thoughts", in Grieve, R. H. and Huq, M. (eds.), *Bangladesh Development Strategies*, University Press Limited, Dhaka, 1995, p.15.

Studies on Bangladesh economy suggest that the IS strategy failed to promote export performance and to produce a sustained growth in manufacturers' share in GDP. Love observed that although there was a slight rise in the manufacturers' share in GDP in the beginning of the 1970s, it recorded a slow growth in the later part of the decade. The GDP growth averaged 2.3% per annum while the export growth averaged -4.1% per annum.²¹ However, a number of economists observe that the failure of the IS in the early few years in Bangladesh does not necessarily indicate that this strategy itself is bad. Theoretically speaking, the development of a country under this strategy depends on certain conditions. The availability of a huge domestic market is primarily essential for smoothly operating the IS program. The competitiveness of domestic goods in terms of price and product quality is also an important criterion. The existence of a minimum economic performance sometimes can play a very important role for the success of this. In the case of Bangladesh, the IS formula may have failed because of the absence of these requirements.

The Spirit of Socialism: The Vehicle for Development

Socialism was considered as one of the fundamental principles of the new state. The ambitious leaders in the newly independent countries were indulged into the obsession with socialism that led them to formulate the development strategies on the basis of the spirit of this alien ideology. However, the policy makers, political leaders, bureaucrats as well as the scholars and academics were divided on the issue.

There was a threadbare debate among them with regard to the development strategy of the new country: should it follow the 'socialist model' of development or should it opt for the 'mixed economy' approach being pursued by a number of Asian countries. The bureaucracy appears to have been inclined to the 'mixed economy' or 'joint (public-private) venture' model. The academics and political leadership were divided. The four key advisors²² of the Planning Commission were the principal supporters of the socialist model. In the debate, the supporters of the socialist model were able to convince the people in the core of the political leadership that the socialist model would generate public

²¹ *ibid*, p.19.

²² They were Rehman Sobhan, Nurul Islam, Anisur Rahman and Mosharaf Hossain.

appreciation. Finally, socialism was adopted as the foundation of the development strategy of Bangladesh.

The Policy of Nationalization

In order to speed up the process of the IS based industrialization, a countrywide nationalization policy was adopted. Most of the industries, business enterprises and financial institutions were nationalized or taken over by the government management. It is very important to note that the nationalization process followed the 'slow and steady' strategy in order to avoid the antagonism of the upper bourgeoisie. The policy makers planned to go for a 'phased transition' to the socialist direction.²³

Certain rules regarding private sector enterprises were announced in January 1973. Accordingly, the ceilings of private investment and growth were limited to US\$197,000 and US\$330,000 respectively. Foreign investment was treated with strict restrictions in many ways. For example, external collaboration with the country's private sectors was confined to only licenses and patents and the equity participation was not allowed. Foreign companies were allowed to invest only in the joint venture with the government.²⁴

As a part of the nationalization program, certain measures were taken to solve the problems of the West Pakistani-owned industrial enterprises. The new government issued the Abandoned Properties Ordinance on January 2, 1972 by which it took possession of all commercial and business establishments, houses, and vehicles. By March 26, 1972, President's Orders- P.O. No. 26 and P.O. No. 27 were passed by which the industrial, banking and insurance sectors were nationalized. There were no clear directions or guidelines regarding the private sectors under these Orders. Chishty notes that the new post-independence government's privatization program did not hold any organized rules and regulations. The government arbitrarily excluded private enterprises from

²³ Sobhan, R. and Ahmad, M., *Public Enterprise in an Intermediate Regime: A Study in the Political Economy of Bangladesh*, Bangladesh Institute of Development Studies, Dhaka, 1980, pp. 203-204.

²⁴ Chishty, S. H., "Privatization in Developing Countries: the Experience of Bangladesh", paper presented at a conference on *Privatization Policies, Methods and Procedures*, sponsored by the Asian Development Bank, Manila, January 31-February 1, 1985, pp.7-8.

insurance and banking and from jute, textile and sugar industries, but it did not clearly define the role of the private sectors.²⁵

The nationalization process was a direct outcome of the socialist policy which was hastily adopted as a result of the ideological triumph. In the policy planning, long-term vision and the future directions were not reflected. The prescription of socialism as well as nationalization was made out of the obsession with the triumphant ideology rather than consideration of long-term development based on prevalent economic theories. There was hardly any coherent policy to direct the public and the private sectors.

The new government massively lacked the required manpower and skilled human resources to implement the nationalization process. The people in the core were involved more in preserving their own interests than realizing the goals of nationalization. Chowdhury remarked: “The expansion of state ownership took place under a political leadership which had traditionally followed a middle-of-the-road policy, and neither had an ideological conviction and training, nor a cadre and an organization to politically oversee implementation.”²⁶ Identifying the practical problem, Baxter explained that “there was a lack of qualified people in government to run and manage the public sector economy and most of the entrepreneurial talents were concentrated in the private sector”.²⁷ The most brilliant persons were recruited in the private sectors and the remaining people were engaged in the public sectors. The regulations and restrictions out of the nationalization strategy of Bangladesh contributed nothing but strangulation of the private sectors resulting in the stagnation of economic growth.

The policy of nationalization also opened the windows of opportunities for corruption and exploitation. It kept the wealth of the nation concentrated in the hands of a few political bourgeoisies. Some analysts of Bangladesh politics called it “state capitalism” or “capitalist nationalization”.²⁸ In the post liberation period, the people in political leadership jockeyed to consolidate their power base and utilized the

²⁵ *ibid.*

²⁶ Chowdhury, T. E., *Privatization of State Enterprises in Bangladesh (1976-84)*, Korea Development Institute, Seoul, 1987, p. 2.

²⁷ Baxter, C., *Bangladesh, A New Nation in an Old Setting*, Westview Press, London, 1984, p. 84.

²⁸ Yusuf, F. H., *Nationalization of Industries in Bangladesh*, National Institute of local Government, Dhaka, October, 1985, pp. 277-287.

resources of the nationalized enterprises towards that end. The strategy of nationalization helped flourish an environment where corruption had spread widely in varied ways. In the shade of nationalization, the influential people took the control of the government enterprises. Outright plundering was an obvious phenomenon in the case of several thousand abandoned commercial firms. The political musclemen, arms hooligans, party cadres, managers, the employees and even sometimes the general public were involved in the notorious plundering. Besides, black markets quickly flourished throughout the country as a result of the imposition of several restrictions on private sectors.

Export-Oriented Growth Strategy

The failure of the policies of socialism, nationalization and import-substitution led to the rethinking of the post independence development strategies. Initiatives were taken to revise the ideology of socialism by reducing government interventions, privatizing the state-owned enterprises (SOEs), restructuring the industrial sector, liberalizing the foreign trade, incorporating structural adjustment programs and, above all, strengthening macroeconomic policies. Bangladesh now entered into an era of export-orientation and trade liberalization.

Privatization and Trade Liberalization

The export-oriented growth strategy has been continued till today. The policy shift has undergone a number of modifications during the previous years. However, privatization and trade liberalization processes have been developed through a number of phases in order to enhance the export-led development strategy.

The First Phase: Limited Liberalization (1975-81)

The Revised Investment Policy of December 1975 (RIP-'75) and the amendment of socialism by the post-1975 government facilitated the path towards a mixed economy model that significantly contributed to denationalization, privatization and liberalization processes in Bangladesh. The new policy started a limited privatization and liberalization process, which opened the new phase of industrial growth and export performance in the development history of Bangladesh.

Under the new policy, although 18 reserved categories were maintained, 10 out of them were kept open to joint ventures between the public and private sectors. The remaining 8 categories that were reserved to the public sector included: (1) arms, ammunition, and allied defense

equipment; (2) atomic energy; (3) jute; (4) textiles; (5) sugar; (6) air transport; (7) telephone, telegraph and wireless; (8) electricity. As the result of the policy shift, tax holidays and other incentives were increased for promoting industrialization. In order to increase the productivity of agro-based and export-oriented industries, Bangladesh Shilpa Bank (BSB) was directed to provide the equity support to such industries. The Investment Corporation of Bangladesh (ICB), and a Disinvestment Board were set up and the Dhaka Stock Exchange, which was closed in 1972, was reopened. A large number of commercial firms from among the 'abandoned' or 'enemy' properties appeared on the list of sale of the Disinvestment Board. But the important problem was that it was really impossible to determine how many properties were nationalized and how many of them were returned. Neither the government sources nor the academic articles were available on the appropriate data of these properties. Despite the unavailability of reliable data on the abandoned or enemy properties, the then government took the initiatives to transfer those trading firms to the private sector.

The RIP-'75 remained as the basic policy statement and guideline until the major shift of 1982. It had a tremendous impact on the country's industrial sector. Some scholars argue that the effects of liberalization and privatization were seen just in the beginning of the 1980s. Some consider the year 1981 as a relatively good year for Bangladesh from the economic point of view. Humphrey noted: "Some of the earlier policies and programs began to pay off, albeit modestly. GDP increased 7 percent, which was significant more than earlier years. Industrial production increased 8 percent and improved domestic food production lowered prices somewhat, helping to bring the inflation rate down to 10 percent."²⁹

The Second Phase: The New Industrial Policy (1982-86)

The second phase started with the introduction of the New Industrial Policy (NIP-'82) in 1982. It aimed at providing a new dimension and greater thrust to industrialization of the country through stimulating greater participation of the private sector in the process.³⁰ Despite criticism by the leftist academics and the main opposition party- Awami League, the government could generate overwhelming support from the

²⁹ Humphrey, C.E., *Privatization in Bangladesh*, University Press Limited, Dhaka, 1992, p. 63.

³⁰ Ministry of Industry and Commerce, *New Industrial Policy*, Government of Bangladesh, June 1, 1982.

business community and took bold steps to transform the country from nationalization to privatization. The policy consisted many objectives, such as:

- To strengthen industrialization and expand manufacturing sectors by limiting public sectors and increasing private sector involvement;
- To encourage private sectors in order to set up basic heavy and strategic industries;
- To promote local small and cottage industries;
- To increase employment opportunity in the diverse industrial and commercial firms led by both public and private sectors.
- To promote export-oriented industrialization in order to enhance export-oriented growth.

The NIP-'82 set up important institutions to operate its policies. In order to settle the issue of transferring the abandoned or enemy properties to the private sectors or the owners, four basic forums were built- Tender Committee, Scrutiny Committee, Working Group and Disinvestment Board. A "Foreign Investment Cell" and a "One Stop Service" were set up to facilitate investment applications of foreign companies. Another special task force named Committee for Reorganization of Public Statutory Corporations (CRPSC) was formed. The Committee prepared many important recommendations in order that the private enterprises run smoothly. Its suggestion for transferring the SOE debt to equity deserves academic attention. World Bank estimates that the debt of 24 SOEs amounting to US\$244 million was converted to equity by the early 1984 and another US\$36 million was given to them as additional equity.³¹ The NIP-'82 has been a hallmark in the history of industrial development of Bangladesh. It contributed some basic rules and created the environment in which private sectors could develop very quickly. A new stimulus was created in private sector investment and thus commercial traders began to emerge as industrial entrepreneurs. World Bank notes that economic activity became more varied. Industrial growth reached 9 percent in 1984 and 1985.³²

The Third Phase: The Revised Industrial Policy (1986-91)

The Revised Industrial Policy (RIP-'86), which existed during the 1986-91 period, inaugurated the third phase of the export-led growth strategy.

³¹ World Bank, *WB-Bangladesh*, 85-2, 1985, p. 87.

³² World Bank, *WB-Bangladesh*, 86-1, 1986, p. 33.

It combined a broad and diversified industrial policy package. The strategy focused on: (a) removal of a large part of the Quantitative Restrictions (QRs) on imports; (b) rationalization of tariffs; (c) reduction in the number of tariff slabs; (d) zero-tariff access to imported inputs; (e) subsidization of export credit; (f) concessions and incentives for export-oriented activities.

The Fourth Phase: (1991-2006)

The most comprehensive and intensive reforms were made through the fourth phase that started in the early 1990s and is still continuing. The industrialization policy introduced during the 1991-92 period contributed to an environment that resulted in export promotion through reduction of anti-export bias in the country's economy. In order to strengthen the participation of private sector, the government undertook plans to improve key areas including infrastructure, financial and capital markets, law and order situation and, above all, institutional and regulatory framework.³³

During this phase, a very important reform was made through the Industrial Policy of 1999. Under this policy, restrictions on private sector participation in all areas except defense, nuclear energy, currency note printing and forest plantation were withdrawn. It set a target contribution of 25 percent of GDP coming from the manufacturing sector along with a target of 20 percent employment generation in the sector. The 1999 policy was followed by the Privatization Law, which was enacted in July 2000 in order to unburden the public sector of losing SOEs.

Impact of Liberalization on the Economy

The strategy of trade liberalization aimed at stimulating economic growth by expanding foreign trade, increasing export, strengthening industrialization, and creating a strong manufacturing base. Emphasis was given on the privatization of the SOEs, tax holidays, tariff reduction and incentives for export-oriented activities. During the limited liberalization and privatization phase (1976-82), Bangladesh economy began to improve at a slow pace and with the increased liberalization, gradual but remarkable improvements began to take place. It brought an

³³ Economic Relations Division, *Bangladesh: A National Strategy for Economic Growth and Poverty Reduction*, Ministry of Finance, Government of the People's Republic of Bangladesh, Dhaka, April 2002, p. 28.

important shift in the country from resource-based to process-based exports and from dependence on primary commodities to manufactured goods.³⁴ During the pre-liberalization period of 1972-75, average annual export was 4.2 per cent, whereas it increased to 5.3 per cent and 6.5 per cent with the liberalization programs during the 1976-82 and 1982-92 periods. The export orientation ratio for Bangladesh also increased from 3.7 per cent in 1973-74 to 8.4 per cent in 1990-91.³⁵ Table 1 shows the overall export performance of Bangladesh in the first decade after the liberalization strategy was introduced.

Table 1: Export Performance in Macro Perspective

Year	Exports/ GDP(%)	Manfg/ Export(%)	Import/ GDP(%)	Exports/ imports(%)	Trade gap/GDP(%)
1972-75	4.6	61	10.4	42	6.0
1976-82	6.1	65	16.4	37	10.3
1982-92	7.7	80	17.5	49	8.4
1972-92	6.6	72	15.8	44	8.3

Source: Nath, N. C., "The Export Performance of Bangladesh", in Grieve and Huq.(eds.), *Bangladesh Strategies for Development*, UPL, Dhaka, p. 49.

The above table which contains the data of the earlier two decades (1972-92) after the independence of Bangladesh demonstrates the gradual development of the nascent country's export performance. It shows that the annual export-GDP ratio gradually increased from 4.6 per cent during the 1972-75 period to 6.1 per cent and 7.7 per cent respectively during the 1976-82 and 1982-92 periods. The ratio of manufactured exports to total exports also increased from 61 per cent in 1972-75 to 65 per cent and 80 per cent respectively in the two phases of limited and increased liberalizations. Along with exports, the imports also increased from 10.4 per cent in 1972-75 period to 16.4 and 17.5 per cent in the next periods. The ratio of export to import also increased in the 1980s and 1990s from 42 per cent to 49 per cent. The ratio of trade gap to GDP reached at 10.3 per cent in the 1976-82 period and 8.4 per cent in the increased liberalization period of 1982-92.

³⁴ CPD and UPL, *Developing a Policy Agenda for Bangladesh: Civil Society's Task Force Reports 2001*, Centre for Policy Dialogue and University Press Limited, Dhaka, 2003, pp. 59-61.

³⁵ Nath, C.N., "The Export Performance of Bangladesh", in Grieve and Huq, (eds.), *op.cit.*, pp. 31-60.

Table 2 below indicates the positive impact of liberalization on our macro economy in recent years. It shows that the annual export–GDP ratio substantially rose from 12 percent during 1996-97 period to 14 percent during 2004-05 period. But the import – GDP ratio remained almost stable. The ratio of export to import also increased from 62 percent during 1996-97 period to 66 percent during 2004-05 period.

Table 2: Export Performance in Macro Perspective

Year	Exports/ GDP (%)	Import/ GDP (%)	Exports/ Imports (%)
1996-97	12	21	61.79
1997-98	15	21	68.40
1998-99	14	20	66.36
1999-00	13	20	68.45
2001-02	11	19	70.09
2002-03	11	17	67.80
2003-04	13	19	69.73
2004-05	14	21	65.83

Source: Statistical Pocket Book Bangladesh 2006, Dhaka, July 2007 p. 267, 282.

Structural Adjustment Strategies

Along with liberalization, another important strategy of Bangladesh was its resort to the Structural Adjustment Policies (SAP) that started from the mid 1980s with policy based sectoral lending of the World Bank. With the International Monetary Fund (IMF), Bangladesh initiated Structural Adjustment Facility (SAF) during the periods of 1986-87 to 1988-89, which was followed by Enhanced Structural Adjustment Facility (ESAF) in the 1990-91 to 1992-99 periods. The SAF and ESAF with IMF and other adjustment programs with the World Bank and the Asian Development Bank heralded for Bangladesh a new era of stabilization and structural reforms. Bangladesh had to abide by the strict rules laid down in the Policy Framework Paper (PFP) of the IMF and World Bank in order to utilize highly concessional but extremely conditional loans.

The adjustment programs contained a very wide dimension including deregulation, privatization, tariff rationalization, liberalization of trade and investment, and financial and monetary reforms. The reforms under the SAF and ESAF provided increased market-oriented incentives for priority sector lending programs. It aimed at removing gradually the distortions in the interest rate structure with a view to improving the

allocation of resources. Interest rate decontrol which was considered as the corner stone in the financial sector reforms comprised some policy measures that included: a) to move towards more market-determined level and structure of interest rates; b) to allow banks to charge different lending rates based on borrower credit risk; and c) to phase-out interest rate subsidies.

Understanding the tariff rules is very important in any discussion on the adjustment policy. As per the prescription of the structural adjustment, less restrictive and more outward-oriented strategies dominated the industrial and trade policies after the 1990s. The outward-looking strategy simplified and rationalized the tariff structure by reducing the number of tariff bands from 15 in 1992-1993 to 5 in 1999-2000. The number of trade-related quantitative restrictions was also reduced. The following figure shows that for all primary and manufactured products, tariff rates have been reduced to 20 per cent in the 1990s from around 120 per cent in 1980s.

Figure 1: Mean Unweighted Tariff Rates (%)



Source: World Bank, *World Development Indicators*, Washington D.C., 2000.

Some economists argue that the expectations out of liberalization as well as the promises of adjustment programs were not fulfilled.³⁶ After studying the growth situations of 18 developing countries as well as that of Bangladesh, Nath observed an insignificant impact of liberalization on economic growth and poverty alleviation. Love argued that some requirements need to be fulfilled before any liberalization is successful.³⁷ Undoubtedly his ideas are in line with Kohli and Singh who hold that the overall economic growth is not ensured until a minimum growth level is achieved.³⁸

³⁶ *ibid*, pp. 31-33.

³⁷ Love, *op.cit.*, pp.11-23.

³⁸ Kohli, I. and Singh, N., "Exports and Growth: Critical Minimum Effort and Diminishing Returns", *Journal of Development Economics*, 30, 1989.

Overhauling and Evaluating the Industrialization Process

This section attempts to evaluate the strategies of our industrialization and suggest some possible measures to stimulate our industrialization process.

Import Substituting Industrialization

In above section, we highlighted some issues relating to import substituting industrialization of Bangladesh. We did not question the significance of import substitution up to a certain stage of a country's development. Some scholars are of the opinion that the export-orientation and import substitution should not be considered as mutually exclusive—rather they can be complementary.³⁹ They note that almost all export-oriented countries in Southeast Asia except Hong Kong have expanded export expansion based on the IS strategy. Bangladesh could follow the twin pillars of this Southeast Asian trade strategy, provided that its policies are planned cleverly and executed appropriately. Some scholars even prefer an integrated strategy combining both approaches in line with the Korean experience.⁴⁰ These views are perhaps similar to Krugman's new trade theory, which advocates a temporary state control for strengthening the foundations of domestic industries and facilitating export environment.⁴¹ In-depth studies are badly needed to examine whether these export expansion and import substitution strategies can be considered for Bangladesh.

In fact, the IS strategy can best be legitimized for the defense of the infant industry argument during the 'learning by doing' period. Government intervention, strict regulation and nurturing SOEs are some major steps in that direction. A careful look at the Malaysian strategy may indicate that during the initial years, it did not neglect such approaches. The development strategy of Malaysia did not proceed to heavy industrialization without building a strong base of export-oriented domestic industries. The initial focus of the IS strategy was given on strengthening the natural resource-based indigenous industries as well as extending the growing assembling and manufacturing industries.

³⁹ Nath, N. C., "Industrialization Strategies in Developing Countries: An Analytical Review", *Unnayan Samikhya*, 6, Dhaka, 1987.

⁴⁰ Grieve and Huq, "Editors' Introduction", in Grieve and Huq (eds.), *op.cit.*, pp. 2-3.

⁴¹ Krugman, P. R., "Introduction: New Thinking about Trade Policy", in Krugman, P. R., (ed.), *Strategic Trade Policy and the New International Economics*, MIT Press, Cambridge, 1986.

The combination of import substitution and liberalization strategies may be a viable option for Bangladesh in order to save its domestic industries from collapse. The internal markets of Bangladesh are flooded with the foreign consumer and capital goods. In order to fulfill the domestic demand for consumer products, Bangladesh can experiment with building up such import substitution industries. In this context, the example of India's development strategy can also be cited. India, for a long time, abandoned using foreign cars, shaving razors and other necessary products, a policy which helped the country achieve successful and rapid industrialization.

Trade Liberalization and Export Strategy

With the policy shift from import substituting industrialization to an export-growth strategy, Bangladesh experienced considerable improvements in promoting economic growth. Despite all the positive contributions of these export-oriented policies, a number of issues have been raised in recent times with regard the country's export-orientation and trade liberalization. In this section, we will focus briefly on these problems and try to examine whether Bangladesh can overcome those challenges.

Insecure Export Growth

The beginning of liberalization was accompanied by lively expectations of economic growth. However, in reality, liberalization produced a mixed impact on the economy. On the one hand it increased exports significantly, but on the other hand, it did not ensure a continued future flow of the export growth. Most notably, the objective of economic emancipation through diversified industrialization was not fulfilled.

A number of studies, including documents published by the Bangladesh government, suggest that despite rapid export growth, the prospects for future performance seem to be insecure because of both internal and external constraints.⁴² The Bangladesh government's Poverty Reducing Strategy Paper (PRSP, 2002) has noted a fluctuating and slow pace of manufacturing growth and industrial sickness in the past owing to the increased imports of some competing products, lower foreign direct investment (FDI), industrial finance deficiencies, a slow privatization process and problems of fiscal and exchange rate policies.⁴³

⁴² Developing a Policy Agenda for Bangladesh, *op.cit.*, pp. 61-63.

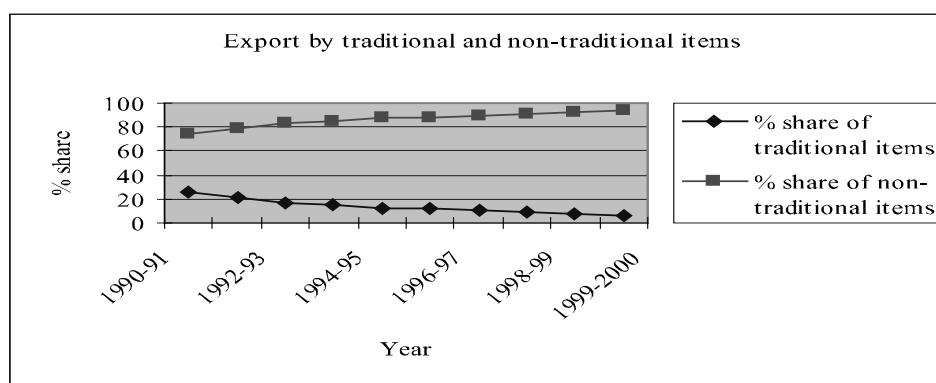
⁴³ GOB, *Poverty Reduction Strategy Paper*, Ministry of Planning and Development, Dhaka, 2002, pp. 70-71.

Export Structure: Lack of Capital Intensive Production

Export-led trade theory suggests that the transformation of a country's exports from traditional items to non-traditional ones leads it to develop capital-intensive production opportunities.⁴⁴ One common point for all developed and developing countries is that they all initiated export development on traditional types of commodities, based on their comparative advantages. Almost all Asian countries that have followed export-led strategies, possessed a traditional pattern of economy dominated by agriculture and their exports consisted mainly of traditional commodities. Due to their surplus labor, they enjoyed a comparative advantage in labor-intensive manufacturing goods, and thus they could develop these products. With the pace of development, their production pattern shifted from labor-intensive to capital-intensive production line.

However, this conventional wisdom of trade theory does not fit in well with the Bangladesh export structure. Despite the export shift from traditional to non-traditional goods and despite increased exports of non-traditional products, the country's capital-intensive exports have not flourished. Figure 2 explains the export structure of Bangladesh by traditional and non-traditional products. It shows that Bangladesh's exports have shifted significantly from traditional to non-traditional goods. In the period 1990-91, the share of traditional items out of total exports was 25.15 per cent and the share of non-traditional items was 74.85 per cent. Ten years later, the share of traditional items massively declined to 6.12 per cent and that of non-traditional products rose to 93.88 per cent.

Figure 2: Export by Traditional and non-Traditional Items



Data Source: Export Statistics 1999-2000, Export Promotion Bureau, Bangladesh.

The increased export of non-traditional products did not provide capital-intensive production opportunities for a number of reasons. First,

44 Rahman, M. A., *Export and Economic Development of Bangladesh*, Bangladesh Young Economists' Association, Dhaka, 1993, pp. 133-135.

with the expansion of the non-traditional exports, traditional export sectors have been facing serious difficulties. Second, the production of non-traditional items has absorbed a significant portion of export earnings. For example, one non-traditional item of Bangladesh is garments production. This has absorbed three-fourths of the export earnings for importation of inputs like needles, cotton, and buttons and so on. The third reason is related to inconsistent and inefficient policy shifts. Without sufficiently strengthening the traditional commodity-based exports, Bangladesh has jumped to non-traditional sector exports.

Lack of Technology and Predominance of Consumer Goods

The importance of education and technology is well known for promoting a country's export growth and export sophistication. The type of export products of a country reveals the quality, standard and structure of its education system. As can be seen in Table 3, the principal export items of Bangladesh include prawns, shrimps, tea, spices, raw hides, skins, raw jute, jute products, leather, leather goods, ready-made garments, and handicrafts. Almost all these export items are either consumer goods or materials for such goods. Exports of capital goods or materials for manufacturing them are less than 1 per cent of total exports. The table compares the export items over the 1996-2000 periods. It shows that the total exports of consumer goods produced by private, government, semi-government and nationalized industries have been increasing every year, whereas the exports of capital goods of those industries have been decreasing substantially.

Table 3: Export Items

Year	Consumer goods	Capital goods
1996-97	150579	2493
1997-98	210863	1578
1998-99	225245	870
1999-2000	228443	1725

Source: BBS, Foreign Trade Statistics.

Despite huge potential and a surplus labor force, Bangladesh lacks production capability of capital goods mainly for two reasons. The first and most important is the lack of skill and education of the labor force. The second is the lack of technology. This is in fact the result of the first problem, because once people are educated, they can innovate technologies.

Table 4 indicates that with the installation of new technologies, the volume of export of principal commodities including readymade garments, prawns and shrimps have been remarkably jumped up. The

total exports increased from 302119 during 2001-02 to 532831 during 2004-05 period.

Table 4: Exports of Principal Commodities

Year	Total Exports	Ready Made Garments	Prawns and Shrimps
2001-02	302119	226371	15908
2002-03	337885	258455	16920
2003-04	437098	336901	20272
2004-05	532831	398150	19565

Source: BBS, *Foreign Trade Statistics*.

Japanese exports are highly capital-intensive because of Japan's committed, educated and hard-working people and sophisticated technology. The founder of the Nissan Company, Y. Aikawa, graduated from an Engineering University and went to work in an American casting company as a laborer. He disguised his identity and educational status until he had mastered the technical know how of the specific functions of a sophisticated automobile industry. Later, he came back to Japan and established his own company.⁴⁵ The educated labor of East and Southeast Asian countries, including that of Malaysia, Singapore and Thailand built up their capital-intensive export industries.

Neglected Domestic Industries

Despite the fact that the export sector of Bangladesh is largely dominated by consumer goods produced mainly by domestic industries, these have long remained neglected. Although, these industries contribute significantly to the export promotion of the country, they are still labor-intensive system. The performance of the small and cottage industry sectors needs to be given special attention because of their labor-intensive character, their focus on catering for the demand of low and medium income consumers and their capacity for import substitution.

Structural Adjustment

Structural adjustment programs have failed to provide the expected results. Despite the export increase, capital-intensive production capacity has not been built up, SOEs are almost on the verge of collapse, the management of national commercial banks (NCBs) has been fractured, the industrialization process has been thwarted and, above all, domestic small industries and manufacturing potentials have not been strengthened. All these developments have thrown the future of economic development of Bangladesh into greater uncertainty.

45 Rahman, M. *The Japanese Strategy*, University Press Ltd., Dhaka, 1996, p. 40

There have been several studies to assess the performances of the adjustment programs, most of which identified these as inefficient strategies. Among these works, four important studies (Rahman; Mujeri, Shahabuddin and Ahmed; Sobhan; and Bhattacharya) conducted in the early stages of these reforms can be mentioned. These studies produced similar findings. The authors were highly critical of the achievements of the programs and raised questions about the design, sequencing and pacing of the adjustment measures. However, each of them evaluated the programs from a particular viewpoint. Rahman evaluated the macroeconomic performance⁴⁶ whereas Mujeri, Shahabuddin and Ahmed concentrated on the poverty, employment and distributional aspects of adjustment.⁴⁷ Sobhan evaluated the policy aspects and suggested a major rethinking and revision of policy agenda.⁴⁸ Bhattacharya assessed the adjustment programs from the 'target v. actual' perspective and found that the three major target figures of adjustment programs- GDP growth rate, investment and national savings were below the targets.⁴⁹

The most serious problem that resulted from tariff reduction is that it seems to have affected import substitute industries by placing them up against stiff competition,⁵⁰ although Bangladesh's average tariff rates are somewhat higher than those of many South East Asian and Latin American countries.⁵¹ Transparency International observes that the adjustment programs have not been successful in the case of Bangladesh because of widespread corruption. Moreover, tax and tariff rationalization, as suggested by the adjustment formula, were neither predictable nor non-discriminatory.⁵² The industrialists present in a group discussion organized by SAPRI mentioned that the reduction of tariff rates and withdrawal of quantitative restrictions did not contribute

46 Rahman, S. H., "Structural Adjustment and Macroeconomic Performance in Bangladesh in the 1980s", *The Bangladesh Development Studies*, vol. XX (2 &3), 1992.

47 Mujeri, M. K., Shahabuddin, Q. and Ahmed, S., "Structural Adjustments and Equity: A Framework for Analysis of Macro-Micro Transmission Mechanism in Bangladesh", in CIRDAP, *Monitoring Adjustment and Poverty in Bangladesh: Report on the Framework Project*, Dhaka, 1993.

48 Sobhan, R., "From Theology to Empiricism: Reappraising Bangladesh's Experience with Economic Reforms", *The Journal of Political Economy*, Vol. 12(2), 1993.

49 Bhattacharya, D., 'Bangladesh's Experience with the Structural Adjustment and Enhanced Structural Adjustment Facilities', in Grieve and Huq, (eds.), *Bangladesh Strategies for Development*, *op.cit.*, pp. 63-69.

50 *Developing a Policy Agenda for Bangladesh*, *op.cit.*, p. 60.

51 *ibid.*

52 Ahmad, M. "Governance, Structural Adjustment and the State of Corruption in Bangladesh", Transparency International Document, *op. cit.*

positively to the economy of Bangladesh owing the World Bank's "divisive policy". They raised the issue of the biased duty structure in favor of finished imported goods and the adversarial rate against the import of raw materials. They remarked that the Bank failed to maintain the same tariff level in the developed countries.⁵³

Conclusion

In the foregoing sections, we focused on the various aspects of industrialization process in Bangladesh. As mentioned earlier that initially an inward-oriented IS strategy, nationalization and the framework of socialist political economy were adopted by the post liberation policy makers. In view of the failure of these policies, the country's development strategies underwent massive reorientation and reorganization right from the late seventies, focusing on trade liberalization which strengthened the pace of industrialization of our country.

Despite the grand transformation in the country's outward-oriented trade strategy, our expectations of industrialization have been quite far from success. The shortage of capital accumulation, loopholes in policy planning, lack of technology, deficiency of efficient labor and massive corruption on both politics and public service levels have constrained our industrialization process.

53 SAPRI, *op.cit.*

12

Privatization in Bangladesh: Problems and Prospects

Introduction

Privatization has been advocated in the development literatures as the gateway of the growth and development of the countries all around the globe. Despite the phenomenal expansion of privatization programs, the results have been different from one country to another. Some could achieve the desired goals and some failed enormously. The reasons of their failure are caused by structural constraints, inappropriate policy guidelines, imposed instruction and ineffective implementation strategies. However, the World Bank and the IMF have been gearing up the campaign of privatization for less developed countries (LDCs) to stimulate their growth and development. It has been threatened that to do otherwise might debar them from crucial concessionary finance form these organizations and other northern aid donors. Some Governments of LDCs have adopted privatization programs of their own volition. Others have grudgingly done so owing to the pressure from the governments of industrialized countries through international donor agencies.

Privatization is, in reality, a component of structural programs based on notions of economic liberalization, free trade, competition and limited government intervention. World Bank claims that privatization brings more transparent accounting and improved economic performance and facilitates development goals such as increased investment, GDP, productivity and employment. The central theme of this chapter is to examine the implications of privatization for the overall development of Bangladesh. What is meant by privatization? What are the approaches of privatization? Is privatization conducive for development of a country? What are Bangladesh's strategies for development through privatization? Are these policies effective? These are a few issues that are addressed in the present chapter.

Understanding Privatization

Definition of Privatization

Certain terms such as privatization, denationalization and disinvestment are, on many occasions, used synonymously. Privatization is the transfer

of ownership from the public sector (government) to the private sector (business). A transfer in the opposite direction could be referred to the nationalization or municipalization of some property or responsibility.¹ The term privatization is also sometimes used to refer to government subcontracting a service or function to a private firm. It has also been used to describe an unrelated, nongovernmental interaction involving the buyout, by the majority owner, of all shares of a holding company's stock- privatizing a publicly traded stock.

The Theory of Privatization

Public enterprises around the world have proved to be highly inefficient, primarily because they pursue strategies, such as excess employment, that satisfy the political objectives of politicians who control them. Privatization of public enterprises can raise the cost of politicians of influencing them. The theory of privatization suggests that it leads to efficient restructuring of firms. Moreover, privatization is more effective when combined with a tight monetary policy, and when the new owners of firms are profit maximizing investors, rather than their employees or even managers.²

Types of Privatization

There are three main types of privatization:³

- a) Share issue privatization (SIP): It means selling shares on the stock market
- b) Asset sale privatization (ASP): This refers to selling the entire firms or part of it to a strategic investor, usually by auction or using Treuhand model
- c) Voucher privatization (VP): It involves the shares of ownership that are distributed among all citizens, usually for free or at a very low price.

Share issue can broaden and deepen domestic capital markets, boosting liquidity and potential economic growth. However if the capital markets are insufficiently developed it may be difficult to find enough buyers, and transaction costs (e.g. underpricing required) may be higher. For this reason, many governments elect for listings in more developed

¹ Online available, <http://en.wikipedia.org/wiki/Privatization>, Date of access July 15, 2007.

² Maxim Boycko, Andrei Shleifer and Robert W. Vishny, "A Theory of Privatization", *The Economic Journal*, Vol. 106, No. 435, March 1996, PP. 309-319.

³ Online available, <http://en.wikipedia.org/wiki/Privatization>, *op.cit.*

and liquid markets. Euronext, the London, the New York and the Hong Kong Stock Exchange are popular because they are highly developed and sophisticated.

As a result of higher political and currency risk, asset sales are more common in developing countries. Voucher privatization has mainly been used in the transition economies of Central and Eastern Europe, such as Russia, Poland, the Czech Republic, and Slovakia. A very substantial benefit to share or asset sale privatizations is that bidders compete to offer the state the highest price, creating revenues for the state to redistribute in addition to new tax revenue. Voucher privatizations, on the other hand, would be a genuine return of assets into the hands of the general population, and create a real sense of participation and inclusion. Vouchers, like all other private properties, could then be sold if preferred.

Privatization beyond Western Theory?

The theory of privatization as outlined in this chapter does not necessarily mean that the authors recommend development strategy based on sole privatization which, as some critics may warn, leads to old stereotyped capitalism. Nor does this write-up tends to advocate vulgar nationalization which, as some scholars may observe, opens up classical socialism. The present thesis does not prevent the utilization of the benefits of privatization in a usual course of action. The secret of success of any development efforts lies in the balanced paradigm between the two extremes. This is closer to an Islamic approach beyond the Western theory originated from classical capitalism. In theory, Islam recognizes individual ownership that legitimizes privatization schemes. Islam is not opposed to group (country-wide) ownership which may not oppose anti-privatization premises in certain circumstances. Under an Islamic framework, there is a room for flexibility of promoting privatization in some sectors and at the same time operating public enterprises in other sectors. The political leaders and the decision makers may take advantage of this broadness of Islamic theory to frame the policy options for different sectors of a country.

The Privatization Debate

Privatization and Economic Development

Although the initial impetus of privatization was found from heavy losses of state owned enterprises (SOEs), it is now considered an effective economic agenda for sustainable development. Apart from exempting the country from the obligation of subsidizing huge amount to the loss

incurring SOEs, privatization program can contribute to the economy in a number of ways.⁴

First, it raises the efficiency of the enterprises. This is because the SOEs are managed by the bureaucrats who do not have proper managerial capability. Whenever these enterprises are sold to the real entrepreneur class, a qualitative change takes place in the management.

Second, privatization creates competition among industrial units which reduces the production cost and thus increases consumer welfare.

Third, Privatization helps the economy acquire modern technology. In the developing and least developed countries, the industrial sector suffers seriously from the technological backwardness.

Fourth, privatization can stop the wastage of scarce resources of LDCs to subsidize their loss incurring SOEs and allow them to use these resources to develop infrastructure, which has far reaching implications for economic development.

Fifth, in order to subsidize loss-incurring SOEs, government has to face huge budgetary deficit each year which fuels inflation in the economy and becomes obstacle to growth. Adoption of the strategy of privatization can help the economy get rid of such budgetary pressure and attain macro-economic stability consequently.

Sixth, privatization can ensure decision making for purely economic rationality rather than from political ground or personal ego at enterprise level.

Seventh, in the private sectors, the managers are supposed to have quick decision making ability under uncertainty and risk as well as commercial prudence as opposed to their counterparts working in the SOEs.

Eighth, trade unions are strong hurdles to make SOEs more productive and efficient, which can comfortably be handled in a private enterprise.

Ninth, as globalization of the world economy is taking place the economy should be made more market oriented. The privatization is in right move to this end.

Tenth, in order to revive the banking sector, which has been badly ravaged by the rampant borrowing of the SOEs, there is no alternative to

⁴ Islam, Nurul, *Development Planning in Bangladesh: A Study in Political Economy*, Dhaka University Press Ltd., Dhaka, P. 17.

avoid the responsibility of SOEs, at least of loss incurring SOEs from shoulder of the government.

For and Against Privatization

Despite all valid points raised above in understanding the relationship between privatization and economic development, economists have clashed on whether privatization enhances economic growth and development. There are two main extremes in the debate. The first extreme of the debate favors the spread of privatization while the second strand is opposed to it. Thus there are both exponents and opponents of privatization.

Pro-Privatization Arguments

Proponents of privatization believe that private market actors can more efficiently deliver many goods or service than government due to free market competition. In general, over time this will lead to lower prices, improved quality, more choices, less corruption, less red tape, and quicker delivery. Many proponents do not argue that everything should be privatized; the existence of problems such as market failures and natural monopolies may limit this. However, a small minority thinks that everything can be privatized, including the state itself.

The basic economic argument given for privatization is that governments have few incentives to ensure that the enterprises they own are run well. One problem is the lack of comparison in state monopolies. It is difficult to know if an enterprise is efficient or not without competitors to compare against. Another issue is related to the fact that the central government administration, and the voters who elect them, have difficulty evaluating the efficiency of numerous and very different enterprises. A private owner, often specializing and gaining great knowledge about a certain industrial sector, can evaluate and then reward or punish the management in much fewer enterprises much more efficiently. Also, governments can raise money by taxation or simply printing money should be insufficient, unlike a private owner.⁵ If there are both private and state owned enterprises competing against each other, the state owned enterprises may borrow money more cheaply from the debt markets than private enterprises, since the state owned enterprises are ultimately backed by the taxation and printing press power of the state, gaining an unfair advantage.

⁵ <http://en.wikipedia.org/wiki/Privatization>, *op.cit.*

Privatizing a non-profitable company which is state-owned may force the company to raise prices in order to become profitable. However, this would remove the need for the state to provide tax money in order to cover the losses. There are a number of aspects that are considered as empirical evidences in favor of the argument of the exponents of privatization.⁶

- **Performance and Improvements:** State-run industries tend to be bureaucratic. A political government may only be motivated to improve a function when its poor performance becomes politically sensitive, and such an improvement can be reversed easily by another regime. The government may put off improvements due to political sensitivity and special interests, even in cases of companies that are run well and better serve their customers' needs.
- **Corruption:** A monopolized function is prone to corruption; decisions are made primarily for political reasons, and for personal gains of decision-makers. Corruption (or principal-agent issues) during the privatization process, however, can result in significant under pricing of the asset. This allows for more immediate and efficient corrupt transfer of value, not just from ongoing cash flow, but from the entire lifetime of the asset stream. Often such transfers are difficult to reverse.
- **Accountability:** Managers of private companies are accountable to the stakeholders of the business as well as to consumers and can exist and thrive where needs are met. Managers of such companies are required to be more accountable to the broader community.
- **Capital Generation:** Privately held companies can sometimes more easily raise investment capital in the financial markets when such local markets exist and are suitably liquid. While interest rates for private companies are often higher than for government debt, this can serve as a useful constraint to promote efficient investments by private companies, instead of cross-subsidizing them with the overall credit-risk of the country. Investment decisions are then governed by market interest rates. State-owned industries have to compete with demands from other government departments and special interests. In either case, for smaller markets, political risk may add substantially to the cost of capital. Also the ownership of and profits from successful enterprises tend to be dispersed and diversified, particularly in

⁶ *ibid.*

voucher privatization. The availability of more investment vehicles stimulates capital markets and promotes liquidity and job creation.

- **Profits:** Corporations exist to generate profits for their shareholders. Private companies make a profit by enticing consumers to buy their products in preference to their competitors' (or by increasing primary demand for their products, or by reducing costs). Private corporations typically profit more if they serve the needs of their clients well. Corporations of different sizes may target different market niches in order to focus on marginal groups and satisfy their demands. A company with good corporate governance will, therefore, be incentivized to meet the needs of its customers efficiently.

Anti-Privatization Arguments

Opponents of privatization, however, dispute the claims concerning the alleged lack of incentive for governments to ensure that the enterprises they own are well run, on the basis of the idea that governments are proxy owners answerable to the people. It is argued that a government which runs nationalized enterprises poorly will lose public support and votes, while a government which runs those enterprises well will gain public support and votes. Thus, democratic governments do have an incentive to maximize efficiency in nationalized companies due to the pressure of future elections.⁷

Opponents of certain privatizations believe certain parts of the social terrain should remain closed to market forces in order to protect them from the unpredictability and ruthlessness of the market (such as private prisons, basic health care and basic education). Another view is that some of the utilities which is provided by government benefit society at large and are indirect and difficult to measure or unable to produce a profit, such as defense. Another important argument goes that natural monopolies are by definition not subject to competition and better administered by the state. The controlling ethical issue in the anti-privatization perspective is the need for responsible stewardship of social support missions. Market interactions are all guided by self-interest, and successful actors in a healthy market must be committed to charge the maximum price that the market will bear. The deniers of Privatization also believe that this model is not compatible with government missions for social support, whose primary aim is to deliver affordability and quality of services to societies.

⁷ *ibid.*

Some of those who oppose privatization also warn against the inherent tendency toward corruption. As many areas which the government could provide are essentially profitless, the only way private companies could, to any degree, operate would be through contracts or block payments.⁸ In such cases, the private firm's performance in a particular project would be removed from their performance, and embezzlement. Hence, efficient cost cutting measures might be taken to maximize profits.

Some economists would also point out that privatizing certain functions of government might hamper coordination, and charge firms with specialized and limited capabilities to perform activities which they are not suited for. In rebuilding a war-torn nation's infrastructure, for example, a private firm would, in order to provide security, either have to hire security, which would surely bring complexities in their efforts, or coordinate with government, which might be difficult due to lack of command between the firm and the government. A government agency, on the other hand, has the capacity to strengthen security through its entire military. Some of the opponents are also of the opinion that the cry for privatization is a false assertion. For example many writers have talked about the poor coordination between the government departments and privatized agencies in managing the disaster of the Hurricane Katrina.

A great number of the opponents consider undesirable the privatization scheme through transferring state-owned assets into private sectors. Their argument is based on the following reasons:

- **Performance and Improvements:** A democratically elected government is accountable to the people through a legislature, Congress or Parliament, and is motivated to safeguard the assets of the nation and of the people. The profit motive may be subordinated to social objectives. The government is motivated to improve performance as well run businesses in order to earn the state's revenues.
- **Corruption:** Government ministers and civil servants are bound to uphold the highest ethical standards, and standards of probity that are mentioned in the codes of conduct and declarations of interest. Although, the selling processes sometimes lack transparency since it allows the purchaser and civil servants to control the sales for personal gain, they maintain some kind of accountability.

⁸ *ibid.*

- **Accountability:** The public does not have any control or oversight of private companies. A democratically elected government is accountable to its people through a parliament, and can intervene when civil liberties are threatened.
- **Capital Formation:** Governments can raise money in the financial markets most cheaply to re-lend to state-owned enterprises. The government may seek to use public companies as instruments to implement social goals for the benefit of the nation as a whole.
- **Profits:** Profits from successful enterprises end up in private, especially foreign hands instead of being available for the common good. For example, the Uttara Bank and the Pubali Bank of Bangladesh have been transferred to private ownership from the control of Bangladesh Government. Governments can exert pressure more easily on state-owned firms to help implementing government policies. Moreover, a state-owned company might have a longer-term view, and thus be less likely to cut back on the maintenance or staff costs, training and so on to stem short term losses.

Privatization in Bangladesh

Bangladesh's Approach to Privatization

The government of Bangladesh embarked upon privatization programs and public sector reforms following the pressures from international financial institutions and other donor agencies such as the World Bank and IMF. Although their policies may mimic reforms in the developed economies, they failed in realizing the development goals of LDCs and thus nothing exception could they bring to Bangladesh.

After liberation in 1971, Bangladesh inherited an economy dominated by private sectors. The new government, led by Sheikh Mujibur Rahman was committed to socialism and nationalized the heavy industries that were previously run privately. It also faced an industrial ownership vacuum as fleeing West Pakistanis abandoned their industrial and commercial companies. The situation included all abandoned property within programs of state ownership of industry, agricultural self-sufficiency, import substitution, and industrialization based on state intervention and central planning. However, the inefficiency of running those firms adversely affected public investment and in effect, their losses consumed 30% of annual project aid.⁹

⁹ "Accounting for privatization in Bangladesh: Testing World Bank Claims", *op.cit*, April 05, 2007, P. 4.

Not surprisingly, this scenario strengthened the hands of the adversaries of the public sectors.

A military coup overthrew the sheikh Mujib Government through the assassination during 15 August 1975. In the meantime several military coups and counter coups took place. Three months later, through coup, General Ziaur Rahman came to power who assumed full control of the country in 1977. His government initiated liberal economic policies leading to some small (Bengali-owned) companies being returned to their owners. A Disinvestment Board was established that resulted in the onset of 255 SOEs including abandoned and vested properties, being divested or privatized between 1975 and 1981.

In 1982 General Ershad overthrew the Bangladesh Nationalist Party (BNP) Government. The vulnerable Ershad Government solicited Western support by adopting their recommendations through privatizing SOEs. Donor agencies tried to make loan facilities that were conditional upon the massive privatization by the government. Consequently 27 textile mills and 33 Jute mills were returned to their original Bangladeshi owners within a year. Nevertheless, until 1986, the scope of privatization remained limited. The quantity of privatization was large but they were mainly small factories and mills, for example they provided less than Tk. 2 billion to the government receipts. They were easy to privatize, being economically and politically insignificant, whereas most SOEs were unionized, having strong links to political parties, and in some cases labor militancy was in a position to overthrow the government.¹⁰

In 1986 industrial policy further reduced the role of the state. Many SOEs became joint stock companies in a holding company (Board of Investments) responsible for selling the shares of subsidiary companies under the '51-49 plans'. In 1991, a re-elected BNP government, advised and financed by the world bank, paved the way for more privatization through liberalizing foreign trade, relaxing exchange controls, and restructuring import tariffs. In 1991, the Asian Development Bank (a sister organization of the World Bank) financed a public sector redundancy program called "Improvement of Labor Productivity in the Public sector Enterprises" (the Golden Handshake Program). In the process, about 1264 workers were laid off in selected SOEs to reduce workers' resistance to privatization. However, the Asian Development Bank withdrew the 'Golden Handshake' project because the Government

¹⁰ *ibid*, P. 6.

of Bangladesh failed to recompense redundant workers within the strict time limit. This means, the Bangladesh government could not pay redundant workers, labor retrenchment slowed, and production suffered due to trade union disputes. In 1993, the government established the Privatization Board following the World Bank pressure for a speedier and more independent privatization process. However, from 1991 to 1996, the board only privatized 13 of the 40 SOEs targeted in the Aid Group meeting of October 1991. Nevertheless, the then incoming 1996 Awami League government maintained a commitment to privatization and promised donor agencies that they would introduce such program. World Bank reports (1993, 1995, 1996, 1996a, 1996b) had shaped political opinion that Bangladesh SOEs were inefficient. It also stated that from 1996 to 2001, only 9 small SOEs were fully privatized, again, this fell short of expectations.

The policy makers of Bangladesh influenced by the economic advisors of a neo-classical hue claimed that privatization would improve the governmental situation, the efficiency of companies, and financial condition and hence promote investment and growth in the medium-term to the level which is impossible under public ownership. Opponents point out that Bangladesh SOEs pursue a wide range of development objectives which can maximize profits. The World Bank (1995) responds that no company could be competitive unless it pursues profit maximization, and that only private firms in the country have greater productivity and profitability than SOEs.

However, in recent years the process of privatization of State Owned Enterprises (SOEs), spanning over more than two decades, has come under increasing scrutiny of both experts and civil society in Bangladesh. Conceptual framework of privatization of SOEs, efficacy of institutions to carry out privatization related reforms and operationalization of the privatization policies have come to be questioned by both experts, and the general public. Carried out ostensibly to improve management quality and efficiency of operation, the policy of privatization has, according to many, deviated from its objectives. A great number of critics including Rehman Sobhan, M M Akash, Tanweer Akram, Lenin Azad, Selim Raihan find little evidence at hand to suggest that privatization of SOEs has yielded significant benefits by way of enhanced output, employment, productivity, profitability, investment or innovations. Based on the insights drawn from a number of case studies, they argue that the design

and implementation of privatization in Bangladesh is flawed to begin with, and thus encouraged the intrusion of vested interests. They point out that the performance of SOEs has deteriorated not only because of general degeneration in governance and deprecation in managerial capacity in the SOEs, but also because of absence of appropriate policy guidelines about their fate. They also argue that encouragement of any major entrepreneurial initiative through SOEs is not on the card in present day Bangladesh, at the same time, indiscriminate privatization of all SOEs, as argued by multilateral and bilateral development partners, will possibly be inimical to the interests of ordinary citizens of Bangladesh.¹¹

Case Studies

Chittagong Cement Clinker Grinding Company (CCCG)

CCCG was nationalized in 1972, and in 1988 it was partially privatized and became a listed public limited company. It was fully privatized in May 1992: the 51% government holding of shares were sold to a family. It is the biggest grinding cement mill in Bangladesh which has monopolistic power in the growing market of cement.

The World Bank report claims that CCCG was profitable during its partial and full privatization eras. In 1998-89 the company met 111% of its target and made profits of Tk. 95.02 million. The financial situation of CCCG improved significantly under private ownership. Between 1992-93 and 1995-96, production increased by 40% and the sales revenue jumped up by 64%. An expansion program was also undertaken with a forecasting of triple production capacity by January 1999, and thus CCCG would be the largest cement producer in the country".¹²

The finding of this work is similar to those of the World Bank reports. CCCG is one of the most successful privatized companies in Bangladesh. After privatization, sales rose in more than double, profit in nine times higher, and ROA increased almost fourfold. CCCG's shares with a face value of Tk.100 stood at Tk. 1071.25 on November 3, 2001, which is unusually high according to SEC records.¹³

¹¹ Sobhan, Rehman (ed.), *Privatization in Bangladesh: An Agenda in Search of a Policy*, UPL and CPD, Dhaka, 2005.

¹² Bangladesh: Privatization and Adjustment, available at www.bangladeshonline.com, *op.cit*, P. 6.

¹³ *ibid*, P.7.

The Eagle Box & Carton Manufacturing Company Limited (EBCM)

EBCM was established as private company in 1961 to produce packaging materials for industrial and commercial concerns. It was nationalized in 1972, and partially privatized in 1998 as a listed public limited company. It has been profitable as a SOE. Tenders for the government shares were invited in 1992 and the company was handed over to the successful bidders, a family, in December 1994.

The World Bank (1997) Claimed that “Between 1994 and 1994, the annual turnover... dropped by 20%, sales revenues fell by 25% and thus losses increased tremendously.¹⁴ The new owners retrenched 25% of the employees to increase efficiency and lower costs. The entrepreneurs carried out massive repair and maintenance projects to restore the productive capacity and were instituting expansion programs to reverse the loss-making trend to the company with an expectation that they would see profits in the near future”.¹⁵

EBCM reduced its workforce in a significant way and reduced costs by cutting workers’ wages. The company account reveals that since a significant number of work force was casually appointed, the trade union influencing upon management were virtually absent under private ownership as casual workers were not allowed to be members of trade unions.¹⁶

Dhaka Vegetable Oil Industries Limited (DVOI)

DVOI was unproductive and unsound though the company made profits until 1990-91 mainly because it enjoyed government protection. After acute financial problems began in 1990-91 following the removal of protection and it faced competition in the market, the company had to sell oil at below the production cost. The new owners took possession of the company in April 1993. The first challenge was to resume production at the factory. In the first two months the private owners were able to generate profits of Tk. 2.8 million. Though this was not enough to cover the losses incurred earlier in the year under state control, it was a marked improvement nonetheless. The new ownership tried to reverse the loss-making trend of the company initially, but was not able to increase its revenues and profits in the initial years. Political unrest and social instability during 1995-96 had deterred production. Also, the withdrawal

¹⁴ The World Bank Report, Washington D.C., 1997, *op.cit.*

¹⁵ World Bank, Bangladesh: Economics and Social Development Prospects, *op.cit.*

¹⁶ *ibid.*

of the government protection resulted in the decline of the company's market share, though it maintained its command over the retail market. In addition, higher competition forced a 37% fall in its capacity.

The World Bank report notes that at the time of privatization the government had retrenched about 100 employees under the 'Golden Handshake' plan financed by ADB. The new system retrenched another 100 employees, paying the due compensation, so that the labor force would be more different. In contrast, audited reports filed with the Dhaka Stock Exchange during private ownership indicate only a marginal reduction in DVOI's workforce.

Bangladesh Cycle Industries Limited (BCI)

BCI was established in 1957 by a Pakistani entrepreneur. In 1972 it was nationalized and placed within the Bangladesh Steel and Engineering Corporation. Until 1980 it was normally profitable but from 1981 to 1992 it made accumulated losses of TK.110.8 million. The government closed it in 1992 and met the costs of making all its workers redundant and settling its liabilities. In January 1993 BCI was placed on the privatization lists and was sold to the Meghna Group of Companies, the highest bidder in June 1994, resulting in its handover in August 1994.¹⁷

The World Bank report also states that in 1992-93, the company utilized about 8% of its production capacity, incurring a loss of TK.15.4 million in 1992-93. Its fixed assets stood at only Tk.3.1 million and long term liabilities totaled TK 9.7 million. In sum, the Meghna Group had to accept large additional expenses and charges as a result of the delays and mismanagement of the Privatization Board which hampered the functioning of the company and placed a large financial burden on it. The financial drawbacks are, however, alleviated somewhat because the government absorbed the long term liabilities of the company. The Group decided to produce commercially by August 1997 and to generate profits from the very first year.¹⁸

The three other companies were privatized during 1991-96 that include Quantum Pharma (QP), Sinha Textile (ST) and Hamidia Metals (HM). Unfortunately, however, owing to the refusal of ST and QP to provide data and information to the author, no substantial picture of these two

¹⁷ "Privatization in Bangladesh: Independent Review of Bangladesh Development, available at, www.pc.gov.bd, Date of access April 19, 2007, P.9.

¹⁸ Binayak Sen, *Whither Privatization: Results of an Exploratory Survey of Disinvested Industries in Bangladesh*, BIDS, 1997.

ventures could be attained. Quantum Pharmaceuticals (the new name of Squibb Bangladesh Limited) was established as a joint venture in 1966 by E.R Squibb and Sons Inc. of the USA and the East Pakistan Development Corporation. It remained fully state owned in 1972 and continued to make losses. In May 1994 it was sold to an ongoing modernization program.

Sinha Textile was sold to a family in 1994 which was registered as a private limited company and renamed Shasrmin Textile (ST). Whether regular audited accounting reports existed in the documentation cell of the company could not be confirmed as internet access of this company was denied. The firm is well known to professional accountants as they employ a large number of professional accountants, through the company's accountability or transparency was not improved. The World Bank discloses that HM had been closed since its privatization in 1994, and remained unable to resume operations because of legal problems. The World Bank report concedes that the research on HM was based on insufficient, and in some cases, inaccurate information. Adequate cooperation of the concerned entrepreneurs could not be obtained.

Challenges and Opportunities of Privatization

Issues and Challenges

There are now a number of growing literatures on the subject that address several key questions:

- How have enterprises performed after privatization?
- Has efficiency increased?
- Has production grown up?
- What has happened to the workers?

The findings are mixed, that means while though some enterprises have done well, others have not. It is thus no surprise that different people have got different ideas in these areas. Some see the specter of de-nationalization, in fact, led some enterprises to the verge of collapse after privatization. However, others, noting that the closure of the intrinsically inefficient enterprises actually benefits society by stopping the wastage of valuable resources, see this as a success of privatization. Some people raise the issue of the poor loan repayment performance of some privatized enterprises and conclude that privatization is premature. Another group of observers note that the banks whose loans are defaulted are largely state-owned, and thus they argue for more privatization,

encompassing both the real and the financial sectors. Some even look at the poor tax payment record of some privatized enterprises and question the rationale for privatization. Analysts also see a weak tax administration as the root problem and argue for greater privatization. Evidences from middle and high income market economies indicate that the results of privatization are generally positive; but such gains were immediately apparent in a number of countries, particularly in the erstwhile USSR republics and in a number of other low-income countries. Problems faced by enterprises after privatization, and their spill-over effects on the rest of the economy appeared as a matter of severe concerns and so the debate has also been associated with the treatment of the post privatization problems.¹⁹

In Bangladesh, we need to focus more attention on the post privatization problems faced by enterprises. Indeed, as many problems are common to all privatized or non-privatized enterprises, it is important that we examine the issue to improve performances of the entire private sectors. State-owned enterprises are usually slow at bringing about necessary changes in their operation; indeed this is a major argument for privatization. As a result, they are often saddled with many problems mentioned above, such as excess workers, absolute products, improper financial structures and lethargic marketing departments. For such enterprises, mere ownership changes may not mean much if it doesn't lead to the required restructuring and overhauling.

Enterprises facing competition may survive without improving efficiency if someone is bailing them out. In Bulgaria, for example, trade liberalization in the recent past has intensified the competition. Empirical studies do not document any significant impact of import competition on the performance of privatized enterprises. Because while the Bulgarian government liberalized trade, it continued to provide subsidy to privatized firms and tolerated tax arrears and defaults on loan repayments to state-owned banks. Sometimes the problems are cultural, arising from deeply-ingrained attitudes and practices. This has been a pervasive problem in the ex-socialist economies.²⁰

Unpredictable and poorly administered government policies also create problems. High taxes, frequently changing tax rates, arbitrary

¹⁹ "Privatization in Bangladesh: Some Critical Questions", available at, www.unpan1.un.org, Date of access, May 15, 2007, P. 2.

²⁰ *ibid*, P.5.

interpretations of tax rules and other harassment by tax authorities usually raise the cost of doing business and discourage restructuring. The lack of legal and economic information, including market studies and company diagnostics could also be a problem. The most dangerous challenge derives from the fact that in spite of making promises, no regime in Bangladesh has come out with a clearly stated privatization policy which would both spell out its underlying logic and provide a coherent set of guidelines to define its direction. Raihan's study suggests that the program of disinvestment of SOEs in Bangladesh has not been driven by any pragmatic policy. A large number of profitable SOEs have been disinvested during last years which clearly challenge the 'inefficiency' argument for disinvestment of SOEs.²¹ Some empirical studies have already indicated that a larger proportion of SOEs, following disinvestment, closed down or became inoperative under their private owners so that many profitable SOEs lost their profitability status after disinvestment.²²

Prospective Sectors for Privatization

Despite above problems, there are a number of potential sectors for privatization in Bangladesh. Lights are shed below on some of them.

Power Sector

In view of the gradual widening of demand-supply gap, the government opened up investment in power generation, transmission and distribution to the private sector. Significant private foreign investment was envisaged for power generation. It needs to be mentioned that Power Development Board (PDB) signed initial agreements for setting up Barge-Mounted Power Plants with the following international companies'.²³

- a) Smith Co-generation International- 100W
- b) New England Power Company-100W
- c) Wartsila Power Development Ltd-100W
- d) Westmont Offshore – 100 MW

Natural Gas and Oil Exploration

²¹ Raihan , Selim, "Disinvestment of Profitable SOEs: Reviewing the argument for Privatisation", in Rehman Sobhan (ed.), *op.cit.*

²² *ibid.*

²³ "Sectors for Privatization", available at, www.bangladeshnews.com, Date of access May 01, 2007.

National Petroleum Policy which came into force from July 1993 had already attracted foreign investment in oil and gas exploration and development. Five international oil companies signed production sharing contracts for exploration and development of hydrocarbon.²⁴ The five companies are:

- a) Occidental Exploration of Bangladesh Ltd.
- b) Cairn Energy PLC and Holland Sea Search Bangladesh
- c) Redwood Oakland
- d) United Meridian International Corporation (UMIC)

Tele Communication

Telecom services used to be provided exclusively by Bangladesh Telephone and Telegraph Board (BTTB)-a government functionary. The recent revolution in information technology has opened up a new area for private investment in the telecom sector. In the meantime, the following two private companies are operating in rural telecom sector:

- a) Bangladesh Rural Tele Communication Authority
- b) Sheba

For mobile telephone, the following private companies have been allowed to operate:

- a) Pacific Bangladesh telephone Ltd
- b) Grameen Telephone
- c) Sheba
- d) Telecom Malaysia International Ltd.
- e) Warid Telecom
- f) Aktel

Transport Sector

Some studies in the recent past on sectoral reform identified suitable privatization prospects in both the Road and Highways and in Inland Water Transport. Contracting out the present operations and maintenance functions of these organizations is an immediate promising possibility. Besides private shipping liners and vessel services are in full operation in the country, having no restrictions whatsoever.²⁵

²⁴ *ibid.*

²⁵ “Sectors for Privatization”, available at www.bangladeshnews.com, *op.cit.*

Port and Container Handling

There are quite bright prospects of private sector participation in improving port services in Mongla and Chittagong and in handling container services in the ports and other areas. Reforms are made continuously and may move to effective performances once the appropriate strategies are adopted.²⁶

Aviation and Tourism

Serious reforms have taken place in the civil aviation sector by allowing operation of private sector airlines in the domestic services. Tourism sector is fully open for the private sector to operate. Aviation services that were domestically offered have now crossed the boundary of the country. For example, GMG airlines are now providing overseas services also.

Banking and Insurance

At one moment financial sector reform programs were undertaken. Private Banks and insurance companies with a few exceptions were functioning creditably. The Uttara, Pubali and Rupali Banks which were formally owned by the Government were later on proposed to be privatized. Shadaran Bima Corporation's (General Insurance) 49% shares were contemplated to be off loaded in the local stock markets.

Conclusion

The preceding discussion provides some important lessons for the students of Bangladesh studies. The problems inherent in policy formulation of privatization and its implementation strategies have been clearly spelled out. One thing which is to be mentioned here that mere understanding the pros and cons of the issues would not provide us much benefits. We need to avoid debating whether privatized enterprises have done well or not. In the current climate, even profit wielding SOEs are being threatened with privatization. There is a little incentive for those units that are still under public ownership to make efforts of improving them. Since the privatization process may be more protracted than was once contemplated, a policy of indiscriminate privatization could thus not only lead to mounting claims on the exchequer but would accentuate the disincentives for any prospective buyers.

²⁶ *ibid.*

In order to make the privatization efforts a success, an indigenously designed and pragmatic policy needs to be undertaken. Any policy towards privatization should be based on the intention of improving our economic sectors other than implementing the ideologically-driving agenda. Moreover, the policy prescriptions of external sources including donor agencies, pressure groups and political lobbyists should be handled with great care and caution. The prospective sectors for privatizations identified above must be given appropriate attention. To that end, the cooperation between the government and non-government organizations is of utmost importance

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Challenges of Rural Development

Introduction

Development of Bangladesh is largely dependent on the development of its rural sector without which our national development is practically impossible. The concept of development refers to multidimensional aspects including social, economic, and political areas and thus the rural development of a country results in its overall national development. The principal objective of this chapter is to examine and evaluate rural development of Bangladesh from different perspectives. It intends to provide a broad framework for appraising and identifying current issues and challenges encountering rural development of Bangladesh.

What exactly is rural development? What are the basic components and indicators of rural development? What measures have been taken by government sectors as well as non-government agencies for enhancing rural development? Are these programs producing any meaningful results? If not, what are the problems that hinder the development schemes and how to overcome them? These are a few issues that have been addressed in this chapter. The author concludes that although the efforts for rural development are constrained by multifarious challenges, the goals of rural development might be attained if necessary measures and policies are adopted.

Conceptual Issues

Rural Development: Concepts and Ideas

While speaking of rural development, we mean to promote growth and development of rural areas. The change in the qualities of life of the rural people is undoubtedly the manifestation of rural development. Scholars offered various definitions of the term. According to Asian and Pacific Development Administration Center (APDAC): “Rural development as a process leads to a rise in the capacity of rural people to control their environment which is accompanied by wider distribution of benefits resulting from such a control”.¹ This definition of Rural Development

¹ Asaduzzaman, Mohammad “Rural Institutions and Rural Development in Bangladesh: An Overview”, *Social Science Review*, Vol. III, No. 1, June, 1986.

provides a very broad view of the term, which is not necessarily concentrated in achieving economic prosperity. As said before that the idea of rural development incorporates a wide horizon including socio-economic upliftment and cultural promotion of rural sectors. Mahmud defines rural development as a strategy adopted to improve the economic and social lives of a specific group of people, including small and marginal farmers, tenants and the landless.² Some people speak that rural development covers the following:

- a. Elimination of poverty outside urban areas.
- b. Reduction of the number of population dependent on agriculture.
- c. Increasing agriculture yields.
- d. Creation of non-agricultural rural based employment opportunities.

The developing countries of the world today show a deep-rooted preoccupation with rural development. In the words of President Julius Nyerere of Tanzania: "A policy of rural development is a policy of national development".³ This pre-occupation is equally shared by various international agencies as well as bilateral donor countries. In the aid circles nothing perhaps sells better than rural development. Thus rural development has indeed become the catchword.

Indicators of Rural Development

As already mentioned, rural development indicates 'change' in rural structures. When different sectors of the rural attain development at the desired level, it is meant that the indicators of development have been fulfilled. While explaining the indicators of rural development, Asaduzzaman had focused on such changes in the agricultural productivity, rural industries, rural power structure and above all a change in the position and privileges. Similarly, APDAC indicates seven indicators of rural development.⁴ These are as follows:

- a. Change in agricultural productivity that is maximum utilization of man and land towards achieving goals of development;

² Mahmud, Anu, "Rural Development Through Credit Facilities", *The Independent*, Monday, 4 December, 1995.

³ Haque, Wahidul et. al., "Towards a Theory of Rural Development" in *Development Dialogue: Uppsala, Sweden*, Dag Hammarskjold Foundation, 1977, P-14.

⁴ Silva, A. Mahinda, "Role of Rural Organization in Rural Development: A National Survey of Sri Lanka (1950-75)", in Inayatullah (ed.), *Rural Organization and Rural Development: Asian Experiences*, APDAC Publication, 1978, PP. 45-111.

- b. Change in rural employment, unemployment and underemployment to minimize poverty of the rural poor;
- c. Change in the distribution of wealth and income to be determined in two ways:
 - (i) Redistribution of income of different income groups,
 - (ii) Redistribution of the ownership of land on the basis of social justice and equality;
- d. Change in the distribution of power and influence and participation in decision-making to involve all sections of people in development;
- e. Change in the degree of mobility in the local class structure as reflected in the allocation of positions, prestige, status and power on the basis of achievement or ascription and removal of barriers to access to public facilities;
- f. Welfare indicators such as change in literacy, schooling, mortality rate, life expectancy, rural road, electrification and level of nutrition;
- g. Change in the values, belief and attitude of the members of the state agencies.

The achievement of these indicators requires institution building to promote such changes in rural areas. The successful implementation of these programs heavily depends on the creation of proper rural institutions, because the institutions would provide avenues for participation of the rural people in the development activities.

Historical Review of Rural Development Initiatives

The Cooperative Movement of early 1900, the Rural Reconstruction Program of pre-1947, V-AID of 1950s, the Comilla Approach of 1960s, the Swanirvar Movement of 1970s are some notable programs that have been undertaken in the previous years in order to enhance rural development. The historical perspective may be divided into three broad categories:

- a. British Period
- b. Pakistan Period
- c. Bangladesh Period

Since we are mainly concerned with rural development efforts and initiatives taken in Bangladesh, we will not spare much time behind the discussion on pre-Bangladesh initiatives. We will have a brief look at this period and then will draw a special attention to the initiatives undertaken in the Bangladesh period.

British Period

The Cooperative Movement of early 1900 and the Rural Reconstruction Program of pre-1947 were two remarkable examples of rural development efforts in the British Period. During the British rule (1757-1947), the concept of "village uplift" or community/rural development originated mainly from the philanthropic efforts of some dedicated British members of the elite administrative corps.⁵ However, during the colonial period while maintenance of law and order, and collection of revenues were the two principal functions of the government, rural development emerged as a distant third function since the end of the nineteenth century.

Local government system has been another permanent rural institution working to promote rural development since the dawn of the nineteenth century. The local self-government Act of 1885 was the first attempt to constitute local bodies which could provide the requirement of organizing and performing the community services. The village self-government Act of 1919 redesigned the local bodies established in 1886 and made further provisions to make union board strong for the effective policy making and policy implementation in regard to rural development.

Towards the beginning of the twentieth century, its significance was further reinforced by the poetic dreams/ideas of great Bengali literary figure and Nobel laureate Rabindranath Tagore through his philosophical justification of the virtues of rural life. In limited areas he experimented and implemented some of his ideas in his attempt "to practice what he had advocated".⁶

Pakistan Period

During the Pakistani rule (1947- 1971), three major programs were introduced in the province of East Pakistan (now sovereign state of

⁵ Abedin, Najmul, *Local Administration and Politics in Modernizing Societies: Bangladesh and Pakistan*, New York Press, New York, 1974.

⁶ Braibanti, Ralph, *Research on the Bureaucracy of Pakistan*, Duke University Press, Durham, 1966, P. 200.

Bangladesh) with the support and financial assistance from international organizations and some developed countries. These programs were:

- i. The Village Agricultural and Industrial Development (V-AID) Program
- ii. Rural Works Program
- iii. Comilla Approach.

The inauguration of V-AID program has been considered as the milestone in understanding and explaining development efforts. It was an intensive program, which provided with a comprehensive rural development scheme. The V-AID program, which was mainly nonpolitical, focused primarily on the development of socio-cultural and socioeconomic aspects of the community life through a broad program of informal social education. The launching of V-AID Program represented the first official attempt to promote people's participation in rural development in the then Pakistan. Started in 1953, the program aimed at fostering village development by securing the maximum participation of the rural people in development tasks.

V-Aid program was replaced by Rural Works Program (RWP) in the late 1950s. After a military coup in 1958, General Ayub Khan wanted to use rural development program and its money for furthering his political interests and goals. No doubt, it contributed to a considerable extent towards the improvement and construction of the network of roads and highways, bridges, drainage system, canals, irrigation system, and the like. But still RWP failed to gain people's confidence mainly because there were corruption, misuse of fund, and politico-administrative malpractices. It was a massive program with a huge budget. The members of the so-called 'Basic Democracies' were given the responsibility to plan and implement the RWP with the help of the government officials. In a nutshell, corruption was institutionalized by the system of Basic Democracies.⁷

The contribution of Comilla model traces back to V-AID program of rural development. In fact, this was considered as a precursor of Comilla Model. The failure of the past efforts of rural development in the then

⁷ Sobhan, Rehman *Basic Democracies, Work Program and Rural Development*, University Press, Dhaka, 1968, PP.243-260.

society due to various reasons stimulated Akter Hamid Khan⁸ to venture and devise a suitable strategy of rural development through action research. The Comilla Model was based on four components and thus it was a four-tier organization:

- a. Thana Training and Development Center (TTDC)
- b. Two tier Co-operatives
- c. Rural Works Program
- d. Thana Irrigation Projects.

Despite many limitations Comilla Model provided with many positive results. First, the four programs of rural development made significant contributions towards national development. Second, the Comilla Model ushered in a new era of rural development in the country by replacing the old colonial approach to development through officers. Third, the model produced a wide range of innovative methods, which are essential for promotion of rural development.⁹

Rural Development Activities

Immediately after independence, the Government of Bangladesh set up national Integrated Rural Development Program (IRDP) with the task of extending the Comilla program. In the early eighties, the IRDP was transformed into the Bangladesh Rural Development Board (BRDB) which started a Rural Poor Program (RPP) in 1983. The seventies also saw the beginning of the NGO movement, initially as a response by foreign organizations to help the reconstruction of the war-ravaged country, but later directed towards rural development in general and alleviation of poverty in particular.

Integrated Rural Development Program (IRDP)

The Integrated Rural Development Program (IRDP), which was experimented and partially implemented in the Comilla district by the Pakistan (later Bangladesh) Academy of Rural Development, was adopted by the government as a national program.¹⁰ The IRDP contains four major components:

⁸ Khan, Dr. Akhter Hameed "My Understanding of the Comilla Model", *The Journal of Rural Development*, The Bangladesh Academy for Rural Development, Vol. VIII, No. 2, 1979, PP. 1-23.

⁹ Quddus, Md. Abdul, *Poverty Focused Rural Development*, BARD, Comilla, 1996, P. 148.

¹⁰ Local Government, Rural Development, & Cooperative Ministry, *Rural Development Expansion Program in Bangladesh*, Government Publication, Dhaka, 1977, P. 5.

- i. Rural Works program (RWP)
- ii. Thana Training and Development Center (TTDC)
- iii. Thana Irrigation Program (TIP)
- iv. Two-tier Cooperative System (TCS)

The RWP was incorporated with appropriate changes and modifications in the overall framework or structure of the IRDP. TTDC was established mainly to achieve the following two objectives: (i) to facilitate the coordination of development activities at the thana level, and (ii) to disseminate new and emerging ideas and technologies through training of rural leaders and the members of local councils. The aim of the TIP was to provide irrigation facilities in small and localized areas through formation of small irrigation groups, each of which comprised the owners of the lands around a deep or shallow tube well or power pump. The programs were originally designed for the purpose of raising an extra crop such as boro crop during the winter session. At the initial stage they were constituted as informal groups. But later they were gradually converted into registered societies.

The fourth component, as indicated above, was a two-tier cooperative system under which the farmers in the Comilla district were encouraged to organize themselves into cohesive groups of village-based multipurpose cooperative societies called Krishi Samabay Samity (KSS - Agricultural Cooperative Societies). Then all village level KSSs were federated into Thana Central Cooperative Associations (TCCA), the purpose of which was to act as the supporting organization for the supply of credit inputs and banking services to the KSSs and for coordinating their activities. The cooperative was supposed to be farmers' "own organization" for the purpose of joint planning and implementation.

As said above, after the emergence of Bangladesh as a sovereign independent state, it was decided by the government of the new country to adopt the IRDP as a national program and to gradually extend it to various thanas in other districts. An IRDP Five Year Plan (1973/74-1977/78) with an objective to extend the program to 250 thanas by the end of 1978, was prepared as proposals to the national *Five Year Plan (1973-1978)* of Bangladesh.¹¹ The IRDP reached that target and by 1980,

¹¹ IRDP Planning Division, *Proposals for the First Five Year Plan (1973/74-1977/78)*, Government Printing Press, Dhaka, 1975.

fifty more thanas came under the program with the result that there were 300 IRDP thanas at the beginning of the 1980s.

Despite limitations, IRDP played an important role in supplying credits and inputs to the rural population and in building institutions which reinforced government efforts and programs towards agricultural developments, and thus changed or modified in varying degrees the traditional values, attitudes, perceptions and life styles. However, the real achievement under these programs were far less than initial expectation...the poor who were intended to be the main program beneficiaries, eventually were bypassed¹² and a limited number of the powerful rural rich enjoyed the real benefits.

The administrative and supervisory capacity of IRDP at various levels suffered badly because of its rapid expansion in the 1970s.¹³ The proper coordination of the plans of IRDP and of all thana level development oriented departments/agencies was also indispensable for the success of IRDP. However, the government did not make it mandatory for the thana level officials to extend all cooperation to the KSS and TCCA.¹⁴

Another serious limitation of IRDP was that the affluent section of the rural population dominated the management of the cooperatives with the result that the benefits of the program was increasingly enjoyed by a few powerful and rich members of the rural society. However, since its inception, IRDP has undergone significant transformation conceptually as well as structurally. As indicated above, it has not retained its integrative quality and comprehensiveness, nor have its various components been functionally integrated. On the contrary, they have operated more or less separately and independently of one another.

Bangladesh Rural Development Board (BRDB)

IRDB was transformed into an autonomous board called the Bangladesh Rural Development Board (BRDB) in December 1982. Poverty alleviation was one of the major activities of BRDB. The growing

¹² Shams, M. Khalid, "Grameen Bank in the 1990s: Aiming at Institutional Viability", a paper presented at the *Regional Workshop on the Grameen Bank Approach to Poverty Alleviation: Problems and Prospects in Asia*, Sabah, Malaysia, 1991, p. 7.

¹³ Shams, Khalid, *The Reluctant Client: Problems of Training in Integrated Rural Development in Bangladesh: A Review*, Civil Officers' Training Academy, Dhaka, 1979, p.6.

¹⁴ Obaidullah, A. K. M. "Comprehensive Village Development Program: An Approach to Rural Development", in Md Abdul Quddus, (ed.), *Rural Development in Bangladesh: Strategies and Experiences*, BARD, Comilla, Bangladesh, 1993, P. 266.

concern of BRDB in the early 1980s was the poverty of the rural people, those having little or no land or other productive assets. The program adopted a number of projects in order to redress the problems and needs of the rural poor.¹⁵

BRBD implemented a two-tier cooperative system. The Thana Central Cooperative Association (TCCA) based on the Comilla Model and assetles cooperative societies for men referred to as Bittaheen Samabaya Samity (BSS) and the Cooperative Societies for women referred to as Mohila Samabaya Samity (MSS). In 1983, during the middle of the Second Five Year Plan the BSS and MSS were set up. They were expected to have provided support and services in terms of skill development credit and input supply to the members for employment and income-generating activities in the allied farm and non farm sectors. About 77,000 BSS and 57,860 MSS were organized with about 2.25 lakh and 2.20 lakh members respectively”.¹⁶ It can be pointed out that BRDB through its various projects, created the employment situation for women in the rural areas. Women's income-generating activities increased and their participation in the main stream economic process were elevated.¹⁷

Swanirvar Gram Sarkar (Self-Reliant Village Government)

Swanirvar Gram Sarkar (SGS) was the product of an amendment of Local Government Ordinance (LGO), 1976. Professor M. Yunus first articulated the concept of Gram Sarker. Later, it was taken up by the ‘Swanirvar Movement’ for field level experimentation. By 24 May 1980, SGS was set up at the village level by the local Government (Amendment) Act, 1980 and the SGS Rules 1980. SGS was composed in a very simple way. The SGS consisted of a Gram Prodhan and eleven members including two women members.

The main purpose of SGS was to ensure peoples’ participation in various socio-economic development programs. These programs included food production, population control, adult literacy, law and order maintenance and so on.¹⁸ By doing all these activities, SGS was an extension of rural power structure. The formation of Gram Sarkar was

¹⁵ Khan, F.R.M., Ziaun Nahar and Khanam, Rashida, *Poverty, Women and Rural Development in Bangladesh*, Chittagong Press, Chittagong, 1998, P. 42.

¹⁶ Chowdhury, Aditee Nag, *Let Grassroots Speak: People’s Participation: Self-help Groups and NGOs in Bangladesh*, University Press Limited, Dhaka, 1989, P. 56.

¹⁷ *The Bangladesh Observer*, September 29, 1990.

¹⁸ Ali, Quazi Azher, *Decentralized Administration in Bangladesh*, UPL, Dhaka, 1995, P. 70.

aimed at transferring the powers of making decision on local affairs to the people themselves and making the villagers self-reliant mobilizing their own resources. This power and responsibilities given to the Gram Sarkar dramatically altered the rural administrative scenario and consequently extended the rural power structure.

The success or failure of an effective local government depends largely on some factors such as administrative and financial autonomy, democratization and people's participation. These factors were in many ways absent in SGS. Despite these limitations, a number of success stories are narrated by scholars in some areas. First, some of the swanirvar programs received extra government attention and resources for some reasons or other. Second, the social and cultural composition or stratification and landholding pattern contributed to the success of the program in some places. Third, in most cases, it was found that the reason behind the success was the initiative, drive and the leadership quality of an outstanding local personality or of an enthusiastic government official.¹⁹

The Comprehensive Village Development Program (CVDP)

The primary objective of the CVDP was to establish linkage between various types of agencies/ organizations, both government and non-government. The CVDP were introduced in twenty villages in Comilla district since 1983 and ten villages in Sylhet district since 1989.²⁰

Evaluation of Rural Development Activities

In the preceding section, we described various initiatives taken by the government of Bangladesh in order to promote rural development. To succeed in the rural development sectors, various regimes took various activities. An evaluation of these activities need an appropriate analysis. These activities include the aspects of self-reliance, food availability for all, mass education, and income-generating schemes. The activities that were in operation during Pakistan period were continued with some modifications and changes in the post independent Bangladesh. Soon after coming to power, President Ziaur Rahman pioneered some core concepts as listed below:

- a. Gram Sarker

¹⁹ Ali, Shaikh Maqsood "Self-Reliance Movement: The Social Workers as Change Agents", *Administrative Science Review*, Vol. IX, No. 2, June, 1979, P. 85.

²⁰ Obaidullah, A. K. M., *op.cit.*, P. 277.

- b. Shobuj Biplob
- c. Old Literacy
- d. Canal Digging

Through a bloodless coup, General Ershad came to power in early 1980s and concentrated on development of grassroots level people, poor rural inhabitants, street urchin and the like. His activities included the following:

- a. Patho Kali Trust
- b. Guccho Gram
- c. Credit Salishi Board
- d. Agricultural Bank
- e. Small Farmer and Landless Labor
- f. Bureau of NGOS
- g. City Palli
- h. Education for All

The years of 1990-2006 marked significant success and phenomenal growth of rural development schemes. Two female premiers of Bangladesh-Khaleda Zia and Sheikh Hasina sharpened the planning, programs and schemes during these years. The two main programs, among others, undertaken by khaleda Zia in her first tenure included:

- a. Dal-Vat (Food) for all
- b. Food for Education

Prime Minister Sheikh Hasina focused her attention on following areas:

- a. Old Aged Allowance Program
- b. Housing Fund
- c. Allowance for Distressed Women
- d. Asrayan (Shelter) Program
- e. Adarsha Gram (Ideal Village) Project
- f. Establishment of Homes for Old People
- g. One Home, One Farm Program
- h. Employment Bank
- i. Food Distribution for Poor People (VGD, VGF)²¹

²¹ Ratan, Rafiqul Islam “5 Years of Success”, *The Bangladesh Observer*, 23 June, 2001.

In her second tenure, the immediate past Prime Minister khaleda Zia took the following programs:

- a. Goat rearing activities
- b. Old age allowances
- c. Gram Sarker
- d. Food for Work
- e. Free Primary Girl Education out of Municipality

The present Muhajot government under the leadership of Sheikh Hasina declared a number of policies in its election manifesto, such as distribution of fertilizer free of cost, reduction on agro-materials, soft agro-loan for farmers and so on. Around one year have passed since the new government took oath. Our rural development programs may be effective if the government promises are realized appropriately.

As already mentioned, the activities during the first decade of our independence were more or less continuity of the development schemes of the erstwhile Pakistani Period. Soon after independence, the government machineries as well as policy makers were busy with reconstruction and rehabilitation programs with mainly external assistance. The launching of IRDP in 1972 was a remarkable success of rural development program undertaken by post- independence Bangladesh.

A much large role of the co-operatives as compared to the Comilla experiment was envisaged by the way of recommendations including village cooperatives, self managed samities, people managed credit and so forth. The development experts are of the opinion that the IRDP achieved considerable success in many respects. Some argued that it was successful in the spread of modern irrigation equipment. Some other scholars marked that the recovery percentage of credit extended to TCCA/KSS system was among the best among all the agencies involved in rural credit.

In the wake of flood and famine during 1974, a Food for works Program (FFWP) was initiated but owing to mismanagement and the lack of nodal agencies, the program was largely affected. Although some short term benefits were achieved out of the program, the long-term sustainability was a far cry.

General Zia's contribution has been a milestone in the history of our rural development ventures. His Gram Sarker, Canal digging, Shobuj

Biplop and all other activities opened a very bright chapter in our development history. The system of Gram Sarker pioneered a strong and effective decentralized governance structure, which enhanced development in many significant ways. Canal digging was very much helpful for increased agricultural output. The large portion of our country's land which lay barren for many years, were now transformed to green spots contributing to varieties of crops. Zia's contribution to Old Literacy also lit the rural areas with the beams of knowledge and renaissance sparking in remote areas of Bangladesh.

General Ershad brought forth a unique style and innovative idea in the rural development scheme. His emphasis on the grassroots level people, street urchin, and the severely marginilized people added uniqueness and novelty to the types of programs undertaken during his period. The programs like Education for All, Pathakali Trust, Guccho Gram, and City Palli created a new life in the village people and gave stimuli to village development.

Khaleda Zia's programs like 'Dal Vat', 'Food for Education' and Shiekh Hasina's 'Old Age Allowance', 'Asrayan', 'VGF Card' – all these activities have been without much success and remarkable achievements. While evaluating their activities, the critics offered the 'easier said than done' type of comments. Other analysts marked that although the government pronouncements widely circulated their success story, but in reality, no significant achievements are observed in the years commencing from 1991 to 2006.

Rural Development in Bangladesh: Constraints and Recommendations

Major Challenges

Critics argue that the rural development activities, despite all its apparent novelty, contain a number of loopholes that are listed below:

Gap between Government Servants and Rural People

The first and the foremost problem concerns the lack of coordination between the civil servants and the grassroots level rural people. Democratic practice and people's participation are in many ways affected by government control. It issues guidelines regarding planning and implementation of projects, approves their regulation and exercises general supervision and control. The gap directly affects the development in many areas of rural Bangladesh.

Lack of Accountability

Widespread corruption and lack of transparency also offer threat to our development efforts. Critics argue that the smooth flow of transparency does not seem to be maintained. According to Transparency International Bangladesh (TIB), our country has been put on the top of the corruption list for previous years consecutively.

Inability of Government for Development Work

The government of Bangladesh lacks ability to conduct various activities related to our rural development. The major development activities of the government are very often conducted in coordination with NGOs. For example, CCDB's involvement with RHD and Communication Ministry for different phases of RRMP is a glaring case in point. Moreover, many government officials including Secretaries are directly or indirectly associated with NGOs in varied forms and nature to complete their missions.

The Observation of the Fifth Five-Year Plan

The Fifth Five-Year Plan²² enlists a number of constraints facing rural development programs. First, although "village" was the basic geographic unit and constituted the bottom-most entity for identification of development needs in rural areas, there was hardly any "effective development organization" in it. Frequently, it was held that an average village in Bangladesh was too small to be regarded as a formal organizational unit. On the other hand, without such an organization, the villagers, particularly the rural poor found it difficult to effectively participate in the development process.

Second, there are a number of government agencies for service delivery at various tiers of local government (district, upazila and union), but in the absence of effective "clientele" organizations, the delivery structure had remained somewhat inaccessible and inefficient. In particular, this system did not reach the poor and the disadvantaged in all cases.

Third, the various efforts to organize the people at the grassroot level through local government bodies also did not succeed, as in the absence of democratically elected government, these bodies were used to serve political interest of the power that was in the central government. As a

²² Planning Commission, *The Fifth Five Year Plan 1997-2002*, Ministry of Planning, Government of the People's Republic of Bangladesh, Dhaka, March, 1998, P. 144.

result, local government bodies in Bangladesh proved to be more of an extended arm of the Ministry of Local Government and rural development and, as such, they could not grow on their own. In particular, they remained heavily dependent on the government for their resources and initiative.

Fourth, the government personnel who were sent to the rural areas to work for the poor, largely proved to be inadequately motivated for participatory local level development for various reasons such as inadequate training, incentive structure, logistics and so on.

Fifth, no effective mechanism could be developed for co-operation and co-ordination at various tiers of administration (district, upazila and union). The need for an effective coordination increased overtime in response to the expansion of development activities in the rural areas.

Sixth, the understanding of the decision-makers of the need for and effectiveness of "participatory local level planning" was rather poor. Most development planners including bureaucrats and technocrats thought that such participation was unnecessary mainly because of ignorance and illiteracy of the poor. The usual emphasis was laid on the need for educating the poor before they could effectively participate. For the intervening period, therefore, the preference was for a top down decision making process.

Seventh, although there was a broad consensus that Bangladesh being a labor abundant country should convert its surplus labor into productive capital, in practice, the decision makers could not clearly prescribe the process through which this goal could be achieved.

Finally, the banking system expanded in the rural areas quite rapidly in the 1970s and 1980s, yet heavy dependence of the rural poor on the informal sector such as money lenders (who charge high interest rates) continued strangulating their creative potentials to contribute much more to national growth.

Recommendations

In the foregoing analysis, we critically examined various rural development programs undertaken by the government and non-government agencies. While evaluating rural development programs, we found that most of the programs either by government sectors or by NGOs could not achieve the desired goals.

A number of Challenges and constraints listed above impede our rural development initiatives. It is very difficult to predict whether the above mentioned programs will achieve any substantive success in future. Though the problems are acute, we can adopt a “strategy” and consider some recommendations to overcome those challenges and implement our rural development goals:

First, education system may be restructured. Greater emphasis on modern cultivation, vocational training and technical education is required. The educated and trained workforce can easily acquire new information and technology and apply them in the context of changed situations. In this respect, the contents of education in Bangladesh need some modification in the context of present day situation taking cognizance of rapidly changing stock of knowledge, particularly in the field of science and technology. More emphasis on scientific and technical education as has been the case during the recent years will go a long way in enlarging the technological base of economic development and laying foundation of knowledge based society. To supplement government efforts, there is need for greater participation of the private sector, community and non-government organizations (NGOs).

Second, another step for the development of the rural economy should be the improvement of the prospect of labor intensive cultivation, during the winter, when most of the land remains fallow. This can be done by arranging the irrigation of land. A massive tube well-sinking program is required to attain this goal. The high yielding varieties may help to close the food shortage gap, improve the economic condition of the farmers and increase employment opportunities²³

Third, villages may be recognized as the basic units for rural development. Cottage industries namely, textiles, bamboo products, sports goods, metal products, etc. are required to be encouraged to keep the people engaged in rural areas and stop migration to cities. This may provide employment opportunities to a large number of people who may produce daily necessities of the society.

Fourth, rapid labor intensive industrialization may absorb the surplus population in industrial and commercial sectors, Government has already started denationalization of major industrial sectors such as jute, textile and sugar industries as well as banks, and insurance companies. The

²³ Ali, Azher, *Rural Development in Bangladesh*, BARD, Comilla, 1975, PP.19-20.

establishment of agro-based industries, namely jute, tea, sugar, etc. may be given priority. The scope of food industries is also wide.

Finally, as land is the most important and scarce means of production, nationalization of agricultural land and cultivation by cooperatives may be required to ensure higher investment for modern technologies, planned land utilization, higher production, employment for labor and more equitable distribution in rural areas.

Concluding Remarks

The present chapter intends to provide a broad framework for appraising and identifying current issues and problems encountering rural development in Bangladesh. A hurried look at history reveals a long and impressive chain of rural development programs. The Cooperative Movement of early 1900, the Rural Reconstruction Program of pre-47, V-AID of 1950s, the Comilla Approach of 1960s, the Swanirvar Movement of 1970s, and IRDB and finally BRDB- all reflect a continuing and deep preoccupation of successive decades with what may be generally termed as rural development. But, the achievement of decades has not been satisfactory. In many respects, as said before, there has been significant worsening of the situation.

The country which was labeled once as a "bottomless basket" or "test case of development", has now emerged as number one corrupt country in the world at the dawn of the new millennium. Despite these negative remarks and suffocating pictures, the success of various government and non-government programs can not be denied. In the short span of this write up, I tried to incorporate various initiatives, activities, programs and institutional settings with regard to our rural development. One fascinating aspect of all rural development activities lies in the fact that there have always been modifications and changes in development models for rural areas. Thus the models and programs that were developed during the Pakistan period were being in operation with some modifications in the early years of a newly independent country like Bangladesh. These models were changed, revised or redesigned in the later years in seventies, eighties and nineties.

Although the journey of rural development is not moving to a satisfactory level of success, the efforts are continuing, many new ideas and programs are initiated and the windows of opportunities are being open. The new century witnesses a slow and steady development in our rural sectors.

However, the continuous natural calamities including two consecutive floods and recently occurred Sidor which has caused unprecedented damage to our agriculture and coastal rural infrastructures, posed a serious challenge to our achievements in our rural development schemes. In above discussion, I described various problems and constraints that obstruct our rural development process. These challenges could be overcome by appropriate measures and techniques mentioned in the previous section and in this way, the objectives of different rural development programs may be achieved.

DEMOCRACY AND ECONOMIC GROWTH: THEORETICAL CHALLENGES AND IMPLEMENTATION

Introduction

The central theme of the present work is to examine the theoretical challenges of democracy and its relationship with economic growth and to show their implications for Bangladesh. This write-up argues that democracy is conducive for development and thus the democratic regimes in Bangladesh have always experienced more economic growth than the authoritarian or quasi-authoritarian governments. With this end in view, the present chapter has been organized. The author concedes that the present work, which is conducted under the supervision of a non-Bangladeshi Professor with strong academic and professional background in both the West and Asian countries, might provide an in-depth and neutral analysis of democratic trend in Bangladesh.

This work tends to respond to a number of questions: What is the meaning and impact of democracy for economic growth? Is democracy an ideal and universally accepted process of social development and political cohesiveness? How far democracy has contributed to achieving economic growth and development of Bangladesh? What are the challenges and opportunities for managing economic growth through democracy in our country? Structurally, this work is divided into five sections. Section one is the opening, which includes an introduction, hypothesis and the issues raised under the present chapter. Section two is dedicated to understanding methodology and analytical framework of the present work. The theoretical debate regarding the relationship between the regime-type and economic growth is discussed in section three. Section four examines the implications of democracy for the growth and development of Bangladesh. Finally, the chapter ends with some concluding remarks.

Methodology and Analytical Framework

The chapter is based on secondary materials that include books and research articles published in the field, data from the World Bank, Bangladesh Bureau of Statistics, and World Development Indicators

(WDI). The paper, however, suffers some limitations that emanate from the following practical problems.

First, the academic exercise in this field is quite new and the literatures on the topic are very rare. Second, it is very difficult to identify the extent of democracy in different regimes of Bangladesh. For example, although Ershad came to power by military means, he strengthened vital democratic institutions like decentralization. On the other hand, many of our democratic governments have maltreated opposition political parties, restricted press and media and adopted many undemocratic rules. Given the circumstances, it is very difficult to consider their era as democratic and Ershad era as un-democratic. Finally, there are a number of indicators and variables to measure development in a democratic environment. Work ethics, relations with foreign economy, the standard and level of human resources are a few examples. Under the present research, only one indicator-Democracy- has been considered to analyze whether economic development of Bangladesh can be achieved through democracy.

The Linkage between Democracy and Growth: Theoretical Challenges

Economists and scholars have extensively debated on identifying the relationship between democracy and growth. Many empirical studies have been conducted in order to find whether democracy contributes as an explanatory factor for growth and development. Theoretically, scholars found strong relationship between democracy and growth.¹ Starting with the work by Adelman and Morris in 1967, economists have concurred that the standard of living in a society is a direct result of the dynamic interdependence of economic, political, and social forces.² They admit the importance of valid political structures and social cohesion for good economic health in addition to sound macroeconomic policies. However, several issues cause this accord to sink into disagreement. The following are among the questions at the core of the debate: is the nature of political regimes a significant determinant of economic performance? In other words, does it matter whether the regime is democratic or authoritarian? Or would socio-political stability, in fact, be what really counts?

¹ Barro, R. J., *Determinants of Economic Growth: A Cross Country Empirical Study*, The MIT Press, Cambridge MA, 2001.

² *ibid*

Two broadly opposing views fail to reach a consensus on the authoritative answers to these questions. Advocates of democracy regard political liberties to be necessary to achieve sustained and equitable growth. In their view, democratic features such as political pluralism, the system of institutional checks and balance, and the periodic renewal of policy makers through elections protect the economic system against abusive or predatory behaviors typical of most authoritarian regimes. The democratic process is viewed as more suitable to economic prosperity because it can better nurture civil liberties and secure property and contract rights. Consequently, it provides agents with incentives to undertake investments and to seek to maximize welfare. Democracy makes it possible for individuals to examine opportunity costs freely, to engage in the entrepreneurial initiatives of their choice, and to benefit fully from the fruits of their labor.

In opposition to that perspective is the proposition that democratic regimes hamper growth because of their short-term focus. According to adherents to that view, elected officials tend to be shortsighted because they long for popular approval and success in the next election, making them exceedingly receptive to all sorts of pressures, and inclined to yield to calls for immediate consumption. They argue that actions by private pressure groups and lobbying can affect people's perception of the economic game. The market mechanism is held in suspicion, and resource allocation is considered to be the result of a lottery.

However, the empirical studies conducted to examine above views led to contradictory results. Some works suggest that there is strong relationship between the two;³ some indicate almost negative relationship⁴ and some other papers find inconclusive results.⁵ Interestingly, the works suggesting inconclusive results⁶ conform to the opinion that economic freedom, open market, liberal trade and other democratic features are conducive and helpful for economic growth. That

³ Fransisco, L.R.B., "Democracy, Governance and Economic Growth: Theory and Evidence", paper presented at the conference on *Democracy, Participation and Development*, sponsored by *Columbia University*, New York, April, 2002.

⁴ Ludovic C.J., "Democracy and Growth: A Relationship Revisited", *Eastern Economic Journal*, vol. 29, no. 1, winter 2003.

⁵ Bhagwati, J. N. "Democracy and Development: Cruel Dilemma or Symbiotic Relationship?", *Review of Development Economics*, 6(2), 151-162, Blackwell publishers, Oxford, 2002.

⁶ Helliwell, J.F., "Empirical Linkages between Democracy and Economic Growth", *NBER Working Paper 4066*, National Bureau of Economic Research, Cambridge, May, 1992.

means, democracy and human rights have an undeniable linkage to economic growth.⁷

If we look at the IPE (international political economy) perspective, we see that the political ideologies that contain the elements compatible with democratic values, enhance economic growth and, on the other hand, the ideologies that strengthen authoritarian elements, retard productivity and growth. For example, the communist, and other hawkish autocratic regimes have been proved to be negative for growth. We have seen how in the end of the last century, communism succumbed to failure producing severe economic challenges for the erstwhile USSR and the communist East European countries.

People should not be confused by the phenomenal success of the East Asian countries, such as, Hong Kong, Singapore, Taiwan, South Korea and Mainland China, none of which having democracies in a substantive sense during their miracle years. This has led some people to think that democracy is inconsistent with development. However, the fact is that non-democratic countries have had an immense variety of performances, ranging from the spectacular in East Asia to disastrous in many nations of Africa. Looking at the developing countries in the postwar period, therefore, it would be hard to conclude that democracies have had less rapid development performance. In fact, if the developed countries are considered instead, the democracies have done immensely better than the communist countries.

If we look more closely at the East Asian countries, we find that these once backward countries have relatively free markets. Their governments imposed a relatively low burden on the citizens in the form of taxation and economic regulation. These countries also shared some important characteristics that are vital to economic growth. These include secure property rights and rule of law which are the essential parts of democracy and human rights. China's backwardness in the fifties and sixties means that her authoritarianism could not promote growth during these years and again her phenomenal growth in the 1970s or 1980s was possible only with modernization, liberal trade, and FDI that are integral parts of democracy.

Empirically speaking, all developed countries including US and European developed capitalist countries (DCCs) are developed because of their democracy and the poor countries are backward because of their

⁷ Shen, J.G., "Democracy and Growth: An Alternative Empirical Approach", *BOFIT Discussion Papers*, Bank of Finland: Institute of Economics in Transition, no.13, 2002

political instability or autocratic features of the regimes. An in-depth study on African countries shows that the more the country is democratic, the more is its economic growth.⁸ Barro talked about the Lipset and Aristotle hypotheses, both of which indicate sharp positive relationship between economic prosperity and democracy. The Aristotle hypothesis also suggests that a wealthy society results in people's participation, which is the fundamental component of democracy. According to the Lipset hypothesis, prosperity stimulates democracy. That means, there is a strong relationship between economic growth and democracy.

Democracy and Growth: The Case of Bangladesh

There is a sharp difference between growth and development. While the concept of growth indicates the major aspect of development, the term development implies the broad perspective of a country's socio-economic scenario. However, in the present paper, the two terms have been used synonymously.

Variables Explaining Growth

A number of indicators and variables exist that explain economic growth and development. GDP of a country, per capita income, industrialization, international trade, social cohesiveness, political stability, and cultural homogeneity- these are a few among the list. In the present work, one such variable - democracy - has been considered to examine whether democracy plays any role in promoting the growth and development of a country and if so, to what extent it has been effective in the case of Bangladesh.

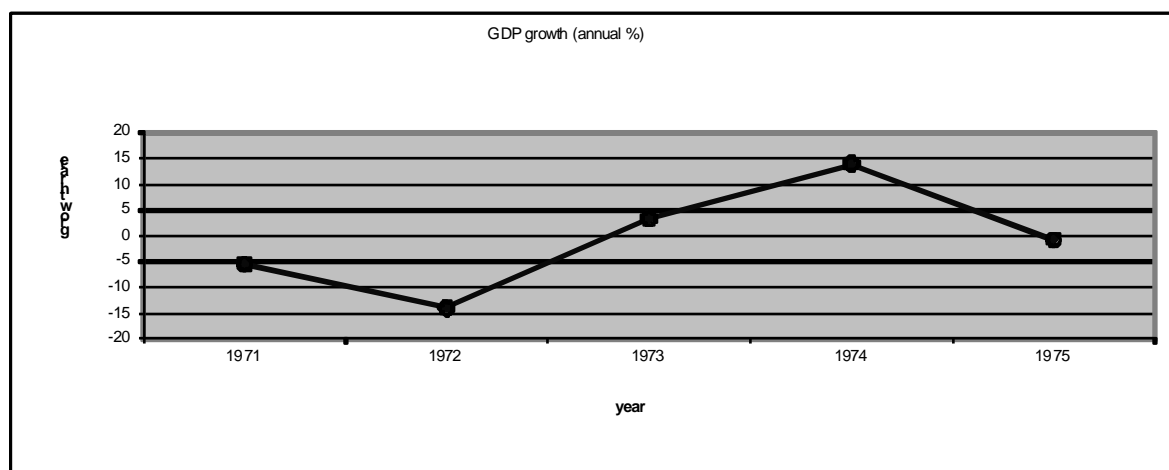
Implications of Democracy for Our Economic Growth

As mentioned earlier, Bangladesh has a very short history of democracy that started mainly from the early 1990s. Twenty years before this democratic journey, the country was devoid of harvesting the fruits of democracy under the Awami League rule of Sheikh Mujib during 1971-75 period, chaotic but quasi democratic regime of Ziaur Rahman during 1976-'81 period, and the military regime of General Ershad during 1982-91 period. For the convenience of the present work, we will look at the growth scenario and democratic profile of three periods: (a) the period from 1973 to 1990, (b) the period from 1991 to 2001 and (c) the period from 2002 to the present time.

⁸ Hadenius, A., *Democracy and development*, Cambridge University Press, Cambridge, 1992, PP. 60-65.

Three types of government mark the first period: first, the fusion of democracy and one party rule featured the years from 1971 to 1975. During this time, though democracy was incorporated as one of the four state principles, the Presidential form of government was maintained and one party system was introduced. Almost all newspapers were taken under the government control. Chart 1 shows the trend of growth and economic performance during this period.

Chart 1: Growth During the First Awami League Regime



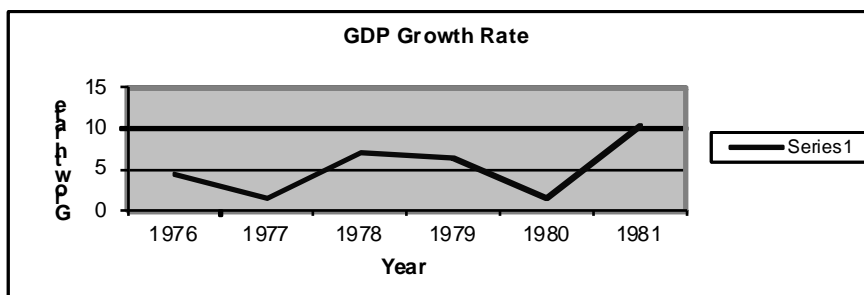
Source: Prepared by the author based on WDI Database

The above chart shows the growth rate in the early Awami regime. The growth rates, in 1971 and 1972 were -5 percent, and -15 percent respectively while in 1973 and 1974, growth rate rose to almost 5 percent and 15 percent.⁹ The increased rate in 1973 and 1974 was perhaps the result of huge foreign aid and external assistance. However the striking point is that the overall growth rates were highly fluctuating during this time and in some years the country had experienced negative growth.

The second type of government in the first period was the army rule that took the power at the most critical junction of the country's history and attempted to transform the country to the path of democracy in a slow and steady way. The period from 1976 to 1981 was marked by high political turmoil, unpredictable socio-economic and political scenario and a number of coups and counter coups. Although the Marshal Law was declared under the military rule in the first few months, after a short time, the military ruler introduced multiparty democracy, conducted general elections and led the country to the direction of a nascent democracy. Amidst chaos and political uncertainties, the country seemed to move towards democracy. Chart 2 indicates the changes in the growth trends during this time.

⁹ World Bank, *WDI Database*, Washington.

Chart 2: Growth under the Nascent Democracy

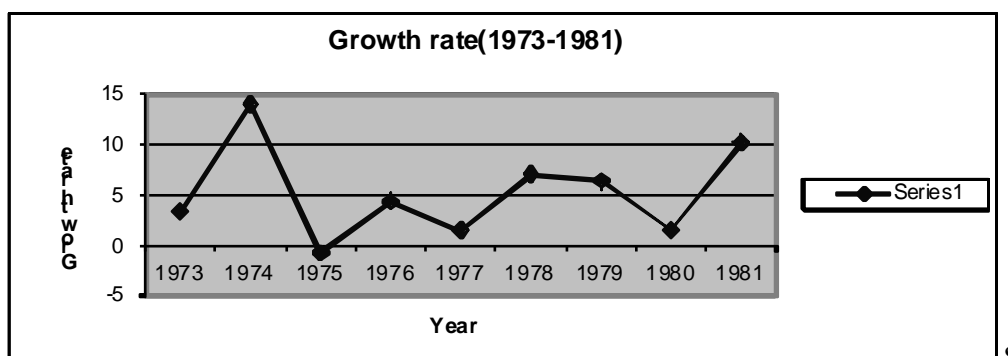


Source: Prepared based on WDI database

The extreme growth fluctuation observed in the initial years seemed to be reduced during the post-1975 period when democracy emerged in the offing in our country. The curve shows a bit steady trend in economic growth during this time. The country could also overcome the trends of unstable and negative growth experienced in the Awami League period immediately after independence.

Chart 3 below shows the comparative growth rates during the post-independence rule by Mujib and the first quasi democratic rule by Zia. The chart depicts that the growth rate during the initial regime was characterized by high fluctuations and negative trend. Compared to this period, the growth rate in the chaotic and quasi democratic regime in the post-1975 period was positive and non-fluctuating. The inaugural regime left Bangladesh in 1975 with (-.73 percent) growth rate. With the new and nascent quasi democratic government of 1976, the growth rate sharply rose to 4.34 percent¹⁰ which was followed by a more stable but less fluctuating growth rate in the period from 1977 through 1981 and this trend continued until the arrival of the authoritarian government under the military rule by Ershad.

Chart 3: Comparative Growth of Mujib and Zia Regimes

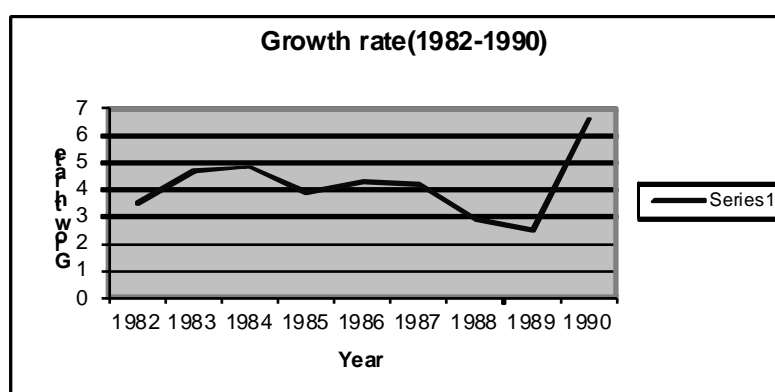


Source: Prepared based on WDI database

¹⁰ *ibid*

The third type of government in the first period started with the onset of the 1980s when the decade long authoritarian government ascended the throne of the political power, under the then army chief General Hussein Muhammad Ershad. After the first decade of uncertainty and political chaos was over following the independence war, the appropriate time for development preparedness was in the making. Unfortunately, however, the dictatorial regime of 1980s obstructed the anticipated development goals. The years throughout the eighties experienced series of anti-government democratic movements resulting in torture and humiliation on the opposition. Finally, the autocratic government could not survive. In the early 1990s, the military government had to quit in the face of the democratic uprising.

Chart 4: Growth Rate During the Military Rule of Ershad

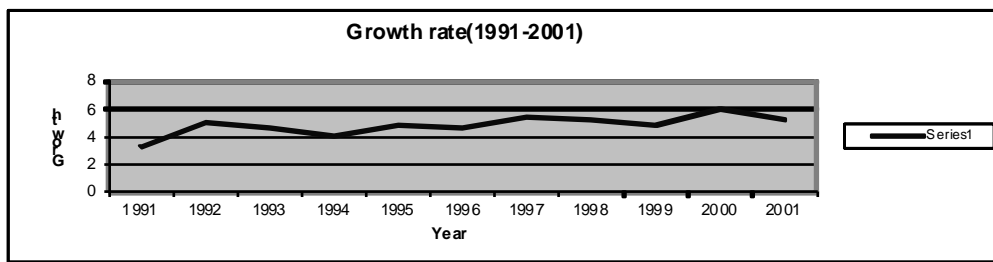


Source: Prepared based on the WDI database.

Charts four and five show the growth rates of the 1980s and 1990s respectively. The growth rate of the authoritarian regime under Ershad shows less growth compared to both the full-fledged democratic era in 1990s and the first chaotic democratic tenure of 1976-1980. The military government came to power at a time when Bangladesh's growth rate stood at 10.21percent in 1981. The growth rates in the subsequent years declined to 3.5, 4.7, 4.9, 3.9, 4.3, 4.1, 2.9, 2.5 and 6.6 percents respectively.¹¹ The growth rates during 1990s are the highest in the growth history of Bangladesh. There is a sharp increasing rate during this time with the spree of steady growth. The growth rate grew from 3.3 percent in 1991 to 4 to 5 to 6 percents in the following years.

¹¹ *ibid*

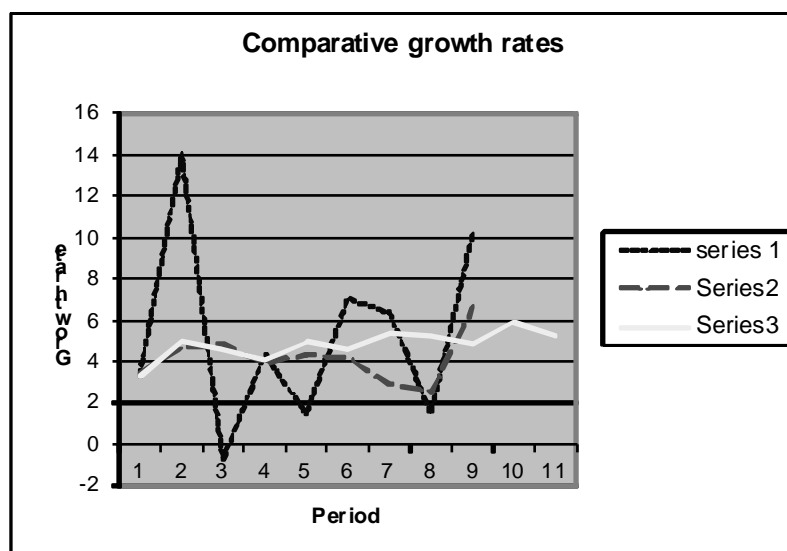
Chart 5: Growth Rate in the Full-Fledged Democratic Era



Source: Prepared based on the WDI database.

Chart 6 clearly shows the comparative pictures of our growth rates during the three decades of our history. The first two decades of non-democracy show the fluctuating and decreasing trends in the country’s growth rate while the last decade of democracy indicates the stable, steady and increasing rate. If we look at the average picture, we find that the average growth in the 1970s was 5 percent but it declined to 4 percent in 1980s with the authoritarian regime and it rose again to 5 percent with democratic government in the country.

Chart 6: Comparative Growth of Earlier Three Decades

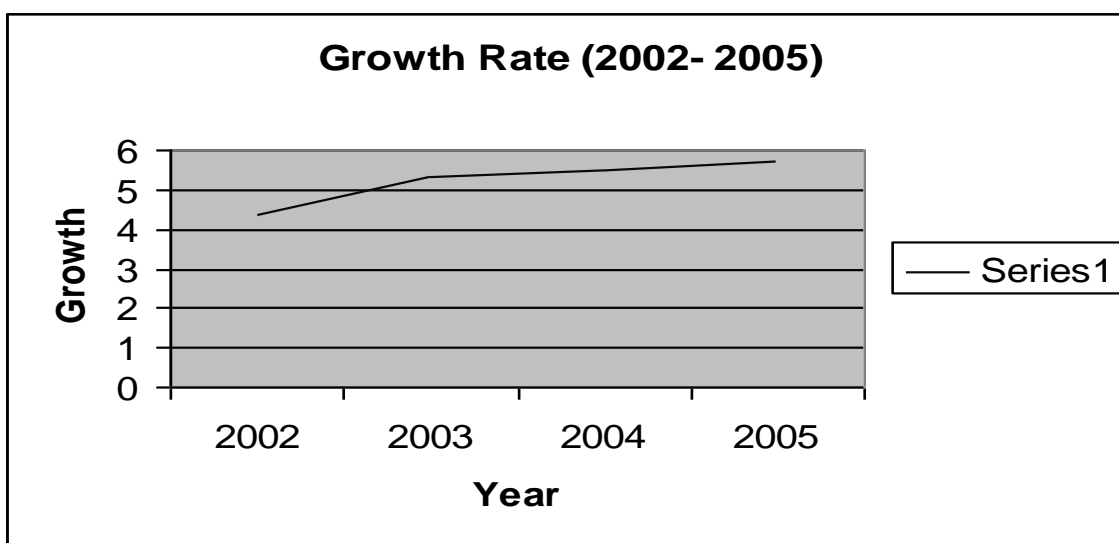


Source: Prepared based on the WDI database.

Series 1 of chart 6 implies the growth rate during the first decade; series 2 represents that of the second decade whereas series 3 indicates the growth of the third decade. The first two decades of non-democratic or quasi democratic rule clearly shows the negative growth, fluctuation, and decreased rate while the last decade of democracy marks a stable and steady and increased growth rate. The charts above covered the periods from 1971 to 2001. These charts established the fact that growth rates of

Bangladesh have been quite low during the periods when democratic values have not been in practice here.

Chart 7: Growth Rate in the Full-Fledged Democratic Era



Source: Prepared based on ADB data, 2006

The above chart shows the trend of growth in the coalition government of Khaleda Zia and Matiur Rahman Nizami. The growth rates, in 2002 and 2003 were 4.4 percent, and 5.3 percent respectively¹² while in 2004 and 2005, growth rate rose to almost 5.5 percent and 5.7 percent.¹³ We see that the chart is upward going. The increased rate in 2004 and 2005 was the result of democracy. We have noticed that growth rate has increased significantly during the years when democratic elements have been available here. Thus following the emergence of democracy in Bangladesh officially and formally from 1990s, GDP growth rate started going up slowly and steadily. The growth rates during 2002-2005 periods are amazing when the century experienced nearly 6 percent growth rate.

According to an internal source, GDP (PPP) in 2005 stood at US\$ 304.3 billion. The GDP of the country in terms of official growth rate in 2005 was US\$ 63.56 billion. During this time GDP per capita was US \$ 2,100. Thus in 2005, the GDP growth rate was 5.7, which means, in this

¹² Asian Development Bank, *Country Strategy and Program Update: Bangladesh 2005-2006*, CSP: BAN, 2004, P. 11.

¹³ Ministry of Finance, *Bangladesh Economic Review 2004*, Economic Adviser's Wing, Finance Division, Government of Bangladesh, June, 2004, P.xx.

era of democracy GDP grew substantially.¹⁴ After the tenure of the democratic government was over in 2006, Bangladesh fell under an uncertain, unpredictable and complicated governance system following the military-led caretaker government which resulted in the slow growth rate and serious economic crisis. People are waiting to see democracy flourishing in Bangladesh after the parliament election on 29 December 2008 and expecting that the ongoing democratic government under *muhajot* would provide with enhanced economic growth and productivity.

Conclusion and Recommendations

Above analysis explains the theoretical debate on the relationship between the regime type and economic growth and examines their implications for Bangladesh. Various regimes are identified and efforts are made to show whether democratic values have any effect on Bangladesh's growth. The present discussion concludes that democracy has an effective impact on the country's growth and development. It is found that until the mid-1975, Bangladesh policy makers undermined many of the democratic practices, which resulted in a negative and fluctuating growth. After 1975, democracy was brought in, though slowly through a multiparty political system and free press, the country's growth trend started getting rid of the negative growth and fluctuations. When the authoritarian military government under General Ershad took control of the country in the early 1980s, the growth was again affected. The growth rates of 1980s were compared with those of 1990s that provided information that a steady and stable growth existed under the subsequent democratic governments although a negative or fluctuating or decreased growth rates existed during previous non-democratic regimes.

The growth rate and trend of the country began to increase in the democratic periods in the 1990s and in the beginning years of the twenty first century. The immediate past caretaker government that grasped the power following the 1/11 incident led the country to an uncertain and

¹⁴ The World Fact Book, "CIA- The World Fact Book – Bangladesh, 2006", Online Available, <https://www.cia.gov/cia/publications/factbook/goes/bg.html>, Access on 25 June 2008.

unpredictable political situation. The deviation of that government from the basic democratic values threw Bangladesh into a serious economic hardship. The author assumed that if a democratic government could come to power after the next parliamentary election on 29 December 2008, Bangladesh might have attained the long-expected increased growth rate and socio-economic development. The new democratic government formed with the *muhajot* alliance proclaimed to build a digital Bangladesh. Now is the time to expect that the present government would usher in a new era of growth and development by nurturing the values and culture of democracy.

15

Sustainomics as a Framework for Sustainable Development: Relevance for Bangladesh

Introduction

Many ideas, models and strategies have been adopted by the economists, policy makers and development analysts in order to examine various aspects of development. But the development models introduced so far did not provide with desired goals.¹ Development economists everywhere are now prone to achieve sustainability in the development thinking. Thus sustainable development has been on the top of agenda of the discussion in the development literatures. In order to attain sustainable development, a new term ‘sustainomics’ is considered by the development analysts in recent years. A group of scholars of the United Nations University (UNU) in Tokyo under the leadership of Munasinghe have worked on the topic.

The principal objective of this chapter is to analyze sustainomics as a framework for sustainable development of Bangladesh. What is the meaning of sustainomics? How is it unique in explaining sustainable development? What are the components of sustainomics? Why is it important for economic analysis? What are the potentials for using sustainomics as the framework for sustainable development of Bangladesh? Is there any possibility that the decaying economy of the country be transformed to any prospective direction from its prolonged frustration? These are a few issues that are addressed in this chapter. The chapter is based on secondary materials that include discussion papers, UN documents, research articles and books in the field. The present work is an outcome of the author’s long-cherished interest in development analysis based from the sustainomics perspective. The paper, however, suffers some limitations that emanate from practical problems. First, the concept of sustainomics is very new though the idea has been available in some form or other in the academic dictionary. Second, the scarcity of literature on the topic is another problem. Finally, the author has to base his work mainly on the discussion, seminar and group presentations on the issues.

¹ Asaduzzaman, Professor M. and Amin, Muhammad Ruhul, “Human Resources Development in Bangladesh: An Islamic Perspective”, *Dhaka University Journal of Business Studies*, Vol. 18, No.2, Dhaka, 1997, PP. 97-120.

The present chapter is divided into six sections. The first section is an introduction. The conceptual analysis is presented in the second section. The third section focuses on the various aspects of sustainomics. The fourth section examines the relevance and adaptability of sustainomics to the socio-economic context of Bangladesh. The fifth section examines the synthesis of our development strategies within the sustainomics framework. Finally the discussion comes to an end with some concluding remarks.

Sustainomics Framework: Conceptual Analysis

Sustainomics: Concept and Ideas

The world leaders as well as the policy makers of the new century face a major challenge of understanding and implementing sustainable development or “development which lasts long”. The purpose of exploring this new vision of development is to find an approach that allows continuing improvements in the quality of life maintained today at lower resources so that an undiminished stock of productive assets that include manufactured, natural and social capital can be left for the future generations that will provide opportunities for enhancing their quality of life. In this arduous journey of discovering a new horizon of development, a South Asian scholar named Mohan Munasinghe is fortunate with the insights of identifying an innovative approach. He was the first to coin and propose the term ‘sustainomics’ in 1994 in order to define, analyze and implement sustainable development. Munasinghe says that while there is no universally acceptable practical definition of sustainable development, the concept of sustainomics evolved to encompass three major points of view: economic, social and environmental. While there is no single overarching framework for sustainable development, an attempt is made to describe sustainomics as “a transdisciplinary, comprehensive, holistic and balanced framework for making development more sustainable”.² The environmental, social and economic criteria for sustainability play an important role in the sustainomics framework.

Economic sustainability aims to maximize the flow of income that could be generated while at least maintaining the stock of assets or capital which yield these beneficial outputs. Economic efficiency plays the key role in ensuring both efficient allocations of resources in production and

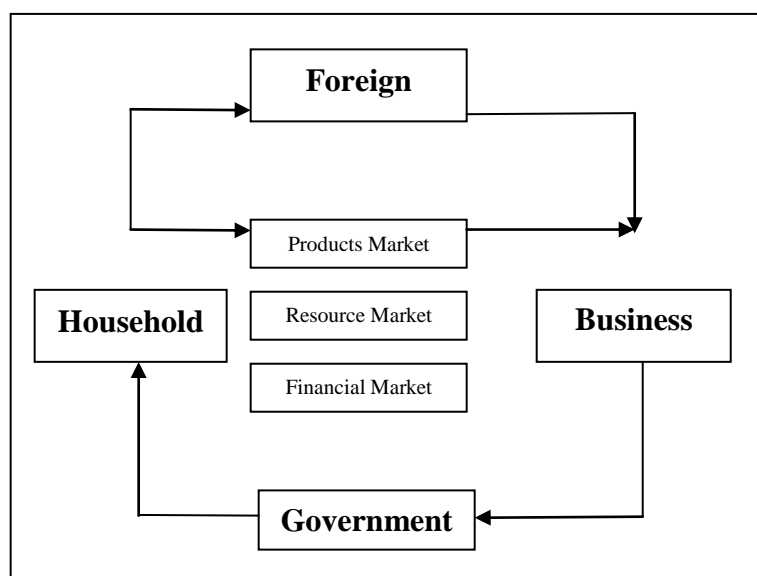
² Munasinghe, Mohan, “The Nexus of Climate Change and Sustainable Development: Applying the Sustainomics Transdisciplinary Meta- framework”, in Fu-Chen Lo, Hiroyasu Tokuda, and N. S. Cooray (eds.), *The Sustainable Future of the Global System III*, UNU and OECD, Tokyo, 2000, P. 55.

efficient consumption choices that can maximize utility. Social sustainability seeks to reduce the vulnerability and maintain the health of social and cultural systems and their ability to withstand shocks. Enhancing human capital through education and strengthening social values and institutions are key aspects. Environmental sustainability focuses on the overall performance or health of ecological system defined in terms of a comprehensive, multiscale, dynamic, hierarchical measure of resilience, vigor and organization. For both ecological and socio-economic systems, the emphasis is laid on improving system health and their dynamic ability to adapt to changes across a range of spatial and temporal scales, rather than the conservation of some ideal static state.³ Meanwhile, the threat of global climate change poses an unprecedented challenge to humanity. For both developed and developing countries, the real challenge is to cope with the unpredictable effects of climate change on the entire world. There are other sustainable development issues of different magnitudes that affect human existence such as hunger, poverty, malnutrition, health hazards, illiteracy and so on.

Conventional Vs. Sustainomics Framework

The above analysis clearly marks the distinction between the conventional economic framework and the elements of sustainable development. The following diagrams evidently depict the demarcation line between the two.

Diagram 1: Conventional Economic Framework



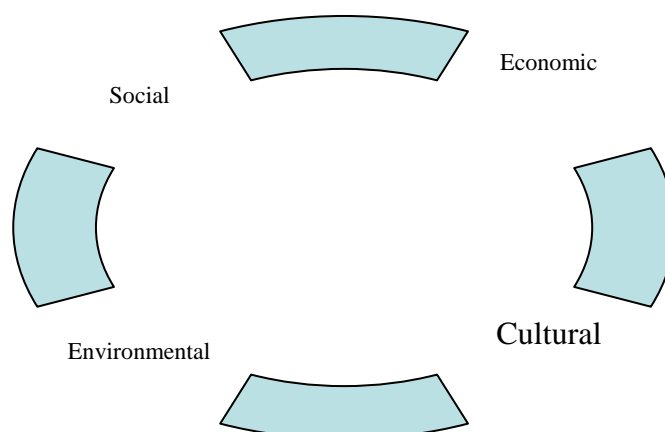
Source: Made by author based on information contained in fig. 1.1 in Dominick Salvatore, *Microeconomic Theory*, Tata McGraw-Hill Publishing Co. Ltd., New Delhi, 2007, P. 9

³ *ibid*

Diagram 1 shows that under the conventional framework, the circular flow of income economy evolves through four sectors: household, government, business and foreign.⁴ Households purchase goods and services from business firms. What is a cost or a consumption expenditure from the point of view of households represents the income or the money receipts of business firms. On the other hand, business firms purchase the services of economic resources from households. Thus, what is a cost of production from the point of view of business firms represents the money income of households.⁵ The two actors—households and businesses operate under the set rules and regulations of the government that maintains various economic interactions with foreign countries. Injection occurs with the increase of government expenditure, investment and export and reversely leakage is the result of the increase of government tax, savings, and import.⁶ When injection is increased in economy, GDP is increased and when withdrawal prevails, national output is decreased.

Sustainomics framework, on the other hand, emphasizes on a couple of elements that include socio-economic, cultural, religious and environmental elements. It is evident from diagram 2 that once these elements are available following the sustainomics model, sustainable development may be achieved. Thus the sustainomics thinkers give preponderance on achieving the elements of sustainable development.

Diagram 2: Elements of Sustainable Development



Source: Prepared by the author

⁴ Dominick Salvatore, *Microeconomic Theory*, Tata McGraw-Hill Publishing Co. Ltd., New Delhi, 2007, P. 9

⁵ *ibid*

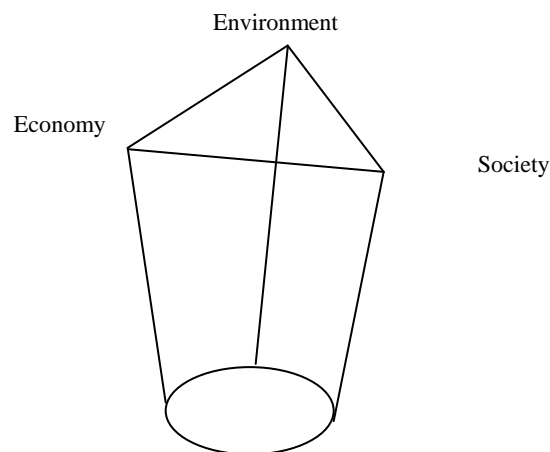
⁶ Tahera khatun , *Fundamentals of Economics*, MDIC, Dhaka, 2000.

No single discipline can cope with the multiplicity of issues involved in the world development environment. Therefore, the multidisciplinary approaches involving teams of specialists from different disciplines have been applied to sustainable development issues. A step has also been taken through interdisciplinary work, which seeks to break down the barriers among various disciplines. However, what we now require is a truly transdisciplinary meta-framework, which would weave the knowledge from existing disciplines into new concepts and methods that could address the many facets of sustainable development—from concept to actual practice.

Sustainomics Knowledge Base and Sustainable Development

The following diagram describes that sustainomics would provide a broad and eclectic knowledge base to support sustainable development. Thus sustainomics knowledge base holds the idea of sustainable development.

Diagram 3: Sustainomics Knowledge Base



Source: Mohan Munasinghe, "The Nexus of Climate Change and Sustainable Development: Applying the Sustainomics Transdisciplinary Meta- framework", in Fu-Chen Lo, Hiroyasu Tokuda, and N. S. Cooray (eds.), The Sustainable Future of the Global System III, UNU and OECD, Tokyo, 2000, p. 57.

The sustainomics approach seeks to intimate and synthesize key elements derived from core disciplines that include ecology, economics and sociology as well as anthropology, botany, chemistry, physics, demography, ethics, geography, law, philosophy, zoology etc. Technological skills such as engineering, biotechnology, information technology and other related areas can also play a dominant role. Methods that bridge the economy-society-environment interfaces are

equally important. For example, environmental and resource economics attempts to incorporate environmental consideration into traditional neoclassical economic analysis.⁷

The growing field of ecological economics goes further in combining ecological and economic methods to address environmental problems,⁸ and emphasizes the significance of the key ideas like the scale of economic activities.⁹ Some areas of ecological science such as conservation ecology have proposed alternative approaches to the problems of sustainability including the crucial ideas of system resilience.¹⁰ Recent work on the economics of sociology and environmental sociology are also relevant. The literature on environmental ethics has explored many issues including the weights to be attached to values and human attitudes and motivations, decision-making processes, consequences of decisions, inter- and intra-generational equity, the rights of animals and the rest of nature, and human responsibility for the stewardship of the environment.¹¹ While building on such earlier work, sustainomics conjures up a more neutral image which focuses attention explicitly on sustainable development and avoids the implications of any disciplinary bias or hegemony. In the same vein, Siebhunder has defined “homo sustinens” as a moral, cooperative individual with social, emotional and nature-related skills, as opposed to the conventional “homo economicus” motivated primarily by self interests and competitive instincts.¹²

Comprehensiveness is an important requirement because sustainable development involves every aspect of human activity and involves complex interactions among socio-economic, ecological and physical systems. The scope of analysis needs to involve and extend from the global to the local scale, cover time spans encompassing centuries and deal with problems of uncertainty, irreversibility, and non-linearity. The

⁷ Freeman, A.M., *The Measurement of Environmental and Resource Values: Theory and Methods*, Resource for the Future, Washington D.C., 1993.

⁸ Teitenberg, T., *Environmental and Natural Resource Economics*, Harper Collins Publ., New York, 1992

⁹ Costanza, R., Cumberland J., Goodland H.D.R., and Norgaard R., *An Introduction to Ecological Economics*, St. Lucia's Press, Boca Raton FL, USA, 1997.

¹⁰ Holling, C.S., “Resilience and Stability of Ecological Systems”, *Annual Review of Ecology and Systematics*, Vol. 4, No. 1, 1973, P. 23

¹¹ Westra, L., *An Environmental Proposal for Ethics: The Principle of Integrity*, Rowman and Littlefield, Lanham M.A., USA, 1994

¹² Siebhunder, B., “Homo Sustinens –towards a New Conception of Humans for the Science of Sustainability”, *Ecological Economics*, Vol. 32, 2000, PP. 15-25

approach must not only provide balanced treatment of the economic, social and environmental dimensions of sustainable development, but also holistically integrate all these elements as well as related methodologies and paradigms in a consistent manner.

Sustainable development policies must take into account, the powerful economy-wide reform in common use – including both sectoral and macroeconomics adjustment policies, which have widespread effects throughout the economy. The highest priority needs to be given to finding win-win policies, which promote all three elements of sustainable development (economic, social, and environmental). The sustainomics approach helps to identify and analyze economic environmental-social interactions and formulate effective sustainable development policies by linking and articulating these activities explicitly. The implementation of such an approach would be facilitated by constructing a simple Action Impact Matrix or AIM, which helps to promote an integrated view.

Sustainomics: The Core Values

The secrets of sustainomics are based on a number of core values. These are listed below:

- i) Tradition
- ii) Value
- iii) Science and Technology
- iv) Green GDP

Socio- Economic Efficiency in Traditions

When we talk about traditions, more or less we think of non- economic factors such as work ethic, social institutions, cultural fabrics, religions, values and so on. The question is whether traditions have any role in promoting efficiency and development. I think there is a positive correlation between traditions and efficiency. Some people believe that the words- traditions, development and efficiency are synonymous in terms of their broad meanings and implications.

Japan is a case in point. The phenomenal economic development of Japan in the post World War II era has drawn the attention of the industrialized world. Through the 1960s and 1970s scholars and researchers carried out studies to discover what made Japan phenomenal success. Dr. Mustafizur Rahman lists sixteen driving forces, which led to the development of Japan.¹³ From various studies and analyses made so

¹³ Rahman, Dr. Mustafizur, *The Japanese Strategy*, UPL, Dhaka, 1996, PP. 107-135.

far, the whole Japanese economic development may well be considered to be the outcome of the interaction of those factors.

The work of Dr. Rahman provided some insight into the reasons for Japan's success. This insight is based on the author's extensive study of the Japanese society and their industrial development. Some of the important areas that he identified as the contributing factors behind Japan's grand economic success are as follows¹⁴:

- a. the policy makers of Japan felt the urgency to give priority to education and its continuous improvement. In his recent article published in a Dhaka based daily news paper, Dr. Amartya Sen mentioned that by 1913 Japan made sure that at least one highly educated person is available in a family. The Japanese people are highly smart, educated, generous and hard-working. The post war II restrictions on manufacturing aeroplane compelled the Japanese genius to go for high speedy rail transport named *Shinkansen* with all arrangements for an aeroplane;
- b. the Japanese people hold tightly and appreciate traditional values. The social- cultural values are evident in the day-to-day life style of all Japanese people. Starting from the interior decoration of their houses to the sophisticated five star hotels, in their dress, manner and etiquette, in their policy planning, the traditional values and social rituals are projected with immense vigor and splendid grandeur;
- c. the Meiji leaders made ceaseless efforts to evolve a strategy to achieve development with their own resources. They took the policy of "learning from the world" instead of considering their own knowledge to be the best. In fact, the learning by doing strategy is considered as the best way of performing tasks that yields effective outputs;
- d. the Japanese strategy is founded on the farmer-oriented agricultural policies. Agricultural products do not grow as fast as those of industrial ones, but for a resource poor country, industrialization may not be possible without the support of agriculture. So, the Government undertook various programs for agricultural infrastructure, financial assistance, and credit facilities.

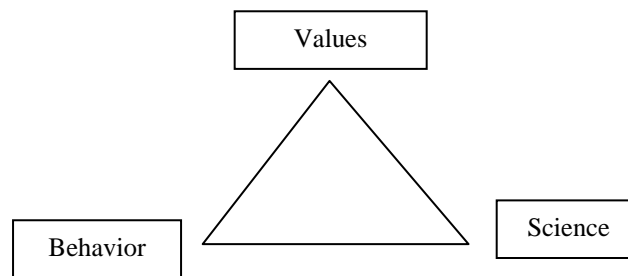
Prominence of Values

In his article entitled "Economic and Social Efficiency in tradition", Dr. Safi A. Khaled marked that when everything else fails a proper set of

¹⁴ *ibid*

values will save.¹⁵ The following diagram explains the different perspectives of values.

Diagram 4: Value Triangle



Source: Prepared by the author

As said earlier, values, manners and behavior have far reaching implications for a country's development. The values of Confucianism and Buddhism were not abandoned by Japan, Taiwan and South Korea. They used strategy of integration between the traditional values, and modernity, which provided with homogeneity, common purpose, faith and unity. See the reverse, Turkey restricted all traditional and religious values that had made it a politically unstable and economically backward country. The history of Islam is a glaring example. Once the Muslims were committed to their religious values and principles, they ascended the throne of power and prosperity and the moment they were deviated from their traditions and values, all their achievements were succumbed to failure and frustrations and now they are passing a very difficult time economically, socially and politically.

Science, Values and the Humans

From time immemorial, human society has been enriched and endowed with the endless flow of value that had finally given birth to world civilizations. The intimacy of society, civilization and values is directly related to scientific discovery and technological innovations. The understanding of relationship between science and values has, on many occasions, been misperceived by many people of the world. Whether science contributes to civilization and society largely depends on understanding the relationship between science and values and their mutual relationship vis-a vis human civilizations in particular.

This has appeared a very big question why science, despite all its potentials to contribute to the betterment of the society and mankind,

¹⁵ Khaled, Shafi A. Khaled, "Economics and Social Efficiencies in Traditions", paper presented to Southeast University at the seminar on *Values and Development*, Dhaka, September 15, 2002, P. 4.

failed to achieve the desired goals and why it has acted as the detriment to human civilizations. Such dichotomy between science and values has, for long, deprived the human hood from the benefits of science. In the years following the advent of the Islam-Arab civilization, the unprecedented history of the scientific excellence and technological breakthrough opened up many innovations and new thinking in the areas of science and technology for the next human generations. The Moorish Muslims, the Spanish scientists and other Arab scientists had wonderful contribution in almost all branches of science.

Although the era of science during the early years of the United States of America was dedicated primarily to meeting the demands of the people of the new country, it gradually shifted to quite a reverse direction owing to the differing values over time. Initially the values that had stirred up the torchbearers and forerunners of America to play the required role in order to promote science and technology was largely focused on “world-oriented goals” and “human-centered values”. However, the values behind science changed over time with the changes of needs, demands and people. The massacre of hundreds of thousands of Adam’s sons reminds us the tragedies of the utilization of scientific discovery and technological installations amidst the two Great Wars. The significance of values in science and technology bears important implications in the cold war period. The two superpowers had to survive by fighting each other on socio-economic fronts and politico-leadership dominance. The superpower rivalry brought a shift in values from “human-betterment” to “human detriment” and thus nuclear physics, biological sciences and chemical researches have been utilized in order to produce drastic nuclear warheads, biological weapons, and chemical reactors.

The entire mankind in the beginning of the new millennium seems to be tired of a frustrating century of science and technology that had contributed to the phenomenal growth of scientific gains and technological achievements and at the same time that had snatched away the huge bunch of the brilliant potentials of human geniuses.

Green GDP

For the Asian countries like China, Bangladesh, Pakistan, and India, the significance of the green GDP is of utmost importance. Studies show that the Agricultural countries of Asia have high potentials for the green GDP. For example, ‘Green Revolution’ appears to anchor the journey of the phenomenal growth and expansion of high-yielding varieties of rice, corns and other agricultural crops. Specialty crops are another example

through which countries both in West and non-West have achieved enormous gains.

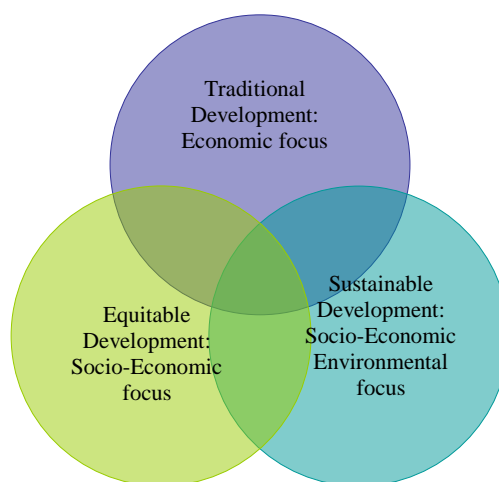
The consideration of green GDP in calculating the overall GDP has been given priority in many Asian countries like China, Thailand, Japan, and so on. Despite the fact that Bangladesh is principally an agricultural country, our economists, and political leaders as well as policy makers do not adopt viable and sustained policies that may contribute to our development on the basis of green GDP.

Sustainomics: Relevance for Bangladesh

Sustainomics: The Economics of Sustainable Development

Sustainomics is more clearly understood through a couple of fundamental concepts such as traditional development, equitable development and sustainable development. Diagram 5 below depicts the economics of sustainable development.

Diagram 5: Sustainable Development



Source: *Sketched by the Author*

The premise of traditional growth and development is founded on core economic issues including individual and social welfare, monetary income and consumption. Historically, both the developed industrialized and the developing countries have pursued economic goals of increasing output and growth and other material productions during the twentieth century.¹⁶

¹⁶ Munasinghe, *op.cit.*, P. 59

The concept of equitable growth and development focuses on both economic and social issues. During the 1960s, the development paradigm shifted towards equitable growth where the focus was laid on equal wealth distribution, poverty alleviation, and economic efficiency and so on. The equity of any action may be assessed in terms of a number of generic approaches such as parity, proportionality, priority, utilitarianism and Rawlsian distributive justice. Rawls said that justice is the first virtue of social institutions as truth is of systems of thoughts.¹⁷ Allah has commanded for ensuring justice and sincerity.¹⁸ The emphasis on mere economic growth and development has been challenged for many years both by the economists and by the religio-cultural philosophers. For instance, the Buddhist philosophy of over 2500 years still stresses that happiness is not necessarily synonymous with material consumption.¹⁹ The Prophet of Islam Muhammad (SM) expressed his concerns about his followers not over poverty but over their psychic state that may lead to the victory of poverty on them.²⁰ He was thus sent by Allah with the message of *Tajkiah* (correctness of character).²¹ He used to say, "I've been sent to fulfill the blooming of human character."²² Maslow Abraham and many other scholars have also identified the hierarchies of needs which provide psychic satisfaction beyond economic considerations.²³ Social development usually refers to improvements in both individual well-being and the overall welfare of the society that result from increases in social, organizational and institutional capital, which is typically derived from the quality and quantity of social interactions that underlie human existence. Institutional capital implies mainly the formal laws as well as traditional and informal understandings that govern human and social behaviors. Organizational capital is embodied in the individual and group entities which operate within these institutional arrangements. The level of mutual trust and extent of shared social norms help to determine the stock of social capital. There is an important element of equity and poverty alleviation as well. Equity is likely to be strengthened by enhancing pluralism and grass-roots

¹⁷ Rawls, J.A., *Theory of Justice*, Harvard University Press, Cambridge MA, USA, 1971

¹⁸ *Al-Quran* (Chapter Al-Nahal), 16:90.

¹⁹ Rahula, The Venerable Walpola, *What the Buddha Taught*, Lake House Press, Colombo, Sri Lanka, 1970.

²⁰ *A Hadith, (Sayings of the Prophet)*

²¹ *Al-Quran* (See Chapter Al-Baqarah), 2:129.

²² *Al-Hadith*,

²³ Maslow, Abraham, H., *Motivation and Personality*, Harper and Row, New York, 1943

participation in decision-making as well as by empowering the disadvantaged groups in the society.²⁴

The necessity of sustainable development emerged most strongly in the environmental context, but may be assessed also in terms of social and economic considerations.²⁵ The environmental sustainability focuses on the overall performances or health of ecological systems defined in terms of comprehensive, multiscale, dynamic, hierarchical measures of resilience, vigor and organization.²⁶ The classic definition of system resilience was provided by Holling. According to him resilience refers to the ability of an ecosystem to persist despite external shocks.²⁷ Some argue that the resilience of a given ecosystem depends on the continuity of related ecological processes at both larger and smaller spatial scales.²⁸ In this context, natural resource degradation, pollution and loss of biodiversity are detrimental because they increase vulnerability, undermine system health and reduce resilience.²⁹ Sustainable development demands compensation for the opportunities foregone by future generations.

Social sustainability includes man-made environments like cities and villages.³⁰ Reducing vulnerability and maintaining the health of social and cultural systems, and their ability to withstand shocks is equally important.³¹ Generating human capital and building social values and institutions are the key aspects of social sustainability. Economic sustainability seeks to maximize the flow of income that could be generated while at least maintaining the stock of assets which yield these beneficial outputs.³² This approach is based on the pioneering work of Lindahl and Hicks. Hicks considers the maximum sustainable consumption of people “as the amount that they can consume without

²⁴ Rayner, S., and Malone, E., (eds.), *Human Choice and Climate Change*, Batelle Press, Columbus OH, USA, 1998.

²⁵ Munasinghe, M., *Environmental Economics and Sustainable Development*, World Bank, Washington D.C., USA, 1993

²⁶ Costanza, R., “Ecological Sustainability, Indicators and Climate Change”, in Munasinghe, and Swart (eds.), *Climate Change and its Linkage with Development, Equity and Sustainability*, IPCC, Geneva, 2000

²⁷ Holling, C.S., *op.cit.*

²⁸ Petersen, Allen and Hooling, “Diversity, Ecological Function and Scale: Resilience Within and Across Scales,” *Ecosystems*, 1998

²⁹ Perrings, C. and Opschoor, H., *Environmental and Resource Economics*, 1994

³⁰ UNEP, IUCN, and WWF, *Caring for the Earth*, Nairobi, Kenya, 1991

³¹ Chambers, R., “Vulnerability, Coping and Policy”, *IDS Bulletin*, Vol. 20, No. 2, 1989, PP. 1-7

³² Solow, R., “On the Intergenerational Allocation of Natural Resources”, *Scandinavian Journal of Economics*, Vol. 88, No. 1, PP. 141-9

impoverishing themselves”.³³ Much earlier Fisher had defined *capital* as “a stock of instruments existing at an instant of time”, and termed *income* as “a stream of services flowing from this stock of wealth.”³⁴ Economic efficiency and sustainability play an important role in ensuring both efficient allocation of resources in production and efficient consumption choices that maximize utility. The degree of economic efficiency is measured in relation to the ideal of *Pareto Optimality* which encourages actions that will improve the welfare of at least one individual without worsening the situation of any one else. Two broad approaches are relevant for integrating the economic, social and environmental dimensions of development. They are distinguished by the degree to which the concepts of *optimality* and *durability* are emphasized, It is important to integrate and reconcile the economic, social and environmental aspects within a holistic and balanced sustainable development framework.

Major Constraints

Since the inception in 1972 as a new nation-state, Bangladesh policy makers of different regimes formulated development strategies. Unfortunately there has been a grand lack of research, thinking and realization of development models that have been followed by other developing countries in Asia, Africa and Latin America. Lots of constraints thwarted the development efforts in the previous years.

Politically, we have always been in an unstable environment. A number of military coups and counter coups that created a horrible political atmosphere in the initial five years and in the mid-seventies, as some analysts note, put our independence at risk. Some people were afraid of external threat, foreign aggression and a giant neighbor country’s interference in our domestic politics. In terms of political ideology we have not determined a clear, concise and popular political philosophy. In the hurriedly made first constitution, socialism and secularism were incorporated that created confusion and mistrust among the mainstream population of Bangladesh. By August 1975, an amendment was made introducing *Bismillahir Rahmanir Raheem* in its beginning which was followed by the subsequent *Islamization* efforts and Ershad’s declaration of Islam as the ‘state religion’ in order to build people’s credibility. The successive governments under Khaleda in 1991, under Hasina in 1996, under Khaled-Nizami in 2001 and under Hasina in

³³ Hicks, J., *Value and Capital*, Oxford University Press, Oxford, UK, 1946,

³⁴ Fisher I., *The Nature of Capital and Income*, Augustus M. Kelly, New York, USA, 1906.

2009 did not bring any amendment refuting the Islamization process. Unfortunately, the constitutional amendments brought no substantial changes in the real life situation in all these years and as a result Bangladesh remained the same as was in the secular period of 1971-1974.³⁵

Socially, we have to live amid tension, chaos, poverty and frustration. Anarchy and terrorism prevail everywhere in our social life. Every body lives in the state of social tension. Mistrust, misrule, dishonesty, corruption and arms hooliganism are the common features of our society. Law and order situation marked the record of the last century, which labeled Bangladesh as number one corrupt country in the world.³⁶ The Pilkhana tragedy of the BDR carnage in February this year bears a glaring testimony to our social insecurity. This has fractured our national cohesiveness. Instead of uniting themselves to identify our security challenges, both the ruling party and the opposition are prone to point fingers at each other which poses much more dangerous challenge for our future security.

Environmental degradation poses a massive threat to the existence of our country. Natural disasters like flood, cyclone, tornado, sitor etc. are the result of the ecological imbalance. The sea level rise, green house effect, unplanned transportation system, unplanned urbanization, inefficient industrial set-up, sky-high towers of the big cities are placing renewed threats to our existence. Many people think that 35 percent of the land in Bangladesh would go under water in near future due to the sea level rise caused by global warming and Green House effect. No doubt it is definitely still an assumption. Even if it happens in the foreseeable historical time-scale instead of geological time-scale, a poor country like Bangladesh cannot do much to reverse it.³⁷

Culturally, we have lack of conscience and idea about our own cultural values. Some people believe that ours is a small nation having a homogeneous culture. In reality, our cultural character is diverse and thus the cultural attitudes manifested in the country's cultural life do not conform to the religio- cultural values of our people. However, heterogeneity of culture is not a problem for development. Development depends on an art, the art of how the elements of heterogeneity are

³⁵ Amin, Muhammad Ruhul, "Constitutional Amendments of Bangladesh", *The Bangladesh Observer*, 2000.

³⁶ *Transparency International Report*, TIB, Dhaka, January 2001.

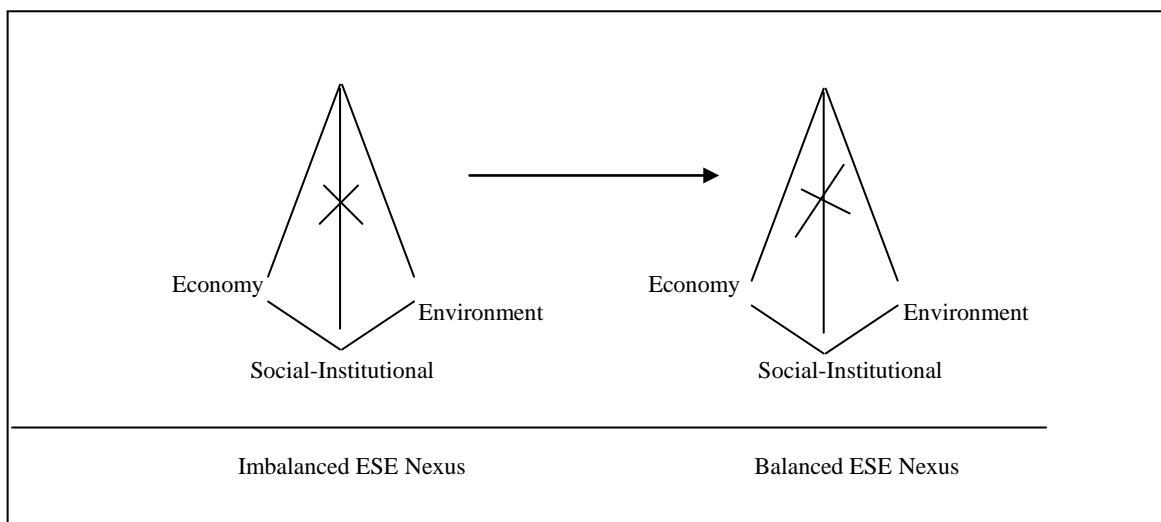
³⁷ Hasan, Dr. Mir Muhammad, "Should We Leave Global Warming to Others?", *The Bangladesh Observer*, Dhaka, January 5, 2003.

managed and utilized for the cause of development. In another word, culture needs to be unified where no section of the society is excluded. The Malaysian development model can be cited as a glaring example of cultural integration. The cultures of Malays and Chinese are well managed, unified and organized by their decision makers that have been instrumental in enhancing Malaysia's development. Culture will be development-friendly if it is inclusive, integrating and unifying. The recognition of this strong relationship between cultural unity and development is very important for understanding sustainomics.

Synthesizing Development Strategies within Sustainomics Framework

The following two diagrams provide with a comparative perspective of economic, social- institutional and environmental (ESE) nexus of Bangladesh.

Diagram 6: Comparative ESE Nexus

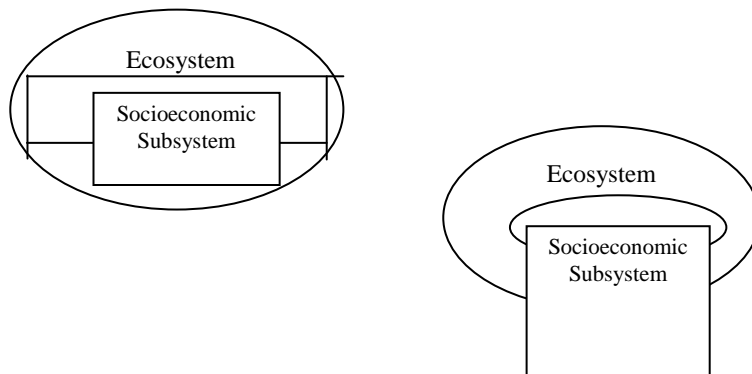


Source: Prepared by the writer

The first diagram shows the imbalanced ESE nexus and the other one is the indicator of the balanced ESE nexus. The balanced ESE nexus expresses that economic and social development phenomena are indeed complements. On the contrary, the imbalanced ESE nexus compels an environment to perish once economic and social development activities are undertaken. The meaning of the social-economic-environmental relationship under the sustainomics paradigm would be much clearer from the following diagram, which shows how the socio-economic sub-system is embedded in the larger ecosystem.

The first part of diagram 7 demonstrates the unsustainable social and economic development while the second part provides the picture of sustainable development in social and economic areas.

Diagram 7: Sustainable vs. Unsustainable Development



Source: Drawn by the Writer based on the information contained in Mohan Munasinghe, The Nexus of Climate Change and Sustainable Development: Applying the Sustainomics Transdisciplinary Meta-framework, 2000.

It is known that national economies are inextricably linked to, and dependent on natural resources- since everyday goods and services are derived from natural resources inputs that originate from the larger ecological system. We collect fruits and timber from the trees of our forests, extract oil from the seeds or beans, and gather water from the surface or deep-ground liquid. Such economic activities sometimes cause dangerous hazards to our environment through polluting water or air. The broken line in part 1 of the diagram shows that the intensity of human activity has increased to the point where it impinges on the underlying ecosystem. This is obvious from the examples of the declining ecology such as deforestation, water and air pollution, soil erosion, and other environmental degradation.

Part 2 of the diagram clearly shows that the same level of economic achievements is obtained without rendering any damage to the environment. In this case the oval outer curve is matched by an oval inner curve- where economic activities are restructured in a way that is more harmonious with the system. We need to adopt policies that promote environmentally- and socially-friendly technologies that use natural resource inputs more frugally and efficiently, reduce polluting emissions, and promote ecological balance. For instance, if sophisticated information technology (IT) is used, it would make development more socially sustainable. Similarly a scientific management would promote

increased public participation in decision-making, expected empowerment of the disadvantaged groups and desired satisfaction of the stakeholders in the entire development processes.

Cluster of Political Perspectives

The first and the foremost task is to determine a clear political ideology and avoid all sorts of ambiguity in this regard. The governments in the post 1975 years have examined the merits and demerits of both secularism and Islam that led to Islamization process. As a political and economic theory, Islam is perfect, universal, viable, durable and accommodative, Islamic ideology aims to ensure freedom, participation, human rights, justice, peace and prosperity which are also the proclaimed objectives of democracy and capitalism. This is paramount that we decide whether we build a Bangladesh beyond secularism or remain confused with the fusion of secularism and Islam amidst manifold uncertainties.³⁸

Sound political culture and good governance need to be ensured at all costs. The mistrust between and among the political parties is a big reason behind our political instability. At the backdrop of almost all critical junctions of our political affairs like the recent BDR mutiny at Pilkhana BDR headquarter, the ruling party and the opposition have always been at loggerheads with one another. Things which rate high on their agenda is continuous bickering and finding ways and means in maligning and defaming each other be it at the cost of the people and the nation at large.³⁹ Now is the time we should bury our differences and work together in order to uphold the ever-sinking image of our country even if it means swallowing of individual and or collective ego and pride.

Cluster of Social-Institutional Objectives

Sustainomics requires a homogeneous, unified and integrated social structure. Integrity and homogeneity need to be achieved through heterogeneity. Despite the boon of homogeneous social fabrics, our society seems to be heterogeneous. It is of dire need that we maintain and improve social condition. Emphasis should be laid on vision, attitude, moral values, religious obligations and knowledge. The lack of moral, ethical and religious values have fractured the western societies for which

³⁸ Amin, Muhammad Ruhul, "Bangladesh Beyond Secularism?", *The Bangladesh Observer*, Dhaka, January 21, 2002.

³⁹ Amin, Muhammad Ruhul, "Agricultural and Our Development", Paper presented to Southeast University at a seminar on *Agro-Industrialization in Bangladesh*, August 21, 2002, P. 3.

their sociologists and policy makers are concerned now-a-days. We should avoid Westernity and seek our destiny through our culture, religion, and history. To that end, institution building is very important. The country needs to have strong institutional linkages in the rural areas. For this, the proliferation of rural social organizations through decentralization is very important. Unfortunately, the weakening of our decentralized institutions throws a major challenge which should immediately be addressed.

Cluster of Environmental Aspects

Green revolution through tree plantation will serve as 'ecological cleansing'. Biological resources may be integrated into development and planning through natural forest conservation, forest garden systems, eco-tourism, and conservation of hydrological resources. Pollution of urban environment needs an immediate recovery. Thanks to the forest and environment ministry, some measures have already been adopted. Necessary steps should also be taken to remove contamination of ground and surface water. Effective initiatives need to be taken to face natural calamities like drought, cyclone, flood, sitor, and so on.

Cluster of Economic Objectives: From Agriculture to Industrialization

Sufficiently high and sustained economic growth, single-digit inflation rate, non-fluctuating trade balance, fiscal balance and persistent decline in poverty are to be achieved within the sustainomics framework within a very short time. Apart from the resource-based manufacturing activities, high technology service-oriented ventures need to be undertaken. The economists of our country emphasize more on thinking of the western styled industrialization process than caring the sustainomics dimension and our long-cherished tradition. The potentials of agricultural products and agro-based industrialization are massively overlooked in our policy making as well as academic circles.

Concerns for increasing Green have been considered with passive and quasi attention. The agricultural which might match with our traditions has almost been absent in the active agenda of our development thinkers. Ours is an agricultural country. The development of our country largely depends on our agriculture. This is the root of our journey to national development. Once we believe that agriculture can promote our development, we can go for that. We can develop our country through agriculture. Many scholars on development may have their distinct views on the topic, however, I believe that by modernizing and modifying

agriculture sector, and by agro based industrialization, we can improve our economy. Agro-industrial ventures, agro-based industries and agriculture- oriented industrial activities need to be given utmost importance.

It does not mean that I recommend agriculture only. We must look beyond and move towards environment-friendly industrialization. Unlike traditional development thinking, we need to recognize the sustainability of the total premise of development. This helps us step towards industrialization in a way that will not hamper our environment. The socio-economic sub-system should exist within the total ecosystem in a way that the activities related to social and economic development would be conducted by keeping the ecology sustained. For example, Bangladesh should give priority on soft industrialization including agro industry, leather industry, food and beverage industry, electronic assembling industry, cottage industry, textile and garment industry and so on. Once the country is well-matured in enhancing this elementary phases of industrialization, we may move towards heavy industrialization.

Potentials for Agriculture

While recommending industrialization for Bangladesh, Amin emphasized: “agro-industrialization, not too heavy”.⁴⁰ Economists and policy makers sometimes express great optimism regarding industrialization, blindly imitating the industrialization processes of the developed countries. This prescription may bring dangerous consequences in its train. Bangladesh is a highly populated country with a small geographical area. Industrialization costs a lot in terms of environment and ecology. The industrialization process of Bangladesh needs to be focused on environment-friendly industrial ventures and to that end, agro-industrialization must get the first priority. Malaysia generated the bulk of its capital from the agricultural sectors. The International Airport at Bangkok is flooded with sophisticated agro-products, rural crafts and rural industrial products that demonstrate Thailand’s agro-focused developmental scenario. Almost all industrialized countries have a history of agriculture in the initial stage of their development.

⁴⁰ Amin, Muhammad Ruhul, *Development Issues and Strategies of Bangladesh: Lessons from Malaysia*, Center for International Development and Security, University of Dhaka, Dhaka, 2007, PP. 152-54

The failure of China's heavy industrialization program, the so called 'Great Leap Forward' of the 1960s, indicated the ineffectiveness of ideas imported from the West and revitalized the importance of agriculture, leading Deng Xiaoping and Liu Shaoqi to introduce agricultural reform. They decided to allocate the land and farming tools owned by the villages to the families and farmers, which resulted in increased rural incomes, productivity, and agro-supplies. The Household Responsibility System (HRS) was launched which maintained that the lands owned by villages and People's Communes as well as other production resources such as mountains, small ponds and farming tools were to be allocated to the household. Besides, the elimination of work points and opening markets created incentives among the farmers that resulted in the increased output and productivity. In order to speed up rural industrialization, some effective measures were considered and thus the State Planning Commission set detailed priorities to guarantee the implementation of the light industry strategy.⁴¹ This anchored the journey of China's TVEs-the rural based light industrialization, which has remained the foundation of the Chinese economy.

Under the sustainomics framework, there is a high potential for agriculture. Agriculture is the *nucleus* of Bangladesh's economy. Its development largely depends on its agriculture, which should be the inauguration of the arduous journey towards national development. By modernizing and modifying the agricultural sector and by introducing sophisticated agro-industrialization, Bangladesh can generate huge capital for its transformation towards large-scale environment-friendly industrialization. In the formative stage of its development, agro-industrial ventures, agri-based industries and agriculture-oriented industrial activities need to be given the utmost importance.

Despite the capacity of the agricultural lands of Bangladesh to produce 3-4 crops in a year, compared to normally one crop a year in Japan, the land productivity of Bangladesh is less than half that of Japan. The stereotype cultivation procedure, shortage of seeds and fertilizers, unplanned production, lack of infrastructure, scarcity of agro-loans and agro-subsidies, and, above all, anti-farmer pricing and lack of marketing are some of the constraints that impede agricultural development. In order to meet the financial demands of the farmers, the strategies of smooth and interest free loans, agricultural subsidies and other financial

⁴¹ *ibid*, P. 153

benefits need to be ensured. The present government, which announced on 1 April, 2004, the institution of 'mortgage free' agro-loans, withdrawal of all cases against farmers of bank default and a reduced 8-10 per cent interest rate based agro-loan⁴² seems to be aware of this.

The agricultural sector needs to be modernized through the application of science and technology and, for that, a science-based system and computerized agriculture must be introduced. In universities, different fields need to be opened to enlighten the students regarding agriculture-related knowledge. In addition, extensive agricultural workshops and seminars on upgrading agriculture must be held in the rural areas. Employment opportunities need to be created in this sector, where only illiterate people are now involved. Unless educated youngsters can be involved in this sector, agricultural development cannot be expected. Educated people must take agriculture with pride as a profession and they must find their future in agriculture. Once the youngsters of different science majors throng to the farms armed with scientific and technological knowledge, nothing can obstruct the agricultural development, and, eventually, the national development of Bangladesh.

Conclusion

Despite limitations, an effort was made to introduce a new concept – "sustaiomics" that may provide useful insights into the development discourse and encourage researches to look at developmental issues from quite a new perspective. It is crystal clear from our preceding discussion that Bangladesh has not used its potentials. There can be better development prospects once the country recaptures its missed opportunities. To that end, sustainomics can be a realistic prospect. Success depends on necessary skills, resources, and commitment of the people at all strata from village to cities and from central to local. The development that we aim at should be economically enduring, socially viable and environmentally friendly. This, in effect, leads us to the zenith of sustainable development.

One traditional view that has created confusion among many world leaders especially in the developing countries is related to the assumption that concerns for the environment are not necessarily important for economic activity. The conventional wisdom holds that it is not possible to have economic growth and a good environment at the same time, because they are mutually incompatible goals. The more modern

⁴² *The Daily Jugantar*, Dhaka, 1 April, 2004.

viewpoint which may also be embodied in sustainomics indicates that growth and environment are complements. One fundamental underlying assumption is that it is often possible to devise so-called “win-win” policies which lead to economic as well as environmental gains.

We should not ignore non-quantifiable indicators that can be used to measure the well being of people. As mentioned above, we need to rethink our development perspective based on the sustainomics framework. The components of sustainomics knowledge base need to be examined before any development policies are planned and economic activities are undertaken. The core values of sustainomics need to be nurtured, adopted and implemented at all levels of our development. The traditional goal of economic growth and development should be achieved while the social values are cherished and environmental hazards are wiped out. In order to enhance sustainable development, the sustainomics theory may be experimented in the pursuits of social equity, economic efficiency and ecological efficacy.

Part IV

Society, Ethnicity and NGOs

16

Social Development in Bangladesh: State of Poverty Alleviation

Introduction

Along with physical and economic development, the issue of social development has always been at the forefront of national development in Bangladesh since its inception. Immediately after independence rehabilitation of the war ravaged economy and the displaced population was the top priority. Health and population, development of the education sector also were given priority. But soon the question that engrossed the leadership and the policy planners was removal of abject poverty in which more than 80% of the population was steeped. Therefore, developmental efforts in both governmental and non-governmental sectors were geared to poverty alleviation. After about more than two decades of poverty alleviation experiences in which increasing number of NGOs have been coming in, and more and more governmental efforts were channellized, it is time a stock taking is made with regard to poverty alleviation programs in Bangladesh. The present chapter is an attempt in this direction.

After introduction, the chapter highlights on the principal issues with regard to social development through poverty alleviation. Poverty alleviation programs in Bangladesh have been assessed in the following sections in terms of types of organizations, types of programs and their effectivity. To analyze the case of Islamic mode of poverty alleviation, the programs of the Islamic NGOs have also been assessed. The issues and challenges confronting Bangladesh with regard to poverty alleviation are briefly outlined in conclusion.

Poverty Alleviation: Government and Non-Government Programs

Immediately after the independence the Government of Bangladesh set up national Integrated Rural Development Program (IRDP) with the task to extend the Comilla program on Rural Development which was launched in early 1960s. In the early 1980s the IRDP was transformed into Bangladesh Rural Development Board (BRDB) which started a Rural Poor Program (RPP) in 1983. The 1970s also saw the beginning of the NGO movement, initially as a response by foreign organizations to

help reconstruct a war-ravaged country, but later directed towards rural development in general and alleviation of poverty in particular.¹ Thus the poverty alleviation programs are undertaken by both government and non-government organizations.

The Government Programs

The government program of poverty alleviation could be classified into two broad categories written below:

Programs Which Enhance Earning Capacity

The programs in this area are of two kinds : (a) General human resource development which includes the provision of health and educational facilities, and (b) Special programs such as the development of training and credit programs through the BRDB and the Bangladesh Small Cottage Industries Corporation (BSCIC).

In education, the objective is to increase enrollment and improve quality, particularly at the primary level, as a mechanism both for eradicating illiteracy and enhancing the productivity of the potential labor force and thus its earning capacity. In health and family planning, government's strategy has focused mainly on service delivery primarily through the construction of health and family planning facilities in rural areas and the training of strong manpower. Emphasis on preventive care (specially child immunization and maternal-child health care) and promotional activities are of recent development. Recognizing that the expected poverty alleviation benefits from family planning programs are in improved maternal health, stable family size, and subsequently manageable growth of the labor force and productivity, Government is exploring intra-sectoral delivery mechanism. In this context, broader participation is being promoted through mothers' centers, Vocational Training Centers and women cooperatives of BRDB, aimed at Providing skills training and income generation opportunities to rural women and ultimately encourage their utilization of family planning services.

Finally, as a result of the failure of the formal credit delivery system in reaching the poor, especially in the rural areas, Government has developed special targeted credit programs. The main targeted credit programs are channeled at: (a) the rural poor through BRDB, and (b) small manufacturing and service activities, irrespective of location,

¹ World Bank, "Staff Appraisal Report: Bangladesh Poverty Alleviation" *Microfinance Project, Report No. 15431- Bangladesh*, August 14, 1996, PP. 4-5.

through the BSCIC. The formation of cooperatives is the main vehicle used by BRDB for channeling credit for irrigation equipment and inputs to small farmers.

Bangladesh's financial sector comprises the formal financial institutions that include commercial and specialized banks, and cooperative networks; the semi-formal institutions that incorporate NGO based micro finance institutions; and the informal institutions that include family, friends and money lenders. A major institutional innovation in Bangladesh was the establishment in FY 1990 of the Palli Karma Sahayak Foundation (PKSF), an apex financing institution to assist promising small and medium NGOs expand their poverty targeted micro credit programs. As of December 1995, PKSF has financed 124 Partner Organizations (POs), almost all of which started as social service organization, adding micro credit subsequently as a new service to their non-lending activities. PKSF proactively solicits new POs but maintains tight entry standards as reflected by its very high rejection rate of the 690 NGOs who applied for loans, PKSF has approved only 124.² In recent years, the activities of PKSF have incorporated in its programs huge number of development organizations.

Programs Which Directly or Indirectly Transfer Income

The programs in this area are of three types: those that affect relative prices, those directed at increasing access to (temporary) employment and those that provide food transfers. Government's distributional policies using relative prices are of two kinds: (a) those that affect consumption levels through lowering prices, essentially foodgrain subsidies, and (b) those that affect incomes especially in agriculture through input subsidies and producer price support schemes. In the first case, Government manages the domestic foodgrain situation through the Public Foodgrain Distribution System (PFDS). With respect to the latter, the key instruments used are rationing, pricing and relief.

Government programs directed at increasing access by the poor to temporary employment are implemented through PFDS. The main initiative is the Food for Work (FFW) program which provides essentially wheat for temporary earth work in rural areas. Finally recognizing that a large proportion of women and children with severe

² Dr. Debapriya, "Finance for the Poor: Bangladesh Experience Revisited", in Report of the Seminar entitled *Credit for the Poor: Aspirations, Realities and Prospects*, CCDB, Dhaka May 8-9, 1996, P. 37.

malnutrition, poor health and the absence of basic skills do not benefit from poverty alleviation programs, the government through its PFDS provides foodgrain as welfare benefits. The main regular program is the Vulnerable Group Development (VGD) which provides foodgrain on a monthly basis for two years to destitute mothers (with at least two children and whose husbands cannot work), supports vocational and skills training activities by woman and provides foodgrain for institutional feeding. The Ministry of Relief and Rehabilitation also provides temporary relief resources during periods of natural disasters.

Going by the Annual Development Program (ADP) in early 1990s. more than 13 government Department/Corporation/Ministries were implementing 64 projects/programs having direct bearing on poverty alleviation. The figure increased later years. These government schemes have diverse sectoral orientation (e.g. small and cottage industries, crop cultivation, fishery, livestock, infrastructure) providing varying inputs (e.g. credit, training, mobilization, health services, education) under different agencies including Ministry of Relief, Ministry of Land, Department of Social Services, directorate of Women Affairs. Almost all of these government programs had supply of credit to the poor incorporated in their work plan.

An approximate estimate indicated that, more than 42% of total expenditure done under the government's revenue budget, during 1981-88 period had potential for attaining poverty alleviation objectives while growing at 10% per annum in real terms, these direct and indirect transfers (subsidies, food account deficit, agriculture and water development, relief, FFW) accounted for little above 25.5% of total expenditures of the same period.³ Regarding the second channel of public resource allocation for poverty alleviation, estimate suggests that the earlier mentioned government projects have an outlay, spreading over a period of 13 years (1983-96), of about Tk. 32,836 million of which 84.6% is to be financed by project aid.⁴ From the middle years of the on-going century the allocation for project aid financing has sharply increased.

³ World Bank, "Bangladesh Poverty and Public Expenditures: an Evaluation of Selected Government Programmes", *Report No. 7946-BD*, 1990.

⁴ Catherine H. L ovell, *Breaking the Cycle of Poverty: the BRAC Strategy*, Kumarian Press, Connecticut, 1992, P. 34.

The Non Government Programs

In the NGO sector, anti-poverty credit schemes are carried out, in various degrees, by more than 15,000 registered voluntary social welfare agencies. Overwhelming number of these organizations are either sports clubs or cultural groups, many of which are either non-operative or virtually non-existent. However, the major NGOs, having a significant scale of operation, are funded by foreign agencies. Thus, there were about 125 foreign NGOs and 773 local NGOs receiving foreign assistance and registered with the NGO Affairs Bureau (NGOAB) in late 1990s. However, only a couple of hundred of these about 900 NGOs may be classified as development NGOs which implement credit programs. The number of NGOs prevailing today is immense since there is hardly any control mechanism by the government of Bangladesh. Recently, the *Muhajot* government under Hasina has decided to put required government regulations for NGO operation in the country.

The actual amount of resources being channeled through the NGO sector is anybody's guess. The NGOAB, in 1993-94 approved 581 projects amounting Tk. 12,560 million. An estimate on the low side suggests that foreign funds received by the NGOs in 1993-94 constituted about 11% of the total foreign aid flow to Bangladesh and about 24% of the grant component.

Among the NGOs involved in anti poverty programs, notable are: Grameen Bank, (GB), Bangladesh Rural Advancement Committee (BRAC), Gana Shahazza Sangstha (GSS), Christian Commission for Development in Bangladesh (CCDB), Action Aid, Save the Children Funds, Swanirvar, Proshika, CARITAS, Muslim Aid Bangladesh, Islamic Relief Organization (IRO), Agro-Industrial Trust (AIT), Association for Social Advancement (ASA) and so on.

These NGOs, however, have the almost similar programs in order to alleviate or reduce poverty. To sum up their programs we may enlist the following:

Rural Development

Programs concerning rural development aim at organizing the poorest people of villages as instruments for conscientization and empowerment, for income-generating activities facilitated by credit, and for implementation of various social programs.

Savings and Credit Programs (SCP)

Almost all NGOs working in Bangladesh have savings and credit programs for the poor who live predominantly in the rural areas. The modus operandi of such programs varies from organization to organization: there are similarities as well as distinctive features, NGOs have given priority to SCP as such programs are believed to have greater impact on poverty alleviation compared to other programs.

Education

NGOs make lot of investments in human resources development programs in their target areas. These include vocational/livelihood skill training, health training, account keeping, management training and functional education etc. Some of the NGOs like BRAC have Non-Formal Primary Education (NFPE) program which is designed for the poorest children who have never attended school.⁵

The vocational training undertaken by the NGOs include various training courses like carpeting, tailoring, weaving, welding, electrical and mechanical training etc. which massively reduce the sufferings of poverty.

Health, Sanitation and Environment

NGOs believe that without healthy people, a poverty-free society is not attainable. Thus their health programs focus on women and children and emphasize preventive health and improving services of the Government rural health system. These include immunizing mother and children, health cadre training, supply of vitamin capsules, iron tablet, deforming medicine, F.P. devices and ORS, family planning training, training on TBA, and training on prevention of diarrhea.

Agriculture, Poultry, Livestock

These include livestock cadre training, arrangement of vaccination, cultivation of potato, cucumber, sugarcane and rice, plantation of trees, training on poultry care and supply of seeds and saplings.

Islamic Approach to Poverty Alleviation

Theoretical Insights

Islam treats poverty as a social and ideological evil, because it degrades societal status of the vicegerents of Allah, gives birth to many social problems, and puts the poor national at the disadvantaged position in the world society of human race. It is an ideological evil since it affects

⁵ World Bank, "Report No. 7946-BD" *op.cit.*, 1990, P. iii.

performance of one's socio-religious obligations towards humanity and Islam, and may lead to *Kufr* by making one to indulge into acts of a *Kafir*. It is such an evil that the prophet Muhammad (Sm) has sought Allah's refuge from its grips in the following words:

“O Lord, I seek your refuge from infidelity (Kufr-poverty) and destitution (Faqr), and I seek your refuge from paucity (qillah) and humiliation (dhillah).”⁶

A lot of verses of the Holy Quran express Islam's hatred towards poverty and encourage reducing or eradicating it. Islam has a built-in-tendency towards poverty eradication and economic uplift of the poverty stricken population. Such an endeavor is manifest in Islamic injunction of *Zakah* or *Sadaqah* and Islamic prescription of compulsory payment to the poor in case someone commits some crimes, although there is no relation between the crime and the poor. For example, if any Muslim breaks an oath after its confirmation, he is penalized by a compulsory payment to the poor in the form of feeding ten poor people, giving them clothing, or freeing a slave. He may fast 3 days, instead, only if he cannot afford to pay the poor as prescribed.⁷

The poverty alleviation involve policies, such as: (1) to increase GNP with a pragmatic economic development plan, (2) to achieve equity in the distribution of income, (3) to provide equal opportunities to all in a society for upgrading economic conditions of the disadvantaged population, and (4) to address individual issues of specific situation. Islam has its strong role in all these aspects. Formulation such policies and their implementation involve measures in several dimensions.⁸

1. Positive measures,
2. Preventive measures
3. Corrective measures

The positive measures cover the areas of income growth, factor pricing through functional distribution of income which is just and fair and providing equal opportunities to all. Islam presents a system which is

⁶ *Al-Quran*, 5:89.

⁷ Abul Hasan M. Sadeq, “Poverty Eradication: an Islamic Perspective”- Paper presented at a seminar on *Poverty Alleviation*, organized by Social Science Institute of Bangladesh, June 23, 1995, P. 13.

⁸ Abul Hasan M. Sadeq, “Mobilisation of Resources for Development”, *The American Journal of Islamic Social Sciences*, No. 2.6, December 1989.

conducive for generating high income. It provides a positive work ethics to work hard for earning a good living. The Islamic norm of modest consumption behavior produces necessary savings. The system encourages mobilization of savings and their efficient utilization leading to capital formation and economic development.⁹

In pricing capital, Islam requires distribution of profits on the basis of a ratio, rather than a nominal fixed interest, and thus the shares of profits going to the bank depositors vary directly with the size of profits. They get higher profits if the size of the profits is large and vice versa, leading to equitable distribution of generated income. Equity in the distribution of income with high income growth minimizes the incidence of poverty.

Islam stands for social justice which requires ensuring equal opportunities to all. Allah commands justice and benevolence.¹⁰ Thus Islam wants to ensure access of all to other facilities and opportunities including banking services, business and industrial undertakings, regulated economic activities, natural resources and so on. Such equal opportunities will improve economic conditions of the disadvantaged groups of the population which will help reduce the incidence of poverty in the society.

Preventive measures tend to resist the practices that may lead to the concentration of wealth and producing two classes in the society, income inequality and other malpractices. Thus gambling, hoarding false advertising and cheating the consumers, bribery, and *riba* (interest) are prohibited in Islam. If all such malpractices, including the white collar crimes in the corporate sector, are effectively controlled, income concentration and its resulting evil would be prevented to a great deal.¹¹

Corrective measures of the Islamic system which involve transfer of wealth from the better-off to the worse-off people of the society may include compulsory transfers (*Zakah*), and recommended transfers (*Sadaqah*) etc. The main objective of *Zakah* is to eradicate poverty. Five out of eight prescribed heads of expenditure of *Zakah* are meant for poverty eradication. Although eight heads for spending *Zakah* revenue have been mentioned in the Holy Quran, there is general agreement that

⁹ *Al-Quran*, 16:90; 62:10.

¹⁰ Abul Hasan M. Sadeq, "Poverty Eradication: an Islamic Perspective" *op.cit.*, PP. 22-23.

¹¹ Ziauddin Ahmad, *Islam, Poverty and Income Distribution*, The Islamic Foundation, Leicester, 1991, P. 48.

the first priority in the use of *Zakah* funds has to be accorded to the alleviation of poverty through assistance to the poor and needs.¹²

The institution of *Zakah*, if implemented effectively, is expected to mobilize substantial amount of resources for poverty eradication. Besides *Zakah*, there is another payment to be made by the rich people to the poor on the day of 'Idul Fitr' which is called *Sadaqatul Fitr*. This is also obligatory which is aimed at helping the poverty stricken Muslims.¹³ An estimate shows that more than Tk. 2500 million may be collected from agriculture alone in a low-income country like Bangladesh.¹⁴ According to the Annual Development Program of Bangladesh, total allocation for agriculture development for 1988-89 was Tk. 3667.5 million combining both local and foreign currency components of the program.¹⁵ This means the *Zakah* from agriculture is worth about 70 per cent of the total allocation for agricultural development in Bangladesh in the year. Sadeq argues that "if this amount of money is effectively collected from the relatively rich farmers to finance agricultural development of the poor farmers alone, it is expected to lay significant contribution to financing agricultural development in the lower strata of rural population in Bangladesh. If this is the potential of *Zakah* in the rural Bangladesh, it is expected to contribute even more elsewhere."¹⁶ It is important to note that *Zakah* revenue is used with the objectives of long term poverty alleviation, and not as an ad-hoc relief to the poor.

Zakah and *SadaqatulFitr* are the minimum amount to be transferred from the rich to the poor. It has been recommended to give away beyond these amounts for poverty eradication, even if the severity of poverty is not alarming. In case the extent of poverty reaches a level that makes the poor starve, the recommended charity beyond *Zakah* becomes obligatory. Caliph Ali (R) said : "Allah has ordained that the rich are to pay out of their wealth to that extent which is out of their wealth to that extent which is sufficient for the needs of the poor, so that if they do not find food or clothing or struggle it would be because the rich are not doing their duty, and Allah will take them to task on the day of Judgment and will punish

¹² Abul Hasan M. Sadeque, "Distribution of Wealth in Islam", *op. cit.*, PP. 75-76.

¹³ Aidit Ghazali et al, "Zakat: A Case Study of Malaysia", Paper presented at the *Third International Conference on Zakat*, held in Kuala Lumpur on 14-17 May 1990, P. 95.

¹⁴ Government of Bangladesh, *Planning Commission: Annual Development Programme*, Dhaka, 1988, P. 10.

¹⁵ Abul Hasan M. Sadeq, *Poverty Eradication: an Islamic Perspective*, *op.cit.*, p. 26.

¹⁶ "Mohalla", Vol. VI, P. 158, Cited in Abul Hasan M. Sadeq, *ibid.* P. 28.

them.”¹⁷ Al-Quran also addresses prophet Muhammad (SM) and says: “people ask you about what to spend (for the cause of the poor); tell them to spend all that remain after meeting their basic needs”.¹⁸

Empirical experience

There emerged a number of Islamic NGOs in the late 1970s with poverty alleviation as the most important goal among others. In order to strengthen the concerted effort for this objective, these organizations emphasized on a federation through launching the Association of Muslim Welfare Agencies in Bangladesh (AMWAB) in a beautiful morning of 1993.

AMWAB has members comprising of local, national and international NGOs of similar ideology. The major objectives of the organization has always been the strengthening of operational, pragmatic, and management capabilities of the member organizations by providing various need based support services and assistance.¹⁹ Thus AMWAB has created the opportunity for smaller Muslim welfare agencies to work for the betterment of human being.²⁰ AMWAB is the platform of more than fifty local and international Islamic organizations. All of them contain substantial programs for social development and poverty alleviation.

Poverty Alleviation Programs: An Evaluation

In this subsection we will make an assessment of the initiatives and programs undertaken by the Government and NGOs.

Evaluation of Government Programs

Public Education

Bangladesh Government recognizes that one of the long term approaches to reducing poverty is to provide the poor with opportunities to improve the quality of their human capital base. But the enrollment characteristics and expenditure pattern point to a failure in the past to meet the objectives of reducing significantly the unequal access to education:

- a. Enrollment rates at the lower levels of educational system are generally low: primary level gross enrollment averaged 58% during

¹⁷ Sarkar M. Ramzan Ali, “The Aims and Objectives of AMWAB” paper presented at a seminar entitled *NGOs in Bangladesh: Problems and Prospects*, organised by AMWAB, November 23, 1996.

¹⁸ *Al-Quran*, (Chapter Al Baqarah), 2:219.

¹⁹ AMWAB, *Particulars of the Affiliated Member Organisations*, Dhaka, 1994, P. iii.

FY 1982-86, compared to about 92% in 1986 for India, 79% for Nepal. Enrollment at the secondary level, however, averaged 27% during the same period, compared to 35% in 1986 for India, 41% in the Philippines, but generally comparable with other Asian countries. Enrollment at the college and higher levels are comparable to the rates in the region.²¹ The number of primary schools and enrolment in primary education has displayed a slow but steady rise in recent years. The number of primary schools increased from 47,241 in 1990 to 59,894 in 1995 and 80,401 in 2005.²² The enrolment rate increased to 73 per cent in 1991 and 82 per cent in 1997.²³ The total number of students enrolled in 1990 was 12.05 million. This rose to 17.20 million in 1996²⁴, 17.95 million in 2004 and 16.23 million in 2005.²⁵ Despite the increase in the number of primary schools and in their enrolment during the first half of the 1990s and in the early years of the new century, trends during recent years gave little ground for optimism.

- b. Because of the regional disparity in educational facilities, urban enrolment rates at all levels are higher than rural. Females, in general, also enroll at lower rates than males.
- c. Public expenditures on education are comparatively low, accounting for about 10% of total government expenditures and about 2% of GDP in FY 88. The share of education in total government expenditures in Bangladesh is substantially below the averages of 16.4% for Africa, 12.7% for Asia and 14.7% for developing countries in 1980.²⁶ However in recent years, public expenditures have increased to a great extent which brings an optimistic future for education.

The Government is however, cognizant of these deficiencies and efforts have been taken to reform the system with support from external donors. In this process, emphasis was placed on the

²¹ World Bank, "Report No. 7946-BD", *op.cit.*, P. iv.

²² Bangladesh Bureau of Statistics, *Statistical Pocketbook: Bangladesh 2007*, Planning Ministry, Bangladesh Government, Dhaka, April 2008, P. 358

²³ PMED, *Child Education and literacy Survey*, Government of Bangladesh, Dhaka, 1997

²⁴ PMED, *Enrolment of Students at Primary Level(1990-1996)*, Primary and Mass Education Division, Government of Bangladesh, Dhaka, 1996

²⁵ Bangladesh Bureau of Statistics, *op.cit.*, P. 357

²⁶ World Bank, "Bangladesh: Poverty Alleviation Microfinance Project", *Report No. 15431-BD*, August 14, 1996. P. 2-3.

attainment of universal primary education (UPE) by 2000, improvements in the primary school curriculum and expansion of educational facilities including the construction of more primary schools at the rural areas, provisions and improvement of school text books, provision of laboratory facilities at the secondary level, training and employment of more teachers. All these matched well with the tune of Millennium Development Goals.

Health and Family Planning

Given Bangladesh's demographic and environmental setting, no poverty alleviation program would be successful without a concerted effort at improving the provision of health and family planning services. The public health and family planning system, nevertheless reaches less than 30% of the population and at a much lower rate in the rural areas like education the system is constrained by several problems which limit its effectiveness, although it is largely used by the poor. A national survey in 1988 indicated that close to 85% and 71% of the rural and urban respondents, respectively using government facilities could be classified poor. The problems of the system include inadequate resource allocation, weak coordination of health and family planning with other economic services, and financial limitations, exacerbated by weak management of the logistics of the system and by inadequate supervision and monitoring. Government health/family planning services are also characterized by substantial under funding defined as inadequacy of financial resources to meet the increasing operational cost requirements generated by the rapid expansion of static facilities and unavailability of local cost counterpart funds for ongoing projects. As a consequence, insufficient allocation of drugs and other medical surgical/operational requirements has contributed to facility underutilization.

Public Credit Programs

The concern with credit, as an instrument for enhancing the income generating capacity of the rural poor in Bangladesh may be traced to the well documented effect of usury and rural indebtedness characteristic of the informal lending system. Despite the proliferation of many special and targeted public programs with varying degree of subsidy, performance has been unsatisfactory. Available nation wide data suggest that about 50% of urban and 75% of rural residents have no access to institutional credit. Access to the credit is also positively correlated with household socio-economic characteristics such as education, income,

land ownership and status in the community. The poor, and specially women, derive little benefit from the conventional credit market.

Recognizing the inability of conventional credit institutions to reach the rural poor, Government entrusted the BRDB with the task of organizing the rural poor for, among other things, employment generation through improving their access to credit. Government also supports the activities of Swanirvar, and to a lesser degree, the Grameen Bank and assists the small and cottage industries through BSCIC. Our government encourages the greater involvement of voluntary and non government agencies in this area. Different credit institutions developed through public initiatives by encouraging the expansion of informal organizations. Although the formal financial sector like NCBs and specialised banks have a large rural credit program and some have initiated micro credit programs for the most part their rural credit programs are neither targeted to the poor nor do they reach the poor. Their programs are mainly for small rural enterprises and farmers rarely include the landless.²⁷

Rural Development and Agriculture

The government's rural development program (RDP) is considered as an instrument to provide support for increasing agricultural product. It emphasizes the formation of cooperatives and the integration of support services provided by the government departments. Our agricultural policies until the early eighties were characterised by substantial public intervention through the supply of inputs and price subsidies. Irrigation and water control played an important role since the provision of regular water supplies served as an incentive for farmers to begin using modern agricultural techniques and inputs. Government also provided subsidized inputs specially fertilizers and high yielding variety (HYV) seeds. The combination of irrigation and modern techniques resulted in increased cropping intensity, raised per hectare annual production of grains and improved farmers' incomes.

However, problems of excess public intervention, the resulting inefficiencies in input distribution and use, and the substantial burden on the budget necessitated reforms directed at the promotion of competition through greater reliance on private initiatives in input distribution.

Public Foodgrain Distribution System (PFDS)

²⁷ World Bank, "Report No. 7946-BD", *op.cit.*, P. XII.

The main objectives of the PFDS are to (a) achieve food security by ensuring adequate availability of foodgrains, (b) improve food distribution through better targeting to ensure greater equity and to achieve poverty alleviation objectives, (c) reduce budgetary costs of food operations, (d) ensure incentive prices to producers to encourage domestic production with greater stability in market prices.

PFDS operates through a number of distribution channels which broadly fall into two groups: monetized channels which entail the sale of wheat and rice at ration prices are managed by the Ministry of Food, and the non-monetized channels in which foodgrains are essentially used as food wage for rural infrastructure works, which is managed by the Ministry of Relief and Rehabilitation.²⁸

Of all the non-monetized PFDS channels, FFW and VGD programs are the most important, both in size and coverage.²⁹ But this program has been subject to criticism partly because of its inherent relief orientation and its lack of integration with mainstream development programs undertaken by the Government.

Evaluation of the NGO Programs

Education

NGOs have always emphasized the human resources development, because this is number one precondition for poverty alleviation. BRAC conducts a large primary education called Non-Formal Primary Education (NFPE) Program. By the end of the present decade of the on-going century, NFPE hopes to be providing primary education to the poorest children in most villages in the country.³⁰ Critics argue that although the NFPE Program aims at spreading education, the overall achievement is almost zero. Most of the BRAC schools set up in rural areas do not hold classes regularly. Some of them also remain closed after operating a few months. It is also alleged that the teacher are exploited by the highest authority of the NFPE program. They are not given salary; they are paid a small monthly stipend.

In reality, our NGOs do not have broad program concerning education. Outside NFPE, alphabet teaching, Adolescent Literacy Program, small-scale seminars, symposiums, study circles and training

²⁸ World Bank, *ibid*, xiii.

²⁹ Catherine H. Lovell, *op.cit.*, P. 51.

³⁰ CCDB, *Annual Reflection 1994-95*, Dhaka, P. 65.

schemes, they do not have long-term human resources development programs.³¹

Health Program

The health program undertaken by NGOs produced remarkable positive results. This role in improving the health consciousness among rural women and children is noteworthy. The NGOs, on many occasions integrate their health programs with those of the Government. Their participation in health cadre training, supply of vitamin capsules, iron tablet, tube wells, ORS, training on TBA, training on prevention of diarrhea, is praiseworthy.

Savings and Credit Programs

Thirty years ago only credit available to Bangladesh's poor came from informal sources, such as Kin, friends, traders, money lenders. Today that situation has been dramatically changed with large numbers of people having access to credit from semi-formal institutions. The credit experiments of the Grameen Bank, ASA, CCDB, CARITAS, SHED Board, BDS, UST and many other NGOs have been appreciated both at home and abroad.

While those institutions have managed to extend financial services to the poor, all the major NGOs including Grameen Bank admit that they have serious problems in reaching the hard core poor resulting in extremely limited coverage. The impact of these institutions on poverty is complex and hard to measure. The evidence from an International Workshop suggests that they have made a significant contribution to poverty alleviation but have had a much more limited impact on poverty removal.³² The workshop summary also notes that the high expectations held of micro-credit institutions (MCIS) have at times led to the false impression that they can solve the problem of poverty.

However, these NGOs have performed at much higher level than the government credit schemes. Results have been so impressive that Bangladesh is now a centre for the global diffusion of micro-credit ideas although it is still a recipient of ideas about savings.³³

³¹ BRAC and other NGOs, *International Workshop on Poverty and Finance in Bangladesh: Reviewing the Two Decades of Experience*, Held at Hotel Sheraton, Dhaka, 1996, P. 2.

³² *ibid*, P. 3.

³³ Grameen Trust, *Grameen Poverty Research*, Vol. 2, No. 4, Dhaka, October 1996, P. 10.

The study by Rahman and Hossain of Bangladesh Institute of Development Studies, points out that in spite of the almost exclusive status of credit within the menu of poverty alleviation programs, access to credit is still limited to only a quarter of rural household, indicating still significant scope for expansion of such programmes. Credit access is relatively higher among the moderate poor. Agricultural credit is received by only one tenth of rural households.³⁴

Role of Islamic NGOs

Background

Despite remarkable achievements of secular NGOs, it is often alleged that some of them nurture values against the basic religious and cultural teachings of the mass people. High interest based loan programs of NGOs, extreme punitive measures in case of loan default, transfer of a large portion of income to foreign agencies are some glaring examples that hurt the mass peoples which hinder smooth working environment of NGOs. Thus it was felt that Islam which constitutes about 90% of the total population of Bangladesh should have also its own NGO activities. There was a growing awareness among many social workers that one should not ignore the result and influence of Islam on the planning process since Islam has a great appeal to its followers for social development and poverty alleviation. Even it has been opined by many educationists, researchers, economists that if we could follow Islamic spirit in our programs it would result more effectively than the existing performance.³⁵ Against this backdrop, a number of Islamic NGOs were established.

Programs and Activities

Among the Islamic NGOs, the achievements of Islamic Bank, Islamic Bank Foundation, Rabita Al-Alam Al-Islami, Muslim Aid, Ibn Sina Trust, Agro Industrial Trust are praiseworthy. Ibn Sina Clinic and hospital, Ibn Sina medical college, Ibn Sina Pharmaceuticals, Islamic Bank Hospital, Muslim Aid clinic, Protiti Biddalaya of Muslim Aid, cyclone shelters at coastal areas are some of notable achievements. Apart from these, a look at their programs gives us much more information on their poverty reduction strategies. The social development programs of these organizations include: a) credit and saving; b) dairy, poultry,

³⁴ CCDB, *An Impact Study on CCDB-Savings Credit Program*, Dhaka, August 1995, P. iv.

³⁵ Sarker M. Ramzan Ali, *op.cit*

plantations and fisheries; c) medical services; d) vocational training institute; e) relief and rehabilitation; f) orphan sponsorship; g) various rural development schemes; h) poverty alleviation through various income generating projects; i) education program; j) housing project for the cyclone affected people; k) small business investment scheme

Corporate Social Responsibilities

The Islamic Bank undertaken various social welfare activities through Islamic Bank foundation. The objectives are to serve the distressed humanity, promote people-oriented mass education, external health and medicine facilities to the poverty-stricken people in urban and rural areas, create facilities for productive self-employment and develop human resources, assist healthy growth of art, culture, and technology. The Foundation has an Income Generating Scheme, objective of which is to encourage unemployed youths in nation building activities and to make them self-reliant. Monorom, a development project of the Foundation, encourages poor women for self-employment and for marketing home-made garments, handicrafts etc. Besides, the Foundation has a number of programs that reduce poverty, viz, health scheme, educational scheme, Islamic Bank Hospital, humanitarian assistance, emergency relief operation, service centre, human resource development programs and so on.

The limitation of this paper is that we can not make an assessment of all the NGOs and so, the assessment of the Islamic NGOs remains a very difficult job. But the integrative efforts of AMWAB to enhance social welfare activities in Bangladesh is undoubtedly producing a prospective future of Islamic NGOs.

Conclusion: Issues and Challenges of Poverty Alleviation in Bangladesh

Several issues may be raised in outlining the constraints of and opportunities for the organizations dealing with poverty alleviation. Most of the comments are confined to the NGOs, both the secular and Islamic organizations.

Firstly, it has been observed that while the poor are the target group of most of the NGOs and the programs directly aim at eliminating poverty, it is not clear how poverty could be eliminated with quite high rates of interests charged by the secular NGOs on their credits. It seems the basic principles on which these NGOs operate is self-sustaining programs; however, the targets of the programs that are run with high interest rates

have remained most of the time unrealized. This point needs to be commented upon from the point of view of exploitation, social justice and more importantly permissibility in Islam.

Secondly, the NGOs may be critiqued from the point of view of voluntarism vs professionalism. Voluntarism is disappearing and professionalism is increasing among especially the big NGOs. This changes the whole make up of the poverty alleviation program. Besides, there is intense competition among the NGOs for funds and coverage so that the relatively smaller NGOs are disadvantaged. In the present century, the big NGOs may turn into giant corporate bodies in which capital accumulation and scientific management principles will replace humanitarian angles. While micro-credit will be dominant paradigm in the coming decades, the interest-based operations will militate against their poverty eradication dimensions.

In the face of intense competition among the NGOs, the Islamic value-based NGOs will be relatively disadvantaged; but it is expected that the secular NGOs will face increasing challenges from the Islamic ones especially in the Muslim countries. Channelling the Islamic approach to the secular NGOs in the right path will possibly constitute the greatest challenge to the Islamic NGOs and the Muslim Ummah. The other constraint confronting the Islamic NGOs will be severe resource constraints in view of shrinkage of the petro-dollar. How the Islamic community will respond to that situation needs to be observed.

Education in Bangladesh: Structure Models and Perspectives

Introduction

Education is one of the most important elements of generating human capital. From the dawn of civilization, human resources have been considered as the most significant factor for the development of a society. In order to make the most effective use of this factor, the developed countries have devised various scientific ways and means to promote human resources through education. The term human capital is used by economists to imply that education, health and other human capabilities can play important role to increase productivity. The human capital approach is a viable strategy for enhancing growth and development. Education and health are two important indicators of social development by means of which efficient human resources that are beneficial for raising productivity and thereby stimulating growth and development can be generated. Todaro considered them as ‘joint investments for development’.¹

This chapter highlights on the theory of education and examines its importance for a developing country like Bangladesh. What is the prevailing structure of our education? What are the distinguishing features of our education models? What are the problems inherent in our education policy for which many of our development objectives are being constrained? How to adopt and adapt a viable education model for Bangladesh? Can we emulate any education policy of one or more of other countries? The theoretical perspectives are first addressed that are followed by an overview of our education structure, models and strategies. The chapter ends with a couple of recommendations including emulation strategies from other countries as well as some concluding remarks.

¹ Todaro, M.P. and Smith, S.C., *Economic Development*, Addison Wesley, New York, 2003, p. 362.

Theory of Education and its Development Linkages

Education and Growth

‘Education is the backbone of a nation’ says the maxim. No country or nation can prosper without education. From time immemorial, emphasis has been given on education for socio-economic development and the prosperity of human society. The emphasis that has been placed on education in governmental and donor policies in past years has resulted in remarkable increase of enrollment in primary, secondary and higher institutions. However, empirical studies differ on the question of whether education stimulates growth.

Administrative authorities as well as economists have been very concerned with the proper utilization of human resources through education. Adam Smith, in his famous book “The Wealth of Nations” especially mentioned the subject and included, “acquired and useful abilities of all the inhabitants or members of a society” in his “Fixed Capital”.² Alfred Marshall, known as the father of Modern Economics, emphasized the importance of education as “a national investment” and according to him “the most valuable of all capital is that invested in human beings”.³ After observing the bad performance of Neoclassical theories, a new growth theory- the Endogenous Theory- suggests a government strategy of generating huge human capital through private and public investments in knowledge-based industries, including computer software, telecommunications and other modern technologies. Human capital generation is the only means to transform the ‘burden of huge population’ into ‘productive human resources’.⁴

This economic theory is supported by substantial empirical evidence. In his cross-country comparison, Hayami has found high positive correlations of the two social development indicators-education and health with per capita GNP and concluded that investment in these sectors promotes human productivity and thereby increases per capita output.⁵ Some studies suggest that variations in growth across nations

² Smith, A., *An Enquiry into the Nature and Causes of the Wealth of Nations*, Random House Inc., 1937, pp. 265-266.

³ Marshall, A. *Principles of Economics*, Macmillan and Co. Ltd., London, 1930, pp. 216-564.

⁴ Asaduzzaman, M. and Amin, M. R., “Human Resources Development in Bangladesh: An Islamic Perspective”, *Dhaka University Journal of Business Studies*, vol. 18(2), 1997, pp. 97-100.

⁵ Hayami, Y., *Development Economics: From the Poverty to the Wealth of Nations*, Clarendon Press, Oxford, 1997, pp. 41-43.

have very little to do with variations in human capital.⁶ Some researchers have found that there is no positive association between the two and in some cases they found even a negative association.⁷

The researchers who found no relationship have based their argument on the lack of African growth despite educational explosion during the period 1960-1990. During this time, a number of African countries did not grow economically, although massive educational development was carried out. The growth rates of the Soviet Union and East European countries were also disappointing despite their very significant achievements in education. Conversely, a country like Japan achieved growth miracle with only a modest growth in human capital.

Now, it is very important to explain the 'no association' phenomenon. In fact, none of these works actually negate the significance of education for development. Rather, most of these researchers found that initial levels of education are positively correlated with subsequent productivity growth.⁸ As already mentioned, the development model suggested in the present work focuses on the combination of a number of factors that are important for development. The backwardness of Africa and that of East Europe can be explained by the legacy of colonialism and communism, an unstable political situation, inefficient economic strategies and discriminatory international political economy. More important regarding East Europe is the enduring legacy of the devastation of the two World Wars and the crushing economic burden of the Cold War. On the other hand, Japan's economic miracle has been the result of its sound economic strategy, political stability, social cohesiveness, educational development at the primary and secondary levels and above all, the role of United States.

Education and the Welfare of Nations

Carnov explains the significance of education for the prosperity and welfare of world nations. He thus finds an important relationship between education and development. He remarks:

Education is a major determinant of the welfare of nations, since the sum of individual education experiences has important implications for

⁶ Klenow, P. and Rodriguez-Clare, A., "The Neoclassical Revival in Growth Economics: Has It Gone Too Far?", in Bernanke, B. and Rotemberg, J. (eds.), *NBER Macroeconomics Annual 1997*, The MIT Press, Cambridge, 1997.

⁷ Pritchett, L. and Filmer, D., "What Educational Production Functions Really Show: A Positive Theory of Education Spending", *Economics of Education Review*, 18, no. 2, April, pp. 223-239.

⁸ Barro, R.J. and Martin, X., *Economic Growth*, McGraw-Hill, New York, 1995.

society as a whole. Part of the crucial role of education is manifested in the economic arena. This is especially true today, both because an increasingly globalised economy places a higher premium on economic competitiveness, and because, due to new information and communications technology, economic growth and social development depend more on human knowledge than on the availability of natural resources. These new and rapidly changing conditions in an ever-more interdependent world economy require more flexible, easily trainable labor forces that are better able to access and interpret the mass of available information. This, in turn, requires higher-quality, more adaptable education systems that can provide young people and adults with the knowledge and life skills to function effectively in the new environment.⁹

Towards a Viable Education Model

An appropriate education model is the number one criterion to make education useful for development. In the preceding section, we noticed that the educational revolution did not promote development in some countries. Yet, countries like Japan, Singapore and Malaysia and some other Southeast Asian nations have been able to make use of education. The most important strategy to get benefit of education is to build up a skill-oriented education structure. At the basic education levels, the academic curriculum and syllabi need to be made in a way that will create necessary skills for work in various fields. My three year stay in Japan provided me the understanding that Japanese students start experiencing practical knowledge at work right from the school levels by working part-time in factories, industries and convenience stores. Malaysia has also benefited from a skill-oriented education system.

The key is to structure a skill-oriented general education at the initial stages of education that every student has to learn and then to select a few of the outstanding high school graduates for specialization through higher education. Without a solid background in such a general education, a country's efforts to strive for capital intensive or skill-intensive industrialization must back fire and instead of strengthening the industrialization process, it nips the industrial base in bud. Blind imitation of the developed countries, without a strong human resource led education system, has made the development policies of many developing countries unrealized and unrealizable. Their initiatives to

⁹ Carnoy, M. *Education for Global Participation (Part I of ADB Key Indicators 2003)*, 2003, P. 3

establish capital and skill intensive industries, in the mistaken calculation that these will accumulate capital have thus been ended in fiasco.¹⁰

The Structure and Strategies of Education

The government of Bangladesh has adopted certain policies with regard to education. Despite enormous physical improvements in the country's educational inputs, the long-term goals and objectives of its education have still remained far behind.

Goals, Policies and Planning

The Ministry of Education and the attached Departments and Directorates as well as a number of autonomous bodies are responsible for planning, financing, and managing education at all levels.¹¹ The post-independence constitution of Bangladesh laid down the following principles with respect to education:

- a. To build up a uniform, mass-oriented and universal educational system;
- b. To make education free and compulsory for all children;
- c. To create a need-based education system so that the most important contribution of the educated segment of the society can be ensured for the building of the new nation; and
- d. To eliminate illiteracy.¹²**

In order to maintain a modern, scientific and effective education system, the government adopted certain acts and policies. For the great cause of formulating sound education policies, eight education commissions or committees have so far been formed. Among these acts and commissions, Qudrat-e-Khuda Education Commission of 1972, Mofiz Uddin Education Commission of 1988, Compulsory Primary Education Act of 1990, Private University Act, Shamsul Haque Education Committee of 1997, National Education policy of 2000 and Moniruzzaman Mia Education Commission of 2003 deserve special attention.¹³ The name of the eighth Commission under the chairmanship

¹⁰ Lucas, R.E.B. and Very, D., *Restructuring the Malaysian Economy: Development and Human Resources*, Macmillan, London, 1999, p. 291.

¹¹ Ministry of Education, "Education Structure and System", Government of Bangladesh, Online available, <http://dns3.bdcom.com/iactive/moe/mansys.html>, February 13, 2004.

¹² *The Constitution of the People's Republic of Bangladesh*, Dhaka, 1972

¹³ Ministry of Education, "National Education Policy", Government of Bangladesh, Online available, <http://dns3.bdcom.com/iactive/moe/policy.html#top>, February 10, 2004.

of Professor Kabir Chowdhury was announced by the *Muhajot* government on April 8, 2009 which aims to recommend a unitary and secular system of education by incorporating most of the points raised by the earlier Qudrat-e-Khuda Commission.

Immediately after independence, the ad hoc Bangladesh Education Commission was formed to investigate and report on all major aspects of education. In 1987 another high-level body named the National Education Commission was constituted. In August 1988, the commission put forward some recommendations that included compulsory free education, reforms in the madrasah and medical education systems, and removal of student politics from the campus. The compulsory primary education was reinstated through the 1990 Act. A separate division named Primary and Mass Education Division (PMED) was created in 1992.

The education policy 2000 is also important to understand the government strategies to develop the education sectors. It recognized the need for pre-primary education and recommended that the 5+ children be recruited in primary schools with a view to universalizing one-year pre-primary education. A program called “Education for All” by 2000 was undertaken to ensure 95 per cent of enrolment at primary education. The Fifth Five-Year Plan (1997-2002) accorded the highest priority to primary education. It sets a target of achieving gross enrolment rate of 110 per cent, and net enrolment rate of 95 per cent by the year 2002.¹⁴ The recently submitted 340-page report of Moniruzzaman Mia Commission suggested radical reforms including a single-discipline secondary education, raising the teacher-student ratio, revising education management and restructuring pay scale for the teachers.¹⁵

The present commission under the *Muhajot* government has proposed a national education policy based on the Qudrat-e-Khuda Education Commission modeled on the spirit of secularism. The government plans to implement it soon. Unfortunately, the proposed policy seems to have failed to achieve credibility and acceptance of the majority of our population, to address the fundamental principles on which the education policy of a country needs to be founded and to reflect their spirit, choices and priorities. The success of the report lies in the fact that it has been able to draw the attention of almost all corners and stimulate threadbare debate. It has equally invited severe criticism and reservation from the

¹⁴ Planning Commission, *The Fifth Five-Year Plan 1997-2002*, Planning Commission, Government of Bangladesh, Dhaka, 1998.

¹⁵ *The Daily Star*, Kawran Bazar, Dhaka, April 1, 2004.

academics, intellectuals, journalists and political leaders. Critics identified that the most important shortcoming of the proposed policy springs from its massive deviation from the belief, faith and values of our population by incorporating secularism as the spiritual foundation of the proposed policy and by underemphasizing religious education that can produce educated citizens who are ethically enlightened and morally uplifted. Some people call it incomplete, inefficient and unnecessary; some consider it as inconsistent with the constitution and some label it as undemocratic.¹⁶ They recommend to include the most important aspects of all education committees and commissions made so far and to prepare a pro-development education policy based on mass orientation and popular demands by giving appropriate attention and scientific approach to Madrasah education, putting emphasis on core religious languages such as Arabic, Sanskrit and Pali and by injecting religious subjects in the English medium schools.¹⁷

Structure and System

There are mainly four categories of education system in Bangladesh.¹⁸ The mainstream is a vernacular education system, which has been carried over from the secular model of colonial period. The second stream is an English medium GCE 'O' and 'A' levels of education system, which has been directly borrowed from the secular British system. The third stream the Alia Madrasah education seems to uphold an integrated system combining major subjects of both the vernacular and the religious education systems. Apart from Bangla, two languages- English and Arabic are given equal importance as the medium of instruction. The fourth stream is solely a religious education system named the Qaumi Madrasah, which attempts to specialize in Islamic theology. Until very recently only Arabic used to be considered as the medium of instruction under this system,. In recent years, the privately run Qaumi Madrasah Board has reformed its syllabi and curricula by including English, Maths, Bangla and some Science subjects in a limited scale. Despite apparent differences between and among these systems, there are certain elements

¹⁶ Professor Mojaffar Ahmed, Professor Emajuddin Ahamed, Sedeq Khan, Amanullah Kabir, Professor Shamsher Ali and other people of civil society made these remarks in diffeent conferences and seminars held in last couple of months since the proposed report was circulated.

¹⁷ Different Muslim, Buddhist and Hindu religious scholars have expressed similar opinions in this regard

¹⁸ Ministry of Education, "The Education Systems in Bangladesh", Government of Bangladesh, Online Available, <http://sanisoft.tripod.com/bdeshedu/introduction.html>, February 16, 2004.

that are common to each of them, which may provide flexibility of reintegration of graduates of one system with the other at different levels. The success of this depends on the efficient government policies and their effective implementation.

The diagram of education structure and system¹⁹ prepared by the Ministry of Education reveals that the children (6 +) enter the compulsory primary education after one or two year pre-primary education in private schools, kindergartens, and day-care centers. The government schools as well as non-government institutes that are managed by private sectors or NGOs run the primary education. The vernacular and English medium private schools are expensive and located in big cities targeted to the affluent section of the society. So, the poor parents send their children to the schools run by the government or NGOs. The NGO run schools are usually non-formal in nature that attract only the dropouts and on completion of 2-3 year non-formal education from these schools, students reenroll in the government or private schools.

After the primary education, the students (11+) enter a three year junior secondary education, and after completion of this level, they go for a two year secondary education with any of the specialization areas from science, commerce or humanities and some of them branch out at this level for entering into the government and non-government vocational and technical institutes. At the end of the secondary level education, students sit for public examinations- Secondary School Certificate (SSC), Dakhil or 'O' level conducted by National Education Boards, Madrasah Boards and London/Cambridge University respectively.

After successfully passing the public tests, the students (16+) get enrolled either into the two year higher secondary level of education in their chosen fields or into technical or polytechnic institutes and on completion, they sit for another public test-Higher Secondary Certificate (HSC), Alim or 'A' level conducted by above boards or universities. The successful students (18+) then get admitted into the two or four year undergraduate degrees (BSc, BBA, BSS, BA Pass and Honors, Fazil) which are followed by one or two year graduate programs (MA, MSc, MSS, MBA, MBBS, Kamil) under public or private universities, degree/technical colleges, madrasah boards and specialized institutions. The students of 23+ age group involve in various research, M.Phil and Ph.D programs.

¹⁹ To see the diagram, visit this website: Ministry of Education, "Education Structure and System", Online available, <http://dns3.bdcom.com/iactive/moe/mansys.html>, February 13, 2004.

Management of Education

The Ministry of Education in association with several directorates, departments and autonomous bodies are responsible for overall management of education system in Bangladesh.²⁰ Given the significance of primary education, its management has been given to the PMED created in 1992 and now located within the Prime Minister's Secretariat. The PMED is responsible for making policies that are to be implemented by a Director General of the Directorate of Primary Education (DPE) in cooperation with Deputy Directors, District Primary Education Officers (DPEOs) and Upazila Education Officers (UEOs). The responsibilities of DPE include recruitment, posting, transfer of teaching and administrative staff, organizing training, and distributing free textbooks.

The management and policy implementation as well as teacher recruitment and evaluation of the secondary and higher secondary levels are assigned to the Directorate of Secondary and Higher Education (DSHE), which is divided into eight zones, each in charge of a Deputy Director assisted by two Inspectors and two Assistant Inspectors. Moreover, District Education Officers (DEOs) work as the heads of the district offices. The Boards of Intermediate and Secondary Education (BISE) are assigned to conduct the SSC and HSC examinations and to grant recognition to non-government secondary schools. The periodic evaluation of the non-government schools lies in the Directorate of Inspection and Audit along with the zonal Inspectors and Assistant Inspectors.

The National Curriculum and Text Book Board (NCTB) bears the responsibility of developing curricula and publishing text books for the primary, secondary and higher secondary levels. The technical and vocational institutions are run and managed by the Directorate of Technical Education (DTE). The management Committee (MC) or Governing Body (GB) is responsible for policy planning, policy implementation and recruitment of the private sector or NGO run schools, colleges and madrasahs. National University is an affiliating university responsible for academic control of all the affiliated colleges that offer the Degree Pass, Honours and Masters courses.

The management of the secondary and higher secondary education has been centralized and politicized to a great extent in recent years. The MC members are made based on their political and social identities. The political leaders, rich persons, vested interest groups and the socially

²⁰ Ministry of Education, "Management of Education", GOB, Online Available, <http://dns3.bdcom.com/iactive/moe/mansys.html>, February 14, 2004.

influential people occupy the key positions. The local MP holds the status of Chairman of MC of these institutions.

The public universities which enjoy autonomy are managed by authorized statutory bodies such as Syndicate, Senate, and Academic Council. The private universities are administered by different management structures set by the founding authority of the respective university, where the role of MC, syndicate, senate, and academic councils and, above all, the supervision of the University Grants Commission (UGC) are very important. The UGC is responsible for co-ordinating activities of the universities and distributing government grants of them.

The State of Education

Basic Facts

The physical structures of our education such as the number of schools, colleges and universities, number of teaching and administrative staffs, number of enrolled and graduating students, educational infrastructures, literacy rates, the private and public expenditures on education and the government budget demonstrate phenomenal development and growth in recent years. The fundamental information on the key aspects of Bangladesh's educational sector indicate elevating strides towards education.

Table 1 provides very important information on the overall picture of the education of Bangladesh including the numbers of educational institutions, teachers and students, the teacher-student ratios and the government budget allocated for education. The table is very comprehensive that helps us understand almost all aspects of our education. The profile of Bangladesh education contained in table 1 is statistical information which provides with a clear overview of the country's education sector.

Table 1: Indicators of Education System in Bangladesh

	1997	1998	1999	2000	2002	2003	2004	2005
Number of Primary Schools	77685	66235	65610	63658	78363	79833	82868	80401
Number of Secondary Schools	na	13419	14069	14640	16562	17386	18267	18500
Number of Madrasha	6655	6915	7096	7096	7820	8410	8829	9214
No. of Govt. Medical Colleges	13	13	13	13	13	13	-	15
No. non-govt Medical Colleges	5	11	11	19	12	14	-	27
Number of Dental	1	2	2	3	5	7	-	9

	1997	1998	1999	2000	2002	2003	2004	2005
Colleges								
Number of Engineering College	4	4	4	4	-	-	-	-
Number of Public Universities	11	11	11	11	17	21	21	24
Number of Private Universities	16	17	19	19	41	52	53	54
Full time Students in Public Universities								
Total	67282	67807	70145	77865	92152	104736	112327	116397
Male	51091	51388	53425	59055	68929	78924	84374	86922
Female	16191	16419	16660	18810	23223	25812	27953	29475
Students Per Teacher								
Primary	57	70	71	67	56	54	51	47
Secondary	39	39	40	40	44	39	31	35
College	33	33	29	28	23	20	16	15
University	26	24	22	22	15	17	16	16
Total Government Revenue								
Expenditure on Education (Crore TK)	2297	2689	2976	2209	3739	3963	4474	5081
Total Government Development								
Expenditure on Education (Crore TK)	1551	1543	1737	2064	2138	2541	2283	2048
Total Govt. Expenditure on								
Education Revenue & Development (Crore TK)	3848	4232	4713	4273	5877	6504	6758	7130
Per Capita total Public Expenditure								
On Education (Current TK)	310	335	368	329	442	482	491	510

Source: Bangladesh Bureau of Statistics, Statistical Pocketbook: Bangladesh 2007, Planning Ministry, Bangladesh Government, Dhaka, April 2008, P. 357

Primary Education

The number of primary schools and enrolment in primary education has displayed a slow but steady rise in previous years. The number of primary schools increased from 47,241 in 1990 to 59,894 in 1995 and

80401 in 2005.²¹ The enrolment rate was about 61 per cent in 1985, increasing to 73 per cent in 1991 and 82 per cent in 1997.²² The total number of students enrolled in 1990 was 12.05 million. This rose to 17.20 million in 1996,²³ 17.95 million in 2004 and 16.23 million in 2005.²⁴ Despite the increase in the number of primary schools and in their enrolment during the first half of the 1990s and in the early years of the new century, trends during recent years gave little ground for optimism. Table 1 shows that the total number of primary schools, which was 77,685 in 1997, gradually declined and by the year 2000, has decreased to 63,658. However, in the initial years of the new millennium, the number of primary schools increased gradually to 78363 in 2002, 79833 in 2003, 82868 in 2004 and 80401 in 2005.²⁵

According to government documents, the number of teachers and students also decreased from 2,78,992 and 1,96,12,000 in 1999 to 2,59,441 and 1,73,78,000 in 2000 respectively.²⁶ Despite a slide increase in the number of teachers in the beginning years of the new century, the number of students did not increase. According to a BANBEIS study, the number of teachers rose to 3,52,935 in 2004 and 3,44,789 in 2005, but the number of students decreased to 1,79,52,000 in 2004 and 1,62,26,000 in 2005.²⁷ It is important to note that the increased number of schools or enrolment rates may not necessarily reflect actual realities. The drop-out rate, student-teacher ratio and structural facilities need also to be considered. More than 60 per cent of primary students drop out every year and only one out of three students can complete primary education. The teacher-student ratio has also deteriorated in recent years. The table shows that the teacher-student ratio, which was 1:57 in 1997, declined to 1:70 in 1998; 1:71 in 1999 and 1:67 in 2000. Although the ratio slightly improved in recent time, the number of teachers has not been increased in proportion of increased student enrolment.

²¹ Bangladesh Bureau of Statistics, *Statistical Pocketbook: Bangladesh 2007*, Planning Ministry, Bangladesh Government, Dhaka, April 2008, P. 358

²² PMED, *Child Education and literacy Survey*, Government of Bangladesh, 1997.

²³ PMED, *Enrolment of Students at Primary Level(1990-1996)*, Primary and mass Education Division, Government of Bangladesh, 1996.

²⁴ Bangladesh Bureau of Statistics, *op.cit.*, P. 357

²⁵ *ibid*

²⁶ Bangladesh Bureau of Statistics, *Statistical Pocketbook: Bangladesh 2004*, Planning Ministry, Bangladesh Government, Dhaka, P. 338.

²⁷ BANBEIS, "Number of Primary Institutes, Students and Teachers", in Bangladesh Bureau of Statistics, 2008, *op.cit.*, P. 358

Moreover, the inadequacy of physical facilities, including school buildings, libraries, sports grounds, is a serious problem. Library facilities are absent in almost all the primary schools in the country. In addition, the enrolment data, on many occasions, does not reflect the real enrolment statistics. The mere listing of names in student registers does not imply that the student actually exists in the class. Names listed in the register are, in many cases, more fictitious than real. The daily attendance, moreover, does not exceed more than 50 per cent of enrolment.²⁸ The evaluation of primary education in Bangladesh indicates that the goal of universal primary education is still a long from realization.

Secondary and Higher Secondary Education

The socio-economic development of a country largely depends on the skills and knowledge of its citizens who graduate from the secondary and higher secondary levels. During this period, a student can learn the meaning of life, acquire a sense of responsibility and a commitment to his/her nation and country, and can understand real challenges and identify measures to face them. A number of development analysts consider the education at these levels as the main plank in an education system and so the developed countries structure their education system at this level in such a way as to provide the students with the opportunity of learning advanced ideas and skills²⁹ Some development experts also argue that education at this stage results in the reduction of income inequalities.³⁰

Table 2: The Number of Institutions, Teachers and Students at the Secondary and Higher Secondary Levels

Year	Number of Institutions			Enrolment			Number of Teachers		
	Junior Secondary	Secondary	Higher Secondary	Junior Secondary	Secondary	Higher Secondary	Junior Secondary	Secondary	Higher Secondary
1990	2311	8137		245380	2748350		18669	104227	
1991	2000	8715		212646	2943473		16989	112627	
1992	1962	9038		284806	3463236		12819	113399	
1993	1905	9190		341975	3809515		12435	114259	
1994	2136	9352		574343	3960459		18417	116760	
1995	2349	9663	603	494692	4620759	193796	15109	124950	10638
1996	2554	9901	733	594510	5021390	226947	18118	136560	12932
1997	3070	10776	901	632211	5492114	253846	19309	137768	15913

²⁸ Saha, S. k., "Education and Skill-Building in Bangladesh", in Grieve and Huq (eds.), *Bangladesh Development Strategies*, University Press Limited, Dhaka, 1995, p. 151.

²⁹ Lewis, A., "Education and Economic Development", *International Social Science Journal*, 1962 in Grieve and Huq, *ibid.*, pp. 153-154.

³⁰ Psacharopolos, G. and Tilak, J.B.G., *Essays on Poverty, Equity and Growth*, Pergamon Press, World Bank, 1991, cited in .in Grieve and Huq, *ibid.*, pp. 153-154.

1998	3517	10776	1130	740668	5503114	255817	21884	138293	19963
1999	3024	12269	1316	698504	6681212	327414	19885	155712	23819
2000	2846	12614	1422	616094	6620845	347986	17803	156094	24630
2001	2846	12614	1422	620254	6704857	350676	18042	157722	24699

Source: *Bangladesh Economic Review 2000 & 2001*, Ministry of Finance, Government of Bangladesh.

The data contained in table 2 indicate that the number of students, teachers and institutions at the junior secondary, secondary and higher secondary levels of education has increased during the last decade. Table 2 suggests that the number of secondary institutions was about 16,000 in 2001,³¹ which increased to 18,267 in 2004 and 18,500 in 2005.³² However, this increase does not necessarily mean that the objectives of education at these levels have been significantly achieved. The reasons for this are many. First, the fruits of education have not been shared equally by all people in the society. Most of the educational institutions at this stage are private, expensive and located in the urban areas. Students from poor families as well as from the geographical periphery cannot have access to these schools. According to the UNDP Human Development Report, the bottom 20 per cent has access to only 6 per cent of the benefits of secondary education; the top 20 per cent receive 35 per cent of these benefits.³³

Second, the quantitative attainment itself is not the only yardstick to measure the rates of success. The dropout rate, as well as the qualitative achievements, need also be considered. In 1999, the drop out rates at the secondary level reached 52.1 percent (57.9 per cent for girls).³⁴ The pass percentage during this stage also revealed a dismal picture. The high rates of failure in both SSC and HSC examinations not only indicate deterioration in the standard of teaching and quality of education but also reflect the deficiency of the educational system as a whole. In the years 1995, 1996 and 1997, the pass percentages of SSC examinations under the five education boards were 72.25, 42.07 and 50.89 respectively, which gradually decreased to 49.85, 56.60 and 41.22 per cent in the following three years, 1998, 1999 and 2000. In the case of HSC examinations administered by these boards, the pass percentages were

³¹ *Bangladesh Economic Review 2000 & 2001*, Ministry of Finance, Government of Bangladesh

³² Bangladesh Bureau of Statistics, *Statistical Pocketbook: Bangladesh 2007*, *op.cit*, P. 357.

³³ *Developing a Policy Agenda for Bangladesh: Civil Society's Task Force Reports 2001*, Centre for Policy Dialogue and University Press Limited, Dhaka, 2003., pp. 94-95.

³⁴ *ibid.*, p. 94.

45.86, 24.41 and 36.83 in the first three years, which increased somewhat to 45.93, 53.44 and 37.03 in the next three years.³⁵ The repetition rate is quite low and most of the dropouts and failed students usually discontinue studies, becoming loiters and vagabonds and suffering the agonies of unemployment.

Third, even though the above data shows an increase in the number of institutions, teachers and student enrolment, the numbers did not increase in proportion to the increase of population. Moreover, the student enrolment rate in Bangladesh seems to be much lower than that of some neighboring countries.³⁶

Finally, the quality of education has tended to deteriorate day-to-day due to the scarcity of the required facilities, high student teacher ratios, unavailability of qualified teachers, proliferation of private coaching, students' cheating and resort to other unfair means in the examinations and so on. The scarcity of library and laboratory facilities, scientific instruments, and academic buildings is a well known phenomenon. The shortage of qualified teachers is also a root cause of declining education standards. It is seen from table 1 that the student teacher ratio at the primary, secondary, and higher levels has undergone notable changes in the previous years. Students per teacher at the primary education were 57, 70, 71, 67, 56, 54, 51, and 47 in 1997, 1998, 1999, 2000, 2002, 2003, 2004 and 2005 respectively. The student teacher ratio at the secondary level in 1990 was 33:1 that rose to 39:1, 40:1, 31:1 and 34:1 in the years 1997, 2000, 2004 and 2005. According to a BANBEIS report, the academic transcripts of all teachers appointed in the secondary schools reveal that 61.24 percent of them hold 3rd division /class qualification in their highest academic program and only 2.5 per cent possess first division/class.³⁷ Many qualified teachers are inclined more to offer private coaching instead of teaching well in the class room sessions and thus the education became extremely coaching-dependent. This has resulted in the collapse of institutional excellence in the secondary education system which is the basic stepping stone of human resource generation and the most important foundation of the nation-building process.

³⁵ *Statistical Pocketbook of Bangladesh 2001*, Ministry of Planning, GOB, Dhaka, 2002, PP. 344-345.

³⁶ UNDP, *Human Development Report*, Oxford University Press, New York, 1993.

³⁷ BANBEIS, *National Education Survey 1999: Final Report*, Ministry of Education, Government of Bangladesh, 2001.

Higher Education

The number of colleges and universities, as well as their number of students and teachers, has been increasing every year. Table 1 shows that the number of medical and dental colleges rose from 18 and 1 in 1997 to 32 and 3 respectively in the year 2000. In the first half of the first decade of the new century, the medical colleges increased to 12, 14 and 27 and dental colleges rose to 5, 7 and 9 in 2003, 2004 and 2005 respectively. Table 1 demonstrates that there are more than 78 universities, out of which 24 are public and 54 are private. The number of private universities has shown a sharp rise in recent years. In 1997, only 16 private universities were registered with the Education Ministry whereas in the year 2000, the number had reached 19 and by 2005 it exceeded 54. Many project proposals have been submitted to the UGC for the government approval of running the new universities. Table 1 also shows that the teacher-student ratio in universities in 1997 was 1: 26 whereas in 2000, it was 1: 22 and in 2005 it stood at 1:16. The teacher-student ratio in the higher education system has thus been improving. This means that more teachers are being recruited with the increase of students at the higher institutes.

Despite the increasing number of universities, teachers and students, the higher education sector suffers from many problems. The university teachers as well as the students are highly involved in politics. They spend more time on politics than on studies and research. Political demonstrations are almost an every day occurrence in the campus corridors and dormitories. Factional politics frequently involves students in destructive activities like terrorism, killing and humiliating the opposition. The involvement of university teachers in politics erodes the quality of recruitment, and decreases research opportunities. Politicization makes university teachers unaccountable and bars the recruitment of the most qualified teachers.³⁸

Private universities do not have the ability to recruit full-time qualified teachers. They rely mainly on the part-time faculties hired from the public universities. The astronomical tuition fees are beyond the reach of the majority of our people. Only a few affluent sections of the society can afford private university education.

³⁸ Developing a Policy Agenda, *op. cit.*, p. 96.

The Madrasah Education

Genesis and Growth

The emergence of madrasahs in Bangladesh traced back to the arrival of Islam in the sub-continent and their growth owes mainly to the contribution of muslim rulers, religious saints and muslim intellectuals. Three types of educational institutions were established. The Khanqa system was introduced for the general and mass people, the Maktab institutions were set up for the elementary students, and madrasahs flourished for primary, secondary and higher education. This education system structured an integrated approach combining religious and secular extremes that include Islamic studies, philosophy, literature, mathematics, science, medicine and a wide range of arts and social science courses. Two main languages- Arabic and Persian were used as the medium of instruction.

With the British rule in Bengal, these institutions remained outside the management and supervision of the government. The study of Mercer et al suggests that during the British period, these institutions were viewed as inspiring anti-British rebellion. Not only were their properties confiscated but thousands were physically destroyed and more than 100,000 *madrasahs* in Bengal alone were shut down.³⁹ Sattar maintains that in order to evoke participation in administration amongst the muslims, the British rulers introduced the Alia Madrasah system by establishing the Calcutta Alia Madrasah in 1780 which was followed by a number of similar institutions in other areas.⁴⁰ A number of madrasahs were set up under the state patronage. The first three in Dhaka, Chittagong and Rajshahi, modelled on the Calcutta Alia Madrasah, were founded in the 1870s under an edict of the government.

However, the muslims were yet to recover from the shock of the destruction of five hundred years of their own education system. In addition, the appointment of the British Principals in madrasahs, the changing of Arabic courses in favour of an Anglo-Persian curriculum and tilting the overall balance of the curriculum in favour of secular forces reinforced their suspicion about the English initiatives. In the face of increasing hostility between the British and the muslim people, many

³⁹ Mercer, Malcolm M et.al, *Analysis of Madrasahs in Bangladesh and Pakistan*, European Commission, May 2005

⁴⁰ Sattar, Abdus, *Madrasah Education in Bangladesh and its Impact on Social Life*, Islamic Foundation, Dhaka, 2004

ulamas (religious scholars) were killed in encounters with the British forces.⁴¹

The Madrasa Reform Committee prepared a complete reform package in 1910. This New Scheme, as the reform package came to be known, was approved by the government in 1914. Under the New Scheme, the Persian, Urdu and Arabic languages were de-emphasised. Special attention was given on English and course contents were tilted in favour of secular education. It was further decided that madrasahs not adopting the New Scheme would not receive financial assistance from the government. This category of institutions came to be known as Old Scheme madrasahs.⁴²

After the end of the British era, five education reforms and/or reconstitution commissions were formed during the 1947-1969 period in order to look into the education system of the erstwhile East Pakistan known as Bangladesh now. After Bangladesh emerged as an independent country, it inherited the heterogeneous madrasah institutions existed in the previous years. According to Sattar, about 6000 madrasahs remained in operation at the time of our independence.⁴³ A national committee for curriculum and courses of study was constituted to examine the Kudrat-i-Khuda Commission's recommendations while a sub-committee was made to look into the affairs of the madrasah education system. The Madrasa Education Ordinance of 1978 has been a landmark in the history of the growth of the madrasah education. By establishing a fully autonomous Madrasa Education Board, the Ordinance took a giant step to modernize the madrasah education.

The Structure of Madrasah Education

Madrasah Education is organised into the following grades:

<i>Ebtidai</i>	Primary level, grades 1-5
<i>Dakhil</i>	Junior Secondary level, grades 6-8 and Secondary level, grades 9-10
<i>Alim</i>	Higher Secondary, grades 11-12
<i>Fazil</i>	BA, grades 13-14
<i>Kamil</i>	MA, grades 15-16

Madrasah education is provided by four types of educational institutions. The Furqania/Hafizia and Nurani madrasahs are considered as maktabas that offer pre-primary elementary education with learning the

⁴¹ Mercer, *op.cit*

⁴² Mercer, *ibid*

⁴³ Sattar, *op.cit*

basic knowledge of Islam and memorising the Holy Qur'an whilst Alia and Qaumi madrasas give education from primary to university levels with varying degrees of emphasis on religious and secular learnings. Alia madrasahs modelled after the Calcutta madrasah are recognised by the government and whereas the Qaumi madrasahs, modelled after the Deobandi madrasah, are privately funded.

Alia madrasahs are privately owned and managed, apart from the three government controlled institutions at kamil level. They are approved and recognized by the Government of Bangladesh and regulated by the Bangladesh Madrasah Education Board.

Qaumi madrasahs are private institutions that have developed outside government patronage, recognition or financial assistance. They are funded by Islamic charities from individuals, communities and charitable organisations. That these madrasahs prefer to be outside government control is well known but, as reported in the *Daily Jugantaor* on 16th April 2005, there has been a move by a faction of the Qaumi madrasah leadership to demand government recognition. A number of Qaumi madrasahs are governed by seven Qaumi madrasah boards, the biggest one is Bifaqul Madarisil Arabiah Bangladesh.

Number of Madrasahs, Students and Teachers

There is no accurate assessment of how many madrasahs exist in Bangladesh. The number may fall between 10,000 and 100,000. There are considerable gaps in the gathering, analysis, storage and retrieval of data on madrasahs as well as on the education system as a whole in Bangladesh. We may look into the estimates of various categories of madrasahs to arrive at cumulative figures of institutions, as well as teachers and students by gender and geographical distribution.

Alia Madrasahs

The data and information given by the Bangladesh Bureau of Education Information and Statistics (BANBEIS-2003), and Socio-economic Development of Bangladesh: A Progressive Democracy (GoB 2005) are inconsistent with the real figures and are somewhat confusing. If we take 2002 as the last year in which consistent figures are available for all categories of Alia madrasahs, there were 6,711 Ebtidai⁴⁴ madrasahs and

⁴⁴ Ahmad, Mumtaz, *Madrasah Education in Pakistan and Bangladesh*, 2004, P.106, quotes a vernacular press report which reported that the total number of ebtidai madrasahs in 1998 stood at 18,000 with 2 million students and 85,000 teachers (*Daily Dinkal* 2nd March 1998). However, in all probability there is a confusion with the numbers of maktab or nurani madrasahs.

7,820 Dakhil, Alim, Fazil and Kamil madrasahs making a grand total of 14,531 Alia madrasahs. The average annual growth rate of Alia madrasahs between 1998 and 2004 has been estimated at 4 percent bringing the total to 8,262 in 2004, although it could be some 24 percent higher.⁴⁵ In terms of levels, 71.7 percent of the madrasahs are Dakhil, 13.8 percent are Alim, 12.6 percent are Fazil, and 1.9 percent are Kamil. Apart from three government Kamil madrasahs, all other Alia madrasahs are non-government institutions receiving monthly salary subventions from the government.

Alia madrasahs are both single sex and mixed institutions. In 2002 the great majority of madrasahs were mixed or for boys only, the number for girls only being 10.5 percent of the total, ranging from 13.2 percent at Dakhil level to 0.7 percent at Kamil level. During 2002 there were 26,788 teachers in Ebtidai madrasahs. In 2004 there were estimated to be 120,929 teachers in Dakhil-Kamil Alia madrasahs, there being an average annual increase of 4.5 percent since 1998, ranging from 6.1 percent for Dakhil madrasahs to 1.5 percent for Fazil madrasahs. The teachers are predominantly male; only 4.6 percent are female, as of 2002, although the proportion of female teachers has increased at all levels from 1998. In independent Ebtidai madrasahs, women account for 11.1 percent of the teaching force. In general, female madrasahs and the employment of female teachers in madrasahs are recent phenomena.

In 2002 there were 1,242,602 students in Ebtidai madrasahs, of whom around 50 percent were girls. During the same time, there was a total of 3,398,043 students enrolled in Dakhil-Kamil madrasahs of whom 44.4 percent were girls, ranging from almost 50 percent in Dakhil madrasahs to 12.5 percent in Kamil madrasahs. In all levels except Kamil there had been a steady increase in the proportion of girls enrolled since 1998. Similarly there has been an average annual increase in total enrolment of 3.6 percent between 1998 and 2004 bringing the overall total of students to 3,576,140. The bulk of the students (65 percent) are at Dakhil level with 15 percent at Alim, 17 percent at Fazil and under 3 percent at Kamil level.

Statistics show that from 2001 to 2004, the average student-teacher ratio has been 30:1, ranging from 24:1 at Kamil level to 31:1 at Dakhil level. However, the share of female students in urban areas rose from 34

⁴⁵ In GoB, *Socio-Economic Development of Bangladesh: A Progressive Democracy*, 2005. It is mentioned that the number of alia madrasahs from dakhil level upwards is given as 9,118 in 2002. At an average annual growth rate of 4 percent, this would mean that the number would have risen to 10,257 by 2005.

percent in 2001 to 50 percent in 2002. In rural areas there was a steady increase in girls' enrolment from 36.5 percent in 1998 to 44.4 percent in 2002. At the same time the proportion of female teachers in rural madrasas doubled from 2 percent to 4 percent, and the proportion in urban areas increased from 8.2 to 10.7 percent. This means that in 2002 for every female teacher there were 119 girls in urban madrasas and 330 girls in rural madrasas. For boys the equivalent figures are 18 in urban madrasas and 17 in rural madrasas.

Qaumi Madrasahs

It is quite difficult to find the exact figures of Qaumi madrasahs. It is learnt from newspaper sources that the number of Qaumi madrasahs in the country is about 15,000. According to Qaumi Madrasa Education Board statistics, the total number of Qaumi madrasahs in the country is 4,000.⁴⁶ According to another publication, the total number is 6,500 at secondary, higher secondary and above levels with about 1.5 million students and 130,000 teachers.⁴⁷ A report published by BANBEIS maintains that there were 3,000 Qaumi madrasahs in the country.⁴⁸ In 1999, a media report put the figure at 5,000.⁴⁹ The Minister of State for Education put the total number of qaumi madrasahs at 15,250 with a teaching staff of 1,320,000 and a student body of 1.9 million.⁵⁰

The total number of teachers in Qaumi madrasahs is 80,000 which gives an average of 10 teachers per madrasah compared to 14.6 teachers in the Alia system. The number of students is 2 million compared to over 3.5 million in the Alia madrasahs.⁵¹ In the Qaumi system, there are 250,000 female students accounting for only 12.5 percent of the total, compared to 44 percent in the Alia system. There has been a 15 percent increase in enrolment over the past 10 years.

Maktabs, Nurani, Hafizia/Furqania Madrasahs

Furqania/Hafizia madrasahs are pre-primary Islamic education centers where students memorize the Holy Qur'an and acquire the fundamental knowledge of Islam. Furqania madrasahs provide basic education in Arabic and Bengali languages, Qur'an recitation, and simple arithmetic.

⁴⁶ Sattar, *op.cit* P. 352

⁴⁷ Ahmad, *op.cit.*, P. 104

⁴⁸ BANBEIS, GOB, 1992.

⁴⁹ *The Dainik Janakantha*, Dhaka, 9th July 1999

⁵⁰ *The New Age*, 19th May 2005.

⁵¹ Abdul Jabbar, General Secretary, Association of *Qaumi Madrasahs*.

The duration of the study is usually three to four years and after completing this course, students may go to general schools, Alia or Qaumi madrasahs for further studies.

Hafizia madrasahs offer a rigorous program of memorizing the whole Qur'an and the graduates are known as Hafiz. Most Hafizia madrasahs are residential and attached to mosques. The students usually follow tight daily schedules and memorize the whole Qur'an in two to three years.

Maktab/Nurani madrasahs are pre-primary and primary institutions that teach the fundamentals of Islam and the strategies of reading the Holy Qur'an. Bengali and simple arithmetic courses are also offered. These institutions give education quite free of charge and are attached to mosques. These non-residential madrasahs are run after morning and noon prayers.

Some researchers find that the total number of Maktab in the country is about 58,000.⁵² Some newspaper sources indicate that the number is 18,000, with 85,000 teachers and 2 million students.⁵³ There are difficulties with this estimate.

In total there are 37,500 madrasahs from primary to master's level in the country compared to about 78,000 primary, 16,000 secondary, 2,600 higher secondary and 58 university level educational institutions in the secular stream.

Socio-Economic Profile of Madrasah Students

The socio-economic background of the students depends on the quality of education offered and the management and funding of the madrasahs. Usually, students from a poor family background go to Qaumi madrasahs while those capable of meeting tuition fees and other costs prefer Alia madrasahs. Qaumi madrasahs operate on donations, charities (Zakah and Sadaqah) and community support. Many of the Qaumi madrasahs declare themselves as orphanages-cum-madrasahs and these are attended by orphans, and very poor and destitute children in both urban and rural areas. Similarly, in Nurani/Hafizia/Furqania madrasahs recruit students from relatively poorer backgrounds. Parents prefer Madrasah education

⁵² Abdalla *et al*, *Bangladesh Educational Assessment: Pre-Primary and Primary Madrasah Education in Bangladesh*, 2004, P. 8

⁵³ *The Daily Dinkal*, Dhaka, 2nd March 1998

for their children on spiritual and moral grounds. They believe that Islamic schooling reaffirms, strengthens and preserves their children's Islamic faith and practices which are perceived under increasing threat because of the rise of secular culture and the penetration of alien values.⁵⁴

Issues and Challenges Facing Bangladesh Education

Loopholes in Policy Implementation

Despite robust declarations by different governments concerning their commitment to develop the educational sector, many of the policies and programs have remained unrealized. The efforts so far made in the fight against illiteracy, for example, seem to have ended in failure. As a result, Bangladesh could not get out of the curse of illiteracy and the country remains virtually where it was in the post independence period. The increase in the number of schools, colleges and educational institutes at various education levels, as well as the increases in their student enrolment are widely publicized by the political leaders and government agencies as indicators of significant success in development of the educational sector in Bangladesh. The reality, however, is different.

Low Literacy Rate

The above discussion made it clear that Bangladesh has achieved considerable improvements in the development of the physical facilities of its education sector. However, although the inputs of education have been developed to a significant level, the outcome has not registered expected results. The literacy rate is a yardstick to measure the educational performance of a nation. Table 3 shows that the literacy rate of the adult population over 15 was 51 per cent as of 1997. This is much below that of Malaysia and even than other countries in the South and Southeast Asian region. Another important problem emerges when someone begins to calculate the overall goals and achievements of education and considers their implications for development. The implementation of the slogan "education for all" is not perfectly done in Bangladesh. Table 3 clearly shows that there is serious discrimination between men and women and between the rural and urban areas with regard to education. The information contained in table 3 also clarifies that the literacy rates of the 5+ population and the 7+ population are 45.1 per cent and 47.3 per cent respectively that are unexpectedly lower than

⁵⁴ USAID, 2003, P. 14

the adult literacy. In order to improve adult literacy, we must increase infant literacy.

Table 3: Education and Literacy Rate, 1997, Division (Percent)

Indicator	National	Rural	Urban	Barisal	Chittagong.	Dhaka	Khulna	Rajshahi	Sylhet
Primary School Enrolment Ratio									
Combined	82.0	79.2	95.4	88.0	81.6	80.7	84.8	75.1	72.5
Boys	84.7	82.5	96.0	92.8	84.8	81.6	88.4	78.3	75.0
Girls	77.1	73.6	93.0	80.5	75.3	77.4	78.5	69.6	67.8
Literacy rate of Population 5 years +									
Both Sexes	45.1	39.1	57.7	54.9	45.9	47.2	49.9	37.3	36.4
Male	48.2	42.4	60.4	55.3	49.3	50.1	53.7	41.2	39.0
Female	39.6	33.7	52.0	51.8	40.1	41.8	43.5	31.3	31.9
Literacy Rate of Population 7 years +									
Both Sexes	47.3	41.0	59.9	56.3	48.8	49.5	51.5	39.3	39.0
Male	50.6	44.5	63.0	56.9	52.7	52.5	55.3	42.4	41.8
Female	41.5	35.3	53.7	52.9	42.4	43.8	44.9	34.1	34.0
Adult Literacy 15 years +									
Both Sexes	51.0	-	-	66.2	52.0	48.3	54.9	47.4	39.3

Source: Bangladesh Bureau of Statistics, Statistical Pocketbook of Bangladesh, GOB, Dhaka, 2002.

Compared to the literacy rate of 1990s, the figures of the beginning years of the new century are indicator of improved education in our country. Table 4 clearly shows a sharp increase in the literacy rate of the people of both infant and adult ages. The table portrays a comparative perspective of the literacy rates during 1990s and the initial years of the new millennium. Compared to 45.1 percent and 47.3 percent of infant literacy rates of the people of 5 and 7 years + during 1997, the figures rose to 55.69 percent and 52.49 percent in the year 2006. Similarly the adult literacy rate from 51 percent in 1997 increased to around 54 percent in

2006. However, this increase in the literacy rate is not that higher which brings brilliant prospects for our education.

Table 4: Comparative Literacy Rates: 1997 Vs. 2006 (Percent)

Indicator	National	Rural	Urban
Primary School Enrolment Ratio			
Combined			
Boys	84.7; 84.4	82.5; 83.8	96.0; 86.6
Girls	77.1; 85.6	73.6; 85.2	93.0; 87.2
Literacy rate of Population 5 years +			
Both Sexes	45.1; 55.69	39.1; 46.99	57.7; 61.88
Male	48.2; 53.72	42.4; 49.99	60.4; 65.17
Female	39.6; 47.56	33.7; 43.87	52.0; 58.55
Literacy Rate of Population 7 years +			
Both Sexes	47.3; 52.49	41.0; 48.66	59.9; 60.01
Male	50.6; 55.77	44.5; 51.92	63.0; 67.53
Female	41.5; 49.11	35.3; 45.27	53.7; 60.47
Adult Literacy Rate of Population 15 years +			
Both Sexes	51.0; 53.68		

Source: Prepared by the author based on data from Statistical Yearbook of Bangladesh, 2001 & 2008.

Challenge of Achieving Millennium Development Goals

The Dakar World Education Forum (2000) agreed on global Education for All (EFA) goals to be achieved by 2015, thus expanding upon the Millennium Development Goals (MDGs) for education issued in the same year. The targets set in the MDGs seem to be very difficult to achieve. First, as already mentioned that both infant and education rates are not increasing at a rapidly rising tide. The increase is slow, deaf and sluggish. There is hardly any opportunity for the education of the disadvantaged groups that include the poor and helpless, ethnic people, vulnerable women community and so on. The gender disparity in the field of education is gradually disappearing in an alarming rate. Unfortunately, I do not see any sign of improvement in the quality of education. From my practical experience of teaching at different private and public universities, I feel afraid the phenomenal expansion in the physical facilities and infrastructural development of our education would not provide quality education in the near future. Most students today like to memorize and do not take pain to learn the strategies of innovation.

Thanks the National Curriculum and Textbook Board, though late, has introduced the innovative question-answer style for the secondary and higher secondary levels. This will bring a revolutionary change in producing students with the quality of education and in preparing them with the learning outcomes as set in the MDGs.

Universal Primary Education

In its educational development planning, Malaysia has been successful in achieving the goals of universal primary education. Its literacy rate rose to more than 90 per cent in recent years. The number of students and educational institutions at the primary, secondary and higher levels has significantly increased. The education sector of Bangladesh has not been given such importance. It is of utmost significance that universal primary education is introduced sooner and all educational institutes from primary to higher levels are increased.

Work-Oriented Education and Science Focused Strategy

While studying in the USA, I used to see a frequent TV ad named *Carolina School at Work* and I sensed those institutes provide vocational education. In Bangladesh, each person has the tendency to complete higher education. In the developed East Asian and Southeast Asian countries such as Japan, Malaysia, Singapore, Indonesia, a few people go up to universities. Usually they complete college level education and go for work. Some even do not finish college education and enter into the service life. The education of these countries has been modeled on a work-oriented structure. Thus, professionalism and industrial training have always been given priority in all stages of their education. Malaysia's policy emphasis on science and technology based education, industrial skills training, R&D focused strategies and, above all, development related human resources policy has made the country's education a great success.

Bangladesh's education system can be imitated on the basis of these countries, especially on that of Malaysia. That needs a major overhauling in terms of the education management, planning and policy implementation. The government's recently published national education policy based on the Qudrat-e-Khuda Education Commission has created debate and discussion among all sections of our people. However, its emphasis on Science education, female education and work-oriented education deserves appreciation.

The previous government's report of the Education Commission, led by Professor Moniruzzaman Mia, recommended some revolutionary

changes and reforms. However, though the report emphasized the increase of inputs, it failed to focus on a strategy for improving the outputs. It suggested increasing the numbers of students in the Engineering sector by up to 20 per cent, improving teacher-student ratios, increasing the number of educational centers at all levels, restructuring pay-scales, and so on.⁵⁵ The emphasis of the report on the science education is quite in the line of the Malaysian model.

Emphasizing Rural education

As said before, appropriate attention should be given to the work-oriented education system so that it would contribute to the skill creation of Bangladesh's citizens. Educational institutions and universities should not be confined to the big cities, these must be established equally in all districts and cities so that the education would not be beyond the reach of the rural people. Various statistics show that the government expenditure for education has decreased over the years from Tk. 2976 crore in 1999 to Tk. 2209 crore in 2000. The picture improved a little in the following years. However, education has not been emphasized in the national policy implementation of our country. In order to improve the quality of education, Bangladesh should allocate significant budget in the educational sector. If this could be done, it would greatly benefit the country in achieving its long-term educational objectives.

Conclusion

The present chapter started with the introduction of human capital approach of our national development through education. The structure of our education, its model, management policy and implementation strategy-all these have been discussed in detail. The finding of this work suggests that the education in our country is very unique in its philosophy, goal-setting and in its operational strategy. Unlike in a few countries of the Sub-Continent, a diversified education system like that of Bangladesh is hardly available in other parts of the present world. In most Muslim and Western countries, a unitary education system is available. Most of the Muslim countries incorporate both religious and worldly subjects in their education structure whereas in most Western countries, education is modeled on the secular paradigm. Bangladesh is unique in providing rooms for both secular and religious trends in their own institutional set-up.

Different education systems that include general, madrasah and GCE O-A levels exist here with unique management structures and operations

⁵⁵ *The Daily Star, op. cit.*, April 1, 2004.

technique. None of these education systems is realistic, complete and pragmatic. Each of them has major shortcomings and limitations in terms of their goals, achievements and efficiency. Thus they can not play the desired and effective role in generating qualified human resources. In the foregoing section, I explained a number of issues and challenges prevalent in the field of our education that need to be addressed for bringing the much-talked about reforms in this sector. The education committees or commissions made so far by different governments have come up with many recommendations some of which require immediate implementation in order to adopt a prudent education policy. Unfortunately, none of these recommendations has been put into practice in the previous years on political ground. The most important aspects of these recommendations should be incorporated under a national education policy in order to attain an integrated approach while keeping the existing education systems enliven with their distinctiveness.

18

Searching a Gender Sensitized WID Paradigm: Withering Gender Asymmetry?

Introduction

Women-in-development- WID for short, has been a very widely used term in now-a-days' development literature. Although at the initial stage of the independence of Bangladesh the role of women in development was not recognized, their participation in the overall development process of the country began to be emphasized with the utmost significance from the late 1970s. National awareness regarding gender and development challenges in Bangladesh has largely been influenced by international trends of focusing on gender issues in the contemporary world affairs. The gender-related development issues, however, are yet to get preponderance in both academic circles and policy desks of Bangladesh. A number of constraints prevent women from playing their potential role in enhancing development of the country.

There is a widely propagated idea that the women backwardness and deprivation have been the result of women's marginalization in the development process which has been caused by social, political and culturally biased stereotypes and patriarchal preconceptions that have engulfed world societies from centuries to centuries. There may be some truths to this claim, however, viable preventive measures may be adopted to provide and sustain women's freedom from shackles. The present chapter aims to respond to two most important questions: a) whether such socially constructed stereotypes can be revised and b) whether a new development paradigm can be constructed in which both men and women can be devoted to each-other with mutual feelings, respect, love and affection in order to devise a mutually integrating and mutually inclusive development paradigm. The author argues that the whole picture of the intricate web of development is interlinked with a development mechanism in which men and women need to be intertwined and interconnected to development attachments.

Methodology

This work is based principally on secondary sources of materials that include books and research articles written on gender and development.

The archives and documents preserved by government and non-government agencies have widely been consulted. The declarations of various policy conferences on the present subject have been of great help to write this chapter. The data and statistical references used in this work have been taken from Bangladesh Bureau of Statistics (BBS), World Bank, Asian Development Bank, United Nations, and other authentic national and international sources. Moreover, the internet resources have been extensively reviewed which has made this research equipped with most recent information. The women in Development (WID) framework has been constructed after reviewing the prevalent development theories that have dominated development literatures in last fifty years.

Analytical Roadmap

The chapter is divided into six sections. The first section is the opening, which includes an introduction, methodology and the analytical framework. The second section is dedicated to sketching the Women in Development (WID) Paradigm for Bangladesh which is followed, in the third section, by explaining various aspects of gender asymmetry prevailing in our society. The fourth section deals with multifarious issues and challenges that constraint the way to gender parity. The fifth section examines the modus operandi of withering gender asymmetry and puts forward a bunch of recommendations. Finally the write-up ends with some concluding remarks.

Theoretical Framework: Conceptualizing WID Paradigm for Bangladesh

The Women in Development Paradigm is derived from understanding various approaches and perspectives of development which has been one of the most popular and widely used term in different branches of Social Sciences in the post World War II period. The integration of women in overall development discourse is the basic premise of the proposed WID paradigm. The term WID is a relatively recent addition to development vocabulary and, as a concept, it reaffirms that women have significant role to play in socio-economic development both in national and international perspectives. WID requires that women are associated with development activities and an environment is created to make their participation possible.¹

Theorists both in the tradition of Western Liberalism and those who have opposed it have dwelt at length on the wide dimensions of the concept as

¹ Islam, Sirajul (ed.), *National Encyclopedia of Bangladesh*, Asiatic Society of Bangladesh, March 2003.

well as the nature and scope of the term. Almost all development theories have recognized the multidimensional aspects of development and the overall transformation of a society. However, theorists have differed, at various times, on the extent and priority of development. Since 1950s, the idea of development itself has undergone considerable modifications. Although increased production was largely emphasized in the development strategies of the 1950s and 1960s, the focus shifted to basic needs approach in the 1970s. The development goals in the 1980s and 1990s included, among other things, alleviation of poverty, reduction of social inequality, and development of human resources. With the onset of the new century, some other remarkable shifts of focus have dominated the thoughts on development.²

Following the UN Millennium Summit in September 2000, the World Bank first endorsed the Millennium Development Goals (MDGs) that envisaged a poverty-focused operation. It is now recognized that balanced development is not only related to economic growth; equal importance needs to be placed on social, political and ecological aspects. The key factors that the Bank takes into consideration for development are good governance, participation, empowerment and environmental sustainability along with economic growth and social health.³

The incorporation of non-economic factors into the development framework gave birth to a new thinking of development which largely influenced the flourishing of the gender development paradigm. In 1970, the General Assembly included a phrase in the International Development Strategy for the Second Development Decade, which stated the importance of encouraging “full integration of women in the total development effort”. The UN declared the year 1975 as “International Women’s Year” and in that year, the first UN Conference on Women in Development was held. The period between 1976 and 1985 was declared as the ‘Women’s Decade’ having the objectives of peace, equality and development. Thus women development was not confined to its economic agenda, rather it included non-economic elements including empowerment, efficiency, equity and justice and people now attempted to integrate women in the development process.

² Amin, Muhammad Ruhul, *Development Issues and Strategies of Bangladesh: A Malaysian Model?* International University of Japan, Japan, 2004.

³ Yoshimura, Y., “*The World Bank and Japan: Towards a Broader Partnership for a World Free of Poverty*”, paper presented at the seminar on *World Bank and Japan*, organized by International University of Japan, Japan, February 19, 2004.

The WID school of thought flourished in Bangladesh through the UN Women's Decade from 1975 to 1985. It was accompanied by a simultaneous rethinking of a development strategy of the trickle-down approach of the Modernization paradigm and the introduction of the Basic Needs Approach. Through this new approach, women along with the landless and other target groups were selected as the beneficiaries of the development process, the emphasis of which has shifted from large scale infrastructural development to small scale, project-oriented development.⁴

The perceptual differences in the notion of development that have taken place since the 1950s and 1960s have evolved through some contrasting theories of international political economy (IPE). Liberalism was the dominant economic doctrine of the late nineteenth and the early twentieth centuries. Although initially the Marxists were the principal opponents of the Liberal thought, subsequent criticisms were also raised by people from the Liberal camp itself.

In the post World War II era, the conceptual basis for development came from the dominant Modernization paradigm within the context of Liberal doctrines. During this time, development was often equated with Modernization, a process of change towards socio-economic and politico-cultural systems developed in the Western Europe and North America. The modernization strategy focused on the industrialization of economics, secularization of society and democratization of politics in a complete western style. Thus Development, Modernization and Westernization were being used almost synonymously.⁵ The traditional Modernization theory was challenged by a radical approach called Dependency theory that explained the premise of development from an alternative perspective. Frank's surplus extraction;⁶ Emmanuel⁷ and Amin's⁸ unequal exchange; Cardoso, Faletto and Furtado's dependent capitalist development⁹ and Dos Santos' new dependency¹⁰ explained the

⁴ Guhathakurta, M., "Development Paradigms: Past Debates and Future Options", in Kalam, Abul (ed.), Bangladesh in the New Millennium, The University of Dhaka: The University Press Limited, Dhaka, 2004, P. 121.

⁵ Hettne, B., *Development Theory and the Three Worlds*, Longman Scientific and Technical, London, 1990.

⁶ Frank, A.G., "The Development of Underdevelopment (1969)" in Roberts, J.T. (ed.), *From Modernization to Globalization*, Blackwell Publishers Ltd., UK, 2000.

⁷ Emmanuel, Wallerstein, *Unequal Exchange: A Study of the Imperialism of Trade*, Modern Reader, New York, 1972.

⁸ Amin, Samir, *Unequal Development*, Monthly Review Press, London, 1976.

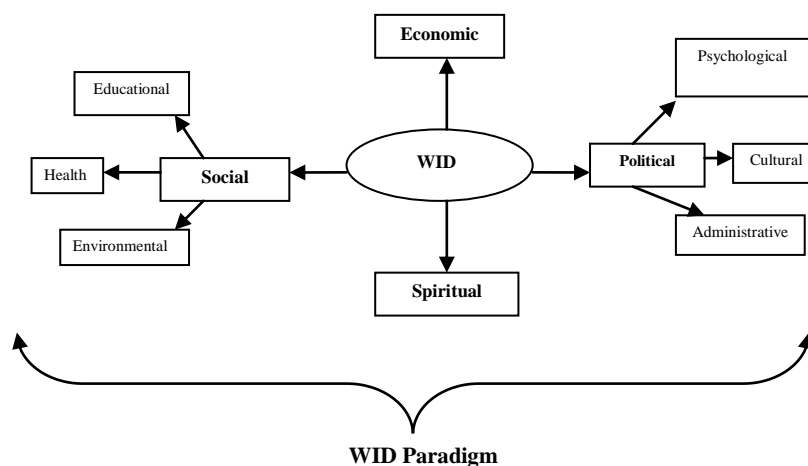
⁹ Cardoso, F.H., "Dependency and Development in Latin America (1972)" in Roberts, J.T. (ed.), *From Modernization to Globalization*, op.cit.

dominant capitalist exploitation as the main reason of the backwardness of developing countries.

The gender paradigm of development outlined in the present work has been designed keeping in view above issues related to development thinking. WID needs to be understood as a multidimensional approach that satisfies the requirements of socio-economic and politico-security indicators. Under this criterion, only the economic success of women cannot be considered as a phenomenon of development. In order to understand the dynamics of WID strategies, the present study concentrates on a holistic approach of women development, which is shown in the following diagram.

The diagram is an exposition of the consideration of women development based on the holistic model that encompasses the multidimensional aspects of human life including economic, social, political, cultural, and ecological. The WID paradigm which is located in the center is composed of the multifarious elements of transformation from the backward to the advanced stage.

The WID Diagram: Towards a Holistic Model



Source: Constructed by the Author, January 1, 2010

According to the diagram, WID paradigm is founded on the spiritual enlightenment together with the social, political, institutional and cultural developments. The holistic model of women development is supported by Baran’s “far reaching transformation of a society’s economic, social and political structure, of the dominant organization of production,

¹⁰ Santos, Dos Theotonio, “The Structure of Dependence”, *American Economic Review*, 60 (2), 1970, PP. 231-6.

distribution, and consumption”¹¹ and Todaro’s “three core values- life sustenance, self-esteem and freedom from servitude”¹².

The paradigm suggests that women need to be given chance to play their role to fulfill the requirements of socio-economic and political indicators of development. Economically, they must contribute to capital accumulation, industrialization, trade, and agriculture. Socially, they should be provided with required education and health opportunities. Politically, sufficient measures need to be adopted to empower women to exercise their efficiency, leadership, and freedom in order to create a gender balanced society. Thus the issues of women development or problems of gender discrimination of Bangladesh should not be treated in a piecemeal manner through isolated projects or scattered programs. Gender exploitation needs to be understood within the broader context of socio-economic and political atmosphere of the country.

Gender Asymmetry in Development: Social, Economic and Political Aspects

The WID paradigm that has been devised as the theoretical foundation of the present study concentrates on the critical evaluation of the role vulnerability and potentials of women in various sectors of development activities. This discussion reveals whether there exists a gender asymmetry in the socio-economic structure of our society. We will make an overview of the characteristics and features of gender situation prevailing in social, political and economic spheres of our life.

Social Aspects: Disparity in Education

In the initial years following our independence, women were largely ignored in the field of education. Since the late 1970s, things began to change and the necessity and role of women in this sector were recognized. Despite this recognition, the status of women education is still far more backward than that of male education. Female literacy rate is much lower in rural areas compared to urban areas.

The enrolment of girl students at the primary, secondary and college levels increased over the years. In 1973, a total of 26,00,000 girls were enrolled at the primary level, where as in 1984, the figure increased to 39,00,000.¹³ During the census 1981 and 1991, school attendance (5 to 24

¹¹ Baran, Paul., *The Political Economy of Growth*, Monthly Review, New York, 1957, P. 3.

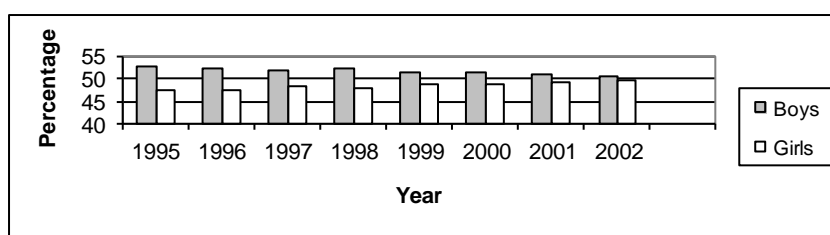
¹² Todaro. Michel P., *Economics for the Developing World*, Longman, London, 1990, P. 83.

¹³ Bangladesh Bureau of Statistics, *Statistical Year Book*, Planning Division, Ministry of Planning, Government of Bangladesh, Dhaka, 1984-85.

years) of the boys and girls increased to 79 percent and 127 percent respectively. The literacy rate for male and female also rose to 16 and 48 percents in the period. The relative rate of increase at the primary level enrolment between 1991 and 1998 was 34 percent for male and 58 percent for female.

At the secondary level, the enrolment of girls increased from about 5,00,000 in 1973 to 7,55,000 in 1984.¹⁴ The female-male ratio has increased from 51 in 1991 to 88 in 1998 and the enrolment of the female students has doubled. In terms of net secondary enrolment, the female ratio in 2003 is 47 percent.¹⁵ The following chart shows the year wise sex-ratio of Student Enrollment at Primary level from the year 1995 till the year 2002.

Chart 1: Student Enrollment during 1995-2002



Source: Prepared based on the data from Beijing + 10 Global Review 2005

The chart shows that the enrollment of female students at primary level is increasing dramatically upward to that of male students. That means the female students are getting enrolled more than the male students. In 1995, the percentage of boys enrolled at primary level was 52.6 where as it came down sharply to 50.5 percentage in 2002. On the other hand, the percentage of girls enrolled at primary level in 1995 was 47.4 percentage where as it increased significantly to 49.5 in 2002.¹⁶

However, it does not indicate, as some people believe, that gender parity exists highly at the primary level and moderately at the secondary level. Boys have continued to out-number the girls which prevent gender

¹⁴ *ibid.*

¹⁵ United Nations, *Human Development Report 2005*, Oxford University Press, P. 223, 309.

¹⁶ Directorate of Primary Education, *Primary Education in Bangladesh*, Ministry of Primary and Mass Education, November, 2003.

symmetry. Also the dropout rate for girls is higher than that of boys. Despite huge progress of female enrollment at both primary and secondary levels, women have lagged far behind the men in achieving educational opportunities. Table 1 clearly shows inequality between males and females in terms of education.

Table 1: Gender Inequality in Education

Items	Rates	Year 2003
Adult literacy	Female rate (% ages 15 and above)	31.4
	Female rate as % of male rate	62
Youth literacy	Female rate (% ages 15-24)	41.1
	Female rate as % of male rate	71
Net primary enrollment	Female ratio (%)	86
	ratio of female to male	1.04
Net secondary enrollment	Female ratio (%)	47
	ratio of female to male	1.11
Gross tertiary enrollment	Female ratio (%)	4
	ratio of female to male	0.50

Source: *Human Development Report 2005, P. 309.*

According to the table, the share of women in adult literacy (ages 15 and above) in 2003 is only 31.4. In terms of youth literacy (ages 15-24) in the same period, female rate is 41.1 percent which does not show symmetrical distribution of male-female education. The gender inequality in education is also seen in the tertiary, technical and higher education levels.

Table 2 shows the sheer discrimination between males and females in terms of higher education including college and university levels.

Table 2: Female Enrollment at Secondary, College and University

Year	Sex	Primary	Secondary School	College	University (Honors & MS)	University M.Phil/ Ph.D
1997	Total	18031673	6124325	255817	72950	1290
	Female	8666774	2921560	109740	17442	353
1998	Total	18360642	6769078	271917	76249	3202
	Female	8783700	3464742	122785	18034	562
1999	Total	17261713	7236939	347986	83975	1578
	Female	8556712	3758823	164821	19625	339
2000	Total	17667985	7646885	355217	110656	831
	Female	8635287	4020237	169762	27437	258
2001	Total	17659220	7887010	330686	119807	433
	Female	8669425	4196097	167534	29806	155
2002	Total	17561828	8162134	337034	126584	709

	Female	8720181	4360778	171135	32685	217
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Source: BANBEIS, BES, 2003, PP. 18, 23, 30, 36, 42, 45.

The table shows that in 2002, the number of students enrolled in the centers of higher learning and education was 3,37,034 in colleges, 1,26,584 in universities and 709 in the Ph.D programs. Out of these students, women shares were only 1,71,135, 32,685 and 217 respectively.

Economic Aspects: Unequal Employment and Economic

Decision Making

It is argued that in order to minimize gender discrimination in employment and economic decision making sectors, both public and private agencies have adopted multi-dimensional initiatives. Two sets of definitions of economically active population are currently being used by Bangladesh Bureau of Statistics (BBS). One is the usual or conventional definition and the other is called the extended definition. Table 3 is a distribution of labor force by both criteria.

Table 3: Labor Force 10 Years and Over by Sex, 1990-2000 (In Million)

Source and Period	National		Rural		Urban	
	Women	Men	Women	Men	Women	Men
By Usual Definition						
1990-91	4.9	31.0	4.0	24.4	0.9	6.6
1995-96	7.6	34.1	5.6	26.8	2.0	7.3
1999-2000	10.0	35.0	7.5	27.3	2.6	7.7
By Extended Definition						
1990-91	20.1	31.1	18.0	24.5	2.1	6.6
1995-96	21.3	34.7	18.5	27.3	2.8	7.4
1999-2000	22.8	37.5	19.4	29.6	3.4	7.8

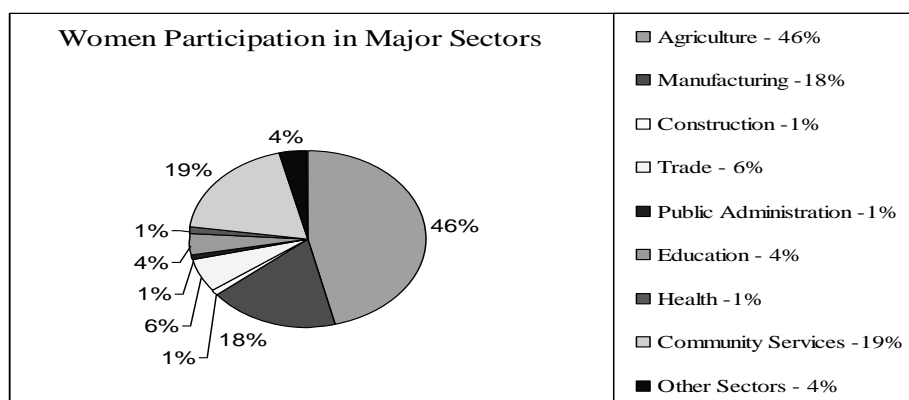
Source: Population Census, 1990-91, 1995-96, 1999-2000.

The size of labor force from 1974 to 1995-96 by usual definition has recorded systematic growth (except in 1998) in the case of women. The size of labor force by extended definition however, shows a somewhat subdued trend due to the swamping effect of the large number of women categorized as unpaid family workers, whose numbers have been fluctuating in different labor force surveys. Overall, activity rates (both crude and refined) for women have increased during these years.

Agriculture: Unpaid Female Labor

The key role women play in our economic production is best exemplified in the agriculture sector. The graph under chart 2 below shows that the female activities include agriculture, manufacturing, construction, trade, public administration, education, health, community services and so on. Out of these activities, concentration is dominant in agriculture (46%), community services (19%), manufacturing (18%) and trade (6%).

Chart 2: Women Participation



These figures show a remarkably increasing trend in the economic participation and employment of women; however, their statistical increase does not necessarily substantiate gender equality in these sectors. A sharp gender inequality is seen from table 4 which shows indiscrepancy between males and females in terms of economic activity.

Table 4: Gender Inequality in Economic Activity

Major Heads	Items	Gender Share	2003
Employment by economic activity (%)	Agriculture	Women	77
		Men	53
	Industry	Women	9
		Men	11
	Services	Women	12
		Men	30
Contributing family workers	(%)	Women	81
		Men	19

Source: Human Development Report, 2005, P-313.

According to the table, the employment of women in agriculture (ages 15 and above) in 2003 is 77 percent, in industry 9 percentage and in service only 12 percentage. In terms of contributing family activities in the same period, female rate is 81 percent. It is to be mentioned here that for household activities, women are not paid. Had there been payment for

the household work, the women could have earned which would make them economically empowered.

Industry: Low Paid Female Workers

According to the most recent labor force survey (1995-96), women's share in Bangladesh's total labor force (that is economically active population over 15 years of age) is around 38 percent, or 19 million. Of all women workers in rural industries, 55.9 percent are involved in agriculture, foresting and other related activities and the remaining 40 percent are involved in other industries. In the urban areas, women's entry into manufacturing industries in large numbers, particularly in the 1980s is indeed a significant development. This phenomenon has brought about a significant change in the urban labor market. Women's entry into garments, pharmaceuticals, electronics and fish processing have changed their life styles. Women's share of employment in garment industry has increased dramatically since 1990. Table 5 provides the number of employed persons by sex during 1992-2000 periods. Till 1995 women's share of employment in garment industry of the country was 85 percent. Since 1995 their share further increased to 90 percent.

Table 5: Employment in Garment Industry by Sex, 1992-2000

Year	Women %
1992	85.0
1993	84.8
1994	85.0
1995	90.0
1996	90.0
1997	90.0
1998	90.0
1999	90.1
2000	90.7

Source: Annual Report, Grameen Bank, 2000

However, it cannot be argued that women's participation in RMG sector and other rural industries indicates asymmetric distribution of industry sector between the male and the female shares. The industrial sector, which comprises small and large scale manufacturing, contributes significantly to the Gross Domestic Product and employs a large number of labor force. Public sector industrial corporations include the Bangladesh Chemical Industries Corporation, Bangladesh Jute Mills Corporation, Bangladesh Textile Mills, Bangladesh Steel and Engineering Corporation and Bangladesh Sugar and Food Industries

Corporation. The female employment in these enterprises is extremely peripheral; most of women occupy low level and low paid positions. Only the Bangladesh Small and Cottage Industries Corporation records high female employment because of their multiple projects dealing with handicrafts traditionally manufactured by women such as embroidered linen. This is a reflection of the stereotypical nature of women's employment opportunities. Rural industries are mainly family based enterprise in handloom weaving, jute handicrafts, coir rope making, mat making, pottery, oil pressing and lime making. Women usually perform the onerous and tedious unskilled and semi-skilled part of the manufacturing and are normally not paid for their labor.¹⁷

Political Aspects: Gross Discrimination in Decision Making

The Bangladesh Constitution promotes the special representation of women in local government and provides for reserved seats for them in the Parliament. Critics point out that the said equality of participation by women in all spheres of national life and their equal rights in several areas of the state and public life is more ideal than real. Four parameters, namely parliament, cabinet, top administration and Union Parishad are discussed below to analyze women's role in politics and decision making.

Women in National Assembly

Although the participation of women in national assembly elections and their success stories are increasing over the years, their contribution and achievements in this area are not satisfactory. Table 6 shows the poor participation of women in national assembly elections during the 1973-2001 period.

Table 6: Political Participation in National Assembly

Year	Elected in General Seats		No. of Women Elected in Reserved Seats
	Women	Men	
1973		300	15
1979	1	299	30
1986	5	295	30
1991	4	296	30
1996	11	289	30
2001	6	294	45

Source: Beijing +10 Global Review, 2005, P-21.

It is learnt from the table that in 1973, no women was elected in general seats and in subsequent years, the participation of women in general seats

¹⁷ Hamid, Shamin, *Why Women Count*, University Press Limited, Dhaka, 1996, PP. 79-80.

gradually increased. This increase however, does not indicate gender neutral distribution of the elected general seats nor does it indicate continuous and consistent increase. Despite the emphasis on women claimed by both 4 Party Alliance and the Grand Alliance in the recently-declared election manifesto, critics point out that there is no specific directions and guidelines for the elevation of the opportunities of our women.¹⁸ Thus the backwardness of women does not seem to be removed as per people's expectations by the new government under the Grand Alliance.

Women in Ministerial Portfolio

Statistics on Bangladesh politics reveals that the women participation in cabinet is not improving despite women awareness in politics. Table 7 portrays the number of women ministers during different political regimes.

Table 7: Women Ministers during Different Political Regimes

Regimes	Total Number of Ministers	Total Number of Men Ministers	Total Number of Women Ministers	Percentage of Women Ministers
Sheikh Mujibur Rahman (1972-75)	50	47	2	4
Ziaur Rahman (1979-82)	101	95	6	6
Hussain M. Ershad (1982-90)	133	127	4	3
Khaleda Zia (1991-96)	39	36	3	5
Sheikh Hasina (1996-2001)	46	42	4	8.69
Khaleda Zia (2001-2006)	60	58	2	3.5

Source: Dr. Nazma Chowdhury, Women in Development: A Guide Book for Planner, Draft Report, 2004.

The table indicates that the percentage of women role in running ministries is declining year by year. On an average, women possessed only 5 percent of total ministries which is significantly low in all counts. Data and information sharply indicate that in spite of being half of the total population, women have no significant participation in running the affairs of the state and decision making.

Women in Local Government

¹⁸ *The daily newspapers and TV channels, December 26, 2008.*

In 1976, the government promulgated the local government ordinance of three-tier local government system. In this ordinance the structure of the local government system underwent changes and the provision was made to select two women members in the Union Council. For the first time women were included in the local government. However, their participation in it remained very minimal. Their number in elective positions of Chairmen and Members in the Union and Upazila Parishads and in Municipalities is abysmally low. Table 8 gives a statistical picture of women's participation in local government system.

Table 8: Women's Participation in Union Parishad

Year of Election	Number of Union Parishad	Elected Women Chairman
1973	4352	1
1977	4352	4
1984	4400	6
1988	4401	1
1993	4450	24
1997	4427	20
2003	4490	22

Source: Ministry of Local Government and Rural Development, 2006

The statistics show that women's participation is increasing day by day in local government system, which creates a strong political ground for the women in Bangladesh. Along with Union Parishad, municipality and other local government institutions are also important to understand political base and decision making authority. About one third of the members of these two institutions are women elected through direct elections which can be seen from Table 9.

Table 9: Elected Women in Local Government (Municipality)

Year	No. of Municipality	No. of Seats in Municipality		Directly Elected Chairmen in Municipality	Elected Members in Municipality
		General Seat (Wards)	Seats Reserved for Women		
2004	295	2742	885	5	855

Source: Ministry of Local Government and Rural Development, GOB, 2006

The table depicts the status of elected women in municipality in 2004. During that time, out of 3627 seats in 295 municipalities, only 885 seats were reserved for women which are about 25 percent of total seats. Out of all directly elected chairmen in these municipalities, only 5 seats were possessed by women.

Women in Administration

Recruitment to the 29 Bangladesh Civil Service Cadres opens up the scope for women to get into the decision-making level of the government. Unfortunately, representation of women in these cadres is marginal though there is a 10% quota reservation for women, out of which women have achieved only 7.9% till 2002. However, the number of women recruited in the civil service cadres is increasing. Some women are entering into superior service by dint of their merit under the merit quota and some are enjoying the benefits of female quota.

Table 10 gives a profile of women's involvement in various cadres under ministries, directorates or departments and autonomous bodies and corporations. A total of 1,04,197 women are now working in class I through class IV under various branches. The female represented in class-I job is striking low compared to other jobs.

Table 10: Class-Wise Number of Female Officers and Employees

Class	Ministry/Division (Secretariat)	Departments/ Directorates	Autonomous Bodies/ Corporations	Total
Class I	299	5284	3488	9071
Class II	202	1240	2452	3894
Class III	279	70272	6712	77263
Class IV	258	10400	3311	13969
Total	1038	87196	15963	104197

Source: Statistical Pocket Book of Bangladesh, 2004, P. 162.

The uplift in the number of women officers in public sectors, however, does not indicate gender asymmetry in this area. According to the government statistics the female share in public sectors is less than 10 percent of the male shares. Against 8,792 male civil servants under different ministries, women are only 988 which are 10.1 percent of total male participation. Under different directorates women participation is 11.4 percent of total male participation. In autonomous bodies, female share is significantly low, only 5.3 percent.¹⁹

Usually decision making in public sector is made on the judgment and opinions of the top-tier of the bureaucracy. The share of women in senior positions of bureaucracy is very small. Table 11 demonstrates women's meager participation in the top level administration.

¹⁹ United Nations, *Beijing + 10 Global Review*, New York, 2005; Government of Bangladesh, *Bangladesh Country Paper: Forty Ninth Session of the Commission on the Status of Women*, Ministry of Women and Children Affairs, Dhaka, February, 2005, PP. 8-9.

Table 11: Women in Senior Positions in Bureaucracy

Position	Total	Male	Female	Women's Percentage
Secretary	56	54	02	3.57 %
Additional Secretary	54	54		
Joint Secretary	230	226	04	1.74 %
Deputy Secretary	589	584	05	0.86 %
Total	929	918	11	1.18

Source: Compiled from Public Administration Training Center, Establishment Ministry of Bangladesh, November 20, 2000.

The above table suggests that up to 2000, out of total 929 top bureaucrats, women bureaucrats were only 11 which is 1.18 percentage of men's presence in top ranks of the government bureaucracy.

Issues and Challenges Responsible for Gender Discrimination

The preceding section provides a vivid picture of gender discrimination existing in all spheres of our life here in Bangladesh. Critics identified a number of intrinsic and extrinsic constraints that are attributed to the marginalization of women in the society. This section is dedicated to the understanding of the issues and challenges that are contributing factors for gender asymmetry.

Patriarchy

The first and the foremost constraint is related to 'patriarchy'. Kate Millette labels patriarchy as a "universal mode of power relationship". Sociologists observe that patriarchal discourse constitutes separate spheres of men and women. It determines inferior position for women and superior position for men; it declares men's knowledge as women's knowledge and replaces women's voice by men's voice.²⁰ Thus the very existence of patriarchal values privilege men. Right from childhood, a girl child is socialized into the context of a subordinate position to men in society.²¹ In Bangladesh the rate of malnutrition for a girl child is 13.3 percent while for boys it is 11.9 percent. The average age of marriage for girls is 17.9 while for men it is 24.9.²² Mohsin (2004) found that parents do not feel much encouraged to spend money for the treatment of their female children.²³

²⁰ Sultana, Abeda, "Political Participation of Women in Bangladesh", *Social Science Review*, Vol. 19, No.1, June, 2002, P. 123.

²¹ Bhasin, Kamla, *What is Patriarchy*, Kali Primaries, New Delhi, 2001, PP. 8-9. Kali Primaries, New Delhi, 2000, P. 24.

²² Kabir, Rokeya, *Bangladesher Nari Shomajer Obostha O Obosthan* (The Condition and Position of Women in Bangladesh), Bangladesh Nari Progoti Shonhgo (BNPS), Dhaka, 1998.

²³ Mohsin, Amena, in Kalam, Abul (ed.), *Bangladesh in the New Millennium*, *op.cit.*

The traditional patriarchal society of Bangladesh is based on class and gender divisions. Class mobility allows movement between the rich and the poor, but the division of social space and the difference in behavioral norms between men and women are rigidly maintained. The family, which constitutes the basic unit of social control, sets the norms for the male and female roles. Within the system, the father, or in his absence, the next male kin is the head of the household. As a result, both decision-making powers and the economic control are vested in the hands of men. Furthermore, the family operates through a clearly defined system of rights and obligations. This is demonstrated when Muslim women, without caring Islamic rules, willingly waive the rights to inherit their father's property in favor of brothers or in the event of inheriting property, pass control to their husbands or sons. In both cases, the man gives protection to the women in return for control over her property, thus directly reinforcing a patriarchal tradition.

Over time, Bangladesh's patrilineal system has given high value to sons as potential providers and perpetrators of family names. They receive preferential treatment and access to education, better nutrition, and health care. Women, on the other hand, are generally viewed in their reproductive roles and are given a subsidiary status as economic dependents. Society has dictated that daughters are temporary members of their natal homes. Since, they are perceived as nonproductive members of the family, daughters have little access to education, especially in poor families. Scarce resources are invested in the sons as potential providers. Although girls' enrollment at the primary level has increased remarkably, from around 50-80 percent between the 1980s and 1996, their dropout rate is much higher than boys from the secondary level onwards. Parents are reluctant to send daughters to schools because they fear for the daughters' safety, as chastity and the reputation of unmarried girls are crucial factors that determine her value in the eyes of her potential husband and in laws. Girls are viewed as potential mothers and homemakers, thus priority is given to their training in domestic chores rather than to their right to an education.

Male Dependency

Along with patriarchy, women's dependence on men contributes to another important constraint. Due to their "non-wage economic activities" majority of the women are economically dependent on men. From childhood to older ages women depend on men in various ways. Though women work hard in the rural as well as in the urban areas, their activities specially those of the urban poor and middle class, are invisible. Their "non-wage" status for household works and for their dependency on men is continuing. Women's earnings are far lower than that of men's.

Kamla Bhasin, an Indian feminist writer enlists a number of avenues of women's lives that are said to be under patriarchal control. These include women's productive or labor power, women's reproductive capacity, male control over women's sexuality, women's mobility, property and other economic resources.²⁴ Men control women's productivity both within the household and outside, in paid work. Within the household areas, women provide all kinds of free service to their children, husbands and other members of the family throughout their lives. Men also control women's labor outside home in several ways. They force their women to sell their labor or prevent them from working. In many societies women do not have the freedom to decide how many children they want, when to have them, whether they can use contraception or terminate a pregnancy. In modern times, the patriarchal state tries to control women's reproduction through its family planning programs. The state decides the optimum size of the country's population and accordingly, encourages or discourages women to have children.

Insecurity

A third important problem is a woman's personal insecurity that ranges from her psychological to physical domains. Violence against women is rampant. Its manifestations range from teasing, hijacking, severe assault, kidnapping, acid throwing and murder (dowry deaths). One can rarely read a daily newspaper in Bangladesh without coming across a headline that reads, "Housewife killed". In most murder cases, physical torture and beating remain the common causes of death. The beating of women within household is widespread through Bangladesh and elsewhere in the world. Dowry is against the values of Islam. Never the less, in a Muslim majority country like Bangladesh, dowry has become a part of wedding and cultural practices for various reasons. Rape is the most repugnant type of violence which is on increase in all countries. The rape cases of Yasmin in 1995, Seema in 1998 and Raujan in 1999 raised much hue and cry all over the country.

Acid throwing is a widespread form of brutal violence against women that is rising at an alarming rate in Bangladesh. Incidents of acid throwing began in the early 1980s. From early childhood till they become old, women's mobility is highly restricted. Although violence against women cuts across all classes, vulnerability differs by class. For example, sullyng a man's wife, mother, sister, or daughter is the ultimate task one can inflict on her. Women from powerful families are generally immune from such abusive practices. Poor women are more vulnerable as they often lack a familial supportive umbrella to protect them. The poorer the

²⁴ Bhasin, Kamla, *Understanding Gender*, Kali Primaries, New Delhi, 2000, P. 24.

woman, the greater is the likelihood of abandonment, divorce, and oppression. A large number of women are divorced and murdered for the dowry reason. Violence against women has appeared so widespread that women feel totally insecure in all aspects of their lives.

According to a BNWLA report, the total number of incidents reported in media in 2004 was 4,495. This represents a 14% reduction from the number of incident in 2003 but a 44% increase from the number of reported incidents in 2002 (2,511 incidents). There was also a reduction in the percentage of incidents where a case had been filed. In 2004, 55.37% of the media reports indicated that a case had been filed by or on behalf of, the victim. This is 7.3% lower than in 2003. This percentage is very important because it indicates that in many cases victims do not file cases. The data in various statistics indicate that violence against women in the most commonly reported incidents occurs through rape. In 2004, almost one third (23.84%) of all incidents of violence involved women being subjected to rape. Other major types of violence include dowry, murder, trafficking, acid burn, and unnatural death. Murder and unnatural death (for example suicide) are many often the end result of different types of domestic and social violence against women.²⁵

Job Dissatisfaction

Luthans, Robbins, Davis, Griffins, Mullins and other writers on Organizational Behavior suggest that job satisfaction is an important component of the psychological well-being of workers.²⁶ A study conducted by Majumber (2001) found a wide gap between the female worker's expectations and actual realizations in the RMG sector, with negative consequences on their mental health.²⁷ Women are mostly employed in low skilled and Hazardous jobs like operators and helpers. The work is not contractual, and they get no appointment letters. They get only identity cards, which allow them the entry into and exit from the factories. Job insecurity is, therefore, a constant fear lingering with them. One study found that 50 percent of the garment workers work in the factory in a tense mood. Comparatively more female workers suffer from

²⁵ Bangladesh National Women Lawyers' Association, *Violence Against Women in Bangladesh-2004*, BNWLA, Dhaka, 2005.

²⁶ Luthans, Fred, *Organizational Behavior*, McGraw Hill/Irwin, New York, 2005; Newstrom, John W. and Davis, Keith, *Organizational Behavior: Human Behavior at Work* Tata McGraw Hills, New Delhi, 1998; Robbins, Stephen P., *Organizational Behavior*, Prentice Hall, Pearson Education Int., New Jersey, 2003.

²⁷ Majumdar, Pratima Paul, "Occupational Hazards and Health Consequences of the Growth of Garment Industry in Bangladesh", in Pratima Paul-Majumdar and Binayak Sen (eds.), *Growth of Garment Industry in Bangladesh: Economic and Social Dimensions*, Bangladesh Institute of Development Studies and Oxfam GB, Dhaka, Bangladesh, 2001.

tension than male workers. 61 percent of the female workers, as opposed to only 20 percent of the male workers, reported that while working they are occupied with various worries, such as how to reach home safely at night, how to protect themselves from their supervisor's anger, and how to save their jobs. In the absence of daycare facilities, mother workers also remain worried about their small children. It may be mentioned that the existing labor laws of the country allow for daycare provisions, but the implementation is far way in the RMG factories.

Mohsin (2004) observes that psychological insecurity is closely linked to physical insecurity. Most of the factories are ill-planned and there is inadequate provision for air and ventilation; fatigue and tiredness are common complaints of factory workers.²⁸ Employment in the garments sector may bring temporary relief or material well-being to the women and their families, but its long-term implications are quite dire. One may also suggest that they take up these jobs for the sake of survival rather than as a matter of choice. They leave the jobs after three to four years with physical impairments with little prospects for future opportunities due to their physical conditions.

Assertive Masculine Prejudices

Assertive masculine prejudices might have worked as a strong constraint. In a patriarchal society everything is predominantly controlled and influenced by gender biased mind sets, which has been fueled by mass awareness and ignorance among our women. Kamla Bhasin, raises some important pride and prejudices that are widespread in our society. When we use the words "Shala" or "Shali", we can do so to scold or abuse someone, because "Shala" or "Shali" are the brothers or sisters of a wife. But we never use "Debor" or "Nanad"- the brothers or sisters of the husbands to employ them as scolding terms. She also raises the popular belief of contribution of men to History, there by "his history" which neglects the chapter of "her history". She remarked that "History is his story". To get a complete picture of the world we also need "her story".²⁹

Also discrimination has always been manifested in the use of languages especially while using pronouns. For example, when we say "man is mortal", we mean "men and women are mortal". One may easily understand that by using masculine noun, we mean both sexes that mean, we merge women's rights in those of men. In another word, women do not have any existence, and entity except when they are merged with men. Bhasin notes that language is patriarchal and therefore carries and reflects gender biases and inequalities. Often men have a vocabulary of

²⁸ Mohsin, Amena, *op.cit.*

²⁹ Bhasin, Kamla, *op.cit.*

their own which women seldom use. Then there is the use of the masculine as the standard, the norm. ‘Mankind’, ‘he’ and ‘his’ are used even when the reference is made to women. Words like chairman, newsman, sportsman, one-man-show and hundreds of others are commonly used for women in these roles- although this practice is now changing.³⁰ Similar utterance is voiced by Lerner (1990): “The language of social sciences, philosophy and other disciplines also continues to be patriarchal and ignores, marginalizes or misrepresents women. She remarks: “we women have had to express ourselves through patriarchal thought as reflected in the very language we have had to use. It is a language in which we are submitted under the male pronoun and in which the generic term for “human” is “male”. Women have had to use “dirty words” or “hidden words” to describe our own body experiences. The vilest insults in every language refer to parts of the female body or to female sexuality”.³¹

Loopholes in Policy Implementations

Another important reason is the lack and loopholes in policy implementation. In order to reduce discrimination against women, Bangladesh government has undertaken certain legal, institutional and policy reforms. Legal reforms include the following: a) The Muslim Family Laws Ordinance of 1961 and its amendment in 1986 regulates personal aspects like inheritance of property, marriage and divorce, guardianship and custody of children etc, b) The Dowry Provision Act of 1980 (and Amendment in 1986) has made the custom of dowry an offence which is punishable by fine and imprisonment, c) The Family Court Ordinance of 1985 has served women by establishing family courts at the district and the Thana levels, d) The Child Marriage and Divorce Registration Act of 1974 provides for raising the legal age of marriage for both male and female and also provides punishment for anyone marrying before that age, e) Prevention of women and Child Repression Act (2000) to deal more effectively with rape, acid attack, forced prostitution, trafficking etc, f) Cruelty to Women Deterrence Punishment Act or Ordinance 1983, g) Child Marriage Restraint Act 1984, h) Acid Crime Prevention Act 2002, i) Acid Control Act 2002.

Institutional Reforms includes: a) Approval of the National Action Plan and National Policy for women’s Advancement. (1997), b) Establishment of National Council for Women’s Development (1995), c) MOWCA Parliamentary Standing Committee (1996), d) Inter-Ministerial bodies at the district/thana level committees. (1998), e) WID focal points

³⁰ *ibid.*

³¹ Lerner, Gerda, *The Majority Finds Its past: Placing Women in History*, Oxford University Press, Oxford and New York, 1990, P. 232.

in 46 ministries, f) Permanent Law Commission established to review all laws related to women, especially those dealing with violence, g) Developed ICPD National Plan of Action.

Policy Reforms include: a) Partial withdrawal of reservations to CEDAW (1997), b) Compulsory birth and death registry campaigns (1997-98), c) Repeal of law barring women from police service, d) Local Government Bill (1997) providing for direct elections to 1/3 woman's reserved seats in all four tiers of local government, e) Government introduced lateral entry to increase women's representation in senior decision-making positions, f) Developed National Integration Population and Health Program to enhance the quality of life of the poor and underprivileged by helping to reduce fertility and improve family health.

However, these reforms did not change the position. The state relegated women to a secondary position by certain specific laws. For instance, the head of household is the man. He is considered to be the breadwinner and master of the house. The family is the basic unit of the state, a child is thereby exposed to the politics of a gendered state at a very early age and is socialized into the notion of a male being the dominant figure or head. Citizenship laws are another example of the gendered state. According to the Citizenship Act of Bangladesh, a child's citizenship is determined on the basis of the father's citizenship. In the same vein, if a man marries a foreign woman, the wife acquires her husband's citizenship automatically; this does not apply in the case of women marrying a foreigner. This, in other words, implies that women do not have the same freedom and citizenship rights as men. While the government has taken several positive measures for promoting the equality of women, implementation of such policies remain weak. For example, although 18 years is the legal age for marriage of a girl, it is not uncommon to see brides of 15 years or less. Early marriage results in early pregnancies that increase the risks of maternal death, and are amongst the main causes of poor enrollment and high female drop-out rates at the higher education levels.³²

Socio-Cultural Constraints

Finally, some critics talk about socio-cultural and religious issues as major barriers to women development. Women live in a social system where socialization process embodying social norms and role expectation prescribes for women an inferior and subordinate position in society. Each human being is born and brought up into ongoing social system and is en-nurtured by the cultural patterns within which he/she is brought up.

³² United Nations, *Millennium Development Goals (MDGs): Bangladesh Progress Report*, New York, 2005, PP. 24-25. .

His/her behavior is determined by the culture environment within which he/she lives. He or she will be rewarded in many ways for responding positively to expected behavior and he/she will be punished in many ways for his/her attempts to deviate from the accepted behavioral patterns of the society. Culture simply refers to what is generally done by an individual observing social rules or socially patterned behavior and what is thought about as such. In Bangladesh, women participation in socio-economic and political activities has, for long, been unofficially forbidden by their male counterparts. This view of socialization negates the idea of women's participation in a male dominated society.

It is also alleged that religious beliefs and doctrines have veneered the societal negative attitudes towards women's participation in activities outside home. The doctrines often stress the importance of women's role as wife and mother and may also place women in a secondary position in relation to men.³³ Women in Bangladesh being in a predominantly Muslim society, constantly, confront with the real or perceived obstacles due to variant perspectives of women status in Islam. Some people also believe that purdah (Islamic Hizab) prevents women to participate in social, economic and political activities to empower themselves. They argue that men want to keep women in 'purdah', so that they will lose their power. Purdah is better understood as the broader set of norms and regulations that promote the seclusion of women, enforce their exclusion from public spaces, and give specific gender identities to labor.

However, this explanation with regard to Islamic Hizab is quite contrary to the notion of Hizab as envisaged by Islam. The lack of study about Islam creates this kind of unjust and unreal conclusion about Islamic concept of 'purdah'. In fact, 'purdah' has been made compulsory in order to ensure safety and security of women's dignity, chastity and mobility. One should not be misguided by this kind of misperception about 'purdah'. The rule of 'personal inviolability' is widely accepted in the western culture to maintain the dignity of individuals. Through the culture of 'Hizab' Islam provides a wonderful safeguard for women to keep themselves safe and secure. A number of personal and civil rights can be achieved through maintenance of the system of 'purdah'. Moreover Islam does not eschew the rights of women to work, to earn her living and to maintain her family. Historical and empirical examples are available in abundance to support these theoretical underpinnings of Hizab. We will come back to this point later in detail.

³³ Huq, Jahanara, "Empowerment of Women in Bangladesh: the Rural Scenario", in Roushan Jahan (ed.), *Empowerment of Women: Nairobi to Beijing*, Women for Women, Dhaka, 2000, PP. 62-63.

Withering Gender Asymmetry: Major Recommendations

From our discussion on issues and challenges relating to gender disparity, it has been crystal clear that the reasons of all discrimination are deeply rooted in the tradition of patriarchy that has dominated world societies from centuries to centuries. As noted earlier, that the ramification of patriarchy has penetrated into all horizons of our life starting from psychology, attitudes, outlook to language, behavior and overall culture. It is really difficult to recommend a viable way-out. Patriarchy cannot be eliminated fully since its roots are mixed with all organs of a society. On the other hand, a balanced and gender neutral development is almost impossible within the traditional patriarchal social framework. Certain measures are recommended to overcome this dichotomy.

Overhauling Social System

First, in order to get rid of the curse of the traditional patriarchy, the entire social system including values, culture and family needs to undergo massive restructuring and reconstruction. To that end, massive awareness must be created among all members of the society. The values of gender sensitivity and gender sensitization must be nurtured to achieve this objective. Different people mean different things by these works. The simple meaning of gender sensitivity is to acknowledge that women are subordinated in most societies, and that this subordination is harmful not only for women and girls, but also for men and boys and the entire society. It means being aware of why men and women behave differently, and understanding their needs and concerns. It also means understanding the implications and impact of different policies and programs on men and women.

In the field of planning, gender sensitivity implies making plans which will minimize future marginalization of women, will take care of women's special needs and make efforts to involve and empower women. Gender sensitivity implies that women's issues - dowry, rape, pornography, female feticide, infanticide etc. are not just women's issues; thereby they are men's issues. It is heartening to see that some sensitive men are also taking up these issues now and instituting groups like "Men against Rape" or "Men against Violence against Women".

Benign Patriarchy

The second extreme of thought suggests to resolve the problem of patriarchy by not eliminating the traditions of patriarchy but by recognizing it with modifications. That means, within the existing structure of patriarchy, recognition of freedom, rights and justice for women along with men can also maintain gender parity. This argument maintains that patriarchy is not a problem if it ensures justice and

equality. So, a man (father or brother) can be head of the family as long as he is just and recognizes women's rights. On the contrary, his headship is a curse and gender-biased if he is not respectful to women's freedom and dignity. In reply to a question whether feminists want to replace patriarchy by matriarchy, Nighat Said Khan answered in negative. She iterated not to ignore patriarchy and establish matriarchy. She furthered that feminist movement demands emancipation of women's existing subordination, marginalization and inequality. This school recommends that the gender balance can survive within the existing tradition of patriarchy if it provides three basic requirements that include gender equality, gender equity and gender mainstreams.

Gender equality refers to the rights, responsibilities and opportunities between women and men, girls and boys. Gender equality is not just a "women's issue"; it concerns men as well. Equality does not mean that women and men will become the same, but that women's and men's rights, responsibilities and opportunities will not depend on whether they are born male or female. Equality between women and men is both a human rights issue and a precondition for sustainable people-centered development. Gender equity means fairness of treatment according to their respective needs. Gender equity is the process of being fair to both women and men. To ensure fairness, measures must often be taken to compensate for historical and social disadvantages, so women and men can operate on the same level of work. Equity leads to equality. Gender mainstreaming is the process of ensuring that women and men have equal access and control over resources, development benefits and decision making at all stages of the development process.

Spirituality Based WID Model

In a Muslim majority country like Bangladesh, gender discrimination can be removed by following the proposed WID paradigm which has been sketched while constructing the theoretical foundation of the present work. The base of the proposed framework is a strong spiritual and cultural foundation. Unfortunately the gender issues that have been dealt with so far have massively ignored this aspect. What do the terms 'culture' and 'spirit' signify? What is the basic premise of culture? In his 'clash of civilization', Huntington observes that religion is the most powerful determinant of culture. Judged from this criterion, the foundation of women development should be laid on the religion of the Bangladeshi women, most of whom are committed to Islam and some of them are devoted to Hinduism and others are inclined to Christianity or Buddhism. Almost all these religions emphasize the rights of women and once we recognize those rights and attempt to build the gender

development program on the basis of these religious ethos, gender parity can be maintained.

Islamic Values

Since Islam possesses the belief of the mainstream of Bangladeshi women, a more detailed analysis of it deserves significant academic interest. Islam seems to recognize the natural discourse of patriarchy - the benign patriarchy- by upholding the leadership of man in the society. Al-Quran says “Ar Rizalu Qawwamuna Alan Nisai (The men are given leadership on women)”.³⁴ This Quranic verse does not ignore the rights of women; rather it incorporates them within the broad framework of societal leadership under men. Interestingly, Islam does not also ignore the leadership of women. For example, Ayesha (R), the wife of Muhammad (SM) led the battle of camel. Islam wants to ensure the equality, equity and mainstreaming of humankind. Al-Quran defined the rights of both men and women that include the first generation, second generation and third generation human rights. In his final declaration in the Farewell pilgrimage (Hazzatul Bida), Prophet Muhammad (SM) declared the equality, equity and mainstreams of both men and women. To ensure women’s rights under the benign patriarchy, equal access of women to education is number one criterion. Islam made equal opportunity of education as compulsory. Muhammad (SM) proclaimed divine ordain by saying: “Talabul Ilmi Faridtun Ala Kulli Muslimin Wa Muslimah (Seeking knowledge is compulsory for both men and women)”.³⁵ The government of Bangladesh must give attention to the equality of education for women.

Women’s empowerment through income generation can also be a viable solution of eradicating gender discrimination. Our previous discussion shows the gross violation of women’s rights in terms of their income earning. We have seen that they are either poorly paid or unpaid labor supplies. According to UN statistics, “World women perform more than 60 percent of the world hours, but they earn only 10 percent of world’s income.”³⁶ As already said that in Bangladesh, women contribute to 81 percent of family works with no payment for their labor. By ensuring genuine payment, women can be empowered equally with men. Islamic law has ensured given property, services and movement for women. Islam has forbidden dowry and ordered payment of *Mahar* (marriage gift) to women. Under Islam, it is also compulsory for husband to maintain the basic needs of their wives. They should also provide

³⁴ *Al-Quran, (Chapter Al-Nisa), 4:34.*

³⁵ Al-Hadith, “Kitabul Ilm”, *Sahih Al-Bukhary.*

³⁶ Bhasin, 2001, *op.cit.*

transport allowance to wives if they are service-holders; the wives are free to spend their income. Unfortunately, these religious rules are not implemented in our society, although our family rules are based on these Islamic principles.

Efficient Policy Implementation

Finally, implementation of rules and regulation is also an important remedy. According to a study, the gender related cases in recent years have not been given any attention. According to a report by Naripokhkh during 1999-2003, a total of 1,816 cases related to women and children have been filed and out of them 1,549 cases have been taken under trial. Interestingly, 249 cases have been settled so far and punishment has been given only in 15 cases. As a result of these complexities, survivors often prefer to accept settlements in courts. The offenders, using these advantages, also persuade the survivors to settle the crime. As a result the offender avoids punishment even in cognizable cases.

In order to fight shy of these horrible situations, certain measures need to be taken immediately, namely a) designing and implementing effective policies, b) mainstreaming gender equity principles into policies, strategies and institutional practices, c) gender sensitizing all institutions involved in implementing interventions for promoting gender equality, d) protecting women against discrimination and domestic violence.

Conclusion

This chapter starts with an objective of investigating the sources, patterns and feature of gender asymmetry existing in Bangladesh over the years and devising the means and ways to wither away that ever escalating asymmetry. Despite a great many initiatives on the part of the government as well as on social development organizations, this study found disparity in education, unequal employment and income earning opportunity and gross discrimination in administration, ministerial portfolio, local government and other decision-making bodies. A number of reasons behind gender inequality have been identified such as traditional patriarchy, male dependency of women, women's psychological and physical insecurity, assertive masculine prejudices and gender biased mindsets and above all, socio-cultural constraints. The author observes that the laws and policies that have been enacted at various times could render great contribution to the reduction of gender discrimination. Unfortunately the lack and loopholes in policy implementation could not serve as remedial measures.

In order to understand the dynamics of gender disparity and to recommend sustainable strategy to overcome it, this chapter draws a gender sensitized WID paradigm. Almost all WID models so far offered

have grossly ignored the spiritual, cultural and religious values on which foundation of gender neutral development could be established. The author believes that the absence of such spiritual foundation, all WID paradigms have been misdirected. For example, patriarchy has been considered as the prime reason of women's backwardness. Critics discovered that the century-old male-dominated patriarchal social cultural ethos have kept women in the prison like situation that has prevented them from enjoying their due shares in the society. Some critics also hold religions responsible for surviving this patriarchal culture.

The present chapter suggests a shift from spiritually vacuum paradigm to a cultural based WID paradigm. In order to surrender genuine rights and privileges to Bangladeshi Women, the proposed model recommends Islamic religious guidelines that explicitly and implicitly safeguard human rights in general and women's rights in particular. This paradigm does not support male-dominated social practices, nor does it ignore the significance and implications of benign patriarchal ideology, which aims to ensure appropriate rights for women.

As mentioned before that Islam has provided a balanced judgment of rights for both men and women. In his final message through Hazzatul Bida, Muhammad (SM) declared "O Ye People! The way you think you've rights on women; you must think your women have rights on you as well".³⁷ In terms of property, Islam has fixed definite rights of women in the property of their fathers and husbands. It ensures equal rights of both sexes in enjoying fundamental freedom which includes the first generation civil and political rights. Is also envisages the second generation of economic, social and cultural rights as well as supports equal privileges of the third generation solidarity rights. Islam is so respectful to the maintenance and preservation of the freedom, dignity and rights of both gender that Allah Himself Compares both as mutual attire for each other. Al-Quran says "Hunna Libasul Lakum, we Antum Libasul Lahunna (The women are your dress and you are theirs)".³⁸ The author concludes that once the women development scheme of Bangladesh is modeled on the proposed gender sensitized spiritual-based WID paradigm, it is likely that women would get rid of all sorts of discrimination and exploitation.

³⁷ Declaration on *Huzzatul Bida*,

³⁸ *Al-Quran*, (Chapter *Al-Baqarah*), 2:187.

Human Resources Development: Beyond Western Paradigm?

Introduction

The importance of human resources development (HRD) has always been emphasized and stressed by the economists of all times since the very development of Economics as a systematized body of human knowledge. Adam Smith, in his famous book *The Wealth of Nations*, has specially mentioned about it and included, “acquired and useful abilities of all the inhabitants or members of a society” in his *Fixed Capital*.¹ Alfred Marshall known to be the father of Modern Economics emphasized the importance of education as “a national investment” and according to him “the most valuable of all capital is that invested in human beings”.²

Paul Streeten *et. al.* (1981) recognized that there is a growing concern about the unevenness of progress and the evident deterioration in the human conditions in many parts of the world. In fact the fancy development models, such as Trickle Down Theory, Redistribution and Growth, Basic Needs Theory etc. could not produce the desired goals. In many cases, the fancy models produced ugly facts of starvation, social disintegration and deprivation. Therefore, the development experts in recent years discovered that the people are the means and ends of all development and emphasis has been to develop the individuals in totality. The purpose of this chapter is to construct a paradigm of human resources development from a non-Western perspective. What is development? What are the major concerns and ingredients of development? How to construct a non-Western paradigm for human resources development of Bangladesh? What are the salient features of the constructed non-Western paradigm? Are they conducive to the development needs of Bangladesh? What are the issues and challenges in the implementation of this non-Western theory for human resources development of our country? These issues are addressed in this chapter.

¹ Adam Smith. A., *An Enquiry into the Nature and Causes of the Wealth of Nations*, Random House Inc., 1937, PP. 265-266.

² Marshall, A., *Principles of Economics*, Macmillan & Co. Ltd., London, 1930, PP. 216-564.

The present chapter is divided into six sections. Section one deals with an introduction which is followed, in section two, by an attempt to construct a non-Western paradigm for HRD and the related conceptual issues. Section three focuses on devising a non-Western paradigm under the Islamic framework. The implication of the Islamic model of human development for Bangladesh is examined in section four. Section five provides a set of recommendations for the implementation of Islamic approach to human development in our country. Finally, our discussion comes to an end with some concluding remarks.

The Conceptual Framework

The Notion of Development

Development is, perhaps, the most popular and widely used term of this century. Since World War II, it has been the main agenda of modern governments. Since the early 1950s, the idea of development has undergone considerable modifications. The conceptual basis for development during the 1950s and 1960s came from the dominant modernization paradigm. Development was often equated with modernization, a process of change towards those types of economic, socio-cultural and political systems developed in Western Europe and North American. Economically, modernization implies industrialization, urbanization and the technological transformation of agriculture. Socially, it involves the weakening of traditional ties and the adoption of achievement, as a basis of advancement. Culturally, modernization implies increased secularization of society. Politically, it refers increased political awareness and participation in democratic systems.³

Seers has identified a number of development criteria or objectives for development, such as adequate family income, availability of jobs, increasing literacy rate, mass participation in government and complete national independence.⁴ According to Streeten, development means modernization. Development as an objective and development as a process, both embrace a change in fundamental attitudes in social, cultural and political institution.⁵ Clearly streeten's concept has evolved

³ Hettne, B., *Development Theory and the Three Worlds*, , Longman Scientific and Technical Co., London, 1990; Quoted in Siddiquee, N. A., "Towards Conceptualizing Development and its Changing Ethos," *Social Science Review*, vol. xI, No. 2, (December), University of Dhaka, Dhaka, 1994, P. 60.

⁴ Seers, D., *Dependency Theory: A Critical Reassessment*, London, 1981.

⁵ Streeten, P., *The frontiers of Development Studies*, Macmillan Press, Macmillan, 1972, P. 55.

into what is known as “the basic needs” approach to development.⁶ Thus strictly speaking the concept of development should be understood in multidimensional context involving the reorganization and reorientation of the entire social system. Operationally Development means: (1) in politics, a stable democratic process and universal suffrage, (2) in economics, high aggregate economic growth (GNP), high mass consumption and high level of industrialization; (3) in social realm, mass literacy, high social mobility based on skills had social differentiation; and (4) in psychological orientation, a strong motivation for achievement, investment and savings as well emphasis on inner worldly values.⁷

Although in the fifties and sixties, emphasis was given on an increased production, meeting basic human needs gained priority in the seventies. The development goals in the eighties included, among other things, alleviation of poverty and reduction of social inequality. In the 1990s some new concerns have gained prominence in the development thinking. Currently development is viewed to be a process that seeks to increase the income of the poor through sustainable and productive activities and emphasizes on more qualitative aspects which were previously overlooked: such as self reliance, empowerment, participation, and human resources development. While the earlier conceptualization of development is regarded as goods-oriented view of development,⁸ what is currently being proposed, can rightly be termed as “people-centered development.”⁹

Towards a Non-Western Paradigm for HRD

From the dawn of civilization, human resources had been considered an important factor for development. The administrative authorities as well as the economists are, therefore, quite cautious of the proper utilization of the human resources. In order to make the most effective use of this factor, the Western developed nations have devised various scientific

⁶ Streeten, *ibid*, P. 55.

⁷ Weinder, E, “The Elements of Development Administration” in Weinder, E. (ed.), *Development Administrations in Asia*, , Duke University Press, Durham, P. 81

⁸ Ingham. B., “The Meaning of Development: Interactions Between New and Old Ideas”, *World Development*, vol. XXI. No. 11, 1994, PP. 1803-1821: Quoted in Siddiquee, N.A. *op. cit.* P. 63.

⁹ Berger, P. L. and Meuhaus, R., “To Empower People” in D.C. Korten and R. Klaus (eds.), *People-Centered Development: Contribution Towards Theory and Planning Frameworks*, Kumardan Press, Hartford.

ways and means. One of the objectives of those methods is to select right man in the right place. In recent years, devices to select right man for right position through ‘Professional Guidance and Counseling Programs’ and through various examinations and tests have also been innovated as a result of which, the scope for the proper and maximum utilization of human resources has become easy and wide.¹⁰

The Western development models have widely dealt with development theories for individualization at all strata of society. These models include education, health, social values, basic needs, equality and so forth. In order to maintain HRD, studies have been done and a number of literatures have been written in the Western World. Despite immense contribution of these Western theories to HRD, however, the overall objective of human resources development in the Muslim World has not been fully implemented. Thus the Muslim countries including Bangladesh failed to provide required Human Development Indicators (HDI). The author believes that the Muslim countries need to reshape the paradigm for their human resources development. Since HRD is closely related to the socio-cultural ethos of a certain community, the author believes that Islamic religion, which is the most powerful determinant of the culture of a Muslim nation like Bangladesh, can contribute significantly to the construction of an innovative paradigm for HRD. This alternative paradigm does not necessarily imply anti-Western; it means that this new theory may incorporate those elements of Western paradigm that are compatible to Islam and, at the same time, this might satisfy the development needs of the Muslim countries including Bangladesh.

Since Islam is the complete code of life, development may be sought from the Islamic point of view. This chapter identifies the inadequacies of all previous models of development and suggests how human development can be organized in an Islamic perspective. Ours is a very poor country. It is our paramount duty to find necessary ways and means for the development of our country. But how? The author strongly believes that the Islamic way of human resources development will make our country a prosperous Bangladesh. The principal objective of this

¹⁰ Fakhruzzaman, M., “Human Resource and Economic Development” in *Thoughts on Islamic Economics* – a collection of articles presented at the Seminar on Islamic Economics held under the auspices of Islamic Economics Research Bureau on July 3, 4, & 5, 1979 at Teachers’ Students’ Centre (TSC), University of Dhaka and Bangladesh Atomic Energy Centre Auditorium Dhaka, Islamic Economics Research Bureau, Dhaka, 1980, P. 228.

work is to examine the Islamic perspective of human resources development and to explain its implications for the development of Bangladesh.

Devising a Non-Western HRD Paradigm The Islamic Approach

The main thrust of human resources development is that it is the life that human beings lead that is of intrinsic importance, not the commodities or income that they possess. Human development is defined as “a process enlarging peoples choices in terms of desire to lead a long and healthy life to acquire knowledge and to have access to resources needed for a decent standard of living”.¹¹ Islam provides a balanced explanations of development where the concept of development encompasses both moral and socio-economic aspects of man’s life. Islam argues that development should be sought based on the enshrinement of moral human values which is number one pre-requisite for achieving socio-economic development.

Islam emphasizes on the development of the moral values of mankind. The Maudju (subject matter) of the Holy Quran is: ‘Man’. The principal objective of sending Prophets by Almighty Allah is to produce ‘perfect man’. The Revelation has come to teach purity and wisdom. Allah said:” It is He who has sent amongst the unlettered and Apostle from among themselves to rehearse to them His Signs, to sanctify them, and to instruct them in Scripture and Wisdom, - although they had been, before, in manifest error”.¹² This divine project put forward by the Almighty through His Prophets is labelled as ‘Tajkiah’ (Sanctification) which implies that ‘man’ is the main engine of development, if he is instructed and trained in the Islamic way.

The Islamic idea of development is thus closely linked with the concept of “Tajkiah’ because it encompasses all aspects of human character and tries to enhance ‘growth’ by refining soul, rectifying socio-economic relations and eventually attaining ‘completeness’, which ultimately result in the welfare of this mundane world and in the betterment of hereinafter.¹³ Islamic model of development, however,

¹¹ UNDP, *Human Development Report*, , Oxford University Press, New York,1993.

¹² *AL-Quran*, 62:2.

¹³ Chowdhury, A.M., “Bangladesher Moto Anunnoto Desher Perekkhite Islamic Arthonitik Unnoyoner Proyojoniota: Tattik-o-Praogik Diksamuho”. *Journal of Islamic Administration*, vol. 1, No. 1 (Winter), University of Chittagong, Chittagong, 1995, P. 98.

focuses on the enrichment of physical, moral, social and cultural aspects of man's life. There is a smooth relationship between world and economic development. In other words, moral development directly affects economic prosperity. Development is defined as deliberate human efforts for change – change towards desirable situation.¹⁴ Development in Islam is a comprehensive program which involves material progress as well as spiritual well-being.¹⁵

Thus Islamic development model which is explained through human resources development provides a very wide and all embracing phenomenon, that begins with the development of the “self” and “spirit” of a man and ends with the achievement of the complete success in socio-economic, political and cultural spheres of human life. In the Holy Quran, Allah has mentioned about iron which has got many beneficial uses for mankind.¹⁶ For producing iron from the iron ore, one has to apply appropriate “Hikma” (technology) in order to make the production process efficient. He is to put in ‘Sayee’ (hard labour) in his endeavor. In this way when something is produced through co-operative efforts, the product is needed to be distributed among the participants with “Adl” (Justice) and “Ihsan’ (human considerations).¹⁷ This necessitates a system of political authority for decision-making and its execution. Again, so that the decision of the political authority may be just or welfare-oriented, there is a need for an institution of ‘Shura’ (mutual consultation). Therefore, knowledge, technology, hardware, participatory decision-making, distributive justice etc. constitute a mutually dependent process which leads a society of development, justice and peace. In this entire long and arduous journey, mankind needs certain guiding principles for sustainable functioning of the process. The Holy Quran has given specific directions regarding this.¹⁸

Islamic Paradigm of HRD

There are a number of ingredients of human resources development under non-Western paradigm on the basis of Islamic approach. Islam expects a person to be faithful and trustworthy (*Mumin*) who must also fulfill the

¹⁴ Myrdal. G., *Asian Drama : An Inquiry into the Poverty of Nations*, Allen Lane Penguin Press, London, 1972, P. 30.

¹⁵ Noor, A, “Islam and Development : A Response to Western Critics”, *Journal of Islamic Administration, op.cit.*, P. 81

¹⁶ *Al-Quran*, 57:25

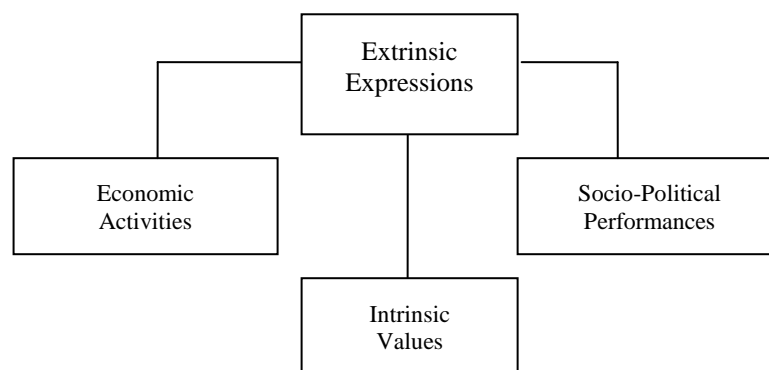
¹⁷ Noor. A, “Islam and Development: A Response to Western Critics” *op.cit.* P. 82

¹⁸ *ibid*, P. 92

criteria of righteousness, qualification and perfection (*Salih*). Thus the foundation of building human resources in Islamic framework is laid on the twin theme- trust and efficiency. Trust (*Iman*) is intangible which is hidden and intrinsic in an individual's inner character, while qualification (*Salahiat*) is tangible which is extrinsic and expressed in the deeds of individuals. An individual must impress others through his efficient performance in social, political and economic affairs that can be easier once his intrinsic values are nourished.

The following diagram depicts the Islamic framework of human resources development. This diagram shows a holistic development of individuals that encompasses elevation of human attributes in all spheres of human life including social, economic and political. The intrinsic interpretation of the model also indicates that the performances in an individual's socio-economic and political activities are not efficient, if his operational strategies and functions are not founded on the basic tenets of faith and trust which exists intrinsically in the inner hearts of individuals. The more an individual is improved in terms of his intrinsic values, the more likely that his performances in social, economic and political areas are accurate and appropriate. Any sort of deviation from the intrinsic values greatly affects the performance in extrinsic affairs. For instance, if a person lacks trust and faith, he must lack morality leading to the indecent practices in his acts and behavior. On the contrary, if he holds strongly the religious-cultural ethos, he fulfills the requirements of morality, which might lead to his social, economic and political performances with honesty, efficiency and integrity.

Diagram: Islamic Paradigm of HRD



Source: Devised by the Author

In various places of the Holy Quran, the Almighty emphasizes upon '*Iman*' (faith) and '*Amal*' (action). He said, "By time, verily Man is in

loss, except such as have faith and do righteous deeds and join together in the mutual teaching of Truth and of Patience and Constancy”.¹⁹

Here we can understand that if life is considered under the metaphor of a business bargain, man, by merely attending to his material gains, will lose. When he makes up his day's account in the afternoon, it will show a loss. It will only show profit if he has Faith, leads a good life, and contributes to social welfare by directing and encouraging other people on the path of Truth and Constancy.²⁰

It is not possible for man, to acquire 'Faith' and righteous 'deeds' without possessing knowledge about life. As one of the most important aspects of human development, emphasis has been given on 'education'. In His first direct Revelation to the Holy Prophet, Allah said, "Read in the name of thy Lord and Cherisher, Who created".²¹ Here 'Iqra'(read) provides a very comprehensive meaning which refers not only to a particular person and occasion, but also gives a universal direction. This kind of comprehensive meaning runs throughout the Quran.²² Thus education has been declared compulsory (Fardj) by the holy Prophet (SM). It is a great sin that a man remains uneducated.

It is a matter of great regret that the Muslim world is nowadays massively devoid of education. When the question of education comes, there runs a common feeling that the western World has reached the zenith of knowledge and wisdom. But again their education is directed to achieve material gains where there is a total absence of 'soul' and 'spiritual enlightenment'. As a result, their students have powerful images of what a perfect body is and pursue it incessantly. But deprived of literacy guidance, they no longer have any image of a perfect soul and hence do not long to have one.²³

On the other hand, there exist two systems of education in almost all the muslim countries: (1) Shariah based traditional system of education where the students have the opportunity to learn religious and spiritual training. But they do not have any opportunity to play any role in government and administrative sections because of their lack of worldly

¹⁹ *Al-Quran*, 103:1-3

²⁰ Ali, A.Y, 1983, *The Holy Quran : Text, Translation and Commentary*.

²¹ *Al-Quran*, 96: 1-2

²² Ali, A.Y. *op. cit.*, P. 1781.

²³ Bloom, A., *Closing the American Mind*, University of Chicago. Chicago, 1987.

education; (2) Secular system of education where the students have the opportunity to learn all branches of knowledge. But they do not have any opportunity to be enlightened with religious and spiritual knowledge whereas they play active role in socio-economic and political administration of their countries. As a result of this dichotomy, the system of education became a means of dividing the Ummah and draining its energy. In reality, education should be a means of bringing Muslims together and providing them with a unified cultural perspective, directing them towards progress and construction. It should create harmony and provide a common purpose, thus directing all efforts towards developing righteous Muslims whose mind and soul, culture and behavior.²⁴

Islam emphasizes on such an education system which provides man the opportunity to achieve benefits in both worlds here and hereinafter. Almighty Allah has taught Muslims to pray for the welfare of this world and the world after death. According to Islam, since man is the vicegerent of God, it is obligatory that he knows law to govern this world. So, it is compulsory for him to learn all branches of education so that he might successfully govern the world and with this end in view Islam suggests that man should completely embrace Islamic direction of education where Islamic Shariah does not exclude the modern branches of knowledge. Thus Islamic education program is directed to attain religious and spiritual fulfillment as well as to achieve socio-economic development.

Along with education, the next importance has been laid on achieving economic well-being. No doubt, Islam is opposed to monasticism, and views the economic activities of man as quite lawful, meritorious and sometimes even obligatory and necessary. It approves of the economic progress of man, and considers "Lawful or righteous livelihood" (Kasb Halal) as "an obligation next to the obligation" (Faridjah badal Faridjah) that is to say, an obligation of the secondary order.²⁵ Notwithstanding all this, it is no less a truth that it does not consider "economic activity" (Maash) to be the basic problem of man, nor does it view economic progress as the be-all and end-all of human life.²⁶

²⁴ Al-Wani T.Z., "Toward an Islamic Alternative in Thought and Knowledge" *The American Journal of Islamic Social Sciences*, December, 1987, PP. 3-4.

²⁵ Al-Mishkat, *Kitabul Buyoo: Babul Kasbe-wa-Talabul Halal*.

²⁶ Shafi, M.M., *Distribution of Wealth in Islam*, Islamic Foundation of Bangladesh, Dhaka, 1983, P. 2.

The fundamental principle is that 'wealth' is a thing created by Allah and is His property. The right of property over a thing which accrues to man is delegated to him by Allah. The Holy Quran (24: 33) explicitly says: Give to them, from the property of Allah which He has bestowed upon you".²⁷ The distribution of wealth is one of the most controversial issues concerning the economic life of man. It has been centre not only of fervent debates, but even of armed conflicts. Islam has made the appropriate solution to this problem. The system for the distribution of wealth laid down by Islam envisages three objects.²⁸

The first object is that it would be the means of establishing in the world a system of economy which is natural and practicable, and which, without using any compulsion or force, allows every individual to function in a normal way according to his ability, aptitude and choice so that his activities may be more fruitful, healthy and useful. Allah said "we have distributed their livelihood among them in worldly life, and have raised some above others in the matter of social degrees so that some of them utilize the services of others in their work".²⁹

The second object is to enable everyone to get what is rightfully his. Under non-Islamic economic systems, only those factors that have taken part in the process of production, are entitled to share in wealth, and no one else. According to the Islamic point of view, not only those, who have participated in the production, but those too whom Allah has made it obligatory upon others to help, are the legitimate shares in wealth. Hence the poor, the helpless, the needy, the paupers and the destitute they too have a right to wealth. Allah says: "In their wealth there is a known right for those who ask for it and those who have need for it".³⁰

The third object of the distribution of wealth is that wealth instead of becoming concentrated in a few hands, should be allowed to circulate in the society as widely as possible, so that the distinction between the rich and the poor should be narrowed down as far as is natural and practical. Allah said: "what God has bestowed on His Apostle from the people of the townships, belongs to God, to His Apostle, and to kindred and orphans, the needy and the wayfarer; in order that it may not be confined only to the rich amongst you".³¹

²⁷ *Al-Quran*, 24:33.

²⁸ Shafi M.M. *op.cit*, PP. 7-10.

²⁹ *Al-Quran*, 43: 32.

³⁰ *Ibid*, 70: 24-25.

³¹ *ibid*, 59: 7

Another important aspect of human resources development is to build up moral values. There may be four stages of developing these values.³² The first and the foremost among them is Iman (faith) which is the foundation of human life. It includes ‘Tawheed’ (belief in one and only Allah) and ‘Risalat’ (belief in the Prophets). The second stage is ‘Islam’ (deeds). As soon as a man is enlightened with ‘Iman’, certain specific duties become obligatory upon him, that include ‘Salat’ (daily prayers), ‘Saom’ (fasting, once a year), ‘Zakat’ (compulsory economic assistance to the poor), and ‘Hazz’ (visiting holy Kaba). The third stage is ‘Taqwa’ (fear of God) which compels and inspires man every time to follow the guidelines and instructions of the Almighty. The fourth stage is ‘Ihsan’ (deep love to God) which inspires man to develop his moral character. If a man can successfully observe these four stages of development of moral human values, he will be able to fight shy of all obscenities and indecencies, such as pride, selfishness, deception, bribery, corruption and so on.

Human Resources Development in Bangladesh within Islamic Framework: Constraints and Opportunities

Bangladesh combines extreme poverty with the highest density of population in the world. Although poor both in physical and financial resources, she is richly endowed with human resources. But unfortunately due to our low level of education and skill formation, in the past, our human resources could hardly play an effective role in promoting growth of our economy. Acute poverty and growing inequality in Bangladesh, has brought the issue of human resources development at the focus of our development planning. The second in the list of three critical objectives of the ‘Perspective Plan’ is: “Alleviation of poverty and generation of employment opportunities through human resources development”³³ As human resource development may directly or indirectly serve the three crucial objectives of the Perspective Plan of Bangladesh (1990-2010)-growth, poverty alleviation, and increased self reliance, it deserves utmost importance in any strategy for development of Bangladesh.³⁴

³² Maududi. S. A. A., , *Islami Andoloner Naitik Vitti*, Adhunik Prokashani, , Dhaka, 1995, PP. 39-58

³³ Planning Commission, *The Fourth Five Year Plan 1990-95*, Revised Draft II, Planning Commission, Government of Bangladesh, Dhaka, 1991.

³⁴ Masum, M., “Human Resources Development in Bangladesh: Strategies for the 1990s” paper presented at the National Seminar on *Bangladesh in the Nineties: Society, polity*

In order to achieve growth, alleviate poverty and increase self-reliance, human resource must be developed and with this end in view the first priority would be given to education. It is clear that due to the lack of education, our population seem to be huge burden on our nation. One of the most important questions for the countries where high rate of population growth is considered as constraint for economic development refers to education. Islam addresses us to cultivate knowledge throughout the whole life from cradle to death. From Islamic point of view, any attempt that aims at our human resource development implies the process of increasing human knowledge, the skill, abilities and capacities of the people to perform desired and necessary economic activities for productive purposes. In economic terms it may be described as the accumulation of human capital for development purpose. From the political standpoint human resource development prepares favorable ground for the adult people to actively participate in political processes and activities of the economy particularly in running the government administration democratically as good and responsible citizens. From the social and cultural points of view, the development of human resources helps people lead fuller and richer life.

Thus education has been accorded a high priority as an instrument for human resources development and alleviation of poverty, and for this, programs have been taken up for development and expansion of primary (1 to 5 grades), secondary, (6 to 12 grades) and higher education. Primary education has been made universal as well as compulsory and free. Primary education was made compulsory through an Act in 1990. A separate Division in the name of Primary and Mass Education Division was created in 1992. A program for "Education for All" by 2000 AD had been taken up to increase enrollment at the primary level to 95%, from the enrollment rate of 92% in the mid nineties. For the expansion of education, new schools were being established and the then existing ones were developed or rehabilitated. The number of primary schools was increasing and the total number of schools which was 47241 in 1990 increased to 59894 in 1995.³⁵ The enrollment of students at primary level was also increasing. Total number of students enrolled in 1990 was 12.05

and Bangladesh Economy Organized by Bangladesh Institute of International and Strategic Studies, on 17-19 Dhaka, September 1991, P. 2.

³⁵ Ministry of Finance, *Bangladesh: Economic Review*, Government of Bangladesh, Dhaka, 1996, P. 74.

million, which rose to 17.20 million in 1996.³⁶ After a decade the number of primary educational institutes, teachers and students jumped dramatically. The number of primary schools increased from 59894 in 1996 to about 85000 in 2004-2006 periods. Similarly the students at this level rose from 17 million in 1996 to about 18000000 in years 2004-2006.³⁷

For higher education and training, institutional facilities were also being developed. They relate to schools/colleges at secondary level, Madrashes, Universities and technical and vocational training institutions. The Open University established in 1992 carried out educational programs for those who fall outside formal schooling. Educational facilities were also being developed in the private sector which includes universities and medical colleges. Different data and statistics indicate that the number of secondary, higher secondary, technical and vocational institutions, and their teachers and students was increasing.³⁸ They also suggest that the number of educational institutes, teachers, and students in higher education level had increased.³⁹ The number of secondary, higher secondary and degree level institutes and the teachers and students have phenomenally increased in recent years. There are about 20000 such institutes with about 7399000 students and 238158 teachers at this level of education during the 2004-2005 periods.⁴⁰ Apart from about 25 public universities, there are more than 55 private universities in Bangladesh in the same time.⁴¹

Despite all these efforts to develop our education, there exists a basic defect in our education system. This is why a redefinition and rethinking of our education system has become the demand of time. Therefore, in order to produce educated human resource, our total education system should be restructured. Like many other Muslim countries, there are two systems of education in Bangladesh: Madrasah system and Secular system. While Madrasah education focuses on mainly moral and spiritual

³⁶ Primary and Mass Education Division, *Enrollment of Students at Primary Level*, Government of Bangladesh, Dhaka, 1996.

³⁷ Ministry of Planning, *Statistical Pocket Book*, Government of Bangladesh, Dhaka, July 2007, P. 358

³⁸ Ministry of Education, *Number of Higher Education Institutes, Teachers and Students*, BANBEIS, GOB, Dhaka, 1996.

³⁹ *ibid.*

⁴⁰ Ministry of Planning, "Statistical Pocket Book", *op.cit.*, PP. 358-9.

⁴¹ *ibid.*, PP. 360-5.

training, Secular education emphasizes on material and worldly development. The Madrasah educated people normally can not take part in administrative sectors of our Government due to the lack of worldly knowledge and so, these people directly can not play role in various development activities. The Secular educated people, on the other hand, occupy important positions in the administrative sectors without having moral and spiritual learning that could root in them the ingredients of becoming well-developed human resources. So, owing to their lack of moral training, these people normally become involved in corruption and other obscenities in various spheres of life and the expected development objectives can not be achieved. By restructuring our education system, we may introduce a new system where religious and moral training may be injected in all branches of knowledge—Natural Sciences, Arts, Social Sciences, Commerce and Engineering etc. Thus our population which is now a burden may be converted to the most important national resources which will ultimately enhance our development programs.

Bearing in mind the above analysis of Islamic perspective on human resources development, it is crystal clear that from the Islamic point of view, human resources can properly be utilized for economic development. The Holy Quran has given clear instructions about what modern Psychology calls ‘Professional Guidance and Counseling’ devices and by which proper and skilled workers for any job are produced. In Islam, the main function of the persons engaged in ‘Professional guidance and Counseling’ is to find and point out the inherent or inner qualities and potentialities of individuals and to make arrangements for their cultivation and development.⁴² As already mentioned, the main objective of Islamic education is to produce man in the real sense of the term. We may introduce a ‘Professional Guidance and Counseling’ division under the Ministry of Cultural Affairs and if it can be made possible to create and develop various abilities and skills within our people it will not at all be difficult to select right persons for any job. In an Islamic society a group of persons always remain engaged in advisory works. They help solve any problem faced by any individual and guide him in the right path.

In modern economic activities much importance has been given on production. But to increase production, what is more important is to maintain humanly relation in the working fields. From the traditions of

⁴² Fakhruzzaman, M. *op. cit.* P. 230.

the holy Prophet (SM) and from the examples of the early Caliphates it may be clear about what type of relations should exist between the employers and the employees. It may create a congenial working environment which will eventually lead to an increase of production.

Corruption and irresponsibility in economic activities also give rise to various problems which retard economic development. Our discussion regarding human values clarified that only by nurturing those moral virtues, man can overcome corruption, irresponsibility and all other vices. When a faithful Muslim involves himself in any work, he does it for the satisfaction of God with a mind that God is present before him observing his deeds and so an honest and God-fearing Muslim cannot, in any way, indulge himself in any immoral or unjust activity. It is our humble recommendation that Islamic path of development will lead our country most rapidly to political stability, economic prosperity and social security. But to execute this model is not without difficulty. A number of constraints may nip all the efforts to establish Islamic model in bud.

First, the inadequacy of the study on Islam among the modern educated persons - intellectuals, journalists, university professors etc. Only a few 'Ulema' (Islamic scholars) of our country are well versed in Islamic knowledge. But again they massively lack in the comparative study of Islamic and other systems. While the modern educated persons are highly qualified in different branches of knowledge, they largely lack Islamic knowledge. This contradiction seems to be the major obstacle.

Second, except for one or two, no country of the Muslim World has so far examined Islamic model for their development. Long colonial domination of Muslim countries made them highly undeveloped or underdeveloped. These countries are now facing a sort of 'cultural' or 'ideological' crisis. Most of the leaders of these countries are educated in Western system or directly in the West which created a widespread idea among them that Islamic model is outdated and irrelevant.

Third, Muslim concentrated areas of the contemporary world are generally identified as backward societies. Although this is the result of Western colonial rule and the reality of present international system led by the west, many western scholars like Max Weber, David C. McCelland, B. K. Parkinson and C. R. Sutcliffe etc. blame Islam as obstacle to development. Studying their writings, our brilliant scholars became convinced that Islamic system is antithetical to development and irrelevant in the context of modern era.⁴³

⁴³ Noor, A. *op. cit.* P. 80

Recommendations towards HRD in Islamic Perspective

In the foregoing sections of this paper we tried to examine the relationship between human resource and economic development. The experts on Economics, Sociology and other branches of Social Sciences have discovered different development strategies. We have clearly mentioned that almost all these models are proved to be inadequate or inappropriate and so, in the nineties, they have found out the most significant strategy which goes by the name of human resources development model. We have also described how Islam has taught man to develop and administer his inner potentialities. Considering all these realities we recommended Islamic model of human resources development and examined its relevance to the development of Bangladesh. In section four we have identified a number of problems facing the application of Islamic model of development to the context of our country. Now it is worthwhile to devise the ways and means so that those obstacles are removed and the country could achieve the desired development goals.

The first and foremost among them is that our Government should take necessary steps to apply Islamic model for development. But first of all our education system should be restructured in such a way so that real man may emerge from the system. Our educational institutions will produce doctors, engineers, scientists, poets, litterateurs and artists who will employ their specialized knowledge for the satisfaction of God: and as God becomes more satisfied with the works done for the well-being of mankind, so it is expected that the persons educated through Islamic education will involve themselves in such welfare activities which will ensure the establishment of an welfare state. One more point to be noted that the economic life constitutes a mere part of the whole Islamic way of life. Islam is a complete code of life. If we want to see Islamic economic system established we shall have to work for establishment of the whole system of Islamic way of life. Islamic code is a model not for the Muslims only, but it is an ideal for the whole mankind of the world⁴⁴. Once it is established the whole mankind may enjoy peace, prosperity and security.

Second, the research institutes like Bangladesh Institute of International and Strategic Studies (BISS), Bangladesh Institute of

⁴⁴ Fakhruzzaman, M. *op. cit.* P. 232.

Development Studies (BIDS), Islamic Economics Research Bureau (IERB), Bureau of Economics, Centre for development and Research in Bangladesh (CDRB), Center for Policy Dialogue (CPD) may play active role in conducting research in this field and thereby creating experts on Islamic system, they can contribute a lot for the attainment of our development goals.

Third, our Government may introduce a 'Human Resource Development Cell' under the Ministry of Religious and Cultural Affairs. Through a "Professional Guidance and Counseling" division under the same Ministry we may get the most qualified personalities in various fields.

Fourth, we may introduce "Moral and Religious Training Program" under the BCS Training Academy which will cultivate the morality among our young BCS cadres upon whom the great responsibility of our nation has been bestowed. Enlightened with the moral and religious training, they may despite all sorts of limitations, successfully run the country without being indulged in bribery, irresponsibility, corruption and other obscenities.

Finally, there should be significant awareness among mass people regarding the importance of the Islamic model for our country's development. Radio Bangladesh, Bangladesh Television, Private TV Channels, Newspapers and other Information Media may contribute a lot to create mass awareness.

Conclusion

The present chapter starts with an objective of restructuring and remaking the schemes of human development based on a non-Western paradigm. The idea comes out of the increasing frustrations worldwide in the area of cultivating a strong human resources base under the secular structure almost everywhere in the world. Most countries in both West and non-West have been facing an acute shortage of working people of honesty and integrity. As a result, corruption, indecency and obscenity have been widespread everywhere that have been splashed on newspapers and other media. For example, a number of US presidents including Nixon and Clinton had to face impeachments on charges of corruption and indecencies; couples of Japanese Prime Ministers had to resign for indulging into bribing and other corruptions; Serbian president Karadzic has recently faced international trial on war crimes for killing hundreds of thousands of innocent people including women, children and age-old

civilians; political leaders of many LDCs face trials on various corruption charges. Transparency International once listed Bangladesh on the top of the most corrupt countries.

This rampant corruption prevalent in the modern-day world leads the author to rethink the strategy of human resources development in a non-Western paradigm. Since Bangladesh is predominantly a Muslim country, the writer recommends an alternative approach of human development in an Islamic framework. The issues and challenges in this regard have been identified and the recommendations for overcoming them have been put forward. Bangladesh can benefit from utilizing efficient human resources once its people are molded in an Islamic model. Mere the formal categories, such as legal, financial, administrative, and judicial do not provide the required means of improving humans in order to curb corruption ; the informal means, such as religious, social, and cultural codes also equip with the solid rock of qualified and honest human beings. Islam may lay an immense contribution in this line of reorientation of Bangladesh's human resources development schemes. Although the road towards Islam is tortuous, the prospect is bright.

Ethnic People and their Predicament

Introduction

There has been an insignificant effort to address the socio-economic needs of the ethnic communities of Bangladesh who are living in hardship and difficulties. The author recognizes that they would be further marginalized if appropriate development interventions are not spelled out. It is a fact that these communities are more marginalized in comparison with the poor of other communities living in Bangladesh. This leads these people to a difficult dilemma in which they are unable to find answer to many of their living issues. The understanding of factors which are typical for these communities and contributory to their present predicament has not been considered by various sectors as a parameter of planning. This has led to an increasing marginalization as well as alienation of these people from their heritage, traditional rights and resources necessary for their survival.

Against this backdrop, it is worthwhile that we have a clear knowledge about the socio-economic conditions of the ethnic communities of Bangladesh. There are a variety of ethnic communities in different parts of the country. The researcher hypothesizes that the socio economic scenarios of all of them would be almost identical. The idea about certain communities might provide with a vivid socio-economic profile of other communities. Out of the author's research interest as well as his commitment to the contribution to his nation, a research survey has been conducted in some ethnic areas of Rangpur and Dinajpur in order to glimpse into the various aspects of their life styles. The researcher believes that the conditions of the surveyed areas might be replicated in ethnic communities of other parts.

Research Methodology

This work is founded on the baseline survey on the social, economic, health and nutritional status of the population of the four thanas of Rangpur and Dinajpur districts. The survey area covers different indigenous people of different creeds, cultures and religions. Survey thanas of Dinajpur are Fulbari and Nawabgonj, and the two thanas of Rangpur are Mithapukur and Pirgonj.

The sample frame for this survey has been designed to provide representative and reasonably reliable estimates of key indicators. The primary sampling units (households) have been selected by means of a cluster sampling technique and the data has been collected in two phases.¹ The data for this survey are collected directly through personal interviews by the trained and experienced investigators on the basis of a carefully designed questionnaire.

The field-in questionnaires were brought to the research desk of the author and the coding of the data for processing was then started. The processing of coded data and tabulation were done by the author with the assistance of some of his colleagues and students. Finally, the researcher analyzed, collated and interpreted the data and completed the final write-up. In completing the analysis various published and unpublished research reports are consulted and the comparisons of the appropriate sections of various chapters of them are incorporated.

An Overview of the Ethnic People of Bangladesh

According to a dictionary meaning, the term 'Ethnic' refers to a group of people who share a common national or cultural tradition.² They have commonalties of the use of clothes, music, food, habits etc. They belong to this group originally by birth or descent rather than nationality.³ When we talk of Ethnic people of Bangladesh, we talk about a number of cultural groups who have different traditions, beliefs, customs, food habits, clothes, way of life, and social systems than the mainstream people of the country.⁴

Ethnic Background

Except for the Santal, Munda and Oraon, who resemble the Dravidians, people of almost all other ethnic communities have certain Mongoloid features in their physical appearances.⁵ All ethnic groups of the Chittagong Hill Tract (CHT), the Garo in the Mymensingh, Tangail, and Jamalpur districts, and the Khasi in the Sylhet District display Mongoloid

¹ Myrdal, G., *Objectivity in Social Research*, Duckworth, London, 1970.

² Sultana, Sabiha, et. al., *Introduction to Environment (Paribesh Parichiti)*, National Education Board, Dhaka, 2005, PP.140-141.

³ *ibid*, P. 140.

⁴ Ahmad, Mohiuddin (ed.), *Bangladesh towards Twenty First Century*, Community Development Library, Dhaka, 1999.

⁵ Gain, Philip, (ed.), *Bangladesh: Land, Forest and Forest People*, Society for Environment and Human Development (SEHD), Dhaka, 1998.

characteristics. The admixture with other races is less evident in these cases. But a mixture of Dravidian and Mongoloid race is clearly evident in the physical characteristics of such groups as the Koch, Hajong, Rajbansi, Manipuri (Meithei), and Pathor. Some of these groups (e.g. the Koch) look more Mongoloid than Dravidian, while some others (e.g. the Hajong) look more Dravidian than Mongoloid.

It is assumed that the original home of most of these ethnic groups was somewhere else other than the area that now constitute the territory of Bangladesh. Almost all the ethnic communities of the CHT are believed to have had their original homeland in Arakan and they migrated to their present habitat at different times in the past centuries. The Tipras had migrated from the Tipperah hills (India). The Garo, Khasi, Manipuri, Rajbansi, and Koch were basically Tibetan ethnic communities who drifted down to Assam (India) and then to their present settlements in the different areas of India and Bangladesh. The Munda, Oraon, and Santals are the ethnic peoples of Chhota Nagpur and Santal Parganas of India and they came to the area now known as Bangladesh during the British period.

Distinctive Characteristics of Ethnic People

Although each Ethnic group has its own unique characteristics, cultural traits and values, the Ethnic Minority as a whole shares a lot of common phenomena.⁶ According to a book entitled *Tribal Heritage of India*⁷ these characteristics are:

- a. Their roots in the soil date back to a very early period; if they are not the original inhabitants, they are at least some of the oldest inhabitants of the land.
- b. They live in relatively isolated areas of the hills and the forests.
- c. Their sense of history is shallow for, among them, the remembered history of five to six generations tends to get merged in mythology.
- d. They have a low level of techno-economic development.
- e. In terms of their cultural ethos, language, institutions, beliefs, and customs, they stand out from other sections of the society.
- f. If they are not egalitarian, they are at least non-hierarchic and undifferentiated.

⁶ Sultana, *op.cit.* p. 140.

⁷ Dube S. C., *Tribal Heritage of India*, New Delhi, 1977.

Reasons behind the Ethnic Predicament

In all international, national and local level Centre-Periphery analyses, the whole Ethnic Community is in a most disadvantages and fragile locus. The dynamics and the undercurrent processes of Centre-Periphery push make the Ethnic people most marginalized.⁸ They become the victims of the process. The Ethnic minorities become the prey of the whole cycle. All social forces like economic, political, social and cultural go against them. They are trapped and deprived and thus become completely dependent on the unfavorable situation.

Types of Our Ethnic People

There is no uniform information about the type and population of Ethnic groups in Bangladesh.⁹ Some sources mention that there are 31 types of Ethnic groups here. Stephan Gomes records 58 Ethnic groups in his writing named *The Indigenous People: Thirst for Solidarity*.¹⁰ As a result these numbers are confusing. Moreover, there is no authentic and commonly accepted, criteria through which one can confirm who falls within Ethnic Minority and who does not. Up to now there is no specified and defined Ethnic Categories clearly stated from the Government sources and confirmed by each Ethnic groups themselves. Here lies a vast task, which needs proper recording.

The Language of Ethnic People

Except for a few people living in the interior part of the CHT, almost all the ethnic communities of Bangladesh are bi-lingual. They have learnt the Bengali language for communicating with their Bengali neighbors and retained their own language to use it among themselves. In addition to the Bengali language, some of the converted Christians among the ethnic people have learnt the English language.¹¹ The original languages of different ethnic groups belong to the various branches of different language families.

⁸ Anwar, A, "The Question of Tribal Identity and Integration in Bangladesh", in M. S. Qureshi (ed.) *Tribal Cultures of Bangladesh*, Rajshahi, 1984, PP. 362-372

⁹ Sultana, *op. cit.* P. 140.

¹⁰ Rising Tide North America, "[Indigenous Solidarity](#)", Online available,

¹¹ www.risingtidenorthamerica.org/wordpress/category/indigenous-solidarity, Access on 23 September 2008.

¹² Gain, *op.cit.* P. 130.

The Ethnic Religions

The Marma, Chakma, and Tanchangya are Buddhists and there are a few Buddhists among the other small ethnic groups of the CHT.¹² Most people in the smaller ethnic communities of the interior parts of the CHT are animists. Some of these animists have been converted to Christianity by the Christian missionaries working in this area. Thus many of the Bawms, Lushai, and Pankho are now converted Christians. A process of Christianization is presently going on among these as well as other ethnic communities like the Mrongs and Mrsos.

The Garos have had their traditional religion, which is a form of animism. Sabiha and others have mentioned that the name of religion of Garos is Sansarek.¹³ But the majority of them have been converted to Christianity. The Koch, Hajong, Father, and Manipuri are Hinduized ethnic communities. The Santals retained their traditional religion, which is based on the belief in spirit (animism). Although many of ethnic people have been influenced by Hinduism, some of them have been converted to Christianity.¹⁴

The Unique Culture

A renowned scholar and Adivasi scholar Anathbandhu Chatterjee points out that the Adivasi life is intrinsically linked with the forest.¹⁵ The forest in fact symbolizes the *Adivasi* life. Physical labor, community spirit and equality constitute the ethics around which the *Adivasi* life centers. These traditions are shared by *Adivasi* men and women alike. In the *Adivasi* society, the emancipation of women is not required to be granted by anyone. The freedom is there as the most natural thing. The *Adivasi* woman is as free as the forest around her. She is a mother; at the same time she works as hard as the hard-working men. For the *Adivasi*, labor and truth have the same meaning. For example, the society of the Garos and Khasi are matriarchic in nature.

The ethnic cultural aspect includes dance, songs and drums and eventually there has been a developed musical culture which has remained a part of the Adivasi life throughout the ages.¹⁶ The primitive

¹³ Khaleque, Kibriaul, "Ethnic Communities of Bangladesh" in Gain, Philip (ed.), *op.cit.*

¹⁴ Sultana, *op.cit.* P. 142.

¹⁵ Khaleque, *op.cit.* P. 112.

¹⁶ Sultana, *op. cit.* P. 142.

¹⁷ Maloney, C. "Tribes of Bangladesh and Synthesis of Bengali Culture", in M.S. Qureshi (ed.), *op.cit.*, P. 552

societies believe that dance has been derived from the animals. The *Chenchoa* and *Adivasis* of Assam believe that human beings learned dance from a pair of monkeys. Dance for them is not just a form of expression of joy, but is essentially an offering of prayer to the creator.

Socio-Demographic Profile

Demographic and Social Conditions

Table 1 shows, out of a total of 2531 households surveyed, 1140 households are in Rangpur and about 1391 are in Dinajpur. Out of the total number of respondents, 2207 are male and 324 are female. The population of households is 11161, out of which 5642 are male and 5519 are female. The percentage ratio of male to female is calculated to be 1.20 in both areas. Table 2 suggests that the percentage of male and female in both areas are almost equal.

The majority of the respondents are over 30 years of age in some cases. In the absence of the older family member the oldest child in the house is interviewed. Almost 89 percent of the interviewees are farmers and 10 percent are found to be engaged in trade and business. More than 60 percent of the respondents are found to have been staying in the area for a period over 30 years, while 15 percent are found to have been moved in the area in last 5 to 10 years.

Household Information

Tables 1 and 2 also inform of household situations. Of 2531 families surveyed, the total population is 11161 giving an average family size of 7.34. The male population is 5642 (50.55%) where as the female are 5519 (49.44%).

Table 1: District wise number of families

Name of District	Number of families	Percentage
Rangpur	1140	45.04
Dinajpur	1391	54.96
Total	2531	100%

Source: Field Survey

Table 2: Total population by sex

Sex	Number	Percentage	Ratio
Male	5642	50.55	1.20
Female	5519	49.44	
Total	11,161		

Source: Field Survey

Table 3 suggests that 38.01 percent population is found to be in the 15-35 years age. The second big group of 37.98 percent is between the ages of 0-14 years. Only about 11.45 percent are above 50.

Table 3: Age distribution of the family members

Age	Number of person	Percentage
0-5	1453	15.84%
6-14	2168	22.14%
15-25	1954	19.96%
26-35	1865	18.05%
36-49	1230	12.56%
50+	1121	11.45%
Total	9791	100

Source: Field Survey

Religion and Caste

Table 4 talks about the religion of ethnic people. It suggests that out of total population, 53 percent of the families are Hindus. The second highest people are Christians which is 36 percent. The Bedins (without religion) occupy the third position, which are 9 percent of total families.

Table 4: Distribution of families by religion

Religion	Number of families	Percentage
Hindu	1341	52.98
Muslim	2	0.08
Christian	913	36.07
Buddhist	44	1.74
Bedin	23	9.13
Total	2531	100

Source: Field Survey

It is seen from table 5 that 63 percent of the families are Santal followed by Urao which are 24 percent. Mahali and Adibashi Sabtal occupy the third and fourth positions respectively. It appears from table 6 that a total of 126 disabled persons of different categories are in the survey area. Among them the number of Pongu (crippled) is the highest which is 49 percent.

Table 5: Distribution of families by caste

Cast	Number of families	Percentage
Urao	606	23.94
Mahali	124	4.94
Santal	1591	62.75
Pahari	17	0.67
Catholic Church	2	0.08
Rabidas	5	0.28
Munda	71	2.76
Adibashi Santal	116	4.58
Total	2531	100

Source: Field Survey

Table 6: Distribution of disabled persons

Type of the disabled	Number
Pongu (crippled)	49
Bikolango (deformed)	25
Blind	17
Mad	20
Ratkana (nyctalopic)	15
Total	126

Source: Field Survey

NGO Activities in Ethnic Community

It is known from tables 7 and 8 that a total number of 53 NGOs and associations are in operation in the survey area where 163 persons of the respondent families are associated with these organizations. These NGOs are engaged in carrying out programs and activities aimed at the welfare of the ethnic people.

Table 7: Number of persons associated with different NGOs

Name of Organizations	Number of persons
Adibashi Dishari Urao Sangha	25
Credit Cooperative	11
Grameen Bank	13
National Bank	1
Karmi Kallyan trust	1
BRAC	6
Sonali Bank	1
Adibashi Palli Somaj Sangathan	35
Adibashi Pipiliak Kallayan Sangha	15
Bastra Somity/ RD NINE	10
IDP	1
CARITAS	39
Janata Bank	1
Bangladesh Krishi Bank	1
VDP Samity	1
Grammya Somit	1
BNLC	1
Total	163

Source: Field Survey

Table 8: Member of different organizations

Type of organizations	Number of families
Bastra Samity	06
CARITAS	153
Janata Bank	1
Adibashi Kallyan Somity	3
Urao Adibashi rmlon Sangha	30
UDP Salandar Sangha	8
Uttra Development	15
PCDP	4
Adibashi Samaj Unnayan Sangha	15
IDPO	1
Grameen Bank	38
BRAC	41
Adibashi Upajati Kallayan Sangha	2
Adibashi Sangha	2
Save Grade	14
Educational Institute	1
BRDB	1
Van Labour Union	2
UDP	6
Grace Padmakol Church	8
Mohua Samity	27
Krishak Kallayan Samity	1
R.D. Nine	2
Credit Samity	13
PCDP	11
Shohagee	5
Church of God mission	1
CMCY	2
Ashai Alo	1
Adibashi Bonoful Samaj Sanghathan	1
Jana Bima	15
Shikha Adibashi Sangha	1
Krishi Foundation	27
Palli Unnayan Sangha	1
BNELC	2
Total	461

Source: Field Survey

Nuptial Culture

It is noticeable from table 9 that the large majority of both men (95.8 percent) and women (89.61percent) get married after the age of 21 years. The incident of child marriage is insignificant both among men and women, the percentage being 1.67 and 3.24 respectively.

Table 9: Marital status

Age	Marital status		Total
	Men	Women	
below 16	38 (1.67%)	69 (3.24%)	107
17-21	56 (2.46%)	252 (11.84%)	308
22+	2180 (95.8)	1907(89.61%)	4087
Total	2274	2128	4502

Source: Field Survey

Further it is seen from table 10 that out of total population, the percentage of married population are 36.73 among male and 45.84 among female. Widow people, as percentage of total population are considerably higher. In case of female, the percentage is insignificant in both cases and the divorced people among female is insignificant.

Table 10: Distribution of household members according to their marital status and sex

Marital status	Male	Female	Both
Married	36.73	45.84	40.85
Unmarried	62.45	50.35	56.97
Divorced	-	0.28	0.13
Widowed	0.82	3.53	2.05

Source: Field Survey

Ethnic Society and Family Planning

According to table 11, the highest male to female ratio is found in the age group of above 60 years, which is 128 followed by the ratio of 121 in the age group of 46 to 59. The lowest ratio is found in the age group of 5 years, which are 100. It is clear from the table that the male to female ratio increases with age except with age group of 15 to 24, where the ratio declines. One interpretation of this trend is that the female mortality is higher than the male mortality as age increases. In the survey area a total of 405 percent people are attached to family planning, out of which 29 prefer ligation as the best method. Unfortunately, the natural method is the least preferred one as table 12 indicates.

Table 11: Distribution of household members according to their age and sex

Age	Male	Female	Ratio	Total	Percentage
Up to 5	695	698	99.57	1395	15.02
06- 14	1010	975	103.58	1985	21.38
15 – 24	721	792	91.03	1513	16.29
25 – 45	1638	1572	104.19	3210	34.57
46- 59	352	290	121.37	643	6.92
60 +	302	236	127.96	538	5.79
Total	4718	4563	103.39	9284	

Source: Field Survey

Table 12: Family planning practices

Type of family planning practice	Number of persons
Ligation	291
Tablet	75
Injection	15
Vasectomy	6
Kabiraj	7
Natural	1
Copper T	7
Condom	3
Total	405

Source: Field Survey, 2007

Economic Predicament of the Households Surveyed

This section deals with the economic conditions of the respondent households with particular reference to the ownership and the use of land, occupation of the respondents and their sources of income.¹⁷ In addition, the patterns of employment and wage rates are also analyzed. An attempt is made to identify the sources of financing the deficit in the family budgets as well as the housing conditions of the surveyed areas.

¹⁸ Robinson, J., *Economic Philosophy*, C.A. Watts, London, 1962.

Ownership of land Area

The 40 percent of respondents own land directly and the 10 percent of them are tenants and another 10 percent are sharecroppers. The total number of landless people are 40 percent who own only homestead. Regarding the sources of land, it is learnt from table 13 that 54 percent inherit from their ancestors while 24 percent purchase some land and another 9 percent own land from the government distribution.

Table 13: Sources of land availability

Sources	Percentage
Purchase	24.24
Inherited	54.54
Leased	-
From Government	9.09
Others	12.12

Source: Field Survey

Large landowners are only a few. According to the findings of the survey, 52.32 percent of the households own less than one acre of cultivable land while another 30 percent own the land above one acre but less than four acres. Only 6.5 percent have landholdings equal to or greater than five acres of land. There are significant inter thana differences in the land ownership pattern.

Ownership and its Utilization

Table 14 shows that 40 percent households out of a total of 2531 are landless. The existence of the high proportion of the landless is supported by the presence of a large number of daily wage earning workers in the areas.

Table 14: Percentage of landless households

Thana	Total Households	No. of Landless Households	Percentage
Fulbari	635	241	37.9
Nababganj	756	343	45.37
Pirganj	521	206	39.53
Mithapukur	619	222	35.86

Source: Field Survey

Table 15 shows that 71 percent of households report that non-inheritance is the main cause of their landlessness while 16 percentage reports that the sale of land due to their needs causes landlessness. About 10 percent of the landless are due to meeting litigation fees.

Table 15: Causes of landlessness as expressed by the respondents

Causes of landlessness	Percentage of households
1. Non-inherantance	71.3
2. Meeting wedding and educational expenses	2.7
3. Sale of land	16.3
4. Sale of land for litigation	9.7

Source: Field Survey

Table 16 suggests that about 83.2 percentage of total land is cultivated for food grains (rice 66.7 percent and wheat 16.5 percent) and 5.1 percent is for sugarcane. Other corps including jute, potato, pulses, and vegetable are grown on another 9.1 percent of the cultivated area. Table 17 shows the production of different crops. Sugarcane has the gross yield rate per acre which is 15817 kg which is followed by Paddy which is 699 kg per acre. Wheat occupies the third position showing a yield rate of 679 kg per acre. Other crops lumped together also shows a satisfactory production rate.

Table 16: Percentage distribution of land under different crops in 1999

Major Crops	Percentage
Paddy	66.7
Wheat	16.5
Sugarcane	5.1
Tobacco	1.6
Maze	1.01
Other	9.1

Source: Field Survey

Table 17: Production of major crops in the survey areas

Name of Major Crops	Acreage (in Decimal)	Production per Acre (in kg)
Paddy	192.38	699
Wheat	47.71	679
Sugarcane	14.42	15817
Tobacco	4.80	359
Maze	2.88	396
Others	26.35	4041
Total	288.54	

Source: Field Survey

Ownership Pattern of Livestock and Other Assets

The general picture in this respect has broadly been similar to that of land ownership prevalent in the areas as a whole. Just like the pattern of land ownership, the ownership of cows, calves, buffaloes is concentrated in the hands of a very small proportion of population¹⁸. It is seen from table 18 that the average distribution of cow/ox and buffalo is 1.02 and 1.78 in the area. The ownership of poultry is satisfactory which is nearly 3 percent per household. With regard to goats, the situation is less satisfactory than poultry but is better than that of livestock.

Table 18: Ownership pattern of livestock

Types	No. of Households	Quantity	Average
	5	0	0.00
Buffalo	74	141	1.78
Calf	629	1089	1.53
Cow /Ox	1347	2279	1.02
Dog	6	12	0.00
Duck	285	1120	0.66
Goat	867	2024	0.79
Hen/ Cock	1469	11845	2.94
Not Mentioned	14	0	0.00
Others	8	34	0.00
Pig	753	1439	0.26
Pigeon	119	1488	0.26
Sheep	83	204	0.03
Total	5659	21675	3.83

Source: Field Survey

Table 19 portrays other assets. Among other assets, agricultural equipment is the most mentionable; 745 households have a plough of their own and 739 have their yoke. Among modern amenities of life only 126 households have a radio and 14 households have a TV set, which is very insignificant compared to the rest of Bangladesh in the modern day context.

¹⁹ Ahmed, Momtaz Uddin, *Studies of Rural Poverty and Unemployment with Particular Reference to Landless and Women*, Bureau of Economic Research, University of Dhaka, Dhaka, 1989.

Table 19: Ownership pattern of other assets

Types	No. of Households	Quantity	Average
	5	0	0.00
Bench	11	15	1.36
Cart	84	85	1.01
Cassette	56	58	1.03
Chair	66	94	1.42
Cot	524	726	1.38
Cycle	382	399	1.04
Fishing Net	135	1S4	0.77
Harmonium	1	2	2.00
Not Mentionedt-	1	1	1.00
Others	121	233	1.92
Plough	745	806	1.08
Radio	126	126	1.00
Rickshwa/Van	38	42	1.10
Rope Cot	60	67	1.11
Shallow Machine	4	4	1.00
Table	72	99	1.37
Television	14	14	1.00
Watch	1	1	1.00
Yoke	739	778	1.05
Total	3187	3714	1.16

Source: Field Survey

Occupation of the Respondents

Table 20 shows that 88.9 percent are farmers or are engaged in farm related activities. The proportion of wage labor among the farming households are significant. In the survey area, the majority of farmers and wage labors either lack formal education or are dropped out from schools.

Table 20: Percentage distribution of primary occupation of the households

Occupation	Male	Female	Percentage
Farming	84.14	93.85	88.9
Business	1.49	3.84	2.6
Fishing	0.37	-	0.37
Weaving	0.12	0.4	0.26
Bamboo/ Cane Craft	7.87	1.3	4.5
Service	0.3	0.10	0.2
Others	5.71	0.51	3.1

Source: Field Survey

Employment and Wage Rate

Table 21 shows the principal sources of wage employment in the survey thanas. The main source of occupation is farming where 71 percent of the adult male and 82 percent of female can find their employment. Trade and business account for another 18 percent and 8 percent of wage employment for male and female respectively. Rural cottage industry provides another 7 percent and 10 percent of employment respectively to the adult male and female labor force in four thanas.

Table 21: Percentage distribution of employment of adult workers (aged between 18-60 years) by occupation and by sex

Employment Status	Male	Female
Farming	71.04	82.01
Rural Cottage Industry	6.94	10.21
Trade/Business	18.50	8.41

Source: Field Survey

Sources of Income

Table 22 shows that over 40 percent of total income in four survey thanas is derived from crops. The next important source of income is labor income, which is about 24 percent. Off farm income contributes to about 4 percent of total income. The contribution of other services and trade are significant which is about 31 percent.

Table 22: Percentage distribution of income sources

Sources	All Thanas Average
a. Crop income	40.77
b. Off farm Income	4.21
c. Labor Income	24.13
d. Other Services & Trade	30.89
Total	100.00

Source: Field Survey

As regards the mean yearly income of the families in the survey area it can be seen from table 23 that about 21 percent of families receives an average yearly income of up to Tk. 3000. About 6 percent has an income within the range of Tk 9001-11000. Only 7.5 percent families have an average income of more than Tk. 15000. Another 12 percent of families get the median income of 7001- 9000. The table shows that the yearly average incomes of families are low to maintain an average family's size of 7.34.

Table 23: Yearly mean income of households

Mean Income	Frequency	Percent
Up-to 3000	864	22.80
3001-5000	968	25.54
5001-7000	639	16.86
7001-9000	456	12.03
9001-11000	253	6.67
11001-13000	212	5.59
13000-15000	112	2.95
15000+	285	7.52
Total	3789	100.00

Source: Field Survey

Expenditure of the Households

Apart from income, expenditure is another key criteria for determining the standard of living of the people. Table 24 shows the percentage of

total expenditure on the basic needs of the households in the survey area. It is seen from the table that 81 percent of total income is spent on food items which is 81.4 percent for all income groups. Among various income groups the expenditure on food items varies from 89 percent to 68 percent. Food expenditure and income have an inverse relationship, which is consistent with the standard consumption theory. Clothing occupies the next important position in the expenditure line, which is 7.7 percent which is followed by other items (5.6 percent). Expenditure on housing is not as important as it is only the repairing expenditure (not the construction expenditure). Except the expenditure on food, all other items have a positive relationship with total expenditure. The expenditure pattern further shows a low living standard of people.

Table: 24: Expenditure of households on major items (percentage of total expenditure)

Items	Up to 3000	3001-5000	5001-7000	7001-9000	9001-11000	11001-13000	13001-15000	15000+	Average
Food	89	88	86	84	82.5	78.1	75.1	68.5	81.4
Clothing	5	5	6	8	9.1	9.5	10.2	9.2	7.7
Housing	4	4.5	4.5	4	5.0	6.0	5.0	4.3	4.6
Health	1.5	2.0	2.5	3	2.6	3.5	3.6	4.0	2.8
Education	0.5	0.5	1.0	1.0	0.8	1.9	2.5	3.5	1.4
Others	-	-	-	-	-	1.0	5.3	10.5	5.6

Source: Field Survey

Loans and Liabilities

Tables 25 and 26 depict the structure of loan and sources of loan of the survey households. From table 25 it is revealed that borrowing from friends and relatives is the main source of loan which is about 32 percent which is followed by sale/ mortgage of land (21.44 percent). The sale of other assets is also an important source of finance which is about 18 percent. Borrowing from financial institutions is insignificant which is about 5 percent. The pattern of deficit financing shows similar trends as elsewhere in Bangladesh. Almost 64 percent of families borrow an amount below Tk 2000 while another 36 percent borrow above that amount.

Table 25: Percentage distribution of financing

Source	Budget Deficit from Thanas
a. Sale/Mortgage of land	21.44
b. Sale of other Assets	17.77
c. Sale of Labor at Lower Wage in Advance	15.51
d. Borrowing from Friends and Relatives	31.88
e. Borrowing from Institutions	5.29
f. Borrowing from Lenders	8.11

Source: Field Survey

Table 26: Loan amount from different sources

Loan amount	Number of families	Percentage
Below Tk.2000	1479	63.94%
Above Tk.2000	834	36.06%
Total	2313	100%

Source: Field Survey

Education of Ethnic Community

According to table 27, the rate of illiteracy in the survey area is found to be 54 percent Eleven percent of the people can sign only, about 17 percent have the primary level education and about 8 percent have lower secondary and secondary education levels. The number of the educated above secondary level is very low which is about 2 percent.

Table 27: Literacy level of the family members

Literacy level	Number of persons	Percentage
No education	5284	53.97%
Can sign	1082	11.05%
Informal education	411	4.20%
I-IV	1632	16.67%
V	365	3.73%
VI - IX	798	8.15%
SSC	135	1.38%
HSC	71	0.72%
Degree	13	0.13%
Total	9791	100%

Source: Field Survey

Table 28 shows that about 77 percent of male and 81 percent of female of the school going age are enrolled in the primary schools. But if one looks at the secondary level it is sadly found that only 22 percent of male and 18 percent of the female are enrolled in the secondary level. The dropout rate among male and female is very high. The enrollment ratio in the higher secondary and university level is very insignificant.¹⁹

Table 28: Enrollment in schools/colleges

Type	Total	Male		Female	
		Total	Percent	Total	Percent
Primary	7217	3565	77.13	3651	81.64
Secondary	1857	1044	22.58	812	18.15
H.S.C	6	3	0.06	3	0.06
University	4	3	0.06	1	0.02
Madrasah	7	3	0.06	4	0.08
Total	9096	4622	100.00	4472	100.00

Source: Field Survey

Table 29 shows that in case of both sexes, the rate of illiteracy is higher among the female than the male, the percentage being 53 and 38 respectively. The overall literacy rates for both sexes are roughly 45.5 and 38.8 percent. These rates are significantly lower than the national figure of literacy rate.

Table 29: Education level of household members

Education Level	Male	Female	Both
Illiterate	38.2	52.6	45.4
Can read only	16.1	8.6	12.35
Class I-V	25.4	24.7	25.05
VI – X	15.8	11.4	13.6
S.S.C	2.6	2.00	2.3
H.S.C	1.7	0.7	1.2
Degree & above	0.2	0.0	0.1

Source: Field Survey

²⁰ Rashid, M. Ali and Alam, A. H. M. Mahbubul, *Study on Health and Education*, Bureau of Economic Research, University of Dhaka, Dhaka, 1990.

Housing Sector

Tables 30 and 31 give an overview of the housing sector of the ethnic people. Over 93 percent of households live in their own houses and 4.3 percent live in the houses owned by friends and relatives. About 2 percent of the respondents do not have a fixed place of residence. Less than 1 percent resides in rented houses.

Table 30: Distribution of respondents in terms of housing status

Thanas	Housing Status				
	Own	Rented	Others	No fixed Place	Total Respondents
Fulbari	93.45	1.31	2.06	3.18	100
Nababganj	93.57	0.31	2.14	3.98	100
Pirganj	97.73	-	2.27	-	100
Mithapukur	91.35	0.35	7.61	0.69	100
Average	92.85	0.73	4.30	2.12	100

Source: Field Survey

Table 31 clearly indicates that in so far as the structure of housing in the study areas is concerned, the overall condition seems unsatisfactory. Taking both the areas into account it is seen from the table that nearly 75 percent of the structures are made of mud, bamboo and straw while another 25 percent are made of tin and bamboo. The rooms of the houses consist of mud-floor. The average number of rooms per household is about 3 to sit, sleep, cook and eat. In contrast brick wall and brick roofed houses constitute 7 percent of main houses.

Table 31: Type of structure

	Number of structure	Number of rooms	Size of rooms (sft)
Pucca	7.69	3	250
Semi pucca / Tin Shed	24.62	1	150
Bambo/straw	23.07	1	150
Muddy	51.28	2	200
*Others	15.38	1	60

** Others are built of jute bags, polythene sheets, papers, leaves/straw etc.*

Source: Field Survey

Health and Sanitation

The definition of health is elusive. World Health Organization (WHO) defines it as "a state of complete physical, mental and social well-

being".²⁰ But this goes far beyond what is normally meant by health- the absence of disease and Infirmity. The provision of basic health services plays an important part in meeting basic human needs. Health expenditures are investments in human capital and improvement of the quality of human resources.²¹ Adequate health facilities are thus extremely important for providing basic human needs as well as for accelerating economic growth.²² The growth of this sector therefore needs to be carefully planned.²³

Medical Aspect

The respondents are asked a question about what sort of medical attention the local people usually get and what sort of medical personnel provide medical treatment in their areas. Table 32 presents the number of medical personnel that are available in the survey area. It shows that the number of trained doctors in the area is 8. The number of trained doctors in relation to population of the survey area is deplorably insignificant. It also seems from the table that the number of Hekim, Quack, Ojha, Homeopathic doctors are much higher than that of the trained doctors. So it is clear that while the services of trained doctors are not adequately available because of their small number, local people have to depend heavily on the Hekim, Quack, Ojha, and Homeopathic people.

Table 32: Medical personnel available in the survey area

Thanas	MBBS Doctor / LMF	Hekim	Quack	Ojha	Homeopath	Nurse	Metron	Dai
Fulbari	2	2	10	3	5	-	-	-
Nababganj	2	3	11	4	6	-	-	-
Pirganj	2	1	9	2	4	-	-	-
Mithapukur	2	2	8	3	3	-	-	-

Source: Field Survey

²¹ World Health Organization, *Bangladesh Country Report*, WHO Documentation, Dhaka, 2006.

²² Amin, Muhammad Ruhul, *Development Issues and Strategies of Bangladesh: Lessons from Malaysia*, Shova Prokash and Center for International Development and Security, University of Dhaka, Dhaka, May 2006.

²³ Todaro, M.P. and Smith, S.C., *Economic Development*, Addison Wesley, New York, 2003, PP. 440-449.

²⁴ Asaduzzaman, Mohammad and Amin, Muhammad Ruhul "Human Resources Development in Bangladesh: An Islamic Perspective" *Dhaka University Journal of Business Studies*, Vol. 18, No. 2, December 1997.

Table 33 shows that about 45 percent of the households go to private doctors while 35 percent go to other categories such as Hekim, Quack, Ojha, and Homeopath for treatment. The families going to hospital for treatment are 19 percent. Moreover, about 82 percent of children are under vaccination coverage as table 34 suggests.

Table 33: Mode of treatment practices by the families

Type	Number of families	Percentage
Hospital	473	19%
Private doctor	1145	45.24%
Kabiraj	391	15.14%
Ozha	196	7.74%
Homeopath doctors	311	12.29%
Religious leader	15	0.59%
Total	2531	100%

Source: Field Survey

Table 34: Vaccination coverage

Response	No. of children	Percentage
Yes	963	82%
No	210	18%
Total	1181	100%

Source: Field Survey, 2007

Sanitation Sector

Health consciousness of people may be evidenced by the identification of their places of defecation. Table 35 shows that on an average roughly 4 percent of households in the project area use latrines as compared to roughly 96 percent of total households who do not use latrines and instead they use open places, ponds, jungle areas for their defecation.

Table 35: Type of place of defecation practice

Type of latrine	Number of families	Percentage
Slab latrine	73	2.88%
Open latrine(fixed place)	43	1.60%
Bush/ open place	2395	94.61%
River/ pond side	23	0.91%
Total	2531	100%

Source: Field Survey

Sanitation is poor in the survey areas. Table 36 reveals that out of 4 percent of total households who use latrine, only 1.5 percent have pucca latrines where as 3 percent of them possess semi-pucca latrines. The rest of the households (95.5 percent) use muddy latrines.

Table 36: Sanitation condition– latrines

Types of Latrines	Percentage
Pucca	1.5
Semi Pucca	3.0
Maddy	95.5

Source: Field Survey

The survey indicates that the number of sanitary latrine and ordinary pucca latrines appears to be very insignificant.

Sources of Drinking Water

According to table 37 although tube well appears to be the dominant source of drinking water for the overwhelming majority of the households (over 90 percent) in the project areas, considerable proportions of households are also seen to be dependent on various insecure sources like ponds (0.08 percent), wells (6.71 percent), shallow tube-wells (0.24 percent), and tara– pumps (3.60 percent). In total areas, use of ponds, wells, shallow tube-wells and tara-pumps for drinking purposes seem to be relatively more widespread among lower land ownership groups. In contrast, the proportion of households which use tube-wells as sources of drinking water is higher in the larger land ownership groups in the survey communities.

Table 37: Sources of drinking water

Source of drinking water	Number of families	Percentage
Pond	2	0.08%
Well	162	6.71%
Tube-well	2267	89.37%
Shallow tube-well	6	0.24%
Tara-pump	91	3.60%
Total	2528	100%

Source: Field Survey

Conclusion and Recommendations

The principal objective of the present study is to analyze and interpret the baseline data collected through a baseline socio-economic survey. The main findings of the research are as follows:

First, the social structure of the people of the project area is generally similar to that of other rural areas of Bangladesh except that it shows a higher average gross density and household size than the corresponding average for the country.

Second, the major occupation of the people in the project area is agriculture. The number of people engaged in agricultural occupation is above 80 percent compared to the Bangladesh rural average. Regarding the income of the households in the project area, most of the households are found to have an earning below TK. 2000 monthly, compared to that of the mainstream people.

Third, it is found from the survey that 60 percent of the households own some land. The size of land holding varies: 84 percent of the holding being less than 1 acre and about 30 percent being less than 2 acres in area. The number of landless people also varies. The number of landless is very high and almost 40 and 54 percent respectively in Rangpur and Dinajpur. The general characteristics of land in the area are sandy silt. The quality of soil is good where delicious rice is cultivated. The land price shows considerable variation from area to area based on the location and productivity.

Fourth, the homesteads are of the clustered type where 3 or more homesteads are built around a central courtyard. Regarding the type of

structure, 96 percent are Kutcha (muddy) structures. Only 2.2 percent are semi-pucca and 1.8 percent pucca. Isolated houses are rare.

Fifth, the illiteracy in the surveyed area is more than 54 percent. Although the primary and secondary recruitments are some times satisfactory, the dropout ratios among both male and female are very high.

Finally, the ethnic people live in a very poor and unhygienic environment. They hardly call in a Well-trained doctor. Usually most of them go to the Hekim, Quack, Ojha and Homeopath people. Moreover, only 4 percent of total households use latrine, out of which only 4.5 percent have pucca or semi-pucca latrines whereas the remaining people use muddy latrines.

In order to help the ethnic people to come out of their miserable situation both government and non-government organizations need to come forward with action-oriented programs. Although some NGOs are operating different activities in some significant sectors, the role of the government has been almost absent or unnoticed. The press, media and intellectuals have also strong obligation to bring the suffocating life scenarios of the ethnic people to the attention of the authorities concerned.

People Managed Credit through NGOs: State of the Art and Looking Beyond

Introduction

The concept of People Managed Credit (PMC) as adopted and practiced by NGOs is varied. The common ground on which the concept stands is that it means basically self-managed saving and credit system at the federating level, which consists representatives of the primary groups. Another apparently common policy is the practice of creating a revolving fund/seed capital for the primary organizations (POs) and the plan of leaving the revolving fund together with group savings and interests accumulated there with the POs at an appropriate time of phasing out.

The work is exposed to a unique variant of people who manage credit terms of the innumerable spontaneous savings and credit groups which are characterized by very focused objectives, simple operating principles, and transparent accounting system. These may be found in the *Lottery Samities* or *Rotating Savings and Credit Associations* (ROSCAs). There are many other simple savings and credit groups throughout the country.

The focus of the chapter is two-fold: (i) reviewing of the concept and operationalization of people-managed saving and credit (PMSC) in Bangladesh, especially, those of selected organizations; and (ii) assessing the modalities and functioning of the PMSC as an alternative model on the basis of experiences of the concerned NGOs in the field. Evidently, PMSC, as a method of credit administration and income generation program, stands in sharp contrast to traditional sponsor-supervised credit-income generation programs undertaken by other Government Organizations (GOs) and Non-Government Organizations (NGOs). But the study is not intended to make a comparison of the two-systems. It is introspective in nature and focused more on assessing the working mechanism of the saving and credit program, run and supervised by grass-roots level people's institutions.

The points of interests in this work are: (i) the concept of People Managed Credit Program, its background and evolution; (ii) sectoral importance of the program within the organizational fold; (iii) objectives and target groups, number of groups in each, target population covered;

(iv) operationalization of administrative, training financial, and institutional development as well as pilot program, monitoring and preliminary evaluation; (iv) functioning of the savings and credit program – interfacing between the sponsoring NGO, nature and extent of facilitation; savings generation and management, loan sanctioning, disbursement, recovery; service charge and capital generation; (v) group formation and group dynamics in savings and credit program; (vi) users' end participation and procedural pattern and extent of employment and income generation.

Six NGOs are covered under the present work, such as, CCDB, CARITAS, RDRS, BDS, UST and SHED Board. Collection of secondary materials, field visits and discussion meetings with policy and program staff at headquarters levels, interviews and group discussions, and case studies, constitute the techniques of information collection. Three levels of data collection are planned – headquarters level, field office level and group level. Accordingly, discussions are held with policy level and operational staffs at the HQs, visits are made to the respective field offices and discussions are held with federating units and groups. Although the focus is not on the impact of PMC, discussion is held with some end-users if such opportunity occurs.

Concepts and Ideas

Conceptualization of People Managed Credit

The study of Micro-Credit provides a very complex phenomenon. The conceptualization of PMC differs from organization to organization. The objective of almost all NGOs behind their small loan programs is to provide their respective reference people with the opportunities for economic solvency and social security in order that they will move towards self-sufficiency and self-reliance. Once the people who are otherwise overlooked or outside the net of conventional development programs are expected to be empowered in such a way that they will snatch their own rights of possessing social status and human dignity. One such practical example is the winning of membership in various Union Parishad elections by a number of candidates nominated by NGOs. The people, who have been humiliated in society for long only because of their poverty, now have started to speak out. Although the objective is same, there are sharp differences between and among the philosophy of micro-credit operating NGOs. The converging point is that the NGOs

build the self-sustaining state to their credit recipients through people-managed credit system.

People Managed Credit in Perspective

In recent years, micro-credit has come to occupy a significant place in poverty alleviation and people's empowerment programs of the NGOs in Bangladesh. However, if the NGOs want to alleviate poverty or enhance the purchasing power of the poor, there is no alternative to the organizations' attainment of sustainability. There are two dimensions of sustainability: financial self-reliance and local resource mobilization. Financial self-reliance would mean covering all expenses (personnel, office expenses, depreciation and costs of capital, loan loss provision and inflation costs) from service charges and fees.¹ How that can be done without making the service charges exorbitantly high for the poor borrowers is a moot point. The second dimension of sustainability that is mobilizing local resources through savings is important for the concerned NGOs as well as for the micro credit groups. It is important for the NGOs because donor funds are becoming scarce and the donors are advising that withdrawal might soon follow.² It is important for the groups because even if the donors do not withdraw, it makes ample sense that the groups are left to themselves and the NGOs move somewhere else. Secondly, if the micro organizations are to attain self-management, it is required that they have command over resources and the only way they can have command over resources is to generate local resources through mobilization of group savings.

An innovation in this field has been people managed credit initiated by a number of like minded NGOs as part of their respective program of empowering the rural people through strengthening people's organizations. The essence of the credit model is that the grass-roots level people's organizations/groups themselves manage the credit mainly as a revolving fund; they manage and own the credits and the sponsoring NGOs act as facilitators. As the model has been in the field on an experimental basis, the NGOs, which are committed to empowerment of the people and initiated such model, intend to obtain a state-of-the art on the experiences of the model with a view to assessing the validity and sustainability of the people managed savings and credit program.

¹ Mohammad Azim Hossain, "Learning How to Stand on One's Own", *Financial Express*, Dhaka, December 30, 1997

² Md. Shamsul Islam, "Rural Employment: Some Imperatives for the MFIs", *The Daily Star*, Dhaka, November 29, 1997.

Operationalization of People Managed Credit

The objective of almost all NGOs behind their small loan programs is to provide self-sufficiency and self-reliance. Each and every NGO has its own philosophy of Micro Credit Operation. Our practical experience following the field visits of six leading NGOs made it clear that all these NGOs tend to help the reference people stand on their own feet without depending on credit. Now this is a noble task to examine whether or to what extent the NGOs are successful in realizing those objectives. Prior to analyzing the success failure of the credit operation, we will look at the credit operation procedure of the organizations.

Christian Commission for Development of Bangladesh (CCDB)

CCDB started its Savings and Credit Program (SCP) in late 1970s in one of its project areas with a small amount of credit through formation of savings groups or societies. Credits used to be given to the individual members against their small but regular savings as an educational process. It means giving the opportunity to the poor and the powerless to get acquainted with the institutional credit system, to get rid of local money lenders and gradually to develop their credit worthiness. In this way CCDB gradually expanded the credit program activities giving more priority on women with the same philosophy in order to create opportunity for them to bring them in the main stream of development.

In order to strengthen the SCP activities, series of studies went on with the passage of time which brought great change in the philosophy, modalities and strategies of traditional credit model named SCP. With the emergence of People's Participatory Process (PPP) in CCDB's working strategy in late 1990s, the new operational mechanism arrived on the surface and with the onset of July 1997, a new credit model called People's managed credit (PMC) came into existence. The underlying philosophy of PMC lies in empowering and educating reference people more and more so that they would achieve self-sufficiency in controlling, managing and operating credits by themselves where CCDB may only extend its role as merely "facilitator."

Basic Difference between SCP and PMC

Under SCP style, credits were given through the organized people's society without any collateral on short, medium and long term basis. These credits were to be refunded to CCDB with a 12% to 16% annual interest (service charge) mostly in one time, i.e. in 6 months for short term, 1 year for mid-term and 3 years for long term.³ Over the years the

³ *CCDB Manual*, Dhaka, 2001, P. iv

service charges paid by the people against their credit were to be accumulated with the principal credit money and thereby helped increase in CCDB's revolving credit fund. Savings of the individual members were kept in the respective Society Bank Account managed by their Executive Committee (EC).⁴

Through the provision of credit facilities CCDB has helped the underprivileged, landless and disadvantaged groups in the rural areas under the CCDB projects to undertake productive economic activities for their socio-economic development. Under the PMC, the objective of the small credit program remains the same where the administration and management are undertaken by the forum of reference people under the facilitation of CCDB. In the new system, CCDB renders credit to People's Forum in 1:2 ratio against their savings to initiate credit program if they pay off their over dues to CCDB. That is, if a People's Forum (PF) generates Tk.100,000 as their savings, CCDB provides Tk. 200,000 as interest free credit fund with an agreement that Tk.100,000 is refundable to CCDB in 20 equal monthly installments and the remaining Tk.100,000 is treated as grant in support to formation of their credit fund. PF invests their credit money among their members (say to 100) in phase wise, i.e. 50+30+20 members in subsequent 3 months. In this situation, PF invests its credit fund among its members and recovers the money through weekly installment within 52 weeks.⁵

Features of the PMC

The CCDB's PMC has its own distinct features and characteristics. CCDB not only thought of the economic upliftment and material wellbeing of its reference people, it also emphasized on the nurturing of their human dignity and spiritual development. The PMC, however, possesses specific features:

First, the management of the credit is to be done by the people themselves where CCDB extends facilitation or assistance. The CCDB objective behind such strategy is to create people's management so that it can gradually withdraw its direct involvement. Second, according to the traditional SCP model, it was usual practice to form groups, each of which comprises five to nine members and 25 to 45 such groups make "Samity". Samity members are to come to CCDB office for receiving loan. Under the present PMC mode, the concept of "Samity" has been abolished and the idea of "Forum" has been introduced. Each Forum has

⁴ Alfred Roy, *The Credit Operation by People Themselves*, CCDB, Dhaka, 2004, P. 12

⁵ Sarker Ramzan Ali, *People's Participatory Process*, CCDB, Dhaka, 2007, P. 2

20-22 groups comprising 100-200 members. The members need not come to CCDB for loan. They can receive loan from Forum offices. Third, there are three types of loans provided under PMC; (a) general loan which is disbursed for income earning activities; (b) special loan which is given to meet family requirements, for example, loan for marriage purpose, loan for refunding another loan; and (c) emergency loan which aims at meeting emergency needs, for example, loan for treatment, loan given during natural calamity, loan for fighting legal cases.⁶ Fourth, all credit money has to be paid back on equal weekly installments.⁷ Fifth, the Presidents of the Forums submit applications to the Project Manager of CCDB praying for loans/grants. With the application forms, some necessary papers must be attached, which include project proposals, the budgets, description of the Forum's own savings, description of the fields where the loan money is spent.⁸ Sixth, there is the rule of guarantee. Two members from the group act as guarantor. But the certificate of consent should be taken from the chief earning member of the family. His/her signature on the loan application form serves as the certificate of consent. Besides CCDB signs contact with the Forum where there is a provision to freeze the permanent or non-permanent assets of the intentional loan defaulters. Finally, all loan money need to be paid back in the scheduled time with a service charge of 12%.

Credit Transaction Method

CCDB's PMC provides a people-managed credit disbursement methodology. The members do not need to spare any pains in order to get CCDB loan. They can simply apply for loan to the EC of their Forum. But the application form needs to be recommended by the group leaders/presidents. As said before the "certificate of consent" is also a condition. After receiving the application, the EC/EC Sub-Committee considers it from the following viewpoints:

- a) The objective of the loanee
- b) The necessity of the loan
- c) The facilities of credit utilization
- d) The ability of loan repayment
- e) Monthly income and expenditure

⁶ *Forum Upabidhi*, CCDB document, Dhaka, 1999 P. 7

⁷ *ibid*, P. 8

⁸ *Application of Ms. Asia Begum of Malancha Forum*, 17 August 1998, CCDB document, Harirampur

- f) Past records of the loanee's credit transaction
- g) Economic situation of the Forum.

If an applicant can satisfy the EC, he/she stands fit to receive loan. The Forum Karmee (worker) then provides loan through master roll in cash or by cheque and as soon as the credit is disbursed, the passbook of the loanee is updated. It is important to remember that the guarantors cannot apply for loan unless and until four installments of the loan repayment are completed.

Refund of the Loan

The Forums recover the credit money through weekly installments. The rate of the installment is decided by the EC depending on the amount of the loan and the nature of the job for which the loan money has been spent. The duration of the loan is decided based on the nature of work-field where the money is invested. But it does not exceed 3, 6, 9 or 12 months, that is, loan must be recovered within 52 weekly installments. The loan recipient refunds the loan money to the Forum Karmee through the group President which is recorded in the recipient's pass-book with signature by the Forum Karmee. The Karmee in no way keeps money in his/her pocket. If a loanee does not pay the loan back quite intentionally, the EC can take following measures to get it back:

- a) From the savings of the defaulter and his/her guarantor
- b) By putting pressure on the family guarantor/group guarantors.
- c) Through rural arbitration or seeking cooperation of UP Chairman or other dignitaries.
- d) Freezing permanent/nonpermanent assets as per contact
- e) By forming sub committee of the EC for loan defaulter.

CARITAS

CARITAS has played a catalyst role in the rapidly changing trends of the development of rural Bangladesh. Its main strategy is based on a target group approach involving the landless. Group formation, awareness raising, saving generation, skills training and credit transaction have been hallmarks of this approach. More than three decades ago, CARITAS started innovative work along these lines and once found successful, the approach was replicated throughout the country through the organization's main projects, the Development Extension Education Services (DEEDS) program. Other smaller related projects the Integrated Women's Development Project (IWDP), the Integrated Community

Development Project (ICDO), the Integrated Human Development Project–Barisal (HDP-B) have been undertaken with specific priorities for certain target groups. All these projects are based on the CARITAS philosophy, which works on the principle of a preferential option for the poor with social justice and equity as cardinal basis.⁹

The general aim of these development projects is to help make people resourceful in thought, in articulation and in organization building for empowerment. Hence, homogeneous Primary Groups (PGs) are created to help identify what is needed and to bring about the desired changes. CARITAS recognizes the need of the poor to meet their basic needs, none of which can be fulfilled without money and savings are therefore stressed right from the beginning. Besides their own savings, the members of the PGs were endowed with credit receiving opportunities under specific rules and regulations. Thus the organization started its small loan activities through Revolving Fund (RF) in 1982 with the calculation and expectation that the loan money taken for economic well being would be paid back in the scheduled timeframe.

But the objectives of people's economic upliftment and in time repayment suffered major setbacks. Both the internal and external audits and evaluation identified the reasons of the failure, such as less staff and less man power as per the needs of the fields, inadequate fund, lengthy process in loan approval system, unsatisfactory repayment, say about 84% repayment etc.¹⁰ The DEEDS program were evaluated many times including in 1983, 1986, 1990 and 1993. The evaluation reports provided suggestions for improving the DEEDS program.

In every Thana of work areas a people's organization named Sarbik Manab Unnayan Sangathan (SAMAUS) was created with Union Committee at union level; Executive Body (EB) and General Body (GB) at Thana level. The main objective of CARITAS activities is to strengthen the SAMAUS organizations for empowering the small Partner Groups (PGs) in thought articulation and organization building. During the period 1989-91, Apex structures were created uniting the PGs at Thana level. It was envisaged to have one Apex in each Thana called 'SAMAUS'. The idea to form Apex is the commitment to the poor and to social change, as it is an effort to unite PGs at Thana level to make them more powerful. Moreover CARITAS wants the Apex to be sustainable.

⁹ Hamida Akhtar Begum, *Credit Evaluation of NGOs*, CARITAS, Dhaka, 1998, P. 5.

¹⁰ Information collected from Kaliganj Apex Office through the discussion with Mr. Salim Mia, Assistant Field Officer, during field visit of Kaliganj on December 13, 1992.

Hence the consistent development and strengthening of the Apex have been much emphasized over the last years. One of the main activities of the Apex is the loan provision to the PG members.

The Features of the CARITAS Credit

- a) All types of the loan is provided on short term basis which is recovered in 45 equal weekly installments, that is, all credit money must be paid back within one year.¹¹
- b) A 12% service charge is decided on flat rate, which will add to the principal loan and be recovered along with the principal credit money within 45 installments.¹²
- c) The first installment starts fifteen days after the credit disbursement.
- d) Personal savings of a loatee should be at least 10% of the credit asked for. In case of the absence of this amount, 10% savings as per weekly meeting accounts must be taken away in advance from the loatee. But in no circumstances, this amount can be deducted from the loan money.¹³
- e) If any recoverable loan money is not paid back in the given time, the loatee is considered as defaulter. The accounting of the default case is made on weekly and monthly basis.¹⁴ The default money may be recovered by putting group pressure of neighboring people on the loatee, and by forming arbitration with UP Chairman, Members and sometimes with assistance from police administration.
- f) All members or group or a few of them can receive loan money for joint projects. The issue of joint loan should first be discussed in the group and then the loan Application should be submitted to the Field Worker. Hence the loan giving process is undertaken for the recommendation on the loan.¹⁵ The recovery would be in 45 weekly installments, but in case of specific projects like fisheries, nurseries, cattle rearing etc., the money are recovered in 90 installments covering two years.

¹¹ CARITAS, *Sarbik Manob Unnayon Shangothan Rin Babasthapa Mannual*, CARITAS Document on Credit Management, Dhaka, 1995, P. 17.

¹² *ibid*, P. 19

¹³ *ibid*. P. 21

¹⁴ *ibid*.

¹⁵ *ibid*

- g) For a smooth record keeping, the pass-books of the groups are used. Each Field worker must maintain group-based savings and credit collection registers.
- h) No new loan is sanctioned unless and until the past loan money is fully returned.¹⁶
- i) The loan seeker must agree to deposit 1% member insurance and 10% one time savings.¹⁷
- j) The ceiling of the loan ranges between Tk. 3,000 to Tk. 5,000, that is, a new loan can start with Tk. 3,000 and on the completion of the first loan, the applicant may get Tk 4000 in the second phase and Tk 5000 in the third phase. Thus the highest ceiling of the loan is Tk. 5000.¹⁸

Credit Transaction Method

The first important task is to form groups through appropriate security. The selection of the group members for loan disbursement is considered based on the following points:

- a) Attendance at the weekly group meeting must be 90% at the minimum.
- b) In case of a new member, personal savings must be maintained regularly at least for 12 weeks before getting loan. In case of old member, regular savings and loan repayment record are essential.
- c) Viability test and profitability assessment of the project proposal need to be made.

The selected members can apply for loan by filling out the prescribed application form with the assistance of field worker. Thus the application is forwarded with recommendations and comments by both the group leader and the field worker, to the unit coordinator (UC) for scrutiny and loan sanction. After loan approval/sanction, the UC arranges for loan money at the fixed date and time. The money is collected in two ways. a) from the collection of savings and loan repayment installments, and b) from raising money from bank. Before loan distribution the UC makes sure that at least 10% against the loan money has been deposited and the insurance money collected from the loan seeker. The field worker keeps

¹⁶ *ibid.* P. 16

¹⁷ *CARITAS Brochure*, Dhaka, 2001

¹⁸ *CARITAS Manual*, Dhaka, 1998

record of the loan in the member's pass book and maintains the loan documented in the master roll and submits them to the UC. Then the UC provides the applicant with the loan money asked for.

Refund of Loan

The loan repayment commences immediately after two weeks of the loan disbursement with a 12% service charge. The recovery should normally be made within one year in 45 equal weekly installments. But on specific occasions, the recovery may take two years based on the type of the job in which loan money is invested. The installment is given only in weekly meeting, not other times or other places. The fraction of the installment is not allowed in Caritas loan repayment system. The recovery must be kept record in the pass book where the recovered installment must be recorded at the specific column of the pass book. If any loanee falls defaulter, certain arrangements may be made for recovery:

- a) All members should be given appropriate knowledge about the demerits of the loan defaulter
- b) They should not leave the place unless the loan money is recovered
- c) Group pressure may be inflicted on the defaulter
- d) The family members or the neighboring people of the defaulter may be informed of the situation which may act as pressure on the defaulter
- e) Arbitration may be conducted with the UP Chairman/Members and with other dignitaries
- f) By filing case against the defaulter with the neighboring police department.

Credit Management

Credit Management Cell (CMC) was introduced in order to ensure smooth management of the CARITAS credit. Under CMC a small team of 5 to 6 people works at the center and one credit dealing officer is set at regional level. All these staff together with the 'Sangathan' (organization) workers work for credit operation. Thus CMC works successfully in dealing with credit activities through making coordination among the regional and thana levels and documentation and accounting of the loan program. CMC contributes to creating a credit management system with high mutual accountability where the CMC and SAMAUS maintain mutually cooperative relationship.¹⁹ Maintenance of bank account is a

¹⁹ "Words of the Executive Director" in Sarbik Manob Unnayon Shangathan Rin Babasthapa Manual, *op.cit.*,

very important part of the credit management. There are three tiers of bank account system in CARITAS loan program.²⁰ These are described below:

Bank Account of CMC

CMC opens a savings account in which the bank operation is conducted with the signature of any three of the following:

- a) Executive Director
- b) Development Director
- c) Administrative Director
- d) Welfare Director
- e) CMC Coordinator

The transaction of the revolving loan fund is operated in this bank account.

Bank Operation at Sangathan Level

One Savings account is opened at Sangathan (Thana) level with the following Signatories: (1) The EB president (2) The EB Secretary (3) Sangathan Coordinator/Field Worker (4) Assistant Field Worker. Money can be raised from bank with the signature of any three persons including the EB presidents. The bank Transaction of this account includes: (a) subscriptions collected from the PGs, (b) income and expenditure from the income increasing activities governed by the Sangathan; and (c) the group registration fee.

Bank Account at Unit Level

Two-fold bank account is opened at unit level: one, current and two, STD account. The signatories of these two bank accounts are (a) unit coordinator; (b) one field worker selected by regional credit officer; (c) Sangathan Coordinator/Field Worker. The bank money may be drawn with the signature of any two of the above signatories. The current account deals with: (a) revolving loan fund; (b) savings of the members; (c) members' admission fee and the book-sale money. The STD account functions when there is no loan distribution in the unit. This time the money gained from the recovered loan money and the savings are kept in STD account for earning bank interests.

SHED Board

²⁰ *ibid*, PP. 28-29

The credit operated by Social Health & Education Development (SHED) Board is known as Rural Credit Service (RCS). As small organization, RCS has not been operated in wide areas. SHED has started this program at Seedstore of Bhaluka thana under Mymensingh district in 1992 with following components.²¹

- a) Building awareness to form saving groups in order to work together with group spirit.
- b) Providing social education to the reference people in an informal and congenial atmosphere in order to identify and resolve common problems besetting their social and economic life as well as to raise consciousness to send their children to the nearby school for education.
- c) Providing skill development training in following areas
 - i) Skill development training for project personnel on different subjects with practical demonstration;
 - ii) Training for group members on poultry raising/animal husbandry and homestead gardening;
 - iii) Training for group leaders on group management, accounting and leadership;
 - iv) Training for volunteers on literacy so that they are able to conduct the social education classes.
- d) Providing soft and mid-term credit facilities in order to increase additional family income, aiming at achieving the project goals and objectives.

Thus the goal of RCS project is to alleviate poverty from the community in order to build up the economic solvency of the reference people by creating opportunity for self-employment. The project staff has engaged themselves in intensive dialogue with the group members, group leaders and professional experts to find out appropriate institutional framework for running the RCS program on sustainable basis. In this connection, People's Participatory Planning (PPP) has been introduced and based on the PPP concept,²² People's Representative Forum (PRF) has been formed by the general members of saving groups with four-office bearers-Chair Person, Co-Chairperson, Secretary and

²¹ SHEED Board, *Brochure*, Dhaka, 2000

²² SHED Board, *Rural Credit Services: Annual Progress Report*, July 1996- June 1997, P. 2.

Representatives.²³ PRF is responsible for carrying out important roles for Credit Operation as per Credit Operation Manual (COM) of the program. PRF members regularly meet regularly in fortnightly congregation to discuss and identify common issues and problems and recommend steps for the solution of problems.²⁴

Credit Management

The first important task is to form groups comprising of 10-20 members of both male and female. They make bank account against their group names. The SHED staff inspires them to make savings for their own future. Then they are allowed 3 to 4 months to evaluate themselves whether they are interested in SHED BOARD programs and whether their maturity fits in with SHED programs. Next to group formation, livelihood skill development training is carried out in order to provide education on self-reliance and professional efficiency. The group members are then engaged to find out local resources and the means of utilizing them. They discuss the issues related to income generation and proposed projects. To implement the projects, the groups are provided with credit on soft terms.

The Features of the SHED Credit

1. There are three basic installments of loan recovery: weekly, fortnightly and monthly.²⁵ The installment is decided based on the type of the loan, which is given on short, mid or long-term basis. It is important that total recovery is completed in one year.
2. A 12% service charge is determined on flat rate. During loan disbursement, 5% is deducted as caution money,²⁶ which is given back to the loanee as soon as the loan is recovered and this money is deposited in the member's Passbooks.
3. Total recovery is essential before sanctioning a new loan and no credit is newly disbursed if the prior credit is unpaid. A strict supervisory role is being played in order to make sure that the money is spent for the project proposed in the application form.
4. Initially credit is disbursed to three members and with the completion of the recovery of the first three loanee, credit is disbursed for the second time to three members. The total recovery of the first three

²³ *ibid*

²⁴ *ibid*

²⁵ SHED Board, *Credit Management*, Dhaka, 2002, P. 2

²⁶ *ibid*, p. 2

members' loan takes normally five to six months. Later, credit is disbursed for six members including the first three and the next three members for a period of one year. Loan is given at the rate of Tk.1000 for the first installment; Tk. 2000 for the second installment; Tk 3000 for the third installment; Tk. 4000 for the fourth installment and Tk. 5000 for the fifth installment.²⁷

5. A credit proposal submitted to the Manager is considered based on the following points.²⁸
 - a) The nature of the project
 - b) Total expenditure of the project
 - c) The leadership of the person who runs the project
 - d) The loan seeker's capital
 - e) Professional and administrative efficiency
 - f) Assessment of marketability
 - g) Potential benefits out of the project
 - h) Project sustainability
6. At least 20% of the total budget of the project needs to be provided by the loanee.
7. 6% of the group members is given loan following a decision made by the group members.
8. No personal guarantee or mortgage is required because the group itself acts as the guarantor.
9. The Project Worker always keeps contact with the group members in order to monitor strictly the financial activities of the members.

Refund of Loan

There are specific rules and regulations regarding the refund of the loan provided by SHED Board. These are as follows:

- a) All the borrowed money are to be paid on given installments which do not exceed one year. In other words, total recovery must be made within one year. The installment of the recovery is determined based on the nature and the time-consumption of the works proposed. The credit given on short-term is to be paid in six months and the one provided on mid-term, be returned in one year.

²⁷ This information was gathered during field visit of Seedstore

²⁸ SHED Board, 'Credit Management', *op.cit*, P. 2

- b) Repayment is executed immediately after one week of the loan disbursement. All economic transactions are made through official receipts.
- c) If a borrower fails to pay regular installment, 50% of the service charge is taken away as fine, Failure in three consecutive installments makes a borrower “defaulter”.
- d) The project worker makes repeated requests to the defaulter in order to pay loan and in case he fails, the issue is raised to the group he belongs to. Then the group action compels him to come out of the curse of the defaulter.

Credit Transaction Method

The objective of the RCS program is not simply to provide loan and insure its recovery, but the program itself is an all-encompassing phenomenon that includes the programs of overall development of the recipient from economic upliftment to social awareness, political consciousness and human values. Thus the program eventually leads the borrowers to self reliance. The livelihood skill training prior to loan sanction and the past loan monitoring helps directly to implement the RCS project objectives for the cause of sustainable development.

Apart from credit disbursement, efforts are made to increase group deposit. Various seminars, workshops and conferences are organized in order to educate the groups from institutional perspectives, which help them to move towards viability and sustainability. Overall development planning is governed by balancing between the “Top-Down” and “Bottom Up” paradigms which facilitate to gain basic human virtues, viz. leadership, quality, mutual responsibility, perseverance, discipline, dutifulness and awareness for saving and so on.

The project worker scrutinizes the loan applications based on the following points:

- a) Whether the resolution of group meeting is regularly maintained;
- b) Whether the group savings is kept regularly in the bank account;
- c) Whether the loan seeker possesses enough idea/experience regarding the project work he/she proposed.

The loan applications are placed through appropriate scrutiny to the Project Manager (PM). The PM or his designated person makes crossed check of at least 25% of the applications and finally send them to the

central authority of SHED Board with his comments and recommendations for the sanctioning of the loan. The credit is distributed with the permission of the highest authority.

Unnayan Shahojogy Team (UST)

Since its inception in mid 1986, UST has been working for the improvement of the socio-economic status of the rural disadvantaged women and for reducing inequalities between men and women. To improve the situation of rural unprivileged women, they essentially need to be freed from all sorts of dependencies. UST like many other social development agencies believes that economic dependency is one of the major reasons for which the rural women are oppressed and exploited. In breaking economic dependency, UST helps them to undertake and implement income-earning activities by providing credit supports.

Credit Operation Mechanism

The primary goal of the credit is to help the disadvantaged rural women to be self-reliant by providing them with employment and income-generating opportunities. Prior to sanctioning loan, a thorough examination is made in order to determine whether certain pre-requisites are met. Then 'feasibility study' training on credit system is conducted. Finally scrutiny is made by the group in order to select the proposed activity with credit support.²⁹

Training Program

The program aims to stimulate them to actively participate in the development process through enriching their knowledge and skills needed for development. In order to execute loan program, training is considered as an important aspect of the whole activity. At least three group leaders and one active member from each group are given three day training regarding employment opportunities and income generation. The main focus of this short course is on the following.

- a) The work-opportunities/scope in the village and the possible source of income
- b) Types of activities that the people are engaged in
- c) The alternative source of income
- d) Required capacities to avail employment opportunities
- e) Techniques of feasibility study of income generating activities (IGA).

²⁹ UST, *RIN: Amiulok Karyakrom Bastabayan Paddhady*, UST document, Dhaka, 1997

f) Skill of monitoring IGA

At the completion of the training course, a session is held generally in group meetings, in which the trained leaders explain the techniques of feasibility study of IGA. The general members of the groups are also given briefing as to the training course the leaders have pursued.

The Features of the UST Credit

A number of features of the UST micro credit are available. These features are listed below:

1. The source of the credit in UST program is two-fold: one, the UST provided loan which is entitled as “Revolving Loan Fund” (RLF), and two, loan given from the Group savings fund. Very often women group members take loans from their own savings fund following the same credit policy.
2. Credit is allocated to individual members and in some cases to the group. The amount of individual loan is Tk. 500 to Tk. 5000, but it may be less than Tk. 500 or more than Tk. 5000 in specific circumstances.
3. There is a 12% service charge on the given loan that is to be paid back within a year by weekly installments.
4. A group is eligible for loan, if it has sustained for six months or above. Before taking loan, a discussion is held in group meeting which decides the person to take loan and the amount he is to be given. Any person can take loan any time if he or she is recommended by the group meeting.
5. Loans are generally issued to individual members without any mortgage or guarantee, but the group as a whole remains responsible for the loan recovery.
6. There is another type of loan disbursed by UST, which is called as “Self-Financing Project”. Experimentally established in 1996 the project has been run in a business partnership approach where UST is the financial partner and the women group member is the implementing partner.

Credit Transaction Method

The UST loans are issued to the members following a simple credit policy.³⁰ Following a discussion in the weekly group meeting, the application on IGA project gets selection on the following points:

³⁰ UST, *Towards Women Empowerment: Annual Report*, Dhaka, 1992, PP. 14-15

- a) Members' attendance in regular group meetings
- b) Their regular savings
- c) Their ability to sign and write
- d) Their efficiency and experience in the proposed area
- e) Their knowledge in accountancy and numeracy.

The selected persons together with the group President/Secretary come to the project office at a given date and receive loans by signing on the revenue stamp set over the credit disbursement register. It is important that certain pre-conditions are met prior to sanctioning the loan: (a) a loanee has to undergo a 3-day training course on planning, implementation, and management of economic activities and credit system, (b) a loanee has to assess the feasibility of her proposed economic activity with the help of her group, (c) a loanee has to be selected by her groups; (d) full amount of loan should be paid back in 52 weekly installments with a 12% service charge.

Refund of Loan

The rules relating to the refund of loan under UST are consisted with other similar development organizations. The UST rules in this regard are the following:

1. All borrowed money is to be returned with a 12% service charge in weekly installments. Normally a total recovery takes 51 to 52 weekly installments measuring 1 year.
2. In case of seasonal loan, there is a system of one-time repayment including service charge.
3. There is a record-keeping system of the repaid loan in the register of loan repayment. The money of the weekly installment, which is paid back, is recorded in the loan register.
4. If the borrower fails to pay any installment, the leaders immediately discuss it in the group meeting. Later the defaulter pays back the money following the group decision. In case of loss in any business, the groups discuss and help the borrower in order to make a better utilization of the borrowed money. But there is no punitive clause in the credit operation mechanism.

The Rangpur Dinajpur Rural Services (RDRS)

Established in 1972 by the Luthern World Federation's Department for World Service, RDRS aims at raising the quality of life of the rural poor in northern Bangladesh. Recognizing credit for the rural poor as an

effecting instrument for sustainable poverty alleviation, RDRS extended various types of financing and credit for income generation from 1970s. The RDRS credit program came into being in 1991 with the founding of Rangpur Credit Unit (RCU) for institutionalizing credit within RDRS program activities.³¹ The objectives behind micro-credit operation by RDRS include: (i) making credit easily available to the poor target people who have no access to institutional credits; ii) generating more income and creating long term employment opportunities for the poor and marginalized farmers and (iii) making self-managed and self sustained people's organization.³²

RDRS credit program is an integral component of the comprehensive constituent of integrated development package, which the organization offers for the landless and marginalized farmer groups and households.³³ Its credit operation is funded from RDRS core funds (provided by core partner agencies), Pallikarma Shahayak Foundation (PKSF), other bilateral donor agencies and from revolving fund.

The Features of the RDRS Credit

Like other micro-credit NGOs, the RDRS funded credit is featured with certain unique characteristics that are written below:

1. RDRS credit is primarily intended for productive income generating purposes. To improve the living standard and fulfill the basic needs of the group members other areas are also covered. The RDRS credits are broadly categorized as: a) Normal; (b) Seasonal Credit; (c) Survival Credit; (d) There are special credit and schemes such as credit to Federation, Sericulture Credit, Leprosy Credit etc; (e) Housing Loan which aims to provide credit for building houses.
2. There are sharp differences between and among various RDRS credits in terms of period of loan and their repayments. Normal credit is given for a period of one year and is paid back in twelve monthly installments, whereas, seasonal credit is disbursed for a period of six months or one year and is refunded in one installment for six months and two installments for twelve months. With regard to survival credit, the period of loan is six months or 12 months with repayment in one installment. Sericulture credit is extended for two years and is paid back with quarterly installment, by 8 installments or monthly

³¹ M. Mainul Haque et al, *Socio Economic Impact of RDRS Credit Program*, January 1996, P. 1

³² *RDRS Credit Manual*, RDRS document, Dhaka, 1979, P. 1

³³ *ibid*, P. 12

installment. Housing loan is to be disbursed for 3 to 5 years with repayment of monthly installments.

3. All service charges of RDRS credits are determined at face value method. But there are differences in its collection method. The service charge on Normal Credit is 14%, whereas, for Seasonal Credit service charge is 8% for six months and 16% for 12 months. Service charge is determined on Survival Credit at the rate of 8% for 6 months. In Sericulture, service charge is 14% whereas in Housing Loan, it is 8% per annum.
4. RDRS gives credit to well-prepared medium sized groups of about 15 to 25 members.³⁴
5. RDRS credit can and does reach the very poor. The practice in some RDRS regional units of preserving the group list in their office and ensuring credit to the individual in order of priority is an additional mechanism of reaching the poor.
6. RDRS provides seed capital to the federations. The federation invests this capital in any profitable income-earning sector.
7. All group members may avail loan at a time.

RDRS Credit Operation System

As said before RDRS gives credit to groups of about 15 to 25 members. There are certain pre-requisites: (a) Loanees shall be the RDRS group members; (b) The group as well as the individual loanee is responsible for the repayment of loan in time and in full regardless of whether the loan fund is used for individual or group activities; (c) RDRS membership criteria include houses holding not more than 1.50 acres of land; (d) Maintenance of family by the sale of manual labor; (e) Permanent residents of the locality, (f) Age ranges between 18 and 45 years; (g) Educational qualification is SSC.

The group has to submit loan application in the prescribed form. It is the responsibility of the Union Organizer to assist groups to fill out the loan application form. The organizer also recommends the application. Then a joint liability agreement is made, which confirms that the group has undertaken joint liability for the credit.

After receiving the loan application form through Union Organizer, the Assistant Thana Manager physically visits the group to justify the eligibility for the credit. If it is justified he recommends the application

³⁴ Calculation made as per materials collected from the Bhaluka Project Office by the research assistants

and submit it to Thana Manager. The Thana Manager would submit it to the District Coordinator after checking up at least 20% of the loan proposals. The Assistant District Coordinator scrutinizes the loan proposal and recommends by putting signature. The District Coordinator or Assistant District Coordinator finally scrutinizes the loan proposal and if satisfied he gives approval.

After his approval, a Loan Approval Sheet is prepared and signed by the District Coordinator or Assistant District Coordinator. Loan applications are preserved at Thana Office until the full recovery of the loan along with interest.

Loan Disbursement

After getting loan approval from the Unit Office, the Thana Manager (TM) makes a schedule of loan disbursement and accordingly informs the group through Union Organizer. On scheduled date disbursement is made at RDRS Thana Office by RDRS Staff in the presence of UO, and ATM where every loanee member must attend and puts their signature on disbursement Register.

Refund of Loan

Normally the loanee group is responsible for making the regular payment in cash as per the repayment schedule or Union Organizer can also recover credit from group/beneficiaries by using the provisional money receipt. The collected money is deposited to the ATM (Credit) of RDRS Thana Office. ATM (Credit/Credit Assistant) receives the repayment money by issuing printed serialized money receipt. Daily collection or repayment must be deposited in the RDRS Bank Account of Credit Fund on the same day. In case of late receipt (after banking hours) the money must be deposited in the next day. Credit Officer verifies the money receipt at least fortnightly and ensures the deposit of repayment to RDRS Credit Fund Account. If any irregularity is detected he informs it to DC with a copy of CCU. At the end of the day the ATM (Credit) prepares a Top Sheet for the daily recovery showing total amount of recovery on the day.

Default Case Management

If a group fails to repay monthly installment in due time or if a loan is not fully repaid within one month after its due date, the unpaid loan or the part thereof is considered as a default case. Here the TM or his representative personally visit the group to determine the cause of default and takes necessary steps such as persuasion, convening special meeting of the group, creation of pressure to recover the overdue installment /

loan. If TM fails to do that within two months counted from due date, he notifies the DC and DC then takes steps he considers necessary to recover credit money. Loan overdue for more than six months after due date of recovery is treated as a doubtful or bad debt and in such cases, appropriate actions including legal steps may be taken after necessary investigation.

Bangladesh Development Society (BDS)

BDS works in the areas of Barisal, Patuakhali, Jhalokati, Gopalganj and Madaripur. Its vision focuses on the integral community development for the benefit of the people. The mission is to enable disadvantaged men and women to uplift themselves through economic cooperation, education and awareness. The overall strategy of BDS for integral community development is to organize people as a community through cooperatives and credit unions, to increase awareness by providing appropriate education and improve socio-economic condition of the disadvantaged in the community. In order to materialize its vision and mission, BDS has undertaken a number of programs.

Out of these, two main programs- Revolving Loan Program (RLP) and Credit Union Promotion Program (CUPP)- are related to the savings and credit policy of the organizations. The main thrust of RLP is to improve economic condition of the community by increasing scope of self-employment and profit-making activities though providing matching loan. The main task of CUPP is to improve socio-economic conditions of the members and to assure credit facilities among the members for self-reliance.

Loan Distribution Method

First, groups are formed with members from farmers, laborers, distressed males and females aged between 18 to 50 years having monthly income of Tk 750 to Tk 1500. Groups usually consist of 15 to 25 members belonging to similar occupations and attitudes. A draft by-law is prepared by the group and the draft by-laws are approved by the AGM of the Group. Conducting at least one education seminar fortnightly is obligatory for each group. Membership is allowed with Tk. 20 monthly savings, but whenever a person becomes a member, he/she is to pay Tk. 20 per month. If the concerned authority finds the group eligible for membership, the Group comes under BDS for a probation period of six months. If the activities of the Group are satisfactory during these six months enlistment is conferred. The loan form should be filled out on the basis of the particulars along with the group request. The Group members

prepare the loan proposal with the help of the Community Organizer and the Area Manager should recommend it. The central authority then examines the proposal through physical verification, document study and personal interview with the Group. On the basis of recommendation of the RLP Department, Deputy Director can sanction the loan and after final approval from the Director, RLP Department and Area Manager arrange for the disbursement of the loan.

Repayment

All loan money shall generally be repayable on a fortnightly installment. The maximum numbers of such installments are not more than 36 months. The loanee shall pay service charge at the rate of 18% per annum on declining basis. It is to be noted that all loan money is sanctioned in the name of the Group and in case of default, the Group takes responsibility of the loan money. BDS authority maintains a separate bank account for the RLP and all transactions are done through this account. Besides, such things as cash book, individual ledger, cash receipts, passbooks, loan disbursement records, monthly financial reports, quarterly and half-yearly reports etc., are maintained for smooth management and transparency.

Phase-Out Procedure

The Group upgrading practice is an important target in the community development concept. The BDS Groups are classified into C, B, and A grades. 'C' grade indicates formative to middle stage of maturity of a group. BDS has monitoring tools, namely, "Qualitative Assessment Format" for upgrading the Groups from 'C' to 'B' at the end of the projection year. But the qualitative assessment is done on quarterly basis for the field to monitor the upgrading procedure. The assessment gives a clear picture on structural, economic, social and educational progress against set indicators in the fundamental directives of 'B' grade groups. As per quarterly monitoring by Qualitative Assessment Format, BDS assesses on average 80% progress against the mentioned indicators and sub-indicators in fundamental directives of 'A' grade groups. The principal indicators include book keeping capacity, running administration and fulfilling social demands by the groups themselves. As soon as the groups are considered to be able to do these, they are treated as 'A' grade Groups that are prepared to phase out from BDS support. During the post-phase out period, BDS provides such things as advisory services, annual or external audit, newsletter and other

development information, training programs, and helps the phased out 'A' groups to coordinate with GOs and NGOs as per priorities.

Institutional Aspects of People Managed Credit

We need to have a glance at how the growth of people's managed credit of different NGOs had developed over the years through their institution building. The clear understanding of organizational linkages of their various institutional tiers from the perspectives of group formation, saving maintenance, credit management, and overall development activities is very important.

CCDB

Three organizational tiers of CCDB focus on the primary groups, their federating units called People's Forum and the relevant Project Office in order to operationalize CCDB's policy to shift from organization-managed to the people-managed credit. Thus an alternative savings and credit program called - PMC has been initiated for the 1997 -98 operation year. In this new approach the program is perceived to be managed and owned by the people's Forum (PF) and CCDB's role is conceived as that of extending necessary training, orientation, facilitation and arranging matching fund initially on a 2:1 ratio basis considering their accumulated saving, so that the program is effectively run by the Forum. The institutional set-up shows the working relationship between individual groups, forums and the project office with respect to group formation, savings collection, forum management and above all credit operation. Despite involvement in these activities, CCDB never uses its programs for income generation for the organization.

CARITAS

The growth of people managed credit of Caritas developed over the years through its institutional building. The target of the Caritas Development Programs is its primary groups (PGs) each of which is composed of 15 to 30 members. The next tier of organizational building is the federating unit. There are two levels of the federating unit – union level and thana level. In every Thana of work areas a people's organization called *Samaus* has been created with Union Committee at union level. Around 72 to 90 groups of 1440 to 1800 members constitute a Union Committee. All the union units build up APEX at the Thana level. The Executive Body (EB) of APEX is made of Union Committees and all the PGs make the General Body (GB). The office bearer in an APEX is one Thana coordinator and one Cook-cum-Peon. There is a significant

organizational linkage between and among these institutional tiers in terms of group formation, saving maintenance, credit management and development activities. In credit management activities, a coordinated system exists combining the Apex Executive Body, Credit Officer of CMC and other Union and Thana staffs.

SHED Board

SHED Board was founded in 1976 with numerous development projects in the working areas covering forty thanas and nine districts. Rural Credit Service (RCS) is the credit program by SHED Board. Three core organs for the RCS management are: i) Primary Groups, ii) People's Representative Forum (PRF) which is the federating unit of groups, and iii) the project office of SHED Board. Each primary group is made of 10 to 20 members of both male and female. A number of groups constitute their federating unit called PRF which is taken care of by the Project Office of RCS program.³⁵ PRF is composed of its Executive Committee having Chairman, Co-Chairman, Secretary and Representatives, one from each group. The RCS Project Office (PO) is closely linked with the activities of group formation, their savings maintenance, bank operation, Forum creation, meeting conduction and above all organizational management.

UST

UST holds the primary groups, democratic people's organization called Gram Unnayan Parishad (GUP), and the Project Office. Each Group contains ten to fifteen members. They have their own President, Secretary, and Cashier who deals with group's bank account. A GUP has two major organs – General Council and Executive Committee. All the members of Samities in a Union are General Council Members. In the Executive Committee there are eleven members-President, Secretary, Cashier and eight members. The Council members elect the GUP executive committee by casting vote directly. GUP holds a bank account where the GUP savings, RLF money and other earnings are deposited.

In the Project Office, Coordinator possesses the highest portfolio. In the project where UST works directly, the Coordinator is called Field Coordinator, and the fields where UST works in partnership with other

³⁵ Information provided as per materials collected from the Bhaluka Project Office during the field visit by the author.

NGOs, the Coordinator is called 'Coordinator'. In the project office, there are five important office bearers- Coordinator, Unnayan Shahojogy, Gram Shahojogy. Hishab Shahojogy (Accountant) and a Caretaker.

RDRS

Three prime institutional tiers are there in the RDRS institutional system. In the first phase there are groups comprising about 15 to 25 members for each. Next stage is the groups' federating unit, which is labeled as Union Federation (UF). On the top of the tier is Thana/District level office. The primary groups are the reference people of RDRS credit program. A group is formed with 15 to 25 members. All graduated groups in one union constitute the group federation that is Union Federation. The Executive Committee of UF is made of 9 members including Federation Chairman, Vice-Chairman, Secretary, Cashier and other 5 Executive Members. Union Organizer (UO) is very important portfolio at this level. The General Body (GB) of (UF) is composed of all group members under the federation. At the Thana level of project office, the chief office bearers are Thana Manager(TM), Assistant Thana Manager (ATM), and Union Organizer (UO). At the district level of the project, the main office bearers are District Coordinator (DC), Assistant District Coordinator (ADC), and Extension Officer. Besides there are Credit Officer (CO), Sector Manager (SM), Office Manager, Computer Manager, Assistant Credit Coordinator and Credit Coordinator at different institutional tiers.

There is close organizational linkage between and among those stages. The UO plays direct role in fortnightly group meetings conducted by group Chairman. ATMs, TMs, ADCs, DCs play significant role in processing of loan application, scrutiny of the loan forms, loan disbursement and repayment activities. Thus the organizational linkage from loan application, stage to loan disbursement to loan repayment is very close in different institutional tiers of RDRS credit operation strategy.

BDS

Under BDS, more emphasis is given on the management and sustainability of Groups. Groups are composed of General Council and Executive Committee. The members of a Group comprise its General Council, which has the authority of approving or disapproving membership. The Executive Committee is formed in the AGM by the direct vote of general members. Its function is to allocate position and responsibility as stipulated in the constitution. General members elect office bearers of the executive Council. The Executive Council has an

Advisory Board, a Director and a Deputy Director in order to run the organization and make plans and programs for the future. BDS has developed some federated structure—core committee and thana committee.³⁶ The core committee has a General Council with one representative from all the *Samities*. The core committee comprises of 5 to 7 members directly elected by the members of the General Council. The General Council of the thana committee is be formed either through election or selection after the formation of all the core committees. The thana committee also comprises of 5 to 7 members directly elected by the members of the General Council of the same. The organization of has also defined certain guidelines for, and responsibilities of the functional mechanism of both the core committee and the thana committee.

The BDS central authority plays the most significant role in group formation and creating the federation. BDS appointed Community Organizer and Area Managers directly contribute to group formation and BDS's savings and credit programs. There is a close linkage between and among the groups, federation and the central office in the credit activities of BDS. *Samities* are formed with direct assistance from community organizers. Once the *Samity* agrees with the loan proposal, the decision is documented by the group as well as the Community Organizer. The CO compiles the proposal and submits to the Area Manager. The proposal is sent to the head office with recommendation of the area office where the loan is finally approved. Then the fund is withdrawn through a bank cheque with joint signature of the Deputy Director and the Area Manager. The loan is disbursed at the area office.

Assessing People Managed Credit

CCDB

CCDB provided a viable model of people managed credit. Establishing sustainable savings and credit programs, age-old primary groups, strong federating units, noticeable capital formation, people's ownership of savings and credit, empowering the distressed women and the confidence building of the primary group member have labeled CCDB torch-bearer and fore-runner of people managed credit. CCDB's credit to people's forum in 1:2 ratios against savings paves the way for the people's capital accumulation. Some women won seats in many Union Parishad elections and thus empowerment was ensured. No OD has been found for weekly savings during field visit to many areas. Empowerment is achieved

³⁶ Farook, J. I. *Mid-term Evaluation Report on ICDA for BDS*, BDS Publication, Dhaka, November 1997, P. 7

through financial empowerment of people. People are getting control on self-confidence in managing very complex issues with regard to economic activities through achieving people's institutions.

Along with success, the limitations of the program have to be mentioned. As far as CCDB is concerned, it was found that some of the Forum houses were in a poor condition. In some cases weekly meetings of forums were not regularly held. There was also unavailability of marketing of the products made by people using credit money. Inadequate literacy and numeracy cast dark shade on CCDB's credit glories.

CARITAS

As a well-known and experienced NGO the contribution of CARITAS to people managed credit has its unique nature. Strong federating units-Apex, participatory and cooperative approach of CMC and Apex in daily credit transaction, accountable management, satisfactory capital formation and strong evaluation and monitoring system etc. are a few pertinent features of its successful credit operation. The strong representation of groups in Apex and Groups' involvement in management is very much supportive of establishing people managed credit operating system. My trip to the Kaligonj Apex office, Dhaka regional office and CARITAS central office gave me clear evidence on the achievements of CARITAS credit program. Apart from these success stories, there are also negative sides. From the group information it was found that there is a great problem in preserving individual savings. Another finding from field office as well as group office made it clear that the distance between Apex and regional office is great. Regarding management, it seemed that it is dominated by a few people of EB or GB where as the individual member unit has many things to say regarding management. My field visit experience also gave me the impression of insufficient literacy skill, irregular group meeting and ambiguous records keeping.

SHED Board

As a nascent PMC practicing NGO, SHED Board provides a very glaring example of people managed credit operation. Its structural set up, skill-development-animating training and education program, satisfactory and regular savings and credit on soft term made SHED Board a prospective practitioner of people managed credit. In terms of capital formation the SHED example is praiseworthy. The concept of 'graduation' inspires the primary *Samities* to reach the zenith of program and success.

Apart from this enormous success, there are some limitations. My field trip found that the majority of reference people are unprivileged and uneducated. The limited financing capacity of NGO cannot fulfill the multifarious demand of the people. Increasing loan, establishing school and medical facilities etc. are among crying demands of the groups that are unanswered for long time. The federating unit which is regarded as station between center and periphery were not found strong and there was no such office structure of PRF as may be called as a federation office. Once the PRF becomes strong, the group management will be smoother and more appropriate. The training and Education offered by SHED Board staff help the reference people manage the credit program.

UST

While evaluating the activities of UST, the author finds both strengths and weaknesses. The strengths includes: a) The member number (10-15) in every group is medium size which is good for group management and group stability; b) Giving education and training generally before providing credit creates a strong acceptability and credibility of the UST credit; c) All money provided as credit is given as grant. From this view point UST is hero in doing people's development; d) Credit disbursed remains as people's money. They are the owner of the credit money; e) Credit Bank Account is held by GUP where there is no UST staff as signatory; f) Almost no default case is available and in case of default no enforcement measures are taken; g) UST's Self-Financing project provides tremendous economic benefits to the credit recipients; h) Women are found to be aware and confident about their own leadership.

Despite these brilliant achievements, a number of drawbacks are also available. These limitations made the UST program a weak one. The weaknesses are: a) Documentation and Record-Keeping of UST project office are written in hand. I did not find signature of the concerned authority put on the important papers and documents; b) There is no smooth management in most UST projects, such as, weekly meetings are not regularly held; c) File-maintenance, record keeping, minutes of various meetings are not appropriately maintained d) Sometimes necessary funds are not available and people receive credit from other NGOs in such situation; e) There is a lack of evaluation and monitoring of field level activities;

RDRS

Like other credit organizations, RDRS suffers from both gains and pains. Gains are the strengths of the organization and pains are its weaknesses. The strengths include: a) 15 members medium sized groups are more

stable than large groups; b) The loan disbursement procedure is made on great cautionary. The pre-requisites and the spot caution activities help to distribute credits properly; c) The different categories of credit provide the program a viable and flexible nature of sustainability; d) The project office at Thana and District levels made the credit operation activities very strong; e) Through RDRS training and credit the practical needs of the female beneficiaries are met through empowerment, that is their nutritional and health status seems to improve through access to better food, safe water, latrines and so on. Better child care, education and improved technology are also achieved through RDRS credit and training;

Despite above gains, pains are also immense that seem to weaken the tempo of the success of RDRS. Major weaknesses are: a) The loan applications go through a lengthy procedure from the group to the Union Organizer to the Assistant District Coordinator to the District Coordinator; b) Recovery rate right from the beginning is 60%; c) Disbursement of loan procedure is too complex to be understood by a poor uneducated loan seeker, which adversely affects implementation of the PMC concept of credit operation.

BDS

BDS may be credited with the innovation of pursuing a two-track savings and credit policy: the RLP with Dal (Groups) target groups and the Credit Union. While the former credit system has been recently centralized, it has been compensated by the concept of graduation or phasing out. Groups are regularly monitored and categorized into C, B and A depending on the stages of evolution from formative to maturity. Once a Group reaches A status, it is phased out. The Credit Unions now being practiced widely are more self-sustaining in financial and to an extent in institutional sense. The strength of Credit Union lies in its capacity to mobilize local resources to an extent that BDS is now contemplating in terms of benefiting from backward linkage of the initialized funds of the Unions and channeling it to the RLP. The other interesting linkage is that the Unions are open for membership to the target groups so that the Unions encompass broader cross-sections of local people representing the spirit of integrated community development approach. Yet, at another level, BDS, like UST, has entered into partnership with World Vision and CARE.

Despite these luminous glories achieved by BDS, the organization is faced with multifarious challenges. Although the planned organizational

structure operates BDS's programs, there is an absence of operational strategy. The unavailability of funds required for necessary projects constraint strong commitment to the society. Moreover, shortage of skilled manpower poses drastic challenge.

Sustainable Strategies of PMC

Financial and Institutional Sustainability

The issue of financial sustainability and institutional self-management is viewed mainly in terms of a sound banking principle and financial system. Equal emphasis need to be given on savings, earnings from savings, sound record keeping and transparent accounting system. In this context, a number of principles and standards of micro credits may be taken into consideration in day to day activities as well as in planning PMC operations. Bosch suggests a number of principles and corresponding standards³⁷. These may be outlined as follows:

Principles	Standards
1. Targeting the Poorest	1. The policy of targeting the hardcore poor including women who should be given priority
2. Democratic and participatory structure of Pos	2.1. The Pos are required to have established by-laws addressing membership, election of the decision making bodies, mandate and representation at each level, roles and responsibilities of leaders 2.2. Professionalism of the treasurer/account keepers is important. A salaried person is a viable solution. 2.3. The by-laws need to be known and applied by members and leaders. 2.4. Revision/amendments of by-laws should be participatory.
3. Transparency	3.1. Standard, accountable and transparent management. 3.2. Simple, accountable and transparent records keeping and accounting system.
4. Financial self-sufficiency and organizational sustainability	4.1. Interest rates to cover full costs. 4.2. Hundred percent repayment. 4.3. Efficient delivery structure of both savings and credit 4.4. Strategic plan for capital formation 4.5. Seed money from the NGOs

³⁷ Ellie Bosch, *Suggested Principles and Standards for People-Managed Savings & Credit Institutions*, discussion paper presented at CCDB and Caritas PMC Workshop, Dhaka, February 8-10, 1998.

Principles	Standards
5. Interlinked savings and credit system	5. Savings and credit need to be linked
6. Appropriate loan size and terms for the target group	6.1. Initial small loan size 6.2. Once credibility established, loan size may be geared to needs and circumstances
7. Separation of costs and revenues according to sectors	7. Separation of costs centre
8. Evolution of Pos	8. Regular reflection is needed on possible options for evolution and graduation

The questions of organizational viability and financial sustainability, service charge, phasing out and withdrawal need to be delineated. Withdrawal is indeed an intermediate concept in that even after graduation, the NGOs retain some overseeing role along with a technical support package.

The question of financial and organizational sustainability is carried by Rutherford through a typological presentation on savings groups and their behavior³⁸. According to him, there are three types of groups: (1) spontaneous user owned groups like ROSCA; (2) NGO promoted PMC groups; and (3) quasi-banking groups like Grameen Banks, ASA, BRAC and so on. Rutherford opines that the spontaneous clubs are sustainable because of their continuity. They grow, continue and remain permanent just like human civilization. They are sustainable because of their strategy of multiplication and reiteration. With regard to the comparison between NGO supported PMCs and the quasi-banks, it may be argued that the NGOs are not merely saving collectors and credit giving agencies, they run integrated programs of overall socio-economic and human development of the target population.

In terms of the policy and practice of phasing out of the POs, the question of self-sustaining operating costs and elements of professionalism of the PO officials dealing with finance, it is obvious that for a sound and accountable financial system, appropriate compensation mechanism for the concerned officials has to be in place. Such costs may be self-sustainable only when savings are treated as parity with credit in terms of costs and earning.

³⁸ Stuart Rutherford, *Savings Groups and their Behavior*, presentation made at CCDB and Caritas PMC workshop, Dhaka, February 8-10, 1998.

Benefits to Individual Group Members

The perspectives of the individual members in the groups need to be considered not only in terms of earnings from savings but also in terms of size of loans and predictability of services from the POs. In general, it is felt that the average loan size is too small. In order to make the PMC organizations sustainable, their individual group members should be provided loan required for running their programs successfully.

Institution Building and Phasing Out

The PMC model in most cases is a recently introduced phenomenon and conclusion on institution building and phasing out may be rather tentative. However, the dilemma of phasing out in view of the current overwhelming presence of NGOs in managing group affairs creates a perplexing situation. While some NGOs present cases of smooth transition, the general scenario is that the process is difficult. A suggestion may be made that the periodic withdrawal of community level field officials from the group activities including savings and repayment collection should be reserved.

By-laws for Group Management

Drafting by-laws is a time consuming and continuous process involving different tiers of the organizations. Whether the group members and POs are involved in it should be examined. It is felt that there is the scope of mutual learning among the NGOs in this regard. The inter-connection of different tiers of the management can easily move the PMC organizations to sustainable direction.

Follow Up Activities

Identifying areas of follow-ups is very important for sustainability. Follow Up Areas include: a) Sharing experiences in drafting by-laws; b) Phasing out criteria and policies; c) Capacity building for sustainability; d) Account and record keeping; e) NGO staff training with POs; f) Linkage with local banks/financial institutions; g) Networking building among PMC organizations;

A Committee can be formed from amongst the interested organizations to think out a number of follow-ups from the above to make appropriate recommendations. The sustainability of a PMC NGO depends largely on the effective interaction of this follow-up committee.

Conclusion and Recommendations

Throughout this chapter, the whole set of questions of financial and institutional sustainability of people-managed credit organizations has

been brought to the fore. If micro-credits, in general, have brought about a paradigm shift in rural development, a move toward PMC may be a sustainable step. As far as the conceptualization of PMC is concerned, in general, the pronounced emphasis is laid more or less on both institutional and financial viability. If not all, most of the NGOs under this study own the concept as well as put a sizable quantum of their organizational and financial resources to it. A general level of awareness has been created among both federating officials and group levels. That the group own or are going to own their own offices, the savings they are making remain their own and the service charge they pay partly remains with them which leads to capital formation. It should be mentioned that in the perception and expectation matrix of the group members as well as in the preoccupation of the field officials and community organizers, savings collection as well as credit repayment looms larger because of its tangible criterion of performance.

For capital formation by the respective groups, an initial dose of capital in the form of one time Revolving Loan Fund is very useful. The author is cognizant of the various forms of incentives like bonus and rebate in some NGOs to ensure voluntary and timely recovery. It is also recommended that the savings funds should be utilized in a number of ways. The issue of the withdrawal or phasing out should be handled in a much more planned and subtle way. The NGOs, which contain the concept of graduation or phasing out must develop self-management at both federating and primary levels on trial or pilot basis. The present work may be considered as an internal view of PMC organizations. However, it is important that a comparative picture be obtained by taking such MC models as Grameen Bank, BRAC, ASA, and Proshika as control cases and draw policy related conclusions.

