

Chapter 3. The Economy



Drying and sifting rice, Bangladesh's main staple

IN THE LATE 1980s, Bangladesh continued to be called the “largest poorest” country and to be singled out as “the test case for development.” A great deal that had happened in the economy since independence in 1971 supported the hope that the country would eventually overcome its dependence on foreign aid and would approach relative self-sufficiency. In the meantime, success was measured in more limited and immediate accomplishments: greater production of food grains year by year, greater vigor shown by the private sector in generating investment capital and using it productively, and measurable growth and diversification of exports. The government continued to depend on the donor community to provide the bulk of the resources needed to promote human development in the form of nutrition, health, and education programs. The most active donors continued to give Bangladesh good marks for its economic performance.

In 1971, the year Bangladesh achieved independence from Pakistan, the new nation was referred to in foreign circles as an “international basket case,” a wounded combatant almost beyond hope of recovery. Bangladeshis themselves, recalling the “international basket case” characterization, often choose the metaphor “bottomless basket,” implying that no matter how much assistance is given to the economy, there will always be a need for more. It is a tribute to the Bangladeshi people, to the constructiveness and generosity of other nations, and to the strength of the human spirit that the gloomiest fears have not materialized. The first-time observer of Bangladesh may still perceive the country as poverty stricken, overpopulated, and with little prospect for a sunnier future. In its first seventeen years of independence, Bangladesh did not prosper, nor was it able to improve substantially the quality of life for its huge population, but it did not lose ground either. If the prospects for rapid economic development were not noticeably better in 1988 than they were in 1972, it was encouraging that Bangladesh was active in economic fields that were not foreseen even a few years earlier—e.g., as a major producer and exporter of ready-made garments and frozen seafood. And if the economy still seemed dangerously poised on the brink of disaster—a drought, a typhoon, or excessive flooding threatens every year—the government, the people, and the international community had combined to limit the scope of disasters, and the economy of Bangladesh had continued to struggle upward.

The Economic Context

Historical Perspective

East Bengal—the region that was to become East Pakistan and later Bangladesh—was a prosperous region of South Asia until modern times. It had the advantages of a mild, almost tropical climate, fertile soil, ample water, and an abundance of fish, wild-life, and fruit. The standard of living compared favorably with other parts of South Asia. As early as the thirteenth century, the region was developing as an agrarian economy. It was not entirely without commercial centers, and Dhaka in particular grew into an important entrepôt during the Mughal Empire (see Islamization of Bengal, 1202–1757, ch. 1). The British, however, on their arrival in the early seventeenth century, chose to develop Calcutta as their commercial and administrative center in South Asia. The development of East Bengal was thereafter limited to agriculture. The colonial infrastructure of the eighteenth and nineteenth centuries reinforced East Bengal's function as the primary producer—chiefly of rice and jute—for processors and traders in Calcutta and beyond.

Some of the same factors that had made East Bengal a prosperous region became disadvantages during the nineteenth and twentieth centuries. As life expectancy increased, the limitations of land and the annual floods increasingly became constraints on economic growth. Traditional agricultural methods became obstacles to the modernization of agriculture. Geography severely limited the development and maintenance of a modern transportation and communications system (see Geography, ch. 2).

The partition of British India and the emergence of India and Pakistan in 1947 severely disrupted the former colonial economic system that had preserved East Bengal (now East Pakistan) as a producer of jute and rice for the urban industrial economy around Calcutta. East Pakistan had to build a new industrial base and modernize agriculture in the midst of a population explosion. The united government of Pakistan expanded the cultivated area and some irrigation facilities, but the rural population generally became poorer between 1947 and 1971 because improvements did not keep pace with rural population increase. Pakistan's five-year plans opted for a development strategy based on industrialization, but the major share of the development budget went to West Pakistan, that is, contemporary Pakistan. The lack of natural resources meant that East Pakistan was heavily dependent on imports, creating a balance of payments problem. Without a substantial industrialization program or adequate agrarian expansion, the economy of East Pakistan steadily declined. Blame was placed by various observers, but especially those in East Pakistan, on the West Pakistani leaders



*A traditional method of irrigation
still used in the water-rich countryside
Courtesy Bangladesh Ministry of Information*

who not only dominated the government but also most of the fledgling industries in East Pakistan.

Economic Reconstruction after Independence

The economic situation facing Bangladesh as it emerged from the war of independence in 1971 included the highest rural

population density in the entire world, an annual population growth rate between 2.5 and 3 percent, chronic malnutrition for perhaps the majority of the people, and the dislocation of between 8 and 10 million people who had fled to India and returned to independent Bangladesh by 1972 (see Migration, ch. 2). The new nation had few experienced entrepreneurs, managers, administrators, engineers, or technicians. There were critical shortages of essential food grains and other staples because of wartime disruptions. External markets for jute had been lost because of the instability of supply and the increasing popularity of synthetic substitutes. Foreign exchange resources were minuscule, and the banking and monetary system was unreliable. Although Bangladesh had a large work force, the vast reserves of undertrained and underpaid workers were largely illiterate, unskilled, and underemployed. Commercially exploitable industrial resources, except for natural gas, were lacking. Inflation, especially for essential consumer goods, ran between 300 and 400 percent. The war of independence had crippled the transportation system. Hundreds of road and railroad bridges had been destroyed or damaged, and rolling stock was inadequate and in poor repair. The new country was still recovering from a severe cyclone that hit the area in 1970 and caused 250,000 deaths. India, by no means a wealthy country and without a tradition of giving aid to other nations, came forward immediately with massive economic assistance in the first months after the fighting ended. Between December 1971 and January 1972, India committed US\$232 million in aid to Bangladesh, almost all of it for immediate disbursement. The largest single element in Indian aid was 900,000 tons of food grains. The United States and the World Bank (see Glossary) thereafter became leading foreign aid donors, and the World Bank organized a consortium known as the Bangladesh Aid Group, comprising twenty-six international financial institutions and foreign governments interested in assisting Bangladesh's development.

Managing the Economy

Economic Policy and Planning

After West Pakistani owners of industrial enterprises fled in 1971, the government of Bangladesh seized their plants as abandoned properties. The government suddenly found itself managing and operating more than 300 medium- and large-scale industrial plants, which represented nearly 90 percent of the value of all such enterprises in the new nation. It organized public corporations to oversee the major industries: jute, textiles, sugar, steel, paper and

paperboard, fertilizer, chemicals, pharmaceuticals, engineering and shipbuilding, minerals, oil and gas, food and allied products, and forest products. With government control over major industries and massive inputs of foreign aid, the economy gradually returned to the levels of the late 1960s, but it was still among the world's poorest and least developed countries.

The main government institution responsible for coordinating national rehabilitation and development was the Planning Commission. Sheikh Mujibur Rahman (Mujib), the first president of Bangladesh, led the formation of the national-level Planning Commission, which prepared plans that directed economic priorities for five-year periods. The First Five-Year Plan covered the period July 1973 to June 1978. It was succeeded by a two-year plan, covering the period July 1978 to June 1980, which was followed by a year-long hiatus. The Second Five-Year Plan (1981–85) and the Third Five-Year Plan (1985–90) put the planning process back on track. The broad objectives of the Third Five-Year Plan were to reduce poverty, bring down the rate of population growth to 1.8 percent annually, increase exports by 5.9 percent and domestic savings by 10 percent, attain self-sufficiency in food production, and realize an annual growth of the gross domestic product (GDP—see Glossary) of 5.4 percent. These ambitious goals went well beyond the previous actual performance of the economy.

Five-year plans are financed through the development, or capital budget, which was separate from the government's revenue, or administrative, budget. The Third Five-Year Plan envisaged a total outlay of more than US\$12 billion, approximately 65 percent of which was destined for public sector projects. About 55 percent of the needed funds were to come from foreign sources, including private investment, the aid programs of international financial institutions, and bilateral donor nations. Foreign commitments in the early and mid-1980s were around US\$1.7 billion per year (exclusive of external private investment, which in any case was not significant). The portion of the development budget to come from domestic sources (45 percent) represented a substantial increase from the 15 to 20 percent of earlier development budgets.

The Planning Commission translates the multiyear development plan into public investment through the Annual Development Programme. The commission also ensures that public programs and policies are in conformity with its long-term strategy through its project approval process and through its advisory position on the country's highest economic decision-making bodies, the National Economic Council and its Executive Committee. The National Economic Council in the late 1980s was chaired by the

president of Bangladesh and included all government ministers plus the governor of the Bangladesh Bank and the deputy chairman and members of the Planning Commission. The Executive Committee of the National Economic Council made most of the decisions on major development projects and development issues in general. The committee included the ministers of key economic sectors (finance, planning, industries, commerce, and public works) and, according to the agenda, any other sectors concerned. A third organization involved in the planning mechanism is the Project Evaluation Committee, which monitors the progress of five-year-plan programs.

Government Budget Process

Revenue Budget

The annual budget is prepared by the Ministry of Finance and presented to Parliament for approval each year, except during periods of martial law, when the budget has been announced by the martial law administration. It is divided into a revenue budget and a development budget, on both the receipts and the expenditures sides.

The revenue budget pays for the normal functioning of the government and is intended to be fully financed from domestically generated sources. The fiscal year (FY—see Glossary) 1988 revenue budget was based on anticipated receipts of about US\$1.6 billion, or approximately Tk48.9 billion (for value of the taka—see Glossary). Expenditures were to be US\$1.5 billion, leaving a surplus of US\$130 million for development. The previous year a revenue surplus of US\$246 million was applied to the development budget.

Tax revenues, almost half of them from customs duties, accounted for about 80 percent of revenue receipts. Excise duties and sales taxes also were important, each producing more revenue than taxes on income, which yielded only about US\$150 million according to the revised budget in FY 1985. That amount represented less than US\$2 per capita income tax. The largest part of the nontax revenue—making up 20 percent of the revenue budget in the late 1980s—came from the nationalized sector of the economy, including industrial enterprises, banks, and insurance companies.

Even by the standards of developing countries, Bangladesh's ratio of taxes to GDP, and of direct tax revenue to total tax revenue, was very low. In 1984 taxes amounted to only 8.1 percent of GDP, just half the percentage for India, less than half the average for 82 other developing countries, and far below the average of



*Country boats on the Buriganga River;
larger craft can be seen in the background
Courtesy Biman Bangladesh Airlines*

29.7 percent for the developed countries. Similarly, the 20.1 percent of tax revenue coming from direct taxation was one of the lowest in the world (the average for developing countries was 29.3 percent, for industrialized countries 34.2 percent). Most of the population was exempted from direct taxation because its income fell below the poverty line; the cost of collection probably would have exceeded the revenue potential. For higher incomes, the system provided incentives for savings and investment, rather than seeking to maximize tax revenue. The central government operated on revenue of less than US\$20 per person.

The expenditures side of the revenue budget put the largest single block of funds into education, totaling 17.3 percent of the FY 1988 budget. Defense spending took 17.2 percent of the budget; if expenditures for paramilitary forces and the police are added to the portion for defense, the figure rises to nearly 23.8 percent of the budget (see Defense Spending, ch. 5). Debt service, general administration, and health, population, and social planning each accounted for about 20 percent of expenditures.

Development Budget

The development budget is presented to Parliament at the same time as the revenue budget each year. The FY 1988 development

budget called for resource mobilization of US\$1.6 billion, the majority of which—more than 85 percent—was to be provided by foreign grants and loans. The great bulk of capital expenditures went to the Annual Development Programme.

The FY 1988 Annual Development Programme provided financing for 818 projects, including 684 investment projects, 80 technical assistance projects, and 54 public sector-funded projects. Almost all the projects were carryovers continued from previous years. The Annual Development Programme directed new project financing to particular sectors, consistent with the goals of the five-year plans. For example, large portions of the FY 1988 Annual Development Programme were earmarked for power projects (17.5 percent of expenditures), water resources development (11 percent), and infrastructure (23.4 percent). Looked at from another perspective, the FY 1988 program called for overall expenditures 11.3 percent higher than the previous year, but certain sectors were to receive much greater increases than the average: agriculture, 40.7 percent; rural development, 32.3 percent; water resources, 26.5 percent; health, 28.8 percent; family planning, 23.1 percent; education, 33.6 percent; and oil, gas, and natural resources, 26.5 percent. Since independence these trends changed annually because demands of particular projects absorbed disproportionate amounts of capital and because some sectors were more capital intensive than others.

Joint Ventures and Foreign Investment

Despite its early concentration on developing a socialist economy, the government became increasingly open to private investment. The 1974 New Investment Policy restored certain rights to private and foreign investors. In December 1975, President Ziaur Rahman promulgated the Revised Investment Policy, which allowed greater private sector activity and authorized joint ventures with public sector corporations in a number of previously reserved areas, provided that the government retained 51 percent ownership. The Dhaka Stock Exchange was reactivated in 1976, and the Bangladesh Investment Corporation was established the same year to provide financing for bridge construction and underwriting facilities to the private sector. Investment ceilings for private industry were abolished in 1978. Then, in 1980, the government delineated a more liberal attitude toward foreign direct investment in the Foreign Private Investment (Promotion and Protection) Act. Growth of investment nonetheless remained slow, and industry was still dominated by relatively inefficient public enterprises and governed by an elaborate system of administrative controls.

In June 1982, the new government of Hussain Muhammad Ershad introduced its own New Industrial Policy, calling for a significant increase in private sector activity and denationalization of selected public sector enterprises. The government transferred 650 industrial enterprises to private hands, leaving only 160 under public ownership. In 1986 the government announced a comprehensive revision of its industrial policy, setting out objectives and strategies to accelerate the pace of industrialization. The policy also emphasized private and foreign investment in high technology, export-oriented, and labor-intensive industries. The revised policy increased the number of sectors open to private investment, liberalized the tariff structure, reduced quantitative import restrictions, and furthered privatization of state-managed enterprises.

The role of the public sector in the late 1980s was limited to seven fields: arms, ammunition, and sensitive defense equipment; electrical power generation, transmission, and distribution; management and exploitation of reserved forests; telecommunications; air, water, and railroad transportation; atomic energy; and currency note printing and coin minting. In addition, public sector involvement was still possible, alone or jointly with private participants, in projects where investment was not forthcoming from the private sector. The only consistent money-makers among public sector industrial corporations were the Bangladesh Petroleum Corporation (Tk248 crore in FY1986; for value of the crore—see Glossary), the Bangladesh Chemical Industries Corporation (Tk18.7 crore), and the Bangladesh Forest Industries Development Corporation (Tk5.8 crore) (see Joint Ventures and Foreign Investment, this ch.).

In 1987 an amendment to the Bangladesh Industrial Enterprises (Nationalisation) Ordinance was adopted, providing the legal basis for plans to sell up to 49 percent of government shares in remaining nationalized enterprises. The fact that the government would retain the majority was understood by some as a political gesture to workers and entrenched management opposed to privatization.

An export processing zone was established officially at the port city of Chittagong in 1980 (see fig. 1). But because of political controversy and indecision surrounding the project from the moment it was proposed, the Bangladesh Export Processing Zones Authority did not actually begin functioning until March 1983, when a program of inducements was offered to investors opening up enterprises. Zone enterprises enjoyed a tax holiday of 5 years (10 years for pioneer industries), subsequent rebate of 50 percent of income tax on export sales, freedom from duties on both imports and exports, and guaranteed full repatriation of profits and capital.

Additional export processing zones were contemplated for Khulna and Dhaka.

Bilateral Investment

In addition to the broad policies encouraging foreign investment, the government of Bangladesh has entered into bilateral investment treaties with eight countries: Belgium, Britain, Federal Republic of Germany (West Germany), France, the Republic of Korea (South Korea), Romania, Turkey and the United States. As of early 1988, similar treaties were at various stages of negotiation with ten other countries. These treaties included such assurances as unrestricted currency transfers, compensation for expropriation, dispute settlement procedures, and taxation treatment. In addition, Bangladesh has signed agreements for the avoidance of double taxation with Britain, Canada, Sweden, Singapore, and South Korea.

Even with a reasonably attractive framework in place, the flow of private capital to Bangladesh has been slow. Estimates from the Organization for Economic Cooperation and Development indicated that for the 1980-84 period foreign direct investment in Bangladesh averaged only US\$3.4 million per year. The Bangladesh Ministry of Industries listed just sixty-eight existing and forty-one "sanctioned" joint venture and multinational companies in Bangladesh in 1987. The largest amounts of foreign private investment were from other Asian countries—Japan foremost, with smaller amounts from South Korea, Singapore, Taiwan, and Hong Kong—and from Britain and other countries in Western Europe. American investment of about US\$20 million in 1987 was concentrated in the physical assets of a life insurance company, the manufacturing operations of three pharmaceutical firms, and a vegetable oil processing and storage plant.

Money and Banking

Currency Fluctuation

At independence the value of the taka, Bangladesh's unit of currency, was set between 7.5 and 8.0 to US\$1. With the exception of FY 1978, the taka's value relative to the dollar declined every year from 1971 through the end of 1987. To help offset this phenomenon, Bangladesh first used the compensatory financing facility of the International Monetary Fund (IMF—see Glossary) in FY 1974. Despite the increasing need for assistance, the Mujib government was initially unwilling to meet the IMF's conditions on monetary and fiscal policy. By FY1975, however, the

government revised its stance, declaring a devaluation of the taka by 56 percent and agreeing to the establishment by the World Bank of the Bangladesh Aid Group (see Foreign Assistance, this ch.).

Between 1980 and 1983, the taka sustained a decline of some 50 percent because of a deterioration in Bangladesh's balance of payments. Between 1985 and 1987, the taka was adjusted in frequent incremental steps, stabilizing again around 12 percent lower in real terms against the United States dollar, but at the same time narrowing the difference between the official rate and the preferential secondary rate from 15 percent to 7.5 percent. Accompanying this structural adjustment was an expansion in the amount of trade conducted at the secondary rate, to 53 percent of total exports and 28 percent of total imports. In mid-1987, the official rate was relatively stable, approaching Tk31 to US\$1.

The Banking System

The banking system at independence consisted of two branch offices of the former State Bank of Pakistan and seventeen large commercial banks, two of which were controlled by Bangladeshi interests and three by foreigners other than West Pakistanis. There were fourteen smaller commercial banks. Virtually all banking services were concentrated in urban areas. The newly independent government immediately designated the Dhaka branch of the State Bank of Pakistan as the central bank and renamed it the Bangladesh Bank. The bank was responsible for regulating currency, controlling credit and monetary policy, and administering exchange control and the official foreign exchange reserves. The Bangladesh government initially nationalized the entire domestic banking system and proceeded to reorganize and rename the various banks. Foreign-owned banks were permitted to continue doing business in Bangladesh. The insurance business was also nationalized and became a source of potential investment funds. Cooperative credit systems and postal savings offices handled service to small individual and rural accounts. The new banking system succeeded in establishing reasonably efficient procedures for managing credit and foreign exchange. The primary function of the credit system throughout the 1970s was to finance trade and the public sector, which together absorbed 75 percent of total advances.

The government's encouragement during the late 1970s and early 1980s of agricultural development and private industry brought changes in lending strategies. Managed by the Bangladesh Krishi Bank, a specialized agricultural banking institution, lending to farmers and fishermen dramatically expanded. The number of rural bank branches doubled between 1977 and 1985, to more than 3,330.

Denationalization and private industrial growth led the Bangladesh Bank and the World Bank to focus their lending on the emerging private manufacturing sector. Scheduled bank advances to private agriculture, as a percentage of sectoral GDP, rose from 2 percent in FY 1979 to 11 percent in FY 1987, while advances to private manufacturing rose from 13 percent to 53 percent.

The transformation of finance priorities has brought with it problems in administration. No sound project-appraisal system was in place to identify viable borrowers and projects. Lending institutions did not have adequate autonomy to choose borrowers and projects and were often instructed by the political authorities. In addition, the incentive system for the banks stressed disbursements rather than recoveries, and the accounting and debt collection systems were inadequate to deal with the problems of loan recovery. It became more common for borrowers to default on loans than to repay them; the lending system was simply disbursing grant assistance to private individuals who qualified for loans more for political than for economic reasons. The rate of recovery on agricultural loans was only 27 percent in FY 1986, and the rate on industrial loans was even worse. As a result of this poor showing, major donors applied pressure to induce the government and banks to take firmer action to strengthen internal bank management and credit discipline. As a consequence, recovery rates began to improve in 1987. The National Commission on Money, Credit, and Banking recommended broad structural changes in Bangladesh's system of financial intermediation early in 1987, many of which were built into a three-year compensatory financing facility signed by Bangladesh with the IMF in February 1987.

One major exception to the management problems of Bangladeshi banks was the Grameen Bank, begun as a government project in 1976 and established in 1983 as an independent bank. In the late 1980s, the bank continued to provide financial resources to the poor on reasonable terms and to generate productive self-employment without external assistance. Its customers were landless persons who took small loans for all types of economic activities, including housing. About 70 percent of the borrowers were women, who were otherwise not much represented in institutional finance. Collective rural enterprises also could borrow from the Grameen Bank for investments in tube wells, rice and oil mills, and power looms and for leasing land for joint cultivation. The average loan by the Grameen Bank in the mid-1980s was around Tk2,000 (US\$65), and the maximum was just Tk18,000 (for construction of a tin-roof house). Repayment terms were 4 percent for rural housing and 8.5 percent for normal lending operations.



*Rickshaws passing University of Dhaka
Courtesy Siria Lopez*

The Grameen Bank extended collateral-free loans to 200,000 landless people in its first 10 years. Most of its customers had never dealt with formal lending institutions before. The most remarkable accomplishment was the phenomenal recovery rate; amid the prevailing pattern of bad debts throughout the Bangladeshi banking system, only 4 percent of Grameen Bank loans were overdue. The bank had from the outset applied a specialized system of intensive credit supervision that set it apart from others. Its success, though still on a rather small scale, provided hope that it could continue to grow and that it could be replicated or adapted to other development-related priorities. The Grameen Bank was expanding rapidly, planning to have 500 branches throughout the country by the late 1980s.

Beginning in late 1985, the government pursued a tight monetary policy aimed at limiting the growth of domestic private credit and government borrowing from the banking system. The policy was largely successful in reducing the growth of the money supply and total domestic credit. Net credit to the government actually declined in FY 1986. The problem of credit recovery remained a threat to monetary stability, responsible for serious resource misallocation and harsh inequities. Although the government had begun effective measures to improve financial discipline, the

draconian contraction of credit availability contained the risk of inadvertently discouraging new economic activity.

Foreign exchange reserves at the end of FY 1986 were US\$476 million, equivalent to slightly more than 2 months worth of imports. This represented a 20-percent increase of reserves over the previous year, largely the result of higher remittances by Bangladeshi workers abroad. The country also reduced imports by about 10 percent to US\$2.4 billion. Because of Bangladesh's status as a least developed country receiving concessional loans, private creditors accounted for only about 6 percent of outstanding public debt. The external public debt was US\$6.4 billion, and annual debt service payments were US\$467 million at the end of FY 1986.

Foreign Assistance

Test Case for Development

Independent Bangladesh, from the beginning, has been regarded as a test case for development by economists, policymakers, and program administrators of donor countries and international financial institutions. Interest in the area predated political independence, as East Pakistan represented the world's most extreme case of population growth outstripping resources. Because Pakistan was a single country, project design and approval processes occurred at the national level. West Pakistan, also poor, appropriated most commodity aid, capital, and technical and project assistance. The people of East Pakistan considered the attention they received to be inadequate and inequitable (see *Emerging Discontent, 1966-70*, ch. 1).

In October 1974, the Bangladesh Aid Group was established under the aegis of the World Bank, with twenty-six participating governments and institutions. Commitments of the aid group were US\$551 million in FY 1974 and US\$1.2 billion the following year. Aid to Bangladesh has remained at a high level since the consortium came into existence, although with substantial fluctuations in new commitments from year to year. After the high initial commitments, the figure fell to US\$964 million in FY 1976 and to US\$744 million the following year, before turning upward again. Fiscal year 1979 was another breakthrough period, with new commitments of nearly US\$1.8 billion, a figure surpassed 3 years later when the level reached US\$1.9 billion, the all-time high through FY 1987 (see table 10, Appendix).

In the 1980s, the value of food aid declined to around 11 to 18 percent of new aid commitments, most of it given on a grant basis. Commodity aid—about 25 percent of aid commitments to

Bangladesh—including key items for increasing productivity, such as fertilizer, cement, steel, pumps, and other equipment. Project assistance accounted for more than 50 percent of new commitments. This form of aid was preferred by the largest donors because their funds are put to work in well-defined ways that can be related to policy objectives. From the beginning, the Bangladesh government has been unable to use project funds at the same rate as they are authorized. As a result, a pipeline of authorized but undisbursed project funds has grown bigger every year. The undisbursed project assistance pipeline was expected to exceed US\$5 billion in 1988 and to continue to grow after that. Not until the 1990s at the earliest could Bangladesh hope to begin reducing the backlog of undisbursed funds.

Disbursement figures did not account for Bangladeshi repayments of principal and interest on previous loans. In FY 1986, for example, Bangladesh paid out US\$117 million against principal and US\$72 million in interest in connection with earlier aid disbursements. Thus the gross US\$1.3 billion in disbursement of foreign aid that year netted an inflow of US\$1.1 billion. Although these funds were equal to almost 10 percent of Bangladesh's GDP, they averaged only about US\$12 per person, hardly a scale to bring about dramatic improvement in the economy's performance.

Because much of the funding for the development budget in the mid-1980s was financed by external donors, the Bangladesh government had to attract financing for high-priority sectors and projects. Coordination was carried on at all times between the government and individual donors, but the keynote each year was a meeting organized by the World Bank as leader of the Bangladesh Aid Group. At these meetings Bangladesh's finance minister presented his government's development plans for the coming year and sought pledges from the major donors for as much of the Annual Development Programme as possible. The donors also made presentations at the meeting, including assessments of the performance of the Bangladesh economy in general and of the development plans of the government in particular, as background to their views on the realism and appropriateness of the priorities adopted in the five-year plan. These meetings, alternating between Washington and Paris, were the formal culmination of a process that went on year-round. In the late 1980s, the main coordination point with foreign donors was the External Resources Division of the Ministry of Finance, which monitored development projects and administrative and management aspects of planning.

Aid Dependence

International Banks

The World Bank has taken the lead in addressing some of the most deep-seated structural constraints in Bangladesh's economy by providing productive employment for those without assets, promoting economic opportunities for women, and addressing the social and economic inadequacies of education, health, nutrition, and population programs. Among aid projects were the Irrigation Management Programme, which supports drainage and flood control as well as the introduction of pumps and drills; support for maintenance of the nation's more than 43,000 primary schools (including repairs to existing buildings, additions to accommodate larger numbers of pupils, and construction of new schools where needed); and the 500,000-ton Ashuganj fertilizer complex, utilizing domestic natural gas, which came on stream in 1981. The World Bank has made loans to Bangladesh only from its "soft window," the International Development Association. These interest-free loans provide for a 10-year grace period before repayment of principal begins and a 40-year repayment schedule, with the addition of a service charge of 1.5 percent.

The Asian Development Bank was the second largest donor, after the International Development Association, to Bangladesh's development in the 1980s. As of the end of 1985, the Bank had approved 66 loans totaling US\$1.8 billion. In 1985 alone, the bank approved loans of US\$212.3 million for 6 new projects (down from US\$306.8 million for 4 projects the year before). In addition, the bank provided local currency financing of US\$59.8 million for 3 projects, cofinancing of US\$10.5 million to projects with other donors, and a program loan of US\$39 million for provision of fertilizer. About half of the Asian Development Bank's financing has gone to agriculture and agro-industry. The 1985 package, for example, included a livestock development project intended to increase food production and improve rural incomes through expansion of veterinary services and livestock nutrition. In 1987 the Asian Development Bank approved a technical assistance grant (cofinanced by the Norwegian government) to explore the feasibility of growing rubber trees commercially in Bangladesh. The Asian Development Bank also has been active in the development of natural gas (see Mineral Development, this ch.). In 1987 the bank approved a US\$74 million loan for construction and extension of natural gas transmission and distribution pipelines to 5 districts in eastern Bangladesh. The loan was intended to cover 71 percent of project costs, including all of the foreign exchange requirements for the project. The

bank has also supported transportation projects (development and improvement of feeder roads between local markets and primary roads, inland waterways, and railroads) and social welfare schemes for population control, health, and education.

United Nations

In the mid-1980s, the United Nations Development Programme operated its own development projects and coordinated the activities of other United Nations (UN) agencies with programs in Bangladesh, including the World Food Programme, World Health Organization, United Nations Industrial Development Organization, and United Nations Fund for Population Activities. Typically, these agencies provided technical assistance and training. They often functioned as catalysts by doing analytical and policy development work alongside Bangladesh government authorities, preparing the ground for well-conceived programs requiring capital expenditures to be financed by other donors or even by the Bangladesh treasury.

Foreign Governments and Private Donors

The United States aid program to independent Bangladesh began even before the United States formally established diplomatic relations with the new nation in April 1972. Large quantities of emergency food aid were sent to help cope with the postwar famine situation. Project assistance through the United States Agency for International Development (AID) began in 1973 with a major program of reconstruction and infrastructure rehabilitation. In the course of time, that emphasis evolved into economic development focused primarily on three broad sectors: improved soil fertility, food security, and increased off-farm employment. By September 1987, United States assistance totaled US\$2.8 billion. The United States was the most important donor until the early 1980s when Japanese aid reached similar levels.

Food aid has been a mainstay of the AID program. Through 1987 the United States provided more than 6.5 million tons of wheat, more than 1 million tons of rice, and some 350,000 tons of edible oil. Since 1979 all such aid has been on a grant basis. The Public Law 480 (PL-480) program of food and other agricultural commodity assistance has accounted for half of the dollar value of United States government aid over the years. In the mid-1980s, the PL-480 program ranged from US\$85 million to US\$110 million per year. In FY 1986, a high year, the United States provided 586,000 tons of wheat, 63,000 tons of rice, almost 25,000 tons of edible oil, and 58,000 bales of cotton. Commercially procured

quantities of those commodities by Bangladesh in that period included 1.12 million tons of wheat, 34,000 tons of rice, 146,000 tons of edible oil, and 179,000 bales of raw cotton.

The PL-480 program fit into an overall development strategy to increase agricultural production and provide rural employment. Thus the wheat provided under Title II in the late 1980s was part of food-for-work programs, providing payment to workers who upgraded local footpaths and seasonal roads. The sales proceeds of supplemental PL-480 shipments financed a program of bridge and culvert construction on these food-for-work roads.

The commodities shipped under the larger PL-480 Title III program in the mid-1980s provided support to domestic food production and ensured that food was available to the most nutritionally disadvantaged population. Local currency generated from sales financed agricultural research, irrigation, and employment—projects essential to the Bangladesh government's goal of national food self-sufficiency—and increased personal incomes, thereby effectively increasing demand for food.

Other than food aid, the dollar value of United States development assistance stabilized between US\$75 million and US\$85 million annually in the mid-1980s and declined to US\$58.5 million for FY 1988, largely because of general pressures on the United States budget for foreign development programs. The long-term trend remained intact, with the cash value of United States assistance about evenly divided between food aid and project assistance.

As the "largest poorest" country, and because its government has been hospitable to foreign assistance, Bangladesh has been chosen by several of the so-called richer smaller countries as a country of concentration for their own efforts. Thus, in addition to the programs of Britain, Japan, and West Germany, significant aid programs were initiated by Canada, Sweden, Finland, the Netherlands, Switzerland, Australia, and others, in which each country concentrated on areas where it possessed special expertise.

In the mid-1980s, a number of these donor countries—calling themselves "the like-minded donors"—jointly studied the trend of development assistance in Bangladesh. They concluded that the quality of life in Bangladesh was declining for the vast rural majority, and they faulted the way the Bangladesh government determined and administered its development priorities and the way the aid donors organized and carried out their own assistance programs. They presented a report to the Bangladesh Aid Group in 1986 suggesting changes in emphasis in favor of greater concentration on programs responsive to the deepest needs of the poor: better health care, better nutrition, greater literacy, a more effective

approach to family planning, and greater economic opportunities for poor and landless farmers and for women. Although the analysis and conclusions engendered some controversy, the report influenced the direction of aid efforts by the entire Bangladesh Aid Group, including the most important donor and the group's founder, the World Bank.

Economic assistance has come to Bangladesh through the Soviet Union and East European countries and through oil-producing members of the Organization of the Islamic Conference. Much of the aid from these donors has taken the form of construction, equipment, and training. Moscow committed US\$132 million for aid to Bangladesh immediately after independence, but disbursement proved to be very slow. In subsequent years, the Soviets figured prominently in power generation, and as of the end of 1987 the Soviet Union appeared to have agreed to extend more aid for power generation, transmission, and distribution and also for oil exploration.

Although relatively modest in monetary terms, the assistance of private voluntary organizations from the United States and elsewhere has also been important. They have offered assistance on a grant basis in fields where return-on-investment criteria cannot be applied, such as emergency relief, medical services, and basic education. In addition, because of their modest scale and insulation from international politics, these organizations can sometimes venture into activities with a high degree of social experimentation, sometimes producing models to be replicated on a larger scale by official development assistance. Aside from such well-known secular organizations as the International Red Cross and CARE, most of the private voluntary organizations had religious affiliations.

Agriculture

Structure of Agricultural Production

Despite progress toward greater industrialization, in the late 1980s agriculture still accounted for nearly 50 percent of the value of Bangladesh's GDP. Approximately 82 percent of the country's population lived in rural areas, virtually all of them making their living exclusively or substantially from agriculture (see *Rural Society*, ch. 2). Domestic production increased at a relatively steady rate in the years following independence, but not fast enough to close the gap created by the continued rapid growth in population. According to official statistics, the real value of all crops and of agricultural production rose every year in the 1980s, but except for a 6.1-percent surge in FY 1981, the gains did not exceed

3.8 percent, and in 3 of the years it was less than 1 percent. The goal of food self-sufficiency by 1990 was asserted as part of the Third Five-Year Plan, but it could be achieved only under optimal conditions. Bangladesh was still importing an average of 2 million tons of food grains each year to meet minimum needs for the subsistence of the population. Most of the imports were on a grant or concessional basis from the United States, the World Food Programme, or other food aid donors (see Foreign Assistance, this ch.).

The agricultural year begins in late February, when the weather is dry and getting warmer. Over a period of several weeks each field is plowed three or four times; using a wooden plow and two oxen, one man can plow 0.02 hectares in an eight- to ten-hour workday. In addition to plowing, field preparation for irrigation involves construction and maintenance of plot boundaries half a meter high, using earth and weeds from the field. These boundaries also serve to retain water in the plots when the rains come a few months later. Traditional methods of irrigation include pitcher, swing basket, and a hollowed-out log fixed on a pivot and fitted with a counterbalance. These methods have a natural grace and beauty and are still practiced in rural areas throughout Bangladesh. They offer the dual advantages of depending entirely on locally available materials and on human power for their operation. In those rural areas where electricity is available, tube wells with electric pumps are becoming an important irrigation device.

Absolute production has increased, and there has been an impressive diversification into a wide variety of seeds and new crops, such as wheat and vegetables. In fact, the patterns of agriculture have been virtually transformed. A previously self-contained and self-reliant subsistence economy has given way to one dependent on inputs, credit, markets, and administrative support from outside. But the price has been high—literally—and in the late 1980s was getting higher. Abu Muhammad Shajaat Ali, in his study of the agricultural village of Shyampur, describes the local economy as a “near-saturated agroecosystem.” Continued population pressure has led in many areas to increases in output-per-unit area, but at very high rates of diminishing returns to inputs.

Shyampur exemplified the transformation going on in parts of the rural countryside affected by a modern market economy. The income of farmers in Shyampur, because of its proximity to Dhaka’s high-demand urban markets, was greater than in more typical villages of Bangladesh. According to Ali, 31 percent of Shyampur’s families in 1980 had a farm income greater than US\$278 (Tk7,500) per year; 40 percent earned between US\$93 and US\$278; and the remaining 29 percent earned less than US\$93. Eighty-four percent



*Harvesting jute
Courtesy Bangladesh
Ministry of Information*



*Floating bamboo
to market
Courtesy Bangladesh
Ministry of Information*

of farmers were also engaged for at least 100 days per year in off-farm work in small businesses or industrial occupations, with 70 percent of them earning between US\$75 and US\$295 and 23 percent receiving more than that. Virtually all of this employment was for males. As of 1980, it was rare for village females to be employed outside the household. The work they did in raising poultry, cultivating kitchen gardens, husking paddy, collecting fuel, and assisting neighboring families was not figured into calculations of income.

The ownership of agricultural land remained one of the most difficult problems in the Bangladesh countryside. During British rule, elite large landowners (zamindars—see Glossary), many of them absentee landowners, owned most of the land in East Bengal. After 1947 new laws abolished large estates and set limits on the amount of land one person could own. Many big Hindu landlords moved to India, but the wealthy Muslims who bought up their holdings became a new landlord elite. Legal ceilings on landownership resulted in little extra land for distribution to the poor because landlords arranged ways to vest ownership in the names of relatives. As a result, in most villages a few families controlled enough land to live comfortably and market a surplus for cash, while a large percentage of families had either no land or not enough to support themselves. Studies have suggested that in the mid-1980s the richest 10 percent of the village population controlled between 25 and 50 percent of the land, while the bottom 60 percent of the population controlled less than 25 percent. The disparities between the richest and poorest villagers appeared to be widening over time. The large number of landless or nearly landless peasants reduced the average landholding to only less than one hectare, down more than a third since 1971. Because Islamic inheritance law as practiced in Bangladesh calls for equal division of assets among all the sons, the large population increases led to increased fragmentation of landholdings and further impoverishment. Inheritance, purchase, and sale left the land of many families subdivided into a number of separate plots located in different areas of the village.

The ready availability of large numbers of poor laborers and the fragmented character of many landholdings has perpetuated a labor-intensive style of agriculture and unequal tenancy relations. At least a third of the households in most villages rent land. The renting households range from those without any land of their own to those middle-level peasants who try to supplement the produce grown on their own land with income from produce grown on additional land. Sharecropping is the most common form of tenancy agreement. Traditional sharecropping arrangements heavily favored the landlord over the sharecropper, with a fifty-fifty split of the produce

and the tenant providing all inputs of labor and fertilizer. After decades of rural agitation, the 1984 Land Reforms Ordinance finally established the rule of three shares—one-third of the produce for the owner, one-third for the sharecropper, and one-third split according to the costs of cultivation. Poor peasants who could not obtain land as tenants had to work as agricultural laborers or find nonagricultural jobs. The 1984 Agricultural Labour Ordinance set the minimum daily wage for agricultural labor at 3.28 kilograms of rice or its cash equivalent. Employers who broke this rule could be brought to village courts and forced to pay compensation twice the amount of back wages. However, because village courts were dominated by landowners, there was still little official redress for the grievances of agricultural laborers. In fact, the structure of rural land control kept a great deal of power in the hands of relatively small groups of landlords (see *Local Elites*, ch. 4).

The Comilla Model, which began in 1959, has been the most successful and influential example of cooperative agricultural development in Bangladesh. Projects in Comilla District provided more modern technologies to farmers: low-lift water pumps; low-cost hand-dug six-inch tube wells; pilot research on adapting thirty-five-horsepower tractors for rice cultivation; new crop and animal varieties; testing and introduction of such inputs as chemical fertilizers, pesticides, and high-yield varieties of seeds; and new storage and processing technology. These innovations attracted resources to local rural institutions, against the prevailing urban orientation of the leadership elite. They provided some counterweight to the trend of ambitious village people seeking to leave the countryside in favor of the cities or foreign countries. Comilla, which received substantial assistance from Michigan State University and the Ford Foundation, remains a widely admired accomplishment, and the Bangladesh Academy of Rural Development, which gave broad dissemination to published reports on Comilla's progress, is world-renowned because of it.

Food Crops

Rice

The dominant food crop of Bangladesh is rice, accounting for about 75 percent of agricultural land use (and 28 percent of GDP). Rice production increased every year in the 1980s (through 1987) except FY 1981, but the annual increases have generally been modest, barely keeping pace with the population. Rice production exceeded 15 million tons for the first time in FY 1986 (see table 11, Appendix). In the mid-1980s, Bangladesh was the fourth largest

rice producer in the world, but its productivity was low compared with other Asian countries, such as Malaysia and Indonesia. High-yield varieties of seed, application of fertilizer, and irrigation have increased yields, although these inputs also raise the cost of production and chiefly benefit the richer cultivators.

The cultivation of rice in Bangladesh varies according to seasonal changes in the water supply. The largest harvest is *aman*, occurring in November and December and accounting for more than half of annual production. Some rice for the *aman* harvest is sown in the spring through the broadcast method, matures during the summer rains, and is harvested in the fall. The higher yielding method involves starting the seeds in special beds and transplanting during the summer monsoon. The second harvest is *aus*, involving traditional strains but more often including high-yielding, dwarf varieties. Rice for the *aus* harvest is sown in March or April, benefits from April and May rains, matures during in the summer rain, and is harvested during the summer. With the increasing use of irrigation, there has been a growing focus on another rice-growing season extending during the dry season from October to March. The production of this *boro* rice, including high-yield varieties, expanded rapidly until the mid-1980s, when production leveled off at just below 4 million tons. Where irrigation is feasible, it is normal for fields throughout Bangladesh to produce rice for two harvests annually. Between rice-growing seasons, farmers will do everything possible to prevent the land from lying fallow and will grow vegetables, peanuts, pulses, or oilseeds if water and fertilizer are available (see fig. 8).

Wheat

Wheat is not a traditional crop in Bangladesh, and in the late 1980s little was consumed in rural areas. During the 1960s and early 1970s, however, it was the only commodity for which local consumption increased because external food aid was most often provided in the form of wheat. In the first half of the 1980s, domestic wheat production rose to more than 1 million tons per year but was still only 7 to 9 percent of total food grain production. Record production of nearly 1.5 million tons was achieved in FY 1985, but the following year saw a decrease to just over 1 million tons. About half the wheat is grown on irrigated land. The proportion of land devoted to wheat remained essentially unchanged between 1980 and 1986, at a little less than 6 percent of total planted area.

Wheat also accounts for the great bulk of imported food grains, exceeding 1 million tons annually and going higher than 1.8 million tons in FY 1984, FY 1985, and FY 1987. The great bulk of

the imported wheat is financed under aid programs of the United States, the European Economic Community, and the World Food Programme.

Other Food Crops

Food grains are cultivated primarily for subsistence. Only a small percentage of total production makes its way into commercial channels. Other Bangladeshi food crops, however, are grown chiefly for the domestic market. They include potatoes and sweet potatoes, with a combined record production of 1.9 million tons in FY 1984; oilseeds, with an annual average production of 250,000 tons; and fruits such as bananas, jackfruit, mangoes, and pineapples. Estimates of sugarcane production put annual production at more than 7 million tons per year, most of it processed into a coarse, unrefined sugar known as *gur*, and sold domestically.

Industrial Crops

Jute

The importance of one cash crop overshadows all else as the source of Bangladesh's export earnings. Bangladesh is the world's largest producer of jute, a fibrous substance used in making burlap, sacks, mats, rope and twine, and carpet backing. Jute is sold on the international market either raw or in the form of manufactured goods. This so-called "golden fiber" is cultivated on the same land as rice; thus each season farmers must decide which crop to plant.

During the colonial period, when East Bengal was used by the British to produce primary goods for processing elsewhere, raw jute was the main product. Calcutta became the manufacturing center where jute was transformed into twine and rope, sacking material, and carpet backing. The partition of British India in 1947 put an international boundary between the source of the basic commodity and the manufacturing center and imposed a great burden on Pakistan to compensate for the disruption of the industry that was its greatest source of foreign earnings. Between 1947 and 1971 jute mills were constructed in East Pakistan, but industrialization proceeded slowly.

In the 1960s, petroleum-based synthetics entered the market, competing with jute for practically all of its uses. The upheavals culminating in the emergence of independent Bangladesh drove many traditional buyers of jute to shift to synthetics. World trade in jute and jute goods declined absolutely from 1.8 million tons in 1970 to 1.5 million tons in 1982. Despite some major year-to-year swings, prices fell precipitously through the mid-1980s. Prices

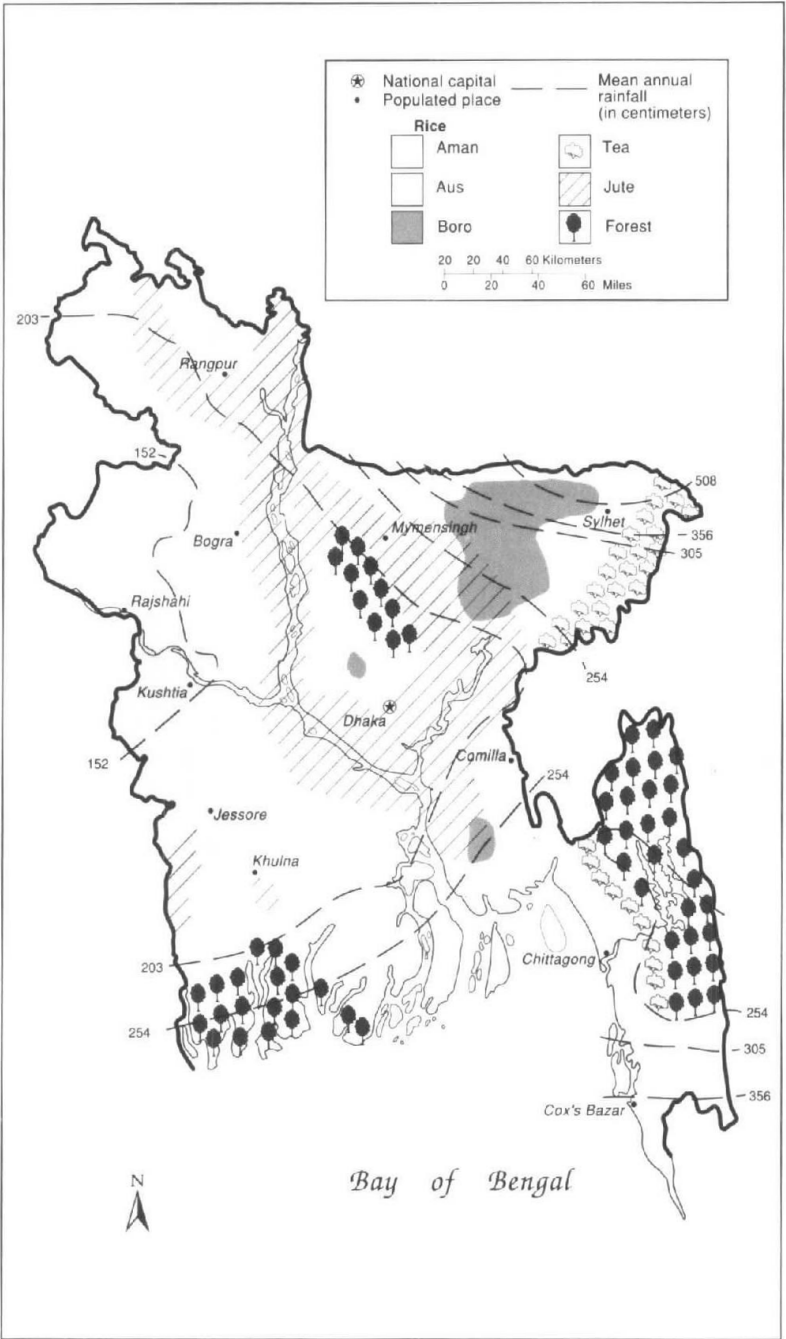


Figure 8. Agriculture and Land Use, 1988

were too low to cover the costs of production, but the government nonetheless deemed it essential to subsidize growers and industry and ensure the continued existence of as large a foreign market as possible. Ironically, Bangladesh's indispensable foreign exchange earner was thus itself a drain on the economy (see Foreign Trade, this ch.).

There have been enormous year-to-year fluctuations both of producer prices and of production. An extreme example occurred between FY 1984 and FY 1986. Carry-over stocks had been run down since the previous production surge in FY 1980, and serious floods in 1984 resulted in unanticipated production losses. The price doubled to US\$600 per ton at the export level, which triggered the traditional response of farmers; they planted much more of their land in jute, and between one year and the next production rose more than 50 percent, from 5.1 million bales in FY 1985 to 8.6 million bales the following year. History proved true to itself yet again when export prices then fell by 50 percent at the export level and by more than 30 percent at the farm-gate level. The drop would have been even greater had the government not intervened. It bought 30 percent of the crop through the Bangladesh Jute Corporation and persuaded private mills to buy more raw jute than justified by their own projections of demand.

Jute is a highly labor-intensive crop, much more so than rice, but the yield per hectare is also higher than is generally achieved for rice. When the farm-gate price for jute is 50 percent higher than the price for rice, farmers respond by planting more land in jute at the expense of rice. With the expansion of irrigation facilities in the 1980s, the economic incentives to stick with rice have increased, but there may be scope for increasing jute production by substituting it for the low-yield broadcast *aus* rice grown on unirrigated land during the same season as jute.

The fact that jute production is so labor intensive has played to Bangladesh's strength, given the country's large rural under-employment. Because wage rates in Bangladesh have been lower than in other jute-producing countries and because Bangladesh has the ideal growing conditions for jute, the country has benefited from encouraging its production even when world price and demand projections have offered bleak prospects. High as Bangladesh's share of world trade has been—in 1985 it amounted to 77 percent of all raw jute trade and 45 percent of jute goods—there are realistic possibilities for expanding the share still further. The World Bank has estimated that Bangladesh's share could rise to 84 percent for raw jute and 55 percent for manufactures. Jute production appeared in the late 1980s to be an essential part of the long-term development

plan because, for all the troubles and struggles associated with its planting and marketing, no alternative activity offered any promise of being more profitable.

Many economists believe the key to preservation of the viability of jute as an international commodity lies in maintaining price and supply stability. That has proved a difficult task. Of thirty major primary commodities traded internationally, only about six have as much price and supply instability as jute. Demand is highly sensitive to price increases, but not nearly as sensitive to decreases; once a portion of the market is lost to synthetics, it is very difficult to win it back through price competition. For example, in FY 1986 export sales remained low despite a 35-percent decline in export prices; the fall in world oil prices had also resulted in declines in the prices of polypropylene substitutes for jute as well, and most buyers that had switched to synthetics chose not to return to jute. In the late 1980s, there was nothing in the offing to arrest the trend of several decades of decreasing global demand for jute and declines in the value of jute relative to the goods Bangladesh must import to meet the basic needs of a desperately poor economy.

The government has an ongoing responsibility to monitor the jute situation, to intervene when necessary, and to preserve the economic viability of the commodity responsible for one-third of the nation's foreign trade earnings. It sets floor prices and becomes the buyer of last resort. In 1986 buffer-stock operations were extended through the Bangladesh Jute Corporation and resulted in the government's buying 30 percent of the entire crop. These stocks then become available for use by the government-owned Bangladesh Jute Mills Corporation or for sale to private mills or overseas customers. But in this case, the limitations of this government tool were demonstrated the next year, when the jute crop was of normal volume but the price of raw jute fell a further 35 percent, to the lowest levels in a decade. The government could not arrest the decline because its financial resources and storage capacity were already stretched to the breaking point.

Some hope for a better future has been placed in cooperation among jute-producing countries through the International Jute Organization, based in Dhaka. Member countries in 1988 were the producing countries of Bangladesh, Bhutan, China, India, Nepal, and Thailand and more than twenty consuming countries, including the United States. The goals of the fledgling International Jute Organization were appropriately modest to begin with, centering on better dissemination of basic information, coordination of agricultural and industrial research and of economic studies, and steps toward coordination of marketing. It remained to be seen in



*Bullock cart hauling produce to market
Courtesy Siria Lopez
An outdoor market near Chittagong
Courtesy Siria Lopez*

mid-1988 whether this poorly financed new organization, representing the first feeble effort at a coordinated approach to the problems of jute, would be effective in arresting its long decline as an important international commodity.

Forestry Products

Wood is the main fuel for cooking and other domestic requirements. It is not surprising that population pressure has had an adverse effect on the indigenous forests. By 1980 only about 16 percent of the land was forested, and forests had all but disappeared from the densely populated and intensively cultivated deltaic plain. Aid organizations in the mid-1980s began looking into the possibility of stimulating small-scale forestry to restore a resource for which there was no affordable substitute.

The largest areas of forest are in the Chittagong Hills and the Sundarbans (see *The Land*, ch. 2). The evergreen and deciduous forests of the Chittagong Hills cover more than 4,600 square kilometers and are the source of teak for heavy construction and boat building, as well as other forest products. Domesticated elephants are still used to haul logs. The Sundarbans, a tidal mangrove forest covering nearly 6,000 square kilometers along the Bay of Bengal, is the source of timber used for a variety of purposes, including pulp for the domestic paper industry, poles for electric power distribution, and leaves for thatching for dwellings. There is also a profitable semiwild honey industry based in the Sundarbans for those intrepid or desperate enough to risk it. Not only are the bees sometimes uncooperative, but the Sundarbans is also the home of the Royal Bengal Tiger, and several instances are reported each year of honey collectors or lumbermen being killed by these man-eaters.

Fisheries

More than 80 percent of the animal protein in the Bangladeshi diet comes from fish. Fish accounted for 6 percent of GDP in FY 1970, nearly 50 percent more than modern industrial manufacturing at that time. Most commercial fishermen are low-caste Hindus who eke out the barest subsistence working under primitive and dangerous conditions. They bring a high degree of skill and ingenuity to their occupation; a few of the most enterprising ones are aided by domesticated otters, which behave like shepherds, swimming underwater, driving fish toward the fisherman's net (and being rewarded themselves with a share of the catch). Fish for local consumption generally are freshwater varieties.



*Employees of Chittagong garment factory
returning from lunch
Courtesy Siria Lopez*

As of the end of 1987, prevailing methods for culturing shrimp in Bangladesh were still relatively unsophisticated, and average yields per hectare were low. In the late 1980s, almost all inland shrimping was done by capture rather than by intensive aquaculture. Farmers relied primarily on wild postlarval and juvenile shrimp as their sources of stock, acquired either by trapping in ponds during tidal water exchange or by gathering from local estuaries and stocking directly in the ponds. Despite the seemingly low level of technology applied to shrimp aquaculture, it became an increasingly important part of the frozen seafood industry in the mid-1980s (see Export Sectors, this ch.).

The World Bank and the Asian Development Bank financed projects to develop shrimp aquaculture in the 1980s. Much of the emphasis was on construction of modern hatcheries. Private investors were also initiating similar projects to increase capacity and to introduce modern technology that would increase average yields.

Industry

Traditional Sectors

The industrial sector produces around 10 percent of GDP, and long-term national strategies in the late 1980s did not anticipate a

major increase in that percentage. The greatest need and the greatest opportunities remained predominantly in the agricultural sector.

Eastern Bengal was known for its fine muslin and silk fabric before the British period. The dyes, yarn, and cloth were the envy of much of the premodern world. Bengali muslin, silk, and brocade were worn by the aristocracy of Asia and Europe. The introduction of machine-made textiles from England in the late eighteenth century spelled doom for the costly and time-consuming handloom process. Cotton growing died out in East Bengal, and the textile industry became dependent on imported yarn. Those who had earned their living in the textile industry were forced to rely more completely on farming. Only the smallest vestiges of a once-thriving cottage industry survived.

At independence Bangladesh was one of the least industrially developed of the populous nations. Annual per capita consumption of steel and cement was only about one-third that of India, for example, and electric power consumption per capita was less than one-fifth.

Ready-made Garments

The ready-made garment industry in Bangladesh is not the outgrowth of traditional economic activities but emerged from economic opportunities perceived by the private sector in the late 1970s. Frustrated by quotas imposed by importing nations, such as the United States, entrepreneurs and managers from other Asian countries set up factories in Bangladesh, benefiting from even lower labor costs than in their home countries, which offset the additional costs of importing all materials to Bangladesh. Bangladesh-origin products met quality standards of customers in North America and Western Europe, and prices were satisfactory. Business flourished right from the start; many owners made back their entire capital investment within a year or two and thereafter continued to realize great profits. Some 85 percent of Bangladeshi production was sold to North American customers, and virtually overnight Bangladesh became the sixth largest supplier to the North American market (see Foreign Trade, this ch.).

After foreign businesses began building a ready-made garment industry, Bangladeshi capitalists appeared, and a veritable rush of them began to organize companies in Dhaka, Chittagong, and smaller towns, where basic garments—men's and boys' cotton shirts, women's and girls' blouses, shorts, and baby clothes—were cut and assembled, packed, and shipped to customers overseas (mostly in the United States). With virtually no government regulation, the number of firms proliferated; no definitive count

was available, but there were probably more than 400 firms by 1985, when the boom was peaking.

After just a few years, the ready-made garment industry employed more than 200,000 people. According to some estimates, about 80 percent were women, never previously in the industrial work force. Many of them were woefully underpaid and worked under harsh conditions. The net benefit to the Bangladeshi economy was only a fraction of export receipts, since virtually all materials used in garment manufacture were imported; practically all the value added in Bangladesh was from labor.

Other Industries

Not all industrial growth in Bangladesh was stimulated by anticipation of foreign sales. The national economy stood to benefit equally from domestic production that could eliminate the need for imports of one kind or another. A good example of import-substitution manufacturing was the pharmaceutical industry, a field that attracted both foreign and domestic investment in the first decade of independence, based on the large potential domestic market. The Drug Ordinance of 1982 introduced controversy and claims by foreign firms that they were victims of discrimination vis-à-vis local pharmaceutical firms. The foreign firms found that the ordinance restricted the kinds of drugs they could manufacture, import, and sell; specifically, foreign pharmaceutical firms could no longer manufacture drugs that Bangladeshi-owned companies were capable of producing. The difficulties foreign investors have encountered seem to have been limited essentially to this one industry, and even there the foreign firms already established have managed to cope more or less successfully. In 1988 one United States firm announced a decision to expand its Bangladeshi manufacturing operations by moving into production of highly specialized medicines with greater profit margins (see Medicinal Drugs and Drug Policy, ch. 2).

Public sector corporations produced a substantial part of the country's paper and newsprint requirements, as well as carrying on sugar-refining operations at modest-sized mills in several parts of the country. They also produced about 100,000 tons of steel per year, 1 million tons of petroleum products, and gasoline pumps, radios, television sets, bicycles, paints and varnishes, cement, and industrial chemicals (see table 12, Appendix).

Mineral Development

Natural Gas

One of the country's few mineral resources is natural gas, which is the basis for nitrogenous fertilizer production sufficient to meet

the country's needs. Estimated national reserves range from 182 billion to 623 billion cubic meters. Deposits lie in more than a dozen different locations, six of which were producing in 1986. The country's gas production is concentrated in the northeastern part of the country (see fig. 9). Reserves also have been discovered offshore, but extraction is not yet cost effective.

Total gas production in FY 1986 was 2.9 billion cubic meters, with production rising at least 10 percent per year. All production was consumed domestically. About 40 percent of production was used for generating power, nearly 40 percent for producing fertilizer, and the rest divided among industrial, commercial, and household uses. Even by conservative estimates of reserves and consumption trends, the supply was expected to be adequate for Bangladesh's requirements through the year 2030.

Coal

In western Bangladesh there are substantial proven reserves of coal, but they remained unexploited in the late 1980s, largely because of the absence of major prospective users in the area. The options of constructing a large coal-fired power station or exporting coal to India were being considered in the late 1980s.

Petroleum

Bangladesh holds unknown quantities of commercially exploitable reserves of petroleum, both on land and offshore. In December 1986, oil was discovered in the Haripur gas field, south of the city of Sylhet, in northeastern Bangladesh. Lucky Well Number Seven promptly went into production at the rate of several hundred barrels per day, the first commercial oil production in Bangladesh. The crude was shipped by rail to the Eastern Refinery in Chittagong, where it was combined with other lighter imported crude oil for refining. The Eastern Refinery had been operating at just 66 percent of capacity and processing 34,000 barrels of crude per day. The domestic addition did not in itself have much of an impact on energy use in Bangladesh, but it was a beginning that fed hopes for further development.

In the late 1980s, the Bangladesh Oil, Gas, and Minerals Corporation was carrying on further test drilling in western Bangladesh as well as in the vicinity of the successful Haripur strike. The government formed a high-level committee under the minister of energy and mineral resources to formulate recommendations for stimulating oil exploration and extraction in Bangladesh. In 1987 the Soviet Union reportedly agreed to provide assistance for oil exploration,

a broadening of its traditional cooperation in the field of power generation, transmission, and distribution.

Electric Power

Electric power is generated by a hydroelectric complex in the Chittagong Hills and thermal plants in Chittagong and several locations in central and western Bangladesh. In 1987 the government announced its intention to proceed with construction of its first nuclear power facility, having concluded that the country's long-term needs could not be met by continued reliance on natural gas reserves. They did not announce how the project would be financed, but West Germany was considered the most likely source. The country's total generating capacity was 1,141 megawatts as of 1986, and the proposed nuclear plant would add between 300 and 400 megawatts.

Electric power outages and restrictions on peak-period consumption were a serious problem in the mid-1980s, resulting in substantial productivity losses for jute, textile, and other industrial concerns. Government and power board authorities worked out a strategy of planned brownouts and shutdowns, which were distributed geographically as equitably as possible to minimize economic disruption. Some industrial concerns adopted off-peak work schedules, operating their factories in the middle of the night instead of in the daytime.

There were also substantial losses in the transmission and distribution of electric power, including many unauthorized hookups to the system. The urban distribution system found it difficult to persuade subscribers, including state-owned industries, to pay their bills. In contrast, the system of rural electrification cooperatives, established in the late-1970s with assistance from the United States and other donors, and gradually expanding since then, has demonstrated that it is possible to deliver electric power effectively to nonurban consumers. Rural electrification immediately transforms economic life: within weeks a profusion of consumer goods appears, night markets open (complete with tiny cinemas for audiences of fifteen or twenty people), and demand for electric irrigation pumps soars.

Biofuels

At the household level, Bangladesh is the prime example of a country in which biofuel supplies (chiefly for cooking) come from the agricultural sector. According to data gathered for FY 1986, 61 percent of biomass energy for fuel use comes from crop residues (jute sticks, rice straw, rice hulls, sugarcane refuse, and other waste

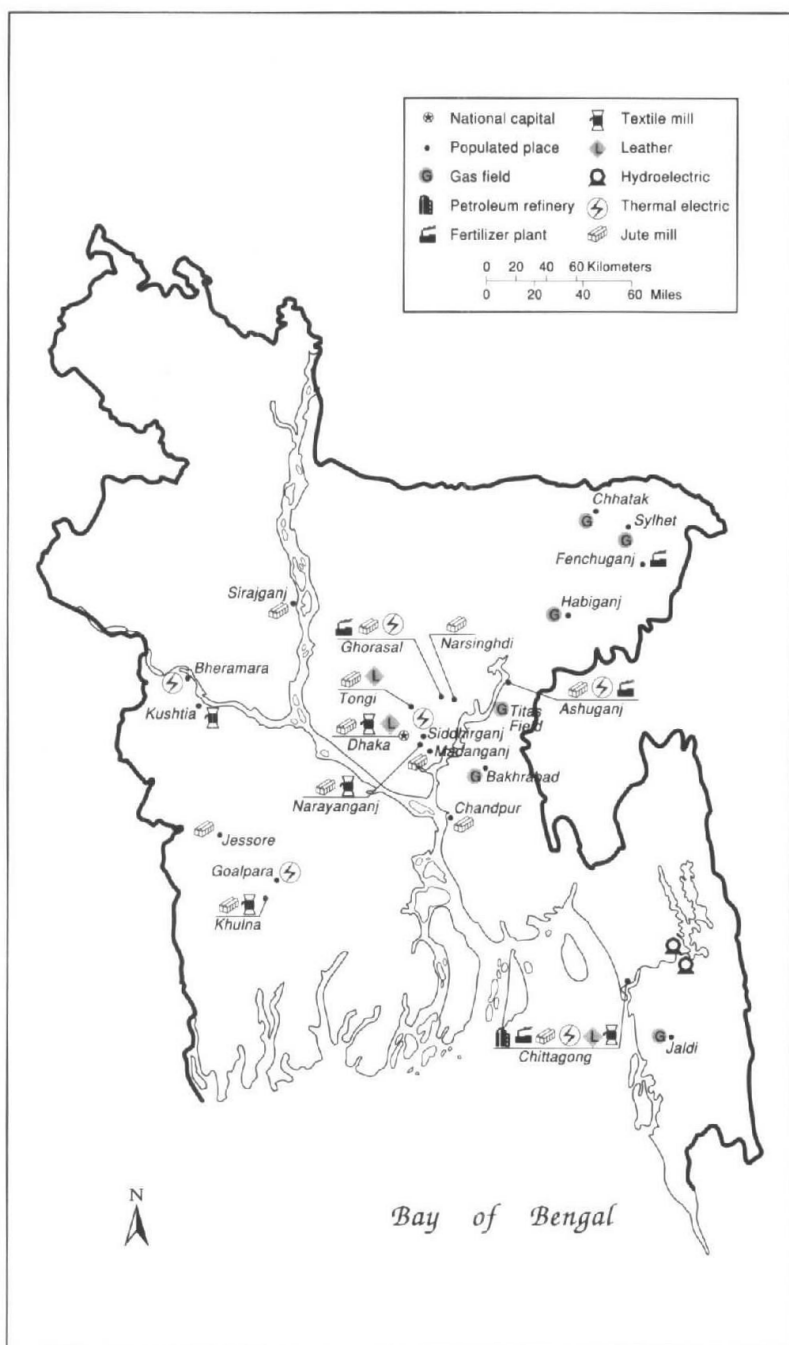


Figure 9. Economic Activity, 1988

products), 24 percent from animal dung, and the remainder from firewood, twigs, and leaves. The firewood typically comes from village trees. The importance of cereal straws means that household energy supply is highly sensitive to changes in agricultural practices and economics and that agricultural policies need to take this into account. The future availability of these fuels was becoming a critical issue in the mid- and late 1980s. Inevitably, new energy resources would have to come from commercial sources. The government and aid donors were struggling with the dilemma of how to provide these needed resources in a manner consistent with the rest of Bangladesh's strategy for long-term economic development and growth.

Technological Advances

The Bangladesh Space Research and Remote Sensing Organization operates remote sensing facilities using both French and American satellites and applying meteorological and geographic data to such basic problems as water management, soil fertility, forecasting, and agricultural census work. In 1986 it became the first non-American organization ever to receive an award for excellence from the United States National Aeronautics and Space Administration, which provided training for Bangladeshi scientists and grants of equipment and technical assistance. The Bangladesh Atomic Energy Commission operates an experimental nuclear reactor and also conducts important agricultural research on seeds, parasites, storage of harvested crops, and irradiation.

Foreign Trade

Export Sectors

Jute

Jute has long been Bangladesh's major foreign exchange earner, and although other products have become important, in 1987 jute still accounted for more than 50 percent of export revenue, with manufactures accounting for an increasing portion of the total (as compared with raw jute) (see table 13, Appendix; Industrial Crops, this ch.).

Since independence, Bangladesh's largest customer for jute products has been the United States; the bulk of sales has been divided fairly evenly between burlap and carpet backing. But, consistent with the global pattern, the United States market has eroded fairly steadily over the years. Sales to the United States reached a low of US\$81.8 million in 1986 but increased again to US\$104.5 million in 1987, when both prices and volume rose. The market

for jute sacking was assisted by the fact that some recipient countries of American food aid specified burlap for their United States imports because they had a secondary market for the bags.

Seafood

In the 1980s, Bangladesh emerged suddenly and dramatically as a major producer of shrimp, frog legs, and fish for export. The seafood industry's sudden success resulted primarily from private entrepreneurial initiatives, in response to a hospitable international market. The natural resources to support a growing fisheries sector are abundant, including enormous potential to develop inland water bodies, as well as even greater productive areas of coastal and offshore waters. Coastal brackish-water shrimp farming was more developed and was likely to grow further as investment increased, higher technology was brought to the activity, and the world market continued buoyant.

The pace of fishery development was impressive in the 1980s. At the beginning of the 1970s, frozen seafood was responsible for less than 1 percent of exports or US\$3.4 million per year. The figure rose to US\$40 million in FY 1981, US\$113 million in FY 1986, and US\$86 million in the first 6 months of FY 1987. At that point, it was suddenly second only to jute as Bangladesh's most valuable export.

Fresh and frozen shrimp accounted for two-thirds of Bangladesh's seafood exports in the mid-1980s; Japan purchased more than half. The United States, Belgium, and Britain were the other major buyers; the United States was the prime customer for frog legs, the largest category after shrimp.

Garments

The first ready-made garment factories in Bangladesh aimed at the export market were opened in the late 1970s by investors from other Asian countries whose exports had been restrained by quotas imposed by importing nations. By the mid-1980s, the ready-made garment industry had become a strong export earner. Garment exports brought receipts of only US\$3 million in FY 1981, but by 1984 exports had risen to US\$32 million, and the following year revenue soared to US\$116 million. For FY 1985 and FY 1986, ready-made garments were the second biggest foreign exchange earner for Bangladesh after jute.

The surge in Bangladeshi exports eventually caused a reaction among some industrial nations. Canada, the European Economic Community, and the United States expressed concern that inexpensive Bangladeshi garments were flooding their markets. In 1985,

after a series of notices as called for by multilateral agreements, the United States—which was the destination of about 25 percent of Bangladesh's garment exports—began imposing quotas on Bangladeshi garments, one category at a time.

Bangladeshi manufacturers, working with the government, organized with remarkable speed and efficiency to adapt to changing conditions. They policed themselves to stay within quotas, allocating production quotas according to equitable criteria, and began diversifying their production into categories where there were not yet quotas: for example, cotton trousers, knitwear, dresses, and gloves. After a period of adjustment, during which some of the least well-established firms closed and workers were laid off, the industry began stabilizing, and growth continued at a more moderate pace. Exports in FY 1986 rose another 14 percent, to US\$131 million, and prospects were good for continued growth at about that rate.

Other Export Industries

The quality of Bangladesh's tea, grown in the Sylhet hills area, is not competitive with tea grown elsewhere in Asia, and during the Pakistan period sales were increasingly restricted to West Pakistan. The war of independence raised a question about whether alternative markets could be found for Bangladesh's tea. Production in FY 1973 was 24 million kilograms, down from 31 million kilograms in FY 1970. Pakistan remained interested in Bangladeshi tea and again became the chief customer, followed by several Arab countries. In the 1980s, production returned to the pre-1971 level and was relatively stable from year to year, but prices were not. Bangladesh received less than half the value in FY 1986 for virtually the same amount sold in FY 1984 (US\$33 million versus US\$69 million). As with jute, Bangladesh could hope for little more than to preserve—but not expand—its small niche in the world's tea trade.

Bangladesh also holds a small place in the international leather trade. World prices were somewhat less volatile than for tea, and in the 1980s Bangladesh could count on annual earnings of between US\$56 million and US\$90 million, primarily because of the high quality and premium prices of skins from Bangladesh. There was little scope for increasing production because competition over land and feed kept down the population of cattle and goats.

In the mid-1980s, fruits, vegetables, and spices also began to become important export items. Previously negligible in export accounts, in FY 1986 this category brought in nearly US\$15 million, chiefly from Middle Eastern and British customers. Prospects were bright for continued growth of this diversification of Bangladeshi agriculture, as external demand was expected to remain lively.

Balance and Terms of Trade

Bangladesh has had a negative trade balance since independence in 1971. In the mid-1980s, the annual pattern was for exports to cover only around 30 percent of the cost of imports (see table 14, Appendix). Merchandise exports reached the value of US\$1 billion in FY 1987 for the first time, and in that year import payments were US\$2.6 billion, leaving a trade deficit of over US\$1.5 billion, about average throughout the 1980s. The annual deficit was limited by government controls to between US\$600 and US\$700 million on capital goods and US\$500 million on nonagricultural industrial commodities. The largest component in the latter category was crude oil and petroleum products. In addition, Bangladesh incurred a debt each year for grain and other food needs, always higher than US\$200 million, and sometimes going to double or even more (at least US\$607 million in FY 1985). The country had a positive balance on nonfood agricultural production, because jute and ready-made garment exports eliminated the deficit in fibers, textiles, and garments.

One way the society has been able to turn its economic problems and overpopulation to some advantage is by exporting workers to wealthy, Islamic countries, chiefly in the Persian Gulf. The remittances from these workers have come to constitute one of Bangladesh's greatest sources of foreign exchange. In FY 1986 remittances were nearly US\$575 million, covering 23.5 percent of import financing requirements and substantially exceeding the total receipts from jute, the chief export. The government maintained records only of new recruits working abroad each year—a peak of 77,694 in 1985—but knowledgeable observers believed that possibly as many as 450,000 were overseas at any one time. Throughout the 1980s, more than a third went annually to Saudi Arabia with a peak of 39,350 new recruits in 1987 (see table 6, Appendix). Other countries receiving large number of Bangladeshi workers in 1987 included the United Arab Emirates (9,953), Kuwait (9,559), Qatar (5,831), and Iraq (3,847). Such workers normally contracted to remain abroad three years and often stayed several years longer. They worked as laborers, under terms negotiated government to government, and generally lived under segregated conditions that effectively prevented Bangladeshi men (who cannot bring their families with them) from assimilating with the local population or experiencing non-Bangladeshi ways of life. When they have returned to Bangladesh with savings and material acquisitions, they generally have had no difficulty fitting back into their society.



*A load of earthen pots on a country boat headed downriver
Courtesy Bangladesh Ministry of Information*

Other remittances have come from the more highly educated elite who are able to take advantage of educational resources at home or overseas and who advance to high positions in business, the professions, the civil service, or even the military. Some have gone abroad—mostly to Britain, the United States, and Canada—and many remit savings to relatives in Bangladesh. The government extends incentives to all expatriate Bangladeshis to send back some

of their savings. They are granted a preferential exchange rate, and a portion of their remittances can be turned back into foreign currency for purchases from abroad.

Including remittances as a form of export revenue still left Bangladesh with a deficit ranging between US\$1.5 billion and US\$1.8 billion each year during the 1980s. Foreign aid was the essential element allowing Bangladesh to steer clear of a critical shortage of foreign exchange.

In FY 1986, the United States was the leading buyer of Bangladeshi exports, taking some 25 percent of the total. The American portion had increased from 16 percent the year before and 12 percent the year before that. The dynamic new element was ready-made garments; the United States purchased over 80 percent of this new industry's production, adding to Bangladesh's traditional base of jute manufactures (mostly carpet backing) and seafood. The next biggest customer for Bangladesh (but with only 28 percent of the American volume) was Japan, which chiefly purchased frozen seafood. Other important customers in FY 1986 were Britain, Italy, Pakistan, Singapore, and Belgium. Trade with communist countries was also significant. Almost 10 percent of exports were under barter terms with the Soviet Union, China, Bulgaria, Hungary, and Czechoslovakia.

The list of suppliers to Bangladesh is eclectic. In FY 1986, Singapore was the leading supplier, with 14 percent of the total (up from 12 percent the previous year). Major supplies were petroleum and petroleum products and also vegetable oils and fats. Next was Japan, with 13 percent of the total, selling iron and steel, transportation equipment, and machinery. In third place was the United States with 8 percent (food grains and machinery), followed by South Korea (textiles), the United Arab Emirates (petroleum), India (textiles and machinery), West Germany (machinery and transportation equipment), China (assorted products), and Britain (machinery, equipment, and sugar products). Other major suppliers were Canada, Pakistan, Saudi Arabia, Malaysia, the Netherlands, and Iran (see table 15, Appendix).

Transportation and Communications

Inland Waterways and Ports

The primary transportation system of Bangladesh is its extensive inland waterways. Some 18.9 million tons of cargo (about 21 percent of the total) were moved by water transportation in FY 1986. As of early 1988, the country had 8,430 kilometers of navigable waterways, of which up to 3,058 were main cargo routes.

There are seasonal difficulties in the navigability of rivers and canals for the traditional country boats that constitute the great bulk of the merchant fleet, but geography and history have made these craft the preferred means of moving goods between the ports on the Bay of Bengal and the interior and between surplus and shortage regions of the country. As of 1987, the Bangladesh Inland Water Transport Corporation operated a fleet of more than 480 vessels; about half were inland and river barges, and the rest were used for coastal trade. The size of the corporation's fleet had been steadily declining over the years, but they still represented a substantial portion of the registered watercraft.

The total number of passenger- and cargo-carrying country boats plying the vast river system was nearly 300,000 and was increasing in the mid-1980s. Some of the larger boats use a single sail to supplement manpower. The larger boats carry loads up to thirty-five tons and operate with crews of three or more. Generally, they are built with a raised platform at the stern of the vessel, on which a man patiently walks back and forth with a large-paddled oar, while others may pole in the shallow water or row from the sides. At times, the boats are pulled with ropes from along the shore. These boats have a shallow draft, necessary for navigating in the extensive but very shallow river system. When loaded, the boats sit low in the water. Cargoes of raw jute or logs from the mangrove forest of the Sundarbans may fill all the interior space and project beyond the gunwales of the boat itself. Other cargoes may be bagged or covered with cloth or bamboo meshwork. Country boats are estimated to move more than 17 million tons of cargo yearly, on a system of at least 1,400 launch landings and the major river ports of Dhaka, Narayanganj, Chandpur, Barisal, and Khulna. Country boats are unsuited for the Bay of Bengal or the broad Padma-Meghna estuary. Thus coastal traffic of bulk agricultural goods is much smaller than inland waterway traffic.

Traditional and modern means of water transportation meet at the seaports of Chittagong and Chalna, where most of Bangladesh's imports and exports are transferred between dramatically different kinds of vessels (see *River Systems*, ch. 2; fig. 10). The government-owned Bangladesh Shipping Corporation reportedly had twenty-one oceangoing ships in its inventory in 1986, and the ships of many other nations called at the major ports. Chittagong, the principal port, has an excellent natural harbor and anchorage on the Karnaphuli River, about five kilometers from the Bay of Bengal. The port facilities were developed after 1947, and by 1970 Chittagong could berth 20 ships at a time and handle 4 million tons of cargo annually. In FY 1985, the port at Chittagong handled

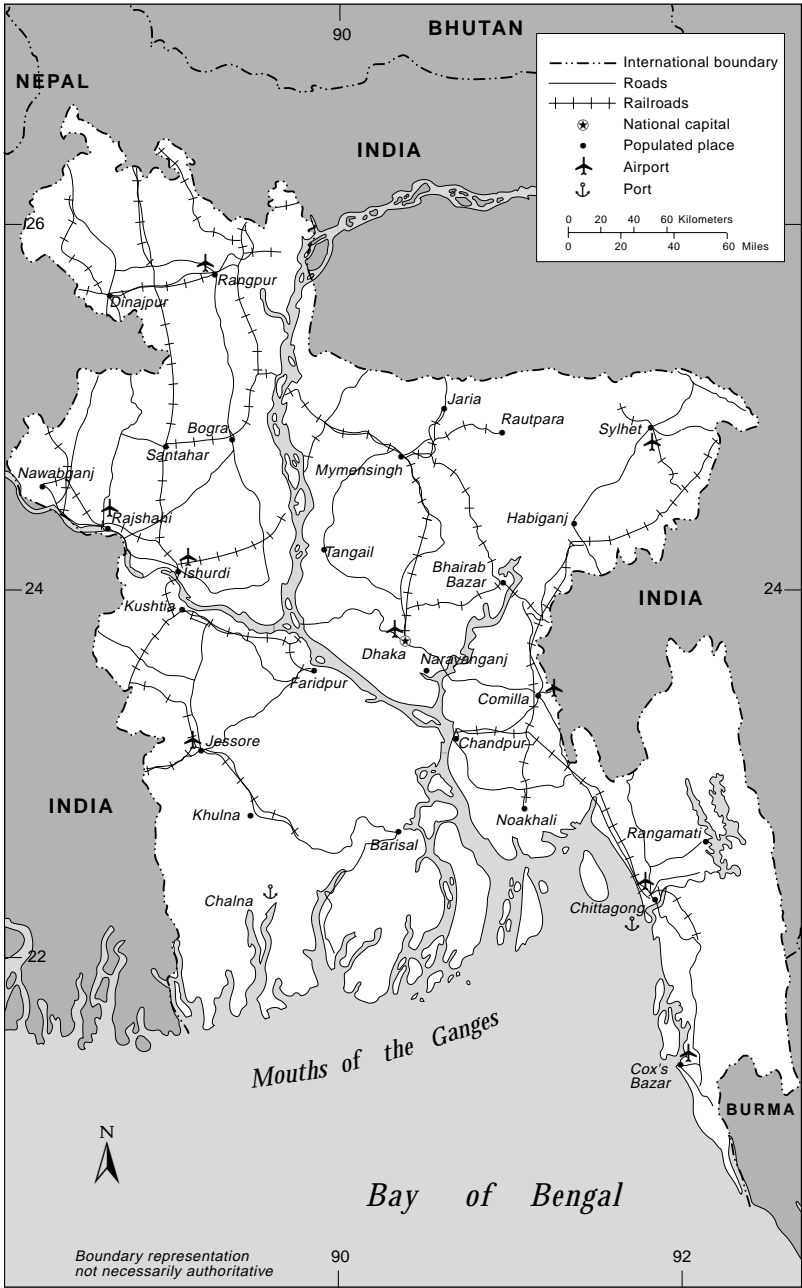


Figure 10. Transportation System, 1988

some 1,086 vessels and 6.2 million tons of cargo. Chalna is on the Puser River about sixty-four kilometers south of the river port city of Khulna. Chalna was still being developed in the late 1980s, but it was rapidly gaining on Chittagong in capacity and in traffic, particularly as land and inland waterway connections also were being improved to reorient the distribution system of the west and north-west areas of the country to the newer port. The port at Chalna handled 545 vessels and 2.3 million tons of cargo in FY 1985.

Road Transportation

As of 1986, there were about 10,890 kilometers of publicly maintained motorable roads in Bangladesh. Despite tremendous flood-related maintenance problems, road transportation was an increasingly important mode of moving goods and people in the 1980s. In FY 1986, some 69.7 million tons of goods (77 percent of the total moved) were carried on Bangladesh's roads. More than half of the roads—about 6,690 kilometers—were paved with cement, concrete, or bituminous materials. Secondary and tertiary byways were paved primarily with mud-baked bricks, stones, or gravel or were made of packed earth. Asphalt and even stone (except for small amounts quarried in Sylhet) must be imported, and the expense can be justified only for urban streets and main roads carrying heavy traffic. Unpaved roads require constant maintenance because of their instability and the cycle of flood and drought. The food-for-work program supported by the United States and other food aid donors makes it possible to support highway development by creating jobs to upgrade the primary highway system, by generating cash for minor bridges and culverts, and by converting seasonal tracks into year-round farm-to-market roads.

Highway transportation is complicated by the deltaic geography, requiring frequent crossings of streams and rivers, especially in east-west travel. There are few major bridges, partly because of shifting river courses, and the absence of significant topographical features makes bridge building costly. The solution is a proliferation of ferryboats of varying size and description. The ferry system operates with remarkable reliability, although capsizings sometimes occur, with heavy loss of life.

Because roads are often in poor condition or travel is difficult, motor vehicles are not the preferred mode for interurban commerce. As of 1986, the government estimated that there were 136,000 motor vehicles in the country, and half of those were motorcycles or autorickshaws.

Rickshaw taxis—three-wheeled, two-passenger bicycle-like vehicles—play an important role in urban transportation in

Bangladesh. In 1986 there were 29,400 registered rickshaws operating in Dhaka alone. Nationally, according to official statistics, there were 182,000 rickshaws in 1986, a 20,000 increase in just 4 years. Rickshaws were introduced in Dhaka in the late 1930s, gradually replacing horse-drawn carriages. The rickshaw operator is generally a young, illiterate migrant from a rural area seeking upward social and economic mobility. The work is physically demanding, and the profits are often less than US\$1 per day. Government authorities have indicated that they hope to eliminate bicycle rickshaws in Dhaka and gradually to allow only autorickshaws, which use motorcycles instead of bicycles. Autorickshaws, commanding higher fares, would represent a social and economic transformation, for the crude, inexpensive, and inelegant bicycle rickshaws respond remarkably well to the conditions of life in urban areas and fill an important economic function.

Railroads

The railroads carry about 2 percent of the nation's cargo. In 1986 Bangladesh had about 2,818 kilometers of railroad track, all of it owned and operated by the government's Bangladesh Railways. Two-thirds of the track (1,838 kilometers) was meter gauge, and the remainder (980 kilometers) was broad gauge. Much of the rail system was rehabilitated in the early 1980s with the assistance of an Asian Development Bank loan.

There were 288 locomotives—mostly diesel powered—serving the rail system in 1986. This was a significant decline from the more than 500 locomotives operating in the early 1970s. The volume of freight carried in more than 19,600 cars steadily decreased in the 1980s, however, going from more than 3 million tons in FY 1982 to 2.3 million tons in FY 1986. Most of the bulk cargo was wheat, fertilizer, sugarcane, raw jute, rice, and cement. With more than 1,660 coaches in use, passenger service was available and popular between large towns; there were some 82 million passengers in FY 1986. In the late 1980s, the government was attempting to improve the quality of that service by adding special fast trains, particularly between Dhaka and Chittagong.

Most rail lines in Bangladesh run from north to south, following the north-south river system, and many freight and passenger journeys include a combination of rail and water movement. East-west lines exist but are a minor part of the total system. Because of the nation's numerous waterways, an average of six bridges or culverts are required per kilometer of rail line. As a result, Bangladesh has some 3,630 rail bridges. Railroad beds, built on the only high ground in some parts of the country, provide a refuge



Biman Bangladesh Airlines DC-10-30
Courtesy Biman Bangladesh Airlines

in times of flooding. During periods of high water, trains often are the major form of mass transportation.

Civil Aviation

The government-owned airline—Biman Bangladesh Airlines—was established in January 1972, using some 2,500 former officers, crew members, and other employees of Pakistan International Airlines. Initially, only domestic service was provided, but within its first year service was expanded to include regional and intercontinental routes. The national prestige of providing premium intercontinental service was underscored in the late 1980s when President Ershad himself served as president of Biman. In the late 1980s, 24 cities in 20 countries were served by Biman, and service was provided to 101 cities in 48 countries with the combined service of Biman and other international carriers. Distant cities, such as London, Paris, Amsterdam, Rome, Athens, various Middle Eastern cities, Bangkok, and Singapore, were served by Biman's three McDonnell-Douglas DC-10-30s. Domestic airports and nearby regional centers, such as Calcutta, Kathmandu, and Rangoon, were served with four smaller jets (1960s-vintage Boeing 707-351Cs) and five propeller-driven airplanes (Fokker-27s and Fokker-28s).

An important part of Biman's business in the 1980s came from charter passengers making pilgrimages to Saudi Arabia (22,165 *hajj* visits were made in FY 1986) and from Bangladeshi workers traveling to and from Middle Eastern countries (see Islam, ch. 2). Biman was thus an important earner of hard currency. During

FY 1986, Biman carried some 879,000 passengers, slightly more than half of whom traveled on its international routes. Nevertheless, it expended a substantial amount of foreign exchange in its operations, and the airline's management was criticized for employing a large number of people—some 4,500 in mid-1988—in proportion to the number of aircraft it operated.

In 1986 there were eighteen airports in Bangladesh: fourteen had permanent-surface runways, but only four could accommodate large jet aircraft. Zia International Airport, twenty kilometers from Dhaka, serves as the national air transportation hub; the Patenga Airport at Chittagong, Sylhet Osmany Airport, and the airports at Jessore, Rajshahi, and Rangpur also are important flight centers.

Telecommunications

Nationwide telecommunications services in 1988 were deficient in both quality and quantity. Resources available to the Ministry of Communications were inadequate. Bangladesh had a ratio of less than 1 telephone per 1,000 people, one of the lowest telephone densities in the world. Telephone facilities were heavily overburdened, with a waiting list for telephone service approaching 50,000. International service improved in the mid-1980s with the introduction of satellite connections through facilities at Bethunia and Talibabad. International and direct-dial facilities existed on a limited basis. Most district towns had access to an alternative system for urgent communications, in the form of a UHF or VHF radio system or radio relay network (see *The Media*, ch. 4). Bangladesh planned to improve its telecommunications during the Third Five-Year Plan (1985–90) by the installation of a digital radio relay network, automation of telephone exchanges, and the installation of a mobile telephone network in Dhaka.

Tourism

Despite its poor-country status, increasing numbers of tourists have visited Bangladesh, a new but minor source of foreign exchange earning. Tourism in the early 1980s amounted to some 49,000 visitors per year, but by 1986 more than 129,000 tourists—mostly from India, the United States, Britain, and Japan—visited Bangladesh. According to the Bangladesh Parjaton Corporation (Bangladesh Tourism Corporation), some Tk44.6 million in foreign exchange was earned in 1986 from the tourism industry.

Problems and Prospects

The Bangladesh government and the Bangladesh Aid Group have taken seriously the idea that Bangladesh is the test case for

development. In the late 1980s, it was possible to say, in the somewhat patronizing tone sometimes adopted by representatives of donor organizations, that Bangladesh had generally been a “good performer.” Even in straitened times for the industrialized countries, Bangladesh remained a favored country for substantial commitments of new aid resources from a strikingly broad range of donors. The total estimated disbursement for FY 1988 was estimated at US\$1.7 billion, an impressive total but just US\$16 per capita. Half of that total was for food aid and other commodities of limited significance for economic growth. Even with the greatest imaginable efficiency in planning and administration, resource-poor and overpopulated Bangladesh cannot achieve significant economic improvements on the basis of that level of assistance.

In examining the economy of Bangladesh, wherever one turns the problems crowd in and threaten to overwhelm the analysis. Underlying problems that have threatened the young nation remain unsolved. These problems include overpopulation and inadequate nutrition, health, and education resources; a low standard of living, land scarcity, and vulnerability to natural disaster; virtual absence of valuable metals; and inadequate government and bureaucratic structures. Yet the brief history of independent Bangladesh offers much that is encouraging and satisfying. The World Bank, leader of the Bangladesh Aid Group, described the country in 1987 as a success story for economic development and expressed optimism that the goals of the Third Five-Year Plan, and longer term development goals as well, could be attained. Government policies had been effective in stimulating the economy. The private sector had benefited from an environment of greater economic freedom and had improved performance in banking and production of jute, fertilizer, ready-made garments, and frozen seafood. The average growth rate of economy had been a steady, if unspectacular, 4 percent since the beginning of the 1980s, close to the world average for developing countries.

The picture of day-to-day and even year-to-year performance of the economy of Bangladesh is a mixture of accomplishment and failure, not significantly different from that of the majority of poor Third World countries. The government and people of Bangladesh are entitled to take some pride in the degree of success they have achieved since independence, especially when one contrasts their success with the gloomy forecasts of economists and international experts. The international donor community, led by the World Bank, similarly can be proud of the role it has played in assisting

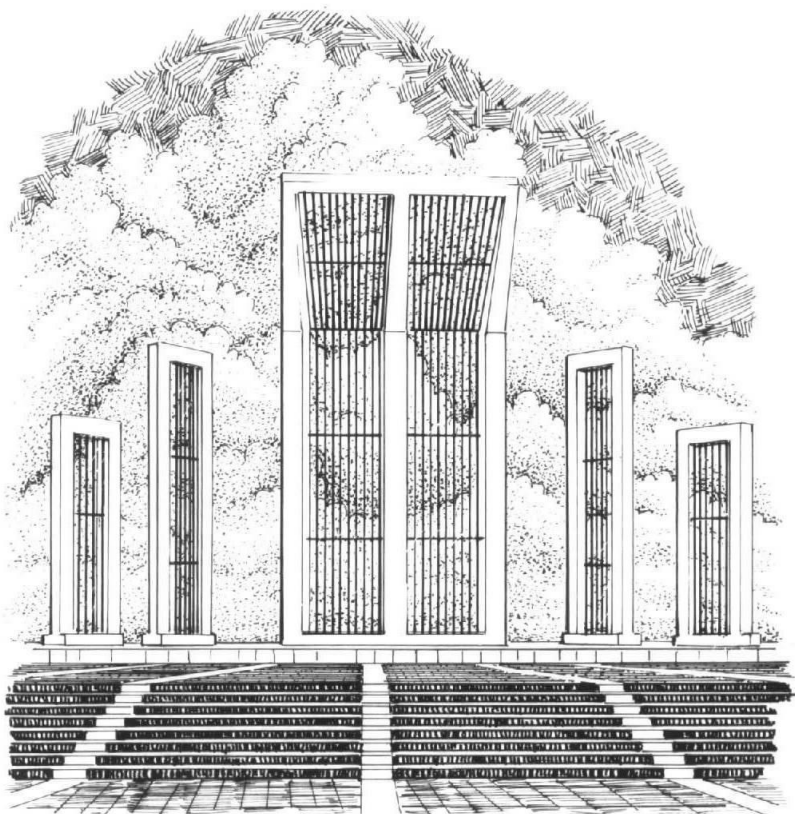
Bangladesh: A Country Study

this "largest poorest" nation to become a respected member of the family of nations.

* * *

Works that are useful for gaining a basic understanding of the Bangladesh economy include *Bangladesh: Emergence of a Nation* by A.M.A. Muhith and *The Political Economy of Development* by Just Faaland and J.R. Parkinson. Rehman Sobhan's *The Crisis of External Dependence* provides an insightful critique of the foreign aid sector. Kirsten Westergaard's *State and Rural Society in Bangladesh* provides information on agricultural development in the context of the relationship between the state and rural society. Articles by Abu Muhammad Shajaat Ali and Akhter Hameed Khan provide agricultural case studies on the village of Shyampur and the Comilla Model, respectively. The *Far Eastern Economic Review* and *Economist* both carry timely reports on the state of the economy. Among the most important sources of information on the economy, however, is the documentation provided by various agencies of the governments of Bangladesh and the United States and the World Bank. Important among these is the annual *Statistical Yearbook of Bangladesh* published by the Ministry of Planning. The *Bibliography of Asian Studies* each year carries numerous reports on the macroeconomy of Bangladesh and should be consulted for details. (For further information and complete citations, see Bibliography.)

Chapter 4. Government and Politics



*The Shaheed Minar—monument for martyrs of
the 1952 language movement, Dhaka*

THE QUEST FOR REPRESENTATIVE government has been an important feature of the history of Bangladesh. The independence struggle of the eastern Bengali peoples against the British, partition from India in 1947, and secession from Pakistan in 1971 set the stage for the people of Bangladesh to create a democratic political system. The Constitution, as it was initially promulgated in 1972, embodied the democratic yearnings of the long struggle for independence and guaranteed human rights and political freedoms within a system of checks and balances similar to those existing in the British and United States governments. But later events ended these hopes. Sheikh Mujibur Rahman (Mujib), hero of the 1971 war of independence, amended the Constitution and assumed dictatorial powers. His successors, most of whom were military men who seized power during various times of trouble, also ruled through autocratic means. As a result, successive regimes established single-party systems representing military interests, with the leader wielding almost absolute power.

Yet the struggle for democracy was still alive in Bangladesh as of the late 1980s. The single-party system of the 1970s and 1980s was unable to satisfy the varied political movements and interest groups of the nation. Opposition parties—although they represented conflicting views and were as unwilling as the ruling regime to share power—remained a vital force that commanded the loyalties of a large proportion of the population.

Socialist and communist parties, centrist parties representing the policies of defunct regimes, and conservative Islamic parties—each with a completely different vision of the path that Bangladesh should follow but united in their opposition to the rule of President Hussain Muhammad Ershad—all vied for power in the late 1980s. Their refusal to participate in parliamentary politics under Ershad, who had seized power in 1982, relegated the opposition to illegal activities and demonstrations on campuses and in the streets that periodically brought economic life to a standstill in urban areas. The ineffectiveness and confrontational position of the opposition only strengthened the regime's hold over Parliament and the civil service and allowed the military to continue its strong autocratic rule.

Remarkably, the policies of Bangladesh's autocratic military rulers have been characterized by a commitment to democratic ideals and an adherence to the Constitution. Ershad seized power in the name of the Constitution, and he sought to legitimize his

position by claiming that he brought stability to the country in order to guarantee democratic freedom. One of Ershad's most significant moves toward democracy was the establishment of a system of local elections that allowed voters to choose members of local representative councils. In the short term, this democratic reform allowed local elites to control government patronage, and it also made them docile supporters of the regime. Nevertheless, by the late 1980s the local councils had become training grounds for new political leaders and forums for democratic competition throughout the nation.

Bangladesh has pursued a neutralist policy in international relations in a continuing effort to secure economic aid from every possible foreign source. Bangladesh in 1988 was one of the few countries in the world on good terms with both the United States and the Soviet Union and their allies and with China, the Islamic world, and most Third World nations. Bangladesh has played an active role in the United Nations (UN), the Nonaligned Movement, and other international groupings, and it was the driving force behind the establishment of the South Asian Association for Regional Cooperation, which offered promise for economic cooperation. Bangladesh was neutral, but it was forceful on a number of international issues. The Cambodian, Palestinian, and South African issues have elicited strong stands from Dhaka, and complicated bilateral problems with India have invoked intense displays of hostility and national pride among Bangladeshis in the years since independence.

Structure of Government

Constitution

The Constitution of Bangladesh has formed the basis for the nation's political organization since it was adopted on November 4, 1972. Many abrupt political changes have caused suspension of the Constitution and have led to amendments in almost every section, including the total revision of some major provisions. It is notable, however, that every regime that came to power since 1972 has couched major administrative changes in terms of the Constitution and has attempted to legitimize changes by legally amending this basic document.

According to the Constitution, the state has a positive role to play in reorganizing society in order to create a free and equal citizenry and provide for the welfare of all. The government is required to ensure food, shelter, clothing, medical care, education, work, and social security for the people. The government must also build socialism by implementing programs to "remove social and

economic inequality” and “ensure the equitable distribution of wealth among citizens.” These far-reaching goals represented the viewpoints of many members of the 1972 Constituent Assembly and the early Awami League (People’s League) government, who were deeply influenced by socialist ideology (see *Fall of the Bangabandhu, 1972–75*, ch. 1). Another sector of public opinion, however, has always viewed private property and private enterprise as the heart of social and economic development. This viewpoint is also part of the constitutional principles of state policy, which equally recognize state, cooperative, and private forms of ownership. The Constitution thus mandates a high degree of state involvement in the establishment of socialism, although it explicitly preserves a private property system. In practice, the Constitution has supported a wide range of government policies, ranging from those of the nationalized, interventionist state of Mujib’s time to the increasing deregulation and reliance on market forces under presidents Ziaur Rahman (Zia) and Ershad.

The framers of the Constitution, after emerging from a period of intense repression under Pakistan, took great pains to outline the fundamental rights of citizens even before describing the government’s structure. According to the section on fundamental rights, all men and women are equal before the law, without discrimination based on religion, race, caste, sex, or place of birth. The Constitution also guarantees the right to assemble, hold public meetings, and form unions. Freedom of speech and of the press are ensured. Persons who have been arrested must be informed of the charges made against them, and they must be brought before a magistrate within twenty-four hours. The Constitution, however, adds that these guarantees are subject to “any reasonable restrictions imposed by law,” leaving open the possibility of an administrative decision to revoke fundamental rights. Furthermore, there is a provision for “preventive detention” of up to six months. Those being held under preventive detention do not have the right to know the charges made against them, nor to appear before a magistrate, and a legal advisory board may extend this form of detention after seeing the detainee. The Constitution does not define the circumstances or the level of authority necessary for the revocation of constitutional guarantees or for the enforcement of preventive detention. During the many occasions of civil disorder or public protest that have marked Bangladeshi political life, the incumbent administration has often found it useful to suspend rights or jail opponents without trial in accordance with the Constitution.

The Islamic religion was the driving force behind the creation of Pakistan, and it has remained an important component of

Bangladeshi ideology. The Constitution as originally framed in 1972 explicitly described the government of Bangladesh as “secular,” but in 1977 an executive proclamation made three changes in wording that did away with this legacy. The proclamation deleted “secular” and inserted a phrase stating that a fundamental state principle is “absolute trust and faith in the Almighty Allah.” The phrase *bismillah ar rahman ar rahim* (in the name of Allah, the beneficent, the merciful) was inserted before the preamble of the Constitution. Another clause states that the government should “preserve and strengthen fraternal relations among Muslim countries based on Islamic solidarity.” These changes in terminology reflected an overt state policy aimed at strengthening Islamic culture and religious institutions as central symbols of nationalism and at reinforcing international ties with other Islamic nations, including wealthy Arab oil-producing countries. Domestically, state support for Islam, including recognition of Islam as the state religion in the Eighth Amendment to the Constitution in June 1988, has not led to official persecution of other religions. Despite agitation by Jamaat e Islami (Congregation of Islam) and other conservative parties, there was no official implementation of sharia (Islamic law) as of mid-1988 (see Islam, ch. 2).

The Constitution is patterned closely on the British and United States models inasmuch as it includes provisions for independent legislative, executive, and judicial branches of government. When it first came into effect, the Constitution established a British-style executive, with a prime minister appointed from a parliamentary majority as the effective authority under a titular president. In 1975 the Fourth Amendment implemented “Mujibism” (named for Mujib), mandating a single national party and giving the president effective authority, subject to the advice of a prime minister. The later governments of Zia and Ershad preserved the powers of the presidency and strengthened the office of the chief executive through amendments and their personal control of the highest office in the land. Because of this concentration of power in individual leaders, the Bangladeshi Constitution gives much greater authority to the executive branch than does the United States Constitution. In fact, the legislature and the courts have few constitutional avenues for checking presidential power, while the executive has many tools for dominating the other branches of the government.

Legislature

The legislative branch of the government is a unicameral Parliament, or Jatiyo Sangsad (House of the People), which makes the laws for the nation (see fig. 11). Members of Parliament, who must

be at least twenty-five years old, are directly elected from territorial constituencies. Parliament sits for a maximum of five years, must meet at least twice a year, and must meet less than thirty days after election results are declared. The president calls Parliament into session. The assembly elects a speaker and a deputy speaker, who chair parliamentary activities. Parliament also appoints a standing committee, a special committee, a secretariat, and an ombudsman.

Parliament debates and votes on legislative bills. Decisions are decided by a majority vote of the 300 members, with the presiding officer abstaining from voting except to break a tie. A quorum is sixty members. If Parliament passes a nonmoney bill, it goes to the president; if he disapproves of the bill, he may return it to Parliament within fifteen days for renewed debate. If Parliament again passes the bill, it becomes law. If the president does not return a bill to Parliament within fifteen days, it automatically becomes law. All money bills require a presidential recommendation before they can be introduced for debate in Parliament. Parliament has the ability to reject the national budget or to delay implementation. It is therefore in the best interests of the executive as well as the entire nation that budgets submitted to Parliament should be designed to please the majority of its members. The legislature is thus a potentially powerful force for enacting laws over the objections of the president or for blocking presidential financial initiatives. In practice, however, because most members of Parliament have been affiliated with the president's party, the legislature has typically served the interests of the president (see *The Ershad Period*, this ch.).

The Bangladeshi and British parliaments have accommodated political parties in a similar manner. After elections, a single political party or a coalition of parties must form a government—that is, they must form a block of votes within Parliament that guarantees the passage of bills they may introduce. Once a parliamentary majority is formed, the president chooses the majority leader as prime minister and appoints other members of the majority as cabinet ministers. Parliament can function for a full five-year term if a single party or coalition can continue to guarantee a majority. If, however, opposition members attract enough votes to block a bill, the president can dissolve Parliament and call for new elections. In order to prevent widespread bribing of members, or the constant defection of members from one party to another, the Constitution declares that party members who abstain, vote against their party, or absent themselves lose their seats immediately. In practice, whenever Parliament has been in session, a

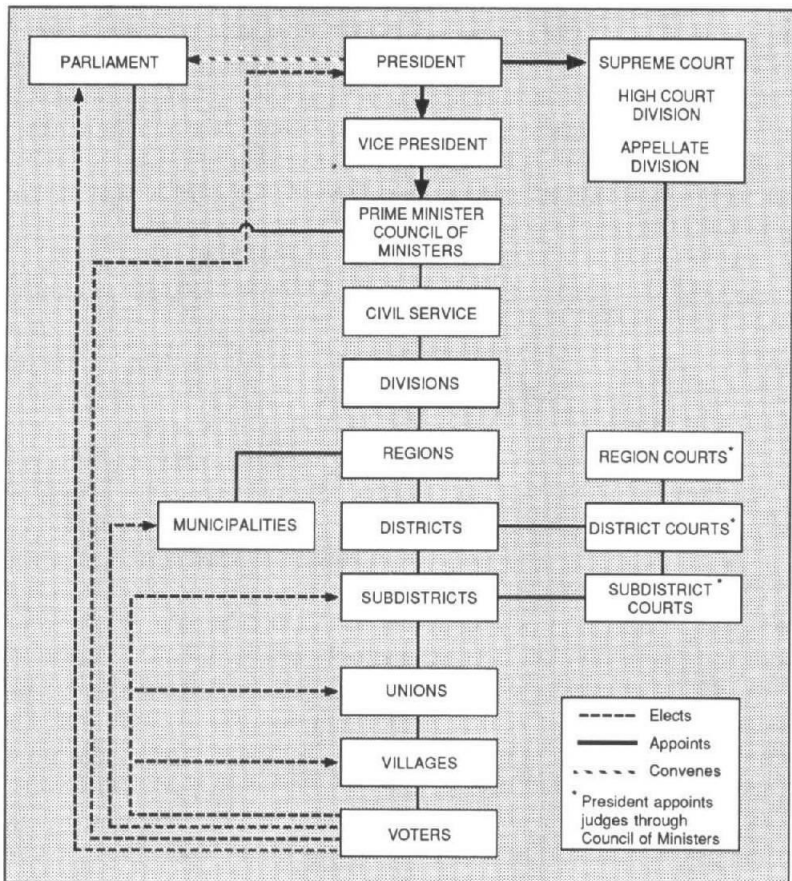


Figure 11. Structure of the Government, 1988

single party affiliated with the president has been able to command a solid majority.

Executive

Presidency

The president, who must be at least thirty-five years old, is directly elected by all voters for a five-year term, and according to the provisions of the Sixth Amendment (1981) he may be reelected. He is commander in chief of the armed forces, oversees the conduct of all foreign affairs, appoints the vice president for a five-year term, and has the power to convene and dissolve Parliament. The president also chooses cabinet ministers, who run

the government bureaucracy; heads a secretariat that devises money bills for introduction into Parliament; and appoints the members of the Elections Commission, who supervise all aspects of elections. In addition, the president appoints, without the need for parliamentary approval, Supreme Court justices and lower court judges. Parliament, in turn, can only impeach the president with a two-thirds vote and can only remove the president from office because of malfeasance or illness with a vote of three-fourths of its members.

The president has a number of extraordinary constitutional means of wielding power and influence. In the case of a constitutionally defined “grave emergency” threatening “the security or economic life of Bangladesh,” the president may issue a proclamation of emergency, which eliminates all restrictions on state power and the protection of fundamental rights. A state of emergency may last 120 days, or longer with Parliament’s approval. If the president determines that “immediate action” is necessary, he may promulgate any ordinance he wants, as long as it is laid before Parliament for approval at its next session—that is, if it has not already been repealed. Added to the considerable power of being able to place persons in preventive detention, these are a potent array of powers controlled directly, and without means for external control, by the president. The Fifth Amendment (1979) allows the president to amend the Constitution, without action by Parliament, by conducting a general referendum allowing a majority of citizens to approve an amendment. Constitutional amendments approved by Parliament must be passed by a two-thirds majority.

The increase in executive power has been the most important trend in the development of the Bangladeshi Constitution. This increase has developed because, in practice, even the very large scope of presidential authority has proved insufficient to protect civilian governments from military coups or to provide military leaders with sufficient legitimacy to preserve their power. Thus Mujib established a constitutional dictatorship, and both Zia and Ershad ruled for extended periods as chief martial law administrators in order to consolidate their hold over the country and to safeguard their influence by increasing their executive powers. Through the extended periods when Parliament was suspended, proclamations of the president or the chief martial law administrator amended the Constitution, not only to strengthen the office of the president but also to legitimize presidential acts.

Council of Ministers

The president administers the country through the Council of Ministers—the cabinet—which is headed by the prime minister,

a presidential appointee. Up to one-fifth of the members of the cabinet may be persons from outside Parliament, allowing experts to participate in the administration of the country, and the president may attract influential politicians to his party by offering them prestigious ministerial posts. The number of ministers in the cabinet has therefore varied over time, according to presidential political strategies. There were nineteen ministers in the 1982, but by mid-1988 Ershad had increased the number to twenty-eight. Variations in the number of ministries do not signify the creation or cancelation of government programs but simply the reclassification of government services. For example, in 1982 finance and planning programs were administered by a single ministry with two divisions, but in 1988 a separate ministry was created for each (see table 16, Appendix). In addition to changes in the status of various governmental divisions, discontinuities have occurred when the president has periodically dismissed ministers or moved them to different ministries. In the midst of this flux, administrative continuity is provided by the secretariats of the various ministries and regions, staffed by senior members of the Bangladesh Civil Service (see Civil Service, this ch.). Ministerial secretaries have often wielded a great deal of power because they are experienced and have numerous personal contacts in their fields, whereas ministers are typically professional politicians who hold office only for a short time.

Judiciary

The government operates courts in the regions, districts, and subdistricts that make up the local administrative system (see Local Administration, this ch.). The judges in these courts are appointed by the president through the Ministry of Law and Justice or the Ministry of Home Affairs. Most cases heard by the court system originate at the district level, although the newer subdistrict courts experienced an increased caseload in the late 1980s. Upon appeal, cases may go up to the Supreme Court, but litigation may be very slow; in 1987 there were 29 Supreme Court judges dealing with 21,600 pending cases. The Supreme Court, as of June 1988, had permanent benches—called the High Court Division—in Dhaka, Comilla, Rangpur, Barisal, Sylhet, Chittagong, and Jessore. It hears appeals from district courts and may also judge original cases. The Appellate Division of the Supreme Court in Dhaka reviews appeals of judgment by the High Court Division. The judges of both divisions are appointed by the president.

At the grass-roots level, the judicial system begins with village courts. An aggrieved party may make an official petition, which requires a fee, to the chairman of the union council (the



*Hussain Muhammad Ershad, president of Bangladesh
Courtesy Bangladesh Ministry of Information*

administrative division above the village), who may call a session of the village court with himself as chairman and two other judges nominated by each of the parties to the dispute. The parties may question the impartiality of the chairman and have him replaced. The majority of cases end at the village court level, which is inexpensive and which hands down judgments that reflect local opinion and power alignments. There are occasions, however, when the union council chairman may reject an official petition to constitute a village court or when one party desires a higher opinion. In these cases, the dispute goes to a government court at the sub-district level. Cases may wind their way up from district courts to permanent benches of the High Court Division. Once cases leave the village courts, they become expensive affairs that may last for years, and few citizens have the financial resources to fund a lengthy court battle.

Rapid political changes in independent Bangladesh have compromised the court system. The Constitution originally stated that the president could remove members of the Supreme Court only if two-thirds of Parliament approved, but the Proclamation (Amendment) Order of 1977 included a clause that eliminated the need for parliamentary involvement. The clause set up the Supreme Judicial Council, consisting of the chief justice and the next two senior judges. The council may determine that a judge is not "capable of properly performing the functions of his office" or is "guilty of gross misconduct." On their advice, the president may remove any judge. In addition, executive action has completely eliminated judicial authority for long periods. For example, under martial law regulations enacted in 1982, the Supreme Court lost jurisdiction over the protection of fundamental rights, and all courts operated under provisions of law promulgated by the chief martial law administrator; special and summary martial law courts handed down judgments that were not subject to review by the Supreme Court or any other court. Furthermore, the Fifth Amendment and the Seventh Amendment placed martial law proclamations and judgments outside the review of the court system. In these ways, the courts have been forced to serve the interests of the ruling regime, rather than standing as an independent branch of government (see Criminal Justice, ch. 5).

Civil Service

The implementation of government policies and projects is the duty of the Bangladesh Civil Service, a corps of trained administrators who form the nation's most influential group of civilians. The importance of the bureaucracy dates back to the colonial period,

when the Indian Civil Service provided an elite, educated, and dedicated body of professional administrators. After the partition of India in 1947, when almost all administrative organs had to be created afresh, both East Pakistan and West Pakistan heavily relied on the managerial expertise of professional managers from the old Indian Civil Service. When Bangladesh became independent in 1971, the members of the civil service who joined the new nation brought with them the heritage of the colonial system. This heritage included administrative competence, which proved invaluable in running a young Bangladesh, and an expectation by the elite of benefits and power.

In mid-1988 the civil service was composed of twenty-eight separate services. There were twenty grades, with promotion to higher grades based on merit and seniority, dependent on annual confidential reports filed by the individuals' supervisors. Recruitment to the civil service occurred through open competition within a quota system. Forty percent of all new positions were allotted on the basis of merit; 30 percent were reserved for former freedom fighters (Mukti Bahini—see Glossary), and 20 percent were allotted to women. The quotas were distributed among districts on the basis of population. Eligibility depended on an entrance examination, which included English, Bangla, and mathematics sections, plus a personal interview. The Public Services Commission, as mandated by the Constitution, conducted the examinations for the civil service. The recruitment system attempted to eliminate the entrenched power of the old elites and to decrease the bias that favored candidates from wealthy, urban families. Although in the late 1980s it appeared that the new rules for recruitment and promotion might widen the backgrounds of civil service personnel and their supervisors, the older, senior members of the service continued to dominate the administration.

Since independence, membership in the civil service has been one of the most desirable careers in the country. For senior civil servants, benefits included government housing at a standard rate of 7.5 percent of base salary, transportation, medical care, and a pension. Equally important were the prestige and influence that accompanied an administrative career. For example, there was great power in directing a division of a ministerial secretariat in Dhaka, or one of its attached departments, subordinate offices, or autonomous bodies. Positions in the countryside were less popular, but the long tradition of bureaucratic elitism and subservience to government officials made the local administrator of the civil service an influential person in the community. In the late 1980s, the centralization of power and influence within the civil service remained

one of the prime targets of administrative changes designed to decentralize politics and economic development throughout Bangladesh.

Local Administration

During the early British period, when modified versions of Mughal (1526–1858) and earlier administrations were adopted, the closest the government came to the rural society was the zamindar (see Glossary), an administrator with concurrent judicial functions, who ensured revenue flows from the localities to the central government and handled a wide variety of official business. Government from the top down was the general rule for the Indian Civil Service and later the Pakistani and early Bangladeshi civil services. After 1971 the government of Bangladesh saw the benefits of involving more people in democratic decision-making and development programs, but the progress of reform was slow. In 1959 General Mohammad Ayub Khan's government inaugurated a "basic democracies" program designed to involve villagers in development programs, with direct elections to union councils and indirect elections to bodies serving larger administrative units. Mujib's government held elections for union councils, but the coup of 1975 prevented their effective functioning. In 1980 Zia's government announced the Self-Sufficient Village Government Plan, but this project ended when Zia was assassinated in 1981. In 1982 Ershad appointed the Committee for Administrative Reorganization/Reforms, which led to the establishment of the National Implementation Committee for Administrative Reorganization. These bodies built a comprehensive plan for administrative decentralization based on the subdistrict.

Bangladesh is divided into four main territorial divisions (see fig. 1). In the late 1980s, the four divisions were divided into twenty-one regions, and the regions were subdivided into sixty-four districts (*zilas*—see Glossary). Below the district level, there were further urban and rural subdivisions. Urban areas include four municipal corporations (Dhaka, Chittagong, Rajshahi, and Khulna, each of which included several municipalities), eighty-seven municipalities (*pourashavas*) and thirty townships (*thanas*). The countryside had 460 subdistricts (*upazilas*—see Glossary), which were further divided into 4,401 unions (the rough equivalent of an urban ward); these, in turn, contained 60,315 *mouzas* (groups of two or more villages—about 20 percent of the total) and single villages (about 80 percent of the total). A further subdivision, equivalent to the rural *mouza*, was the *mahalla*, which was found in urban areas. Each *mouza* or *mahalla*, the size of which was determined by census

data-gathering techniques, contained about 250 households. An average village in the late 1980s contained 1,300 to 1,400 people. An average union contained about 15 villages and a population of about 20,000, and an average subdistrict had 8 to 10 unions with about 200,000 people.

Throughout its history, one of the main challenges to the Bangladeshi government has been finding ways to involve people in democratic politics at every administrative level.

According to the decentralization plan in effect in mid-1988, each rural *mouza* had its own council (*parishad*) of elected representatives chosen by local voters (persons aged eighteen and over). At the next administrative level, the chairmen of the union councils were directly elected by voters within their jurisdictions. The remaining members of the union council were chosen by the *mouza* councils, with each member of the union council representing three or four villages. The chairmen of the union councils formed the voting membership of the council at the subdistrict level, along with three appointed women and another appointed member, usually a former freedom fighter. The chairman of the subdistrict council was directly elected by subdistrict voters. Thus the people had a direct electoral role at the village level, and they had a voice in choosing influential chairmen at the union and subdistrict levels. In the late 1980s, plans called for the expansion of representation at the district level, and the controversial District Council (Zila Parishad) Bill of 1987 was the first step in this direction (see Relaxation of Martial Law, 1986-87, this ch.). By mid-1988, however, these plans had not been implemented; the region and division levels remained administrative units of the civil service and had no political significance.

Local participatory politics met the civil service in the subdistrict council. In the late 1980s, the chief government official in charge of local projects and development efforts was the subdistrict project management (*upazila nirbahi*) officer, who directed a staff of about 250 technical and administrative officers. *Nirbahi* officers were part of the staff appointed by central authorities in Dhaka, and they received their pay, benefits, and promotion from the civil service. Their direct supervisors, however, were the subdistrict council chairmen. The subdistrict councils, through their chairmen, were expected to make plans for public works and development projects within their own territories, spend allocated government funds, and direct the development activities of *nirbahi* officers and their staff. *Nirbahi* officers and other subdistrict technical personnel were allowed to participate in subdistrict council meetings, but only as nonvoting members. Civil service members,

heirs of a long tradition of elite government, took orders from subdistrict council chairmen because the latter wrote the annual evaluations of *nirbahi* officers which served as the basis for promotion within the civil service. In this way, elected representatives of the people at the local level exercised direct control over civil servants and government projects in their own area.

In the late 1980s, the administrative apparatus at the urban level was comprised of a governing council with an elected chairman, elected commissioners (no more than 10 percent of whom were women), and several ex-officio members. A mayor and deputy mayors were elected from among the council members.

The decentralization scheme implemented under Ershad's government was the most ambitious attempt in the history of Bangladesh to bring responsible government to the local level. The system officially began with elections in 1983 for four-year terms to union councils and with elections in 1984 for three-year terms to subdistrict councils. However, there were major problems with this scheme of decentralized administration. First, the electoral system tended to represent only the wealthiest and most influential members of society. These persons made decisions that strengthened their own patronage networks and influence at the local level; the poorest strata in society had little direct voice in elected committees (see *Local Elites*, this ch.). Second, the subdistrict councils were designed to create and implement development activities in their areas, but they were typically slow to draft five-year plans or carry through broad-based development efforts. Most of their projects emphasized construction or public works, (e.g., school buildings or irrigation canals, and they sometimes neglected the personnel and training components necessary for social involvement (see *Economic Policy and Planning*, ch. 3). Third, civil service members have long lacked respect for local politicians, looking to their own advancement from their supervisors in Dhaka. They have often been slow to cooperate with elected members of local committees. For example, although the subdistrict council chairman was responsible for writing the *nirbahi* officer's annual evaluation, the officer was expected to submit the evaluation form to the subdistrict council chairman, and in many cases these forms did not appear, thus preventing the chairmen from exercising control. Finally, the entire system of decentralized politics was viewed by opposition politicians as a patronage network designed to attract local elites to the party of the regime in power. Observers tended to conclude that instead of furthering decentralized democracy, the system only strengthened the national party controlled from Dhaka.



*The Jatiyo Sangsad, Bangladesh's Parliament
Courtesy Bangladesh Ministry of Foreign Affairs*

The Ershad Period

Achieving Stability, 1982–83

On March 24, 1982, the army chief of staff, Lieutenant General Hussain Muhammad Ershad, seized control of the government in a military coup. He proclaimed martial law, made himself chief martial law administrator, and dismantled the structures of democratic government that the administration of the late president Zia had carefully built during the previous five years (see *The Zia Regime and Its Aftermath, 1977–82*, ch. 1). Ershad suspended the Constitution, disbanded Parliament, prohibited all political activities, and deprived the president, vice president, and cabinet ministers of their offices. Three days after the coup, Supreme Court justice Abdul Fazal Muhammad Ahsanuddin Chowdhury became interim president. Ershad became chief minister of a new cabinet, and by December 1983 he had officially taken over the presidency. He declared that he expected a return to democratic rule in about two years. In fact, martial law lasted until November 1986.

Ershad cited as reasons for his coup the growing corruption and inefficiency of the civilian government dominated by the Bangladesh Nationalist Party. After the assassination of President Zia as part of a local military rebellion in Chittagong in May 1981, the Bangladesh Nationalist Party fell into conflicting factions that could

not be controlled by Zia's successor, President Abdus Sattar. Without Zia at the helm, the powerful leaders of the military distrusted Sattar's civilian government. Thus, because the major political forces in the country could not cooperate with each other, there was no resistance to Ershad's takeover. After establishing control of the country, he had three main priorities for bringing political chaos to an end and for governing Bangladesh. His goals were to act against corruption and reorganize the administrative apparatus in order to implement overdue reforms, stand as a strong centralizing force while keeping his civilian opponents at bay, and placate the military so as to prevent further coup attempts. Through mid-1988 Ershad proved remarkably capable at accomplishing these goals, and he had become the longest ruling political leader in the history of independent Bangladesh.

During his tenure as chief martial law administrator, Ershad divided the country into five martial law zones, each headed by a handpicked senior army officer. Twenty-four special and summary martial law courts directly involved the military in local administration. Although the civilian court system continued to function, violations of martial law ordinances were handled by these extraconstitutional martial law tribunals, where active-duty military officers met in secret sessions to try cases ranging from violations of press censorship to vaguely defined "antisocial activities." Those convicted of political crimes had no right of appeal, and defendants were tried in absentia. Martial law deprived the Supreme Court of its jurisdiction over the protection of fundamental rights, and criticism of martial law was punishable by up to seven years' imprisonment.

Ershad moved forcibly to end corruption and reorganize the government. Several hundred politicians, including six former cabinet ministers, were jailed on charges of corruption. Ershad announced that one of his highest priorities was a reorganization of the government in order to decentralize decision making and development projects. In order to outline procedures for this decentralization project, he appointed the Committee for Administrative Reorganization/Reforms, which instituted sweeping changes in local administration (see Local Administration, this ch.). The Land Reforms Ordinance of 1984 granted important rights to tenants for the first time in the history of Bangladesh, and a new plan for the divestment of government industries promised to move the country away from socialism (see Joint Ventures and Foreign Investment, ch. 3). Ershad built on Zia's earlier platform of advocating an increased role for Islam in the culture and politics of Bangladesh.

Emerging Opposition, 1983–86

Ershad had a clear political stage for about a year after the coup because of his severe repression of opposition parties and because of intense factional fighting within all major political groupings (see *Political Dynamics*, this ch.). By early 1983, however, a pattern of confrontation politics had emerged. This pattern dominated the public life of Bangladesh until the late 1980s. Paradoxically, the government's Islamic policies provided a common cause for the first large anti-Ershad demonstrations. A proposed education program was designed to introduce English and Arabic as compulsory subjects in primary and secondary schools. This touched sensitive nationalist nerves, especially among university students, who saw it as a threat to the Bangla language (see *Emerging Discontent, 1966–70*, ch. 1). Several of Ershad's speeches favoring a stronger Islamic movement provoked riots on university campuses, which escalated into battles between students and police on February 14 and 15, 1983. Although the government imposed a curfew and closed the universities, the student movement stirred the opposition into more unified coalitions.

Dozens of political parties existed in Bangladesh during the 1980s, but the two major opposition parties to Ershad's rule were the Awami League and the Bangladesh Nationalist Party (see *Party Politics*, this ch.). The Awami League, which originated in 1949 and emerged preeminent at the beginning of Sheikh Mujibur Rahman's era, gradually united around the leadership of Sheikh Hasina Wajed, Mujib's eldest daughter (see *The War for Bangladeshi Independence, 1971*, ch. 1). A fifteen-party alliance led by the Awami League began to act in unison during 1983. The leadership of the Bangladesh Nationalist Party fell to Begum Khaleda Zia, the widow of President Zia, and the party became the center of a seven-party alliance distinct from the one led by the Awami League. The two major alliances distrusted each other intensely, but they formed the heart of a larger thirty-two-party front, comprising socialist, communist, and Islamic groups, called the Movement for the Restoration of Democracy. This movement adopted a five-point program demanding an end to martial law, restoration of fundamental rights, parliamentary elections, release of political prisoners, and the trial of persons responsible for police brutality in the February student protests. The opposition alliances successfully engineered two general strikes in November 1983, the second resulting in widespread violence and hundreds of casualties among demonstrators and security personnel.

Political events for the next several years revolved around attempts by the Ershad government to move from a military

dictatorship to a civilian government with the cooperation of the political opposition. Ershad's program called for local elections at the union and subdistrict levels, followed by presidential and parliamentary elections, while a national party supporting the government would integrate all political groups in the same way the Bangladesh Nationalist Party had functioned during Zia's regime. Ershad relaxed the ban on political activities in January 1984 and repeatedly called for dialogue with opposition parties, but the major opposition alliances adamantly refused to cooperate while martial law remained in effect. The government held elections for union and municipal councils between December 1983 and February 1984, but repeated public demonstrations by opposition parties forced the cancellation of subdistrict and parliamentary elections. A rising crescendo of violence and civil disobedience led Ershad to reimpose harsh martial law restrictions in March 1985 and to put under house arrest Hasina, Khaleda Zia, and other opposition leaders. The government-sponsored party, Jana Dal (People's Party), had been formed in November 1983, but it had little chance to become organized before the new ban on political activity went into effect.

In 1985 the government went ahead with a "civilianization" program without the participation of the opposition parties. With martial law being fully enforced, a referendum was held on March 21, asking voters: "Do you support the policies of President Ershad, and do you want him to continue to run this administration until a civilian government is formed through elections?" The official count of "yes" votes amounted to 32,539,264, while "no" votes totaled 1,290,217. The opposition had organized a general strike on referendum day and subsequently claimed that the results were fraudulent. In May the government conducted subdistrict council elections. Run on a nonparty, nationwide basis, the elections featured 2,300 candidates competing for 458 seats as council chairmen. Keen local contests occurred amid widespread violence and claims of fraud by the opposition. After these elections, the government released Hasina, Khaleda Zia, and the other opposition leaders from house arrest, and on October 1 it canceled the ban on indoor meetings and rallies of political parties. Meanwhile, the pro-government Jana Dal became the leading component of the new Jatiyo Party (National Party), which featured members who had played prominent roles in Ershad's cabinet. By late 1985, the stage had been set for parliamentary elections. Despite constant opposition party pressure, Ershad's regime had used its control over the government and the military to maneuver the country toward civilian rule.

Relaxation of Martial Law, 1986–87

In March 1986, Ershad removed military commanders from key civil posts and abolished martial law offices and more than 150 military courts in an attempt to ease martial law restrictions. Because these moves satisfied some of the demands of the opposition, an eight-party alliance comprising the Awami League and some smaller parties agreed to participate in parliamentary elections. However, the seven-party alliance led by the Bangladesh Nationalist Party boycotted the May 1986 elections, and according to the opposition parties the elections were marred by extensive fraud, including overt support for Jatiyo Party candidates by Ershad and other government officials, theft of ballot boxes, and beatings of opposition party workers. Official figures claimed the turnout at the polls was between 45 and 50 percent of the electorate, but other observers estimated that only 10 to 30 percent participated. The elections gave the Jatiyo Party an absolute majority of 153 seats in Parliament; its close ally, the Jatiyo Samajtantrik Dal (National Socialist Party), took 7 seats. The Awami League gained seventy-six seats, the Jamaat e Islami took ten seats, and a number of smaller parties and independents won a total of fifty-four seats. All thirty seats reserved for women went to supporters of the Jatiyo Party, giving Ershad's supporters a comfortable majority (see table 17, Appendix).

With Parliament under his control, Ershad proceeded with plans for a presidential election. He resigned as army chief of staff in August 1986 but remained chief martial law administrator and commander in chief of the armed forces. He officially joined the Jatiyo Party in September, was elected its chairman, and became the party's candidate for president. The opposition parties did everything in their power to block these moves, claiming that the trappings of a democratic process were a sham while martial law was in effect. Awami League members of Parliament refused to attend its opening session, and in July Parliament adjourned for an indefinite period. Leftist parties and the alliances led by the Awami League, the Bangladesh Nationalist Party, and Jamaat e Islami boycotted the elections and organized widespread demonstrations, leading to the jailing of many opposition leaders and the house arrest of Hasina and Khaleda Zia. Yet the opposition's tactics did not prevent the successful completion of the presidential election in October. Ershad easily defeated 11 other candidates, officially obtaining 22 million votes (84 percent) of the electorate. Opposition parties again claimed that the election results were fraudulent, and they asserted that only 3 percent of the electorate had cast ballots.

Firmly in control of a civilian government as well as the military establishment, Ershad took steps to legitimize his rule of the previous four years. He summoned Parliament into session on November 10, 1986, to consider a seventh amendment to the Constitution, which would ratify his assumption of power in 1982 and all subsequent actions of his martial law administration. The opposition again took to the streets in protest. The Bangladesh Nationalist Party, Jamaat e Islami, and a leftist five-party alliance led a general strike on November 10. The Awami League, demanding the lifting of martial law, boycotted Parliament and instead held a "parallel parliament" on the stairs of Parliament House. Inside, the 223 representatives present for the session voted unanimously in favor of the Seventh Amendment, and hours later Ershad announced in a national address the withdrawal of martial law and the full restoration of the Constitution. Prime Minister Mizanur Rahman Chowdhury proclaimed these events a "glorious chapter," but Hasina described them as a "black chapter" in Bangladesh's history.

In early 1987, it appeared that Ershad had outmaneuvered his opponents and made the transition to a civilian leadership. The opposition was in disarray. By the time Awami League had decided to participate in Parliament in 1986, its coalition had shrunk from fifteen to eight parties. As a result, it had lost any opportunities it might have had for immediate cooperation with the Bangladesh Nationalist Party and other parties, and it forfeited its claims to moral leadership in the fight against Ershad's regime. The rift between the Awami League and other opposition parties widened during the first half of 1987. For example, the newspapers were full of reports of the insults exchanged between Hasina and other opposition leaders. Ershad took advantage of the situation by convening Parliament in June to consider measures to consolidate his regime further. The most controversial measure was the District Council (Zila Parishad) Bill. This act expanded representative government by allowing elected representatives (members of Parliament and chairmen of subdistrict and municipality councils) to sit on district councils, but it also made provision for members of the military to participate as nonvoting members. The opposition viewed this move as an attempt to install the armed forces in the administration of the country on a permanent basis, thus favoring Ershad and his military supporters. The furor raised by the District Council (Zila Parishad) Bill grew into a storm that reunited the opposition and seriously destabilized Ershad's government from mid-1987 to mid-1988.

More Opposition Pressure

Opposition alliances began public protests against the District Council Amendment Bill in June 1987. The five-party alliance implemented a half-day general strike in Dhaka on June 23. A week later, another half-day general strike supported by the parliamentary opposition paralyzed most cities and towns. Nevertheless, on July 12, 1987, the Jatiyo Party majority in Parliament passed the bill. Two days of strikes and public demonstrations followed. Ershad, responding to opposition pressure, sent the bill back to Parliament for "reconsideration." The opposition, realizing that its disunity would allow Ershad to strengthen his hold over the country, intensified its street demonstrations, and its leaders made moves toward greater cooperation against the government. The opposition parties called for Ershad's immediate resignation and new elections under a caretaker government. On July 24, the longest general strike in Bangladesh's history, a 54-hour campaign led by the Workers-Employees United Council (Sramik Karmachari Oikkiya Parishad), ended after 11 people were killed and 700 injured in street violence between demonstrators and security forces. In October the Workers-Employees United Council led another lengthy strike. The strike lasted for forty-eight hours and ended on October 21.

By the fall of 1987, political events had come to a head. Extensive flooding from heavy monsoon season rains led to widespread misery in the countryside and intense criticism of the government's relief efforts (see *Climate*, ch. 2). Hasina and Khaleda Zia met on October 28, signaling a new phase of cooperation between the two leading opposition coalitions. A liaison committee of the eight-, seven-, and five-party alliances was formed to coordinate the moves of the opposition. The "final showdown," known as the Siege of Dhaka, occurred between November 10 and 12, when the opposition parties brought thousands of supporters into the streets. The government was well prepared for the confrontation, arresting Hasina, Khaleda Zia, and other leaders and sending thousands of security personnel into urban areas to control demonstrations.

Extensive security measures prevented a complete breakdown of public order, and after a week Dhaka was again under control. However, continuing agitation prevented a return to normal life throughout the country, leading Ershad to declare a state of emergency, with familiar restrictions on civil rights, on November 27. The opposition's tactics had shaken the government, but street violence and civil disobedience proved unable to dislodge Ershad's regime.

On December 6, 1987, Ershad dissolved Parliament, which had not met since July. According to the Constitution, he was required to arrange for new elections within ninety days. Also scheduled for early 1988 were elections for union councils and for municipal officials in Dhaka, Chittagong, Khulna, and Rajshahi. These elections were occasions for further public agitation by the political opposition. In early January, five smaller parties joined the opposition coalition, which then implemented a two-day general strike on January 20 and 21. Another general strike occurred on February 6, coinciding with the last date for filing nominations for the municipal elections. On February 13 and 14, following the union council elections, the opposition held another general strike. None of these actions prevented the government from implementing its election plans, but they kept the nation in a state of constant protest; the opposition may have hoped that Ershad's supporters in the military would eventually view him as a political liability and force him to resign.

The elections for union councils on February 10, 1988, were particularly hard fought, and they became a major security problem for the government. There were 115,000 candidates vying for 44,000 positions at 20,000 polling stations throughout the country. Widespread violence marred the elections. The official count listed 85 dead and about 500 injured, although opposition figures claimed 150 had been killed and up to 8,000 had been wounded in street battles between demonstrators and security forces. Election violence forced re-voting at 5,500 polling centers in early April, bringing another round of violence that left 4 dead and 100 more injured.

After the union council elections, the government deployed numerous police and paramilitary personnel and army troops for the parliamentary elections held on March 3, 1988. Schools were closed March 1-5, and a public holiday was declared during the two days before the elections. The Awami League's eight-party coalition, the Bangladesh Nationalist Party's seven-party coalition, the leftist five-party coalition, and Jamaat e Islami led a general opposition boycott. There were 1,168 candidates competing for the 300 seats. The Jatiyo Party won 251 seats, and the Jatiyo Samajtantrik Dal, a close ally of the Jatiyo Party in the preceding Parliament, won 21 seats. Other small parties and independents took only 27 seats. The opposition again claimed a very small voter turnout in these elections—about 1 percent—while the government claimed a 50 percent turnout.

Ershad's style of democracy—which did not include the participation of the opposition—had weathered a long political storm. On April 12, 1988, he lifted the state of emergency, and Parliament



*Ballot box at a polling place for the
February 1988 union council elections
Courtesy Siria Lopez*

duly convened on April 25 amid another general strike. Ershad took the occasion of his opening speech to Parliament to advocate Islam as the state religion. This call grew from Ershad's long-term commitment to Islam as an integral part of state ideology, but it also brought his party's position closer to that of the Bangladesh Nationalist Party, Jamaat e Islami, and smaller fundamentalist parties. Again Ershad appeared to be making overtures for a reconciliation with part of the opposition. On June 7, 1988, Parliament, dominated by the Jatiyo Party, passed the Eighth Amendment to the Constitution, making Islam the state religion and setting up six permanent high court benches outside Dhaka. The parliamentary opposition voted against the measure, and a general strike paralyzed Dhaka.

After six years in power, Ershad could look back on a series of major personal achievements. He had reconciled differences in the armed forces and prevented further military coups, efficiently managed international diplomacy and aid programs, and guided the country through a period of modest economic growth. He served as chief executive of Bangladesh for a longer period than any leader since independence and, in doing so, brought a sense of stability to the nation. However, Ershad had also kept opposition politicians from sharing power, and although he engineered the change

from direct military rule to a civilian government, he made no progress in reconciling the political opposition to his regime. Despite the trappings of a democratic system, the government remained a structure for one-man rule, with a packed Parliament, a hand-picked judicial system, and questionable election practices. The opposition conducted its politics in the streets and refused to grant any legitimacy to Ershad. Stability depended on Ershad's personal survival and his ability to keep street politics under control.

Political Dynamics

Local Elites

For the vast majority of Bangladeshis, politics revolves around the institutions of the village or the union of neighboring villages. Traditionally, the main base for political influence in rural areas has been landownership. During the British colonial period, zamindars controlled huge estates as if they were their personal kingdoms (see *The British Raj*, ch. 1). With the abolition of zamindar tenure in 1950, a new local elite of rich Muslim peasants developed. The members of the new elite owned far less land than the zamindars had once possessed, but they were able to feed their families well, sell surplus produce, send their children to school, and form new links with the bureaucracy of East Pakistan and later Bangladesh. Amid the large majority of poor and generally illiterate peasants, well-to-do farmers formed a new rural leadership that dominated local affairs.

Village society is often divided into a number of factions that follow the lines of kinship (see *Rural Society*, ch. 2). At the center of each faction is a family that owns more land than most of the other villagers. In the colonial and Pakistani periods, local leaders were old men, but the trend since independence is for younger men to head factions as well. The heart of the local elder's authority is his control over land and the ability to provide land or employment to poorer villagers, who are often his kin. Land control may be an ancient prerogative, stretching back to the zamindars, or it may be the result of gradual purchases since independence. A village may have only one faction, but typically there will be several factions within the village, each competing for influence over villagers and struggling for resources from local administrative and development offices.

The leaders of local factions exercise their influence in village courts and as managers of village affairs with other administrative units. The traditional means for resolving local disputes is through the village court, which comprises leaders of village factions and

other members of union councils. Throughout Bangladesh, village courts address the vast majority of disputes, but it is rare for the courts to decide in favor of a poor peasant over a rich peasant, or for the weaker faction over the stronger (see Judiciary, this ch.). The relative security of village leaders makes it possible for some of their children to attend secondary schools, or even colleges or universities; some factions also base much of their authority on their knowledge of sharia. Education is much esteemed in Bangladesh, and degrees are tickets to highly prized government positions or to urban jobs that give the involved families a cosmopolitan outlook. These contacts outside the village include necessary links with bureaucratic institutions that ultimately bring economic aid and patronage jobs to the village. In these ways, the factional leadership of the village provides vital links to the development process, while retaining its traditional position at the top of village society.

Local leaders who control land, people, and education also tend to control the disbursement of rural credit and development funds through their positions in union and subdistrict government. Studies of the leadership of union council members have demonstrated this dominance of local elites over rural political and economic life. Among the chairmen of union councils in 1984, over 60 percent owned more than 3 hectares of land, with an average of almost 8 hectares. Sixty percent were primarily engaged in agriculture, 30 percent were businessmen, and 75 percent had a marketable surplus each year. Eighty percent had incomes greater than TK40,000 (for value of the taka—see Glossary) per year, and 50 percent had incomes greater than Tk100,000. Almost all union council leaders took part in village courts as judges, and most were heavily involved in the support of local mosques and *madrasa* (religious school attached to a mosque) committees (see Religious Education, ch. 2). For victorious campaigns for union council chairmanships, winners spent an average of more than Tk1 million in 1978; most of them mobilized at least 25 people for their campaigns, and 20 percent mobilized between 200 and 2,000 supporters. In 1978 only 7 percent of the chairmen of union councils had college degrees, but the percentage of graduates had increased to 50 percent by 1984.

Political elites were more varied in urban environments. The metropolitan areas of Dhaka, Chittagong, Khulna, and Rajshahi had large numbers of conflicting constituencies and political machines linked to national parties. In smaller cities and towns serving as district and subdistrict administrative centers, some leaders emerged directly from the local social system, whereas others became politically established as a result of their professional

activities. Members of the government bureaucracy and the military, for example, form an important part of a district town's leadership, but they typically have roots, and connections to land, in other parts of the country. Members of the permanent local elite, such as businessmen, union leaders, lawyers, or religious figures, are more concerned with strictly local issues and have strong support from family networks stretching into the nearby countryside. One of the outstanding characteristics of the urban leadership is its relatively short history. In the late 1980s, it was clear that many had emerged from middle-class or rich peasant backgrounds since 1947 or, in many cases, since 1971. Most retained close links with their rural relatives, either locally or elsewhere. Urban elites included professional politicians of national parties, and the entire social group that made up the urban leadership—military, professional, administrative, religious, and business personnel—interacted in a hotbed of national politics.

The National Party

One of the most salient characteristics of Bangladeshi politics has been the drive toward the concentration of power in a single party headed by a strong executive. This process began in 1975 when the Awami League, even with a huge mandate from the people, proved incapable of governing the country, prompting Mujib to form a monolithic national party, the Bangladesh Krishak Sramik Awami League (Bangladesh Peasants, Workers, and People's League). After Zia consolidated his military dictatorship, he formed his own Bangladesh Nationalist Party, which took control of Parliament and attracted opportunistic politicians from the opposition to a strong, centrist platform. Ershad's regime followed Zia's model, with martial law succeeded by the formation of a centrist party—the Jatiyo Party—and the orchestration of a civilian government supporting a strong executive (see *The Zia Regime and Its Aftermath, 1977-82*, ch. 1). Each time a new national party came to power, it banished the opposition into illegal status or manipulated the administrative machinery for its own advantage, driving the opposition into the streets. Parliamentary elections mirrored this process. The Awami League, which was dominant in the early 1970s, progressively moved to the periphery of the electoral process in the late 1970s and throughout the 1980s, despite continuing support for its programs from large segments of the population. The same fate was in store for the Bangladesh Nationalist Party, which thrived while Zia lived but was reduced to boycotting the electoral process after 1981. The Jatiyo Party, created by Ershad and his colleagues, became stronger over time as it

attracted increasing numbers of politicians. This process continued into the late 1980s because the strong executive, who controlled the country's administration, media, and security forces, was able to keep opposition parties off balance with a "carrot and stick" strategy.

The party in power periodically offered attractive government posts to opposition leaders in return for political loyalty or neutrality. During the presidencies of Zia and Ershad, the number of cabinet positions steadily expanded, as potentially influential politicians received rewards for cooperating with the party in power. Before elections, or at about the time of major parliamentary votes, newspapers have carried stories about entire labor unions or blocs of opposition workers who joined the president's party. Reverse currents were observed in the mid-1980s, as individual leaders fell from favor and lost their cabinet posts or else left the national party to form their own political factions, but the overall trend was toward a steady increase in the membership and influence of the dominant party.

Ershad, following the example of Zia's Self-Sufficient Village Government Plan, used administrative decentralization to allocate resources to the grass-roots level, bypassing the local opposition party apparatus and providing a strong incentive for leaders at the village level to support his party. This strategy isolated the opposition parties in urban areas, while the national party disbursed patronage in rural areas. The local elites were opportunistic, changing their affiliations in order to obtain the largest amount of aid for their constituencies. A study of union council chairmen after the 1984 elections revealed that 38 percent had changed party affiliations within the previous 10 years; 53 percent supported the Jana Dal, which had been in existence for 12 months, while only 19 percent supported the Awami League and 8 percent backed the Bangladesh Nationalist Party. In the 1985 subdistrict elections, after the Jana Dal had existed for 2 years, 207 of 460 chairmen supported Ershad's party, and the Jana Dal exercised political control over 44 percent of the nation's districts. This was notable progress for a party with a program essentially the same as that of the Bangladesh Nationalist Party (the party in total control only five years earlier), which controlled only 34 (7.4 percent) of the subdistrict chairmanships. The Awami League, which had dominated the nation 10 years earlier, controlled only 53 (11.5 percent) of the chairmanships.

Military support has been a crucial component of the success of the national party. In the 1970s, observers were unwilling to predict the actions of the military because it was torn by internal

divisions between freedom fighters and returnees from West Pakistan, political groups of the far left and the right, and factional infighting among leftist factions. Zia moved to stabilize the military through a purge of unreliable personnel, more than 1,100 of whom were executed, and through steady progress in professionalizing the services, incorporating elements from both freedom fighters and returnees (see Recruitment, ch. 5). The strong trend under Zia and Ershad away from the Awami League and the Soviet Union decreased communist and Maoist influences, which had been very strong during the 1970s. By the 1980s, it appeared that military officers were the most interested in adequate financial support for the armed forces and limitation of civilian political turmoil. The slow expansion of the military and the opportunity for military leaders to gain administrative positions under Ershad convinced potential military rivals that he represented their interests. Ershad at first followed up on his promises to include the military in civil administration through legislative means, but when he later backed away from the District Council Bill, there were no major stirrings within the military. A more difficult challenge was the Siege of Dhaka in late 1987, with massive street violence, but again the military did not act. Apparently, Ershad and his Jatiyo Party were able to keep political disorder within bounds acceptable to the military leadership.

Party Politics

The government estimated in 1988 that there were 102 different political parties in Bangladesh. The majority of these parties were based solely in urban areas and had tiny constituencies. Many of them were formed by small cliques of like-minded intellectuals or by political leaders who, with their small followings, had broken away from larger political groups. There was a steady turnover in the composition of the smaller fringe groups, which nevertheless continued to organize periodic demonstrations and issue press releases. Amid the welter of conflicting groups, there were five main political forces in the country that had long histories or some claim to support from wide constituencies. At the center in 1988 was the pro-government Jatiyo Party. Opposing it were two centrist parties, the Awami League, led by Mujib's daughter, Hasina, and the Bangladesh Nationalist Party, led by Khaleda Zia. To the left were the pro-Soviet Bangladesh Communist Party, factions of the Jatiyo Samajtantrik Dal, and other socialist groups advocating revolutionary change. To the right was a group of parties, including Jamaat e Islami and the Muslim League, that called for an increased role for Islam in public life. All of the minor political parties in

Bangladesh clustered around the policies and the activities of these five main political forces.

Awami League

The Awami League, which was consistently split during the Zia regime, underwent further turmoil in the aftermath of Ershad's March 1982 coup before achieving a new level of unity. In the 1982-83 period, there were two main groups within the Awami League, one headed by Hasina as president and another headed by Abdur Razzak as secretary general. In October 1983, Abdur Razzak left the party to form the Bangladesh Krishak Sramik Awami League. This group was modeled on the national party of the same name that briefly held power before Mujib's death in 1975. Hasina proved to be a formidable politician and retained absolute control over the Awami League through the 1980s, becoming the major leader of the political opposition in Bangladesh. For several years, the Awami League headed a fifteen-party alliance, but its decision to participate in the 1986 parliamentary elections alienated some leftist parties. This development left the Awami League at the head of an eight-party alliance whose membership was in a state of flux but at one point included the Bangladesh Communist Party, the Bangladesh Krishak Sramik Awami League, the Gana Azadi League (two factions), the National Awami Party, the Samajbadi Dal (Socialist Party), and the Jatiyo Samajtantrik Dal (Sultan Raja faction).

The Awami League traces its descent from the party of Sheikh Mujibur Rahman, and in the late 1980s it continued to advocate many of the socialist policies of the early 1970s. The Awami League condemned the denationalization and militarization of Bangladesh that occurred after 1976, and it leaned toward a pro-Soviet stance. These policies often made it the target of opponents, even those within the alliance, who, in linking its policies to a pro-Indian program, easily attacked it with nationalist rhetoric. The Awami League has been the most outspoken of the opposition parties against the role of the military in government, and in the late 1980s it was doubtful whether military leaders would allow it to achieve a large degree of political influence without a direct military response. Nevertheless, despite the opposition of the Ershad regime and the military, the Awami League has remained one of the few parties with a substantial following throughout the country and with action wings in rural areas. In 1988 its student wing was the Bangladesh Chhatro League (Bangladesh Students League), and its workers' front was the Jatiyo Sramik League (National Workers' League).

Bangladesh Nationalist Party

The Bangladesh Nationalist Party received a heavy blow as a result of Ershad's March 1982 coup. From a position of control under Zia, it was thrown into the political wilderness, with many of its leaders prosecuted for corruption. During the 1982-83 period, the party was divided into two groups, one headed by Abdus Sattar, the deposed president, with Khaleda Zia as senior vice chairman, and the other headed by former Minister of Information Shamsul Huda Chowdhury. The latter group quickly disappeared, and the dominant faction found a popular leader in Khaleda Zia. She became party chairman and was reelected unopposed in 1986. Throughout the 1980s, the Bangladesh Nationalist Party led a seven-party alliance that consistently refused to recognize the Ershad regime. The price it paid for this stance was an inability to participate in the government. In fact, the policies advocated by the Bangladesh Nationalist Party differed little from those of the Jatiyo Party once it was in power, for both groups were descended from the military rule of Zia's time. Although the Bangladesh Nationalist Party generally ranked behind the Awami League in terms of public support, it had a presence in the countryside through its peasants' wing, the Jatiyobadi Krishak Dal (Nationalist Peasants Party), formed in October 1987. The Bangladesh Nationalist Party also backed a student wing called the Jatiyobadi Chhatro Dal (Nationalist Students Party) and a workers' front called the Jatiyobadi Sramik Dal (Nationalist Workers Party).

Leftist Parties

The political left in Bangladesh, represented by a number of socialist and communist parties, has remained numerically small and divided by internal dissension. Yet the left has always been a potent force. The economic difficulties facing workers and peasants and the persistent alienation of the intellectual community have provided fertile ground for the growth of radical politics, and such problems always hold out the potential of massive civil unrest. The socialist policies of the Awami League during the early 1970s brought the small Bangladesh Communist Party, with its pro-Soviet tendencies, very close to attaining political power. More radical groups advocating total revolution based on the Maoist model were major elements behind the growing chaos that brought Mujib down. Under martial law regimes, revolutionary organizational activities became very difficult, and the decline of Maoist ideology in China left Bangladeshi revolutionaries without major ideological support from abroad. During the 1980s, leftist parties were forced

into supporting roles within alliances with the major opposition parties, although some created their own coalitions centered primarily on urban bases.

The Bangladesh Communist Party continued a generally pro-Soviet policy in the late 1980s, and it was part of the eight-party alliance headed by the Awami League. The Bangladesh Communist Party operated a student wing called the Chhatro Union (Students Union) and a workers' front called the Trade Union Centre.

A more significant socialist party in the late 1980s was the Jatiyo Samajtantrik Dal (National Socialist Party). This party began operating in 1972 after the defection of radical elements from the Awami League. It organized an armed opposition to Mujib's regime in the mid-1970s and became very influential among the military during the late 1970s (see Postindependence Period, ch. 5). The party also had some success in parliamentary elections and became important in labor unions through its action wing, the Jatiyo Sramik Jote (National Workers Alliance). By the 1980s, however, it had split into a number of factions with different strategies. The policies of one wing, headed by A.S.M. Abdur Rab, were almost indistinguishable from those of the Jatiyo Party. It cooperated with Ershad's government, praised his martial law rule, supported the move to include the armed forces in district councils and the denationalization bill of June 1987, and participated in the parliaments elected in 1986 and 1988. Another faction, led by Shajahar Siraj, was the Jatiyo Samajtantrik Dal (Siraj), which participated in the 1986 Parliament but consistently voted against the government, calling for "unity of left democratic forces." Still another faction, the Jatiyo Samajtantrik Dal (Inu), headed by Hasan Huq Inu, refused to cooperate with the government and became part of a highly visible five-party alliance along with the Sramik Krishak Samajbadi Dal, (Workers and Peasants Socialist Party); the Bangladesh Samajtantrik Dal (Bangladesh Socialist Party), which comprised two factions; and the Workers Party. The Jatiyo Samajtantrik Dal (Inu) operated a radical student front called the Jatiyo Chhatro Samaj (National Students Society). In short, this inability of the various leftist factions and parties to form a consensus ensured that they would be kept out of power.

Islamic Parties

At the other end of the political spectrum were a number of political organizations that based their platforms on Islamic issues. The group with the oldest tradition was the Muslim League (established in 1906 as the All-India Muslim League), which had been the main force behind the creation of Pakistan in 1947. Because

it favored continued union with Pakistan, the Muslim League was almost eliminated from the political stage during and after the independence struggle. It began to stage a comeback during the 1980s and gathered four seats in the 1986 Parliament. The Muslim League supported complete denationalization and opposed the retention of a 51-percent share of public industries by the government. Its policies closely resembled those that led to the formation of Pakistan. Among other things, the party accused the government of a subservient foreign policy toward India, especially in the matter of water disputes, and it repeatedly called for Islamic rule in Bangladesh (see Foreign Policy, this ch.).

A more important Islamic party during the 1980s was Jamaat e Islami. This party was temporarily banned in the 1970s because of its opposition to independence, but it returned in the 1980s as the premier Islamic party among the opposition. Jamaat e Islami called for a theocracy, not Western-style democracy, but it simultaneously advocated the resignation of Ershad and the restoration of democracy. The party drew much of its strength from dedicated bands of *madrassa* students and graduates. As of 1988, its unofficial but militant student front was the Islami Chhatro Shibir (Islamic Students Camp). It also had a workers' front called the Sramik Kalyan Federation (Workers Welfare Federation).

Besides the Muslim League and Jamaat e Islami, there were a number of small parties, possessing little influence, that were oriented toward a poorly defined Islamic state and an anti-Indian foreign policy. For example, the Bangladesh Khalifat Andolan (Bangladesh Caliphate Movement) wanted to launch a "holy war" (jihad) to establish Islamic rule in Bangladesh and called for a government based on the Quran and Sunna (see Islam, ch. 2). In 1986 another one of these parties, the Islamic United Front, demanded scrapping the 1972 Indo-Bangladeshi Treaty of Cooperation, Friendship, and Peace.

Alliances

The disruptive nature of the Bangladeshi political process was the result of a lack of consensus as to national direction even among the major political forces. In the late 1980s, for example, the Awami League viewed the Bangladesh Nationalist Party as a military-based faction that climbed to power over the bodies of Mujib and his family. The Bangladesh Nationalist Party saw Ershad's regime as the usurper of Zia's legacy, and both the Bangladesh Nationalist Party and the Jatiyo Party feared a return to socialism and the anti-military stance of the Awami League. Meanwhile, the radical left and the Islamic-oriented right held diametrically opposed views of

social organization. Observers believed that any one of these groups, if it were established in power, would do everything it could to eliminate its rivals.

Control of the political process and its resources is a life-and-death proposition for vast numbers of poor people in the urban slums and villages of Bangladesh, and in many cases crucial political decisions, such as local elections or major parliamentary votes, precipitate massive violence. In the midst of this struggle for existence, politicians of all persuasions publicly advocate democratic freedoms but exhibit authoritarian viewpoints and high levels of distrust for their colleagues. Within their own parties, leaders such as Hasina and Khaleda Zia have often behaved in a manner as dictatorial as that for which they have criticized Ershad. In addition, factional divisions have been a constant feature of party life, as political opponents excluded from decision making have "headed to the streets" with their followers. The call for a restoration of democracy, echoed by all groups out of power, therefore has seemed to be a call for a political opening through which one of the opposition parties could seize power. Unhappiness with this state of near-anarchy has kept the military in power and attracted many middle-of-the-road politicians to a strong executive that could control political competition.

Workers and Students

The most important political organ among Bangladeshi workers in the late 1980s was the Workers-Employees United Council (Sramik Karmachari Oikkiya Parishad), an organization of sixteen workers' federations composed of two factions that represented almost the entire labor front. When the Workers-Employees United Council decided to act, it could paralyze urban areas throughout the country. In May 1984, the government avoided a major confrontation by agreeing to several points set forth by the council, including a call for no further privatization of industry or banks, freedom of labor union activities, and a 30-percent raise in the minimum wage. When the government later reneged on some of these points, a council-led general strike occurred in November 1984, which led to government repression. Further strikes in 1987 were coordinated with anti-Ershad opposition parties. The council developed a platform calling for restrictions on the import of luxury goods, land reform, and government support for handicraft industries.

The universities have also been a major proving ground for political parties since the student protests that led to the war of independence (see *Emerging Discontent, 1966-70*, ch. 1).

Beginning with major riots in 1983, universities during the Ershad regime were the site of repeated antigovernment demonstrations and government repression. The Central Students Action Committee, a coalition of student political groups, coordinated a number of political actions in support of the opposition's demands, which culminated in a series of general strikes in 1987. During the Siege of Dhaka, from November 10 to 12, the government closed the University of Dhaka, and it shut down all education institutions in the country later in the month during continuing unrest. Because the major parties—including the Jatiyo Party and its Jatiyo Chhatro Samaj—had student wings, there were often violent confrontations on college and university campuses between rival party members. Gun battles broke out in June 1987 between the supporters of the Bangladesh Nationalist Party's Chhatro Dal (Students Party) and the Jatiyo Samajtantrik Dal (Inu)'s Students League over control of dormitories. Periodic closings of universities after demonstrations or political riots often kept institutions shut down for a good part of the year during the late 1980s.

Women in Politics

Women participated extensively in anti-British agitations during the 1930s and 1940s and were an active force during the independence struggle. Since 1972 the Constitution and the legal system have guaranteed equal rights for women to participate in all aspects of public life. The prominence of the well-known opposition party leaders Hasina and Khaleda Zia at first sight indicated a national openness to women's political power. Both, however, were exceptional in Bangladeshi politics. They originally owed their positions to family connections and only later skillfully built their own followings and platforms. Women candidates for political office were a rarity in the 1970s and 1980s, and female participation was labeled anti-Islamic by conservative men throughout the country. Secular provisions in Bangladeshi laws safeguarded the equality of women while "protecting" them and assuming their dependence.

Women running for office have had little success. In the 1979 parliamentary elections, for example, only 17 women were among 2,125 candidates for 300 seats; none of the women won, and only 3 polled over 15 percent of the vote. At the union council level, the 1973 elections returned only one woman chairman, and the 1977 and 1984 elections each returned only four female chairmen. The leaders running the country, recognizing that women suffer disabilities when competing for office against men, reserved thirty seats for women in Parliament. The profiles of the women occupying these seats exemplified the subordinate positions of women in



*The National Martyrs' Monument at Savar, near Dhaka
Courtesy Embassy of Bangladesh, Washington*

Bangladesh, even those occupying public offices. In the 1979 Parliament, fifteen women members were formerly housewives, and twenty-seven had no prior legislative experience. A study of women nominated to union councils revealed that 60 percent were less than 30 years of age, only 8 percent were over 40 years of age, and only 4 percent had college degrees.

Prior to the 1988 parliamentary elections, the provision for reserved seats for women had been allowed to lapse. The result was that women were left practically without representation at the national level, although there were other forums for political involvement at the local level. In mid-1988 three women sat on union and subdistrict councils. Municipal councils also included women, but the law precluded women from exceeding 10 percent of council membership. Some women's groups, such as the Jatiyo Mohila Sangstha (National Organization for Women), have held major conferences to discuss women's problems and mobilization strategies. Although these women's organizations were the province of middle-class women, they served as training grounds, as did local councils, for a new generation of politically active women.

The Media

One of the most effective means for the ruling political party to control the nation was through manipulation of the news media.

In the 1980s, the government's National Broadcasting Authority monopolized telecommunications within the country. Thus the party that controlled the government effectively decided the content of the country's broadcasts. Until the early 1980s, the government also ran a number of daily and weekly newspapers. Such newspapers printed the ruling party's version of the news. As part of Ershad's policy of divesting government-owned properties, however, these official sources of propaganda were removed from government control, thus ending a legacy left over from the Mujib period. Each major political party in the late 1980s had one or more newspapers that supported it, and each used its own newspapers to publish its official views.

Bengali society has the longest tradition of freedom of the press in South Asia, and its dozens of weekly and daily newspapers, press associations, and publishers guarantee that almost any opinion finds expression. Ruling regimes have countered this independence by exercising press censorship. Repression of the media has varied from banning certain publications for extended periods of time to officially pressuring publishers to regulate the content of news articles. For example, the English-language *Bangladesh Observer* was banned for three months in 1987, and the weekly *Banglar Bani* (Bengal's Message) was banned through much of 1987 and 1988. The weekly *Joyjatra* (Victory March) was banned in February 1988 for publishing "objectionable comments" referring to the possibility of Ershad's resignation. In 1988 the government closed the *Dainik Khabor* (Daily News) for ten weeks under the Special Powers Act of 1974 because the newspaper had released an article with a map making Bangladesh look like part of India, thus inflicting "injury to the independence and sovereignty of the country." In addition, the operations of the British Broadcasting Corporation were banned under the Special Powers Act from December 14, 1987, to May 2, 1988, and one of its correspondents was jailed for allegedly having manufactured "continuing hostile and tendentious propaganda."

Bangladeshi journalists are unionized, and they sometimes strike back at government censorship. During the 1988 parliamentary elections, journalists staged a walkout to protest attempts by the government's Press Information Department to restrict news and photographic coverage of election violence and opposition demonstrations. The continuing struggle between the press and the government regularly kept at least six newspapers on the list of banned publications in the late 1980s.

With a 29-percent literacy rate, newspapers and journals are not widely read in Bangladesh. For example, despite the publication

of 62 daily newspapers, only 22 percent of all urban households in 1982 reported regularly reading them; a dismal 2.5 percent was reported for rural areas.

Both Radio Bangladesh and Bangladesh Television were established in 1971, and both came under state control in 1972. In 1984 they merged to form the National Broadcasting Authority. In 1988 the twelve home service stations and twelve FM stations of Radio Bangladesh offered a total of eighty-five hours of daily programming. Radio Bangladesh also transmitted to Southeast Asia, the Middle East, Africa, and Western Europe via its shortwave station at Dhaka. Seven and one-half hours of daily programming were broadcast in six languages: Bangla, English, Arabic, Hindi, Urdu, and Nepali. The television service operated two channels, with eight and one-half hours of daily programming, relayed by twelve stations for reception throughout the country. However, outside Dhaka the number of television sets was very small, and television was not yet a significant medium when compared with radio, press, and word-of-mouth communications. Statistics from the early 1980s indicated that about 29 percent of the country's urban households had radios, and only 6.7 percent had television sets. In the countryside, broadcast communications were even less available: 13 percent of all rural households had radios, and only 0.2 percent had televisions (see Telecommunications, ch. 3).

Foreign Policy

The foreign policy of Bangladesh is tied closely to the realities of its economic condition. Since independence the country has required a great deal of foreign assistance in the effort to keep its people fed and to build, for the first time, a modern society. Under these circumstances, it has been important for successive regimes to seek good relations with all nations and to attract economic aid from every possible source (see Foreign Assistance, ch. 3). Bangladesh has therefore cultivated good relations with both the United States and the Soviet Union, and their respective allies, but it has remained unaligned with either superpower. In an attempt to stimulate regional development plans, Bangladesh has been instrumental in organizing regional economic cooperation in South Asia. It has also been active in international organizations, especially in those dedicated to solving the economic problems of the poorer countries of the world.

Despite its poverty and small military capability, Bangladesh has not hesitated to defend its sovereignty and to take strong stands on many international issues. Any hint that India might try to intimidate Bangladesh or encroach on its territorial rights has

quickly elicited a powerful, nationalistic response from all levels of society. Furthermore, Bangladesh has annoyed both superpowers by standing against them on various major issues, and relations with both the United States and the Soviet Union have gone through difficult periods. A major component of Bangladesh's self-assertiveness has been evident in its efforts to focus on its Islamic heritage and its quest for fraternity with the worldwide Muslim congregation. The friendly relations it has enjoyed with Islamic nations have led to the receipt of economic aid from wealthy Arab countries.

South and Southeast Asia

India

Relations between Bangladesh and India have often been difficult. There was considerable hostility on both sides of the border when East Pakistan was established in 1947 in the midst of intense communal struggles among various ethnic groups. As part of Pakistan, East Pakistan was at war with India in 1947 and 1948 and again in 1965. During the 1971 war of independence, Bangladeshi freedom fighters were aided by India, but the country's distrust of its giant neighbor reemerged as soon as the fighting ended. In general, a considerable body of Bangladeshi public opinion has viewed India as a bully, throwing its weight around and threatening the sovereignty of its smaller neighbors. The fact that the two nations are so closely intertwined—with 2,400 kilometers of border, common river systems, and numerous transborder cultural or economic contacts—has provided numerous opportunities for bilateral disputes that often reinforce Bangladeshi fears. Conversely, the fact that the two countries are so closely interconnected has sometimes forced them to come to terms with each other, and as of mid-1988 bilateral problems had not escalated into a major armed conflict. Indeed, relations between Bangladesh and India have been diplomatically proper, with a trend toward increasing cordiality and cooperation over time.

Mujib's government, which lasted from 1971 to 1975, owed a large debt to India for aid to Bangladesh during its independence struggle, and relations were initially positive. In March 1972, the Indo-Bangladeshi Treaty of Cooperation, Friendship, and Peace pledged each nation to consultations if either were attacked. This was an important safeguard for the new nation, but critics have pointed out that the treaty does not specify the external threats to either nation, suggesting the possibility that India could use the treaty as an excuse for intervention in Bangladesh. The series of

coups that replaced Mujib's government brought bilateral relations to their lowest level and led many Bangladeshis to fear Indian intervention. The Indian government, then controlled by Indira Gandhi's Indian National Congress, looked with misgivings on the anti-Indian and anti-Soviet stance of the new military regimes. For several years, pro-Mujib guerrilla forces operating along the Indian border reportedly received covert support from Indian sources. In 1977, however, Gandhi's government fell, the new Janata Party leadership took a more accommodating stance toward Bangladesh, and Zia's government stabilized. Indian forces cooperated with the Bangladesh military in disarming Bangladeshi rebels in the summer of 1977, and a number of bilateral agreements were signed shortly thereafter. When Gandhi again became prime minister in 1979, she continued a policy of accommodation with Zia's regime. Subsequently, she recognized Ershad's government, and she met with Ershad in October 1982. After Gandhi's assassination in 1984, her son and successor as prime minister, Rajiv Gandhi, encouraged cooperative agreements with Bangladesh and enjoyed a good relationship with Ershad.

Events during the 1980s suggested the prospect of a new era in Indo-Bangladeshi relations. In 1981 both countries drew up the Memorandum of Understanding on Technical Cooperation. In 1982 the first meeting of the Joint Economic Commission was held, and in 1987 the bilateral Cultural and Exchange Programme was renewed for two years. A bilateral trade pact was extended from 1986 until October 1989. In addition, an inland trade and transit protocol, allowing Indian vessels to pass through Bangladesh, exemplified a maturing cooperative relationship, necessitated by Bangladesh's geographical position. The original protocol was signed in November 1972, renewed in 1984, and extended in 1986 on a quarterly basis. The agreement was later renegotiated and, according to its provisions, stayed effective until October 1989. India agreed to pay transit charges and port fees, while Bangladesh agreed to maintain its own waterways. The ability of both governments to compromise on economic issues boded well for the possibility of future bilateral agreements.

Despite considerable progress in expanding contacts between the two countries, a number of serious issues concerning river waters and borders continued to stir up anti-Indian emotions in Bangladesh during the late 1980s. These issues involved national honor and sovereignty—strongly charged topics in both nations—and progress toward resolving them was extremely slow. Every delay in resolving bilateral problems provided fuel for a steady stream of anti-Indian editorials in the Bangladeshi press and for statements by

political parties of all persuasions condemning Indian foreign policy. The most difficult long-term bilateral problems revolved around water disputes. These problems surfaced during the 1950s and 1960s, when the major Indian port of Calcutta on the Hooghli River experienced siltation problems. The Indian government decided that the solution was to divert the Ganges River water into the Hooghli River during the dry season, from January to June, in order to flush out the accumulating silt. By 1974 the Indians had built a major barrage, or dam, across the Ganges at Farakka, near the Bangladeshi border. Before the Farakka Barrage went into operation, the Bangladeshi government repeatedly expressed concern that the diversion would adversely affect water resources along the course of the Ganges through Bangladesh. After the Farakka Barrage began operating in 1975, dry-season water levels dropped precipitously in western Bangladesh, and studies showed that salinized water from the Indian Ocean was creeping inland. In 1976, despite Indian opposition, Bangladesh managed to place the dispute on the agenda of the UN General Assembly; this strategy resulted in a consensus statement in which both parties agreed to resolve the issue according to international law.

A bilateral agreement signed in 1977 set up a schedule for sharing the dry-season flow of water controlled by the Farakka Barrage, and it arranged for continuing consultations by the Joint Rivers Commission. The mandate of the commission was to monitor the water availability and needs of the two countries and to study proposals for a more comprehensive plan for water control in Bangladesh and northeast India. A Bangladeshi proposal concentrated on the enormous potential of untapped rivers in Nepal; dams there, it was argued, could provide adequate hydroelectric power well into the twenty-first century and regulate water levels throughout northeastern India and Bangladesh. The Indian proposal concentrated on controlling the wild Brahmaputra River and called for a major canal to divert water from the Brahmaputra to the Ganges, west of the Farakka Barrage; this, the Indians claimed, would help to regulate water levels throughout Bangladesh. India was slow to involve Nepal in what it viewed as a bilateral issue, while Bangladesh refused to agree to the construction of a large canal that would obliterate valuable land and dislocate hundreds of thousands of people. In the absence of an agreement on a comprehensive plan, the two nations were forced to renew previous agreements on the flow of the Ganges at Farakka for periods of six months or two years at a time. In 1986, however, Indian negotiators invited Nepali officials to tripartite planning conferences, opening up the possibility of a future agreement.

Water-sharing disputes have arisen with regard to other rivers as well. India has constructed and operated on the Tista River a barrage similar to the one on the Ganges. India and Bangladesh drew up interim agreements on the sharing of Tista River waters beginning in July 1983. These agreements were renewed in 1985 and 1987, without a final allocation of waters to either party.

In 1974 the borders between India and Bangladesh were settled in a treaty that became the Third Amendment to the Bangladesh Constitution. Since that time, questions over small pieces of territory not covered by the 1974 treaty—such as silt-formed islands (*chars*) that have emerged in frontier waters and Bangladeshi enclaves accessible only from India—have grown into minor military confrontations (see Security Environment, ch. 5).

In the late 1980s, the unauthorized movement of people across Indo-Bangladeshi borders continued to cause tensions. In 1979 two days of communal rioting in the Indian state of West Bengal forced 20,000 Indian Muslims to flee into Kushtia District in Bangladesh. Although they were later repatriated, the incident rekindled transborder communal hatreds. During the 1980s, attempts by Bangladesh military and paramilitary forces to pacify tribal groups in the Chittagong Hills forced thousands of Chakmas to flee into Indian territory (see Ethnicity and Linguistic Diversity, ch. 2). Bangladesh accused India of sheltering tribal guerrilla forces and preventing the voluntary return of the Chakmas. India, in turn, accused Bangladesh of harboring guerrilla bands of the Tripura National Volunteers, a secessionist organization fighting for independence from India. A more significant long-term movement of people across the Indo-Bangladeshi border has involved thousands of Bangladeshis who have illegally moved to neighboring Indian states in search of land and employment. By 1982 the steady influx of Bangla speakers sparked a major ethnic backlash in the Indian state of Assam, leading to the slaughter of thousands of non-Assamese. In order to placate Assamese public opinion, the governments of Indira and Rajiv Gandhi promised to stem illegal immigration, and in order to do so India constructed barbed-wire fencing along the Indo-Bangladeshi border in the area. The fence was seen as an outrage among the Bangladeshi public, and the government of Bangladesh has made repeated protests to the Indian government over the matter (see Insurgency in the Chittagong Hills, ch. 5).

Pakistan

Pakistan was hostile to Bangladesh in the early 1970s, but by 1974 it was apparent that the new nation would stand on its own,

and in February Pakistan recognized Bangladesh. Diplomatic relations were established in January 1976, followed by the reestablishment of communications and transportation links later in the year. As Bangladesh subsequently adopted a cooler stance toward India, began to move closer to China and the West, and stressed its Islamic cultural heritage, its interests became increasingly similar to those of Pakistan.

Throughout the 1980s, Bangladesh consistently supported Pakistan's policy of opposing Soviet actions in Afghanistan. In 1983 Pakistan's foreign minister signaled the end of an era of animosity when he visited Bangladesh's National Martyrs' Monument at Savar, near Dhaka, which commemorates those killed by Pakistan's armed forces during the war of independence. Pakistan's President Mohammad Zia ul Haq later presented Ershad with the country's highest civil award during the Bangladeshi president's visit to Islamabad in 1986.

After the establishment of diplomatic ties, Bangladesh and Pakistan entered into a wide variety of bilateral agreements. A 1979 cultural agreement arranged for the exchange of teachers, scholars, musicians, folklore troupes, art works, films, and books. Joint economic, commercial, and technical pacts signed after 1978 provided for the exchange of major exports of both countries: jute and tea from Bangladesh, and cotton and cloth from Pakistan.

Two major areas of disagreement remained between Bangladesh and Pakistan as of mid-1988, and both stemmed from the dislocations resulting from the independence struggle. The first issue concerned the finances of united Pakistan. After the war, Bangladesh claimed that it deserved a share of the US\$4 billion worth of preindependence exchange, bank credit, and movable assets protected in West Pakistan during the war. In a 1975 agreement, Bangladesh accepted half of Pakistan's pre-1971 external debt, but asset-sharing issues remained unresolved. The second issue concerned the emigration of large numbers of people, mostly Biharis (non-Bengali Muslims), to Pakistan. After the war, the International Red Cross registered nearly 540,000 people who wanted to emigrate to Pakistan. By 1982 about 127,000 had been repatriated, leaving about 250,000 people still demanding repatriation. Thousands of people who desired to emigrate lived in poor conditions in so-called "Pakistani Relief Camps," where they received monthly food allotments. In 1985 there was some progress in this area when Zia ul Haq agreed to accept the "stranded Pakistanis." In 1986 Pakistan arranged for their immigration as soon as Ribatat al Alam al Islami (Union of the Islamic World), a voluntary organization based in Saudi Arabia, could mobilize sufficient funds.

Other Nations

Bangladesh has enjoyed good relations with the other small nations of South Asia—Nepal, Bhutan, Sri Lanka, and Maldives—and those of Southeast Asia, except for Vietnam. Bangladesh has made strenuous efforts to extend cooperation with these nations through the South Asian Association for Regional Cooperation (SAARC—see Glossary) and the Association of Southeast Asian Nations (see International Organizations, this ch.).

Burma is the only nation besides India that shares a border with Bangladesh. Relations between the two countries have generally been cordial, but relations deteriorated in 1978 and 1979 when 150,000 Bengali-descent Muslims flooded into Bangladesh from Burma. This exodus was the result of Burmese attempts to combat Muslim guerrillas fighting for an independent homeland, and it brought to light anti-Bengali feelings in western Burma. Intervention by the UN and the Saudi Arabian ambassador to Dhaka led to a negotiated repatriation of the refugees and the reestablishment of good relations. Later talks led to the demarcation of the land boundary between the two countries. Bangladesh and Burma settled their maritime boundary during a 1986 visit by the Burmese president.

China and Other Asian Nations

China firmly supported Pakistan during Bangladesh's war of independence, and for several years thereafter it remained, along with Pakistan, hostile to the new state. In the years immediately following independence, Bangladesh was close to India and the Soviet Union—two foes of China—and as a result it was grouped with them by Beijing as an enemy state. In 1972, for example, a Chinese veto blocked Bangladesh's entry into the UN, but by the mid-1970s China and Bangladesh had developed proper relations. When Pakistan formally recognized Bangladesh in 1974, the Chinese were able to move closer to Bangladesh without antagonizing their ally. After Mujib's death in 1975, when Bangladesh distanced itself from India and the Soviets, it left the camp of China's adversaries. A preliminary agreement to establish relations in late 1975 led to an exchange of diplomatic missions in 1976. The trend in China toward a more open foreign policy during the 1970s also paralleled the Bangladeshi move toward neutralism under Zia, who visited Beijing in 1977.

By the 1980s, the domestic and foreign policies of China and Bangladesh had become somewhat similar. The governing parties of both countries opposed ultra-left and ultra-right political systems,

while at the same time opposing “bourgeois” economics. Each country called for an international dialogue on debt problems between the developed and developing nations, and each expressed concern over Soviet policies in Afghanistan and Cambodia. By the mid-1980s, China had become the staunchest international friend of Bangladesh, cementing the relationship with numerous trade and cultural agreements, construction projects, and military transfers (see Foreign Acquisitions and Ties, ch. 5). In addition, Ershad was warmly received during his visit to Beijing in July 1987.

Friendly political relations with Japan and the Republic of Korea (South Korea) accompanied steadily increasing economic ties with both nations. Bilateral trade and joint economic projects with South Korea increased during the late 1980s (see Foreign Assistance, ch. 3). Japan was a prominent source of economic aid as early as 1973, when Mujib traveled to Tokyo to conclude arrangements for a substantial loan and to discuss trade issues. By 1980 Japan had become the largest aid donor to Bangladesh. After the devastating floods of 1988, Japan was a major relief contributor, providing an emergency contribution for food assistance of US\$13 million.

The Islamic World

In the immediate aftermath of the war of independence, the Muslim nations of the world mourned the blow to the sundered Pakistan, an avowedly Islamic state. For several years thereafter, Pakistan threatened to cut off diplomatic relations with nations that recognized Bangladesh, thus discouraging other Muslim states from helping the new nation. Mujib’s socialist policies were not in tune with the viewpoints of most Muslim states, especially the conservative Arab states of the Middle East. Malaysia and Indonesia recognized Bangladesh in 1972, and after Pakistan did so in 1974, other Muslim countries eventually granted recognition and provided aid. The growing role of Islam in Bangladesh, symbolized by the adoption in 1988 of a constitutional amendment recognizing it as the state religion, indicated a major effort to widen ties with the Islamic world.

Bilateral ties between Bangladesh and the oil-rich Arab states were becoming increasingly important in the mid- and late 1980s. These ties had both economic and political components. The Arab states, especially Saudi Arabia, had become a growing source of development funds (mostly loans) since 1975, with much of the aid channeled into Islamic education and culture. The Saudis donated money for the construction of an Islamic university, mosques, and other religious centers, and Bangladesh exported labor to several Middle Eastern countries (see Balance and Terms of Trade, ch. 3).

Politically, Bangladesh supported the international policies of the Islamic nations of the Middle East. For example, Bangladesh strongly condemned Israeli policies and favored the creation of a Palestinian state. It supported the Palestine Liberation Organization under the leadership of Yasir Arafat, whose visit to Bangladesh in 1987 elicited a warm welcome from Ershad and other major government figures, as well as favorable press coverage. In 1987 the government reported that 8,000 Bangladeshi youths had volunteered to fight for the Palestine Liberation Organization. The government of Bangladesh, however, had made no official moves to send arms or personnel to Palestine as of mid-1988.

Bangladesh has expanded its ties with the worldwide Islamic community through the Organization of the Islamic Conference, a group of forty-five Muslim countries and eleven other nations with Muslim minorities. Bangladesh became a member of the conference in February 1974 and thereafter played a prominent role in setting up economic programs. The sixth annual meeting of the Islamic Development Bank and the Islamic Finance Ministers' Conference were held in Dhaka in 1985. In addition, Ershad attended the 1987 meeting of the Organization of the Islamic Conference in Kuwait, where nineteen Bangladeshi economic initiatives were accepted as joint ventures. Bangladesh was also part of a three-member committee trying to mediate an end to the Iran-Iraq War, and Ershad made several trips to the Middle East in an attempt to achieve peace.

The Superpowers

Soviet Union

Relations with the Soviet Union were cordial in the years immediately following independence. The Soviet Union supported Indian actions in aiding the war of independence, and after the war the Soviet Navy sent a floating workshop to Bangladesh for clearing Pakistani mines from the Chittagong and Chalna harbors. Mujib visited Moscow in 1972, and high-level officials from both countries made numerous reciprocal visits until 1975. The Soviets supported the socialist programs of the Mujib government and its close ties with India. Early Soviet aid was limited, however. During the first four months of its existence, Bangladesh received economic aid worth US\$142 million from India, but only US\$6 million from the Soviet Union.

After the 1975 coup, relations with the Soviet Union rapidly cooled. The military regimes of Zia and Ershad deemphasized socialist policies and encouraged closer ties with the United States,

Arab states, Pakistan, and China—all of which were politically distant from the Soviet Union. Bangladesh condemned Soviet support for Vietnam's occupation of Cambodia and Soviet military actions in Afghanistan. A low point in Bangladeshi-Soviet relations came after the expulsion of nine Soviet diplomats from Dhaka in December 1983 and January 1984. Moscow, in turn, refused to accept the new Bangladeshi ambassador and canceled a Bangladeshi trade mission visit to Moscow.

Bangladeshi-Soviet relations rapidly improved in 1984 and regained a level of cordiality in the mid- and late 1980s. In 1985 the Soviet Cultural Centre reopened in Dhaka. In 1986 a Soviet special envoy visited Dhaka, and later the Bangladeshi foreign minister visited Moscow. Although Soviet aid to Bangladesh was still small compared with assistance from Japan, the United States, or even China, by 1987 Bangladesh had entered into sixteen different economic accords with the Soviet Union. Soviet assistance has concentrated on the energy sector, especially several power plants at Ghorasal, near Dhaka.

United States

The United States and Pakistan were allies when Bangladesh became independent in 1971. The Pakistan Army used United States-supplied military equipment, and the movement of the United States Seventh Fleet into the Bay of Bengal during the war signaled support for Pakistan (see *The War for Bangladeshi Independence*, 1971, ch. 1). Because Pakistan was closely tied to the economic policies of the United States and its allies, the Awami League saw a link between the economic collapse of East Pakistan and United States policies. Under these circumstances, the United States had a negative image in independent Bangladesh. After April 1972, when the United States formally recognized Bangladesh, relations remained cool, and there were frequent public anti-American demonstrations, including the burning of the United States Information Service library in Rajshahi in December 1972.

After Mujib's assassination, the government of Khondakar Mushtaque Ahmed was closely tied to the United States, and there was increased cordiality during the Zia and Ershad administrations, as denationalization widened the economic linkages between the two nations. Bangladesh's positions on some international issues, including the China-Vietnam border war of 1978, Cambodia, and Afghanistan, came to resemble those of the United States. In 1979 Bangladesh signed the Treaty on the Non-Proliferation of Nuclear Weapons, clearing the way for United States help in setting up a nuclear research reactor near Dhaka. During the 1980s, a new

level of cooperation began, signaled by the visits to Washington of Zia in 1980 and Ershad in 1983.

By the late 1980s, the United States had become one of the closest international friends of Bangladesh, a major international donor, and a partner in 133 different accords. United States agencies operated a wide variety of development projects in Bangladesh, including programs to increase agricultural production, create new employment opportunities, and reduce population growth. Only disagreements on Bangladeshi garment exports to the United States clouded bilateral relations.

Western Europe, Canada, Australia, and New Zealand

Bangladesh has cultivated close ties with West European nations, which have been major sources of economic aid. Britain continued to be its most important friend in Western Europe. Britain has supported a number of transportation and communication projects, educational exchange programs, and the activities of several British voluntary aid organizations. Two examples of the close state of Bangladeshi-British relations were the 1983 visit to Bangladesh by Queen Elizabeth II and Britain's speedy pledge of US\$750,000 in emergency assistance after the 1988 floods. After Britain, the Federal Republic of Germany (West Germany) and Italy were Bangladesh's most important trading partners in Western Europe. Canada, Australia, and New Zealand also provided economic aid and engaged in educational exchange programs with Bangladesh.

International Organizations

After Pakistan and China entered into friendlier relations with Bangladesh in 1974, the way was open for its admission into the UN in September of that year. In 1978 Bangladesh was elected to a two-year term on the Security Council, and during this period it took strong stands, reiterated on many occasions, concerning Vietnam's involvement in Cambodia, Soviet intervention in Afghanistan, Israeli policies in the Middle East, the Iran-Iraq War, and apartheid in South Africa. Bangladesh was elected as a member of the Security Council's Human Rights Commission in 1985 and as president of the forty-first session of the UN General Assembly (1986-87). In 1987 Ershad received the UN Population Award on behalf of his government.

Before its formal admission into the UN, Bangladesh had been admitted to all of its specialized agencies, and after formally joining the world body, it adopted a high profile in these agencies. The Food and Agriculture Organization (FAO) has operated projects in Bangladesh since 1975, in areas ranging from irrigation to rubber

production to mangrove afforestation. Bangladesh became a member of the forty-nine-member FAO Council in 1977, served on the FAO's Finance Committee from 1975 to 1979, and has participated in a number of FAO commissions. It was elected vice chairman of the FAO in November 1987. Representatives of Bangladesh also have participated in various specialized UN conferences. Bangladesh joined the Commonwealth of Nations in 1972—a move that prompted Pakistan to withdraw from the organization—and has remained prominent at its meetings ever since. Along with other South Asian members of the Commonwealth, Bangladesh has used its meetings to push for sanctions against apartheid and South African's occupation of Namibia, and it has even offered military training facilities to anti-South African guerrillas.

Keenly aware of his nation's economic problems and observing the benefits of regional economic cooperation in Western Europe, Zia began to seek opportunities for multilateral development among the nations of South Asia in 1977. In 1981 the foreign secretaries of the seven nations of South Asia met in Sri Lanka to set up the basic framework of a regional development organization that was formally founded in New Delhi in August 1983. With continuous effort by Bangladeshi diplomats, these preliminary steps culminated in December 1986 in the first summit conference of the South Asian Association for Regional Cooperation (SAARC), which was convened in Dhaka. The choice of this site was in recognition of Bangladesh's crucial role in forming the SAARC. Subsequent summits in Bangalore, India, in 1986 and in Kathmandu, Nepal, in 1987 established the SAARC as a functioning international body.

The agenda of the SAARC specifically removes bilateral issues and political programs from the organization's debates, confining committee and summit discussions to areas where member nations may find common ground for achieving mutual economic benefit. However, no large-scale economic projects had emerged from SAARC discussions as of mid-1988. Because many of the most difficult economic problems in South Asia involve long-standing political differences at the bilateral level (for example, Bangladesh's Ganges water dispute with India), the SAARC has not been an effective mechanism for solving problems. Nevertheless, through the mid- and late 1980s, the SAARC's summits have provided its members with a forum in which to exchange ideas and positions and discuss bilateral issues.

Bangladesh's presence in the Nonaligned Movement has provided it with an international reputation as a voice of moderation and compromise. Bangladesh's prime minister, Mizanur Rahman Chowdhury, was elected vice chairman of the Nonaligned

Movement summit held in Havana in 1986. This international reputation served Bangladesh well in courting the goodwill of potentially hostile neighbors and attracting economic aid from donor countries with diverse political systems. Although the Ershad regime was politically repugnant to many opposition leaders and was looked at critically by some foreign governments, the regime had brought a new sense of stability to Bangladesh as it made a tenuous transition to civilian rule in the late 1980s.

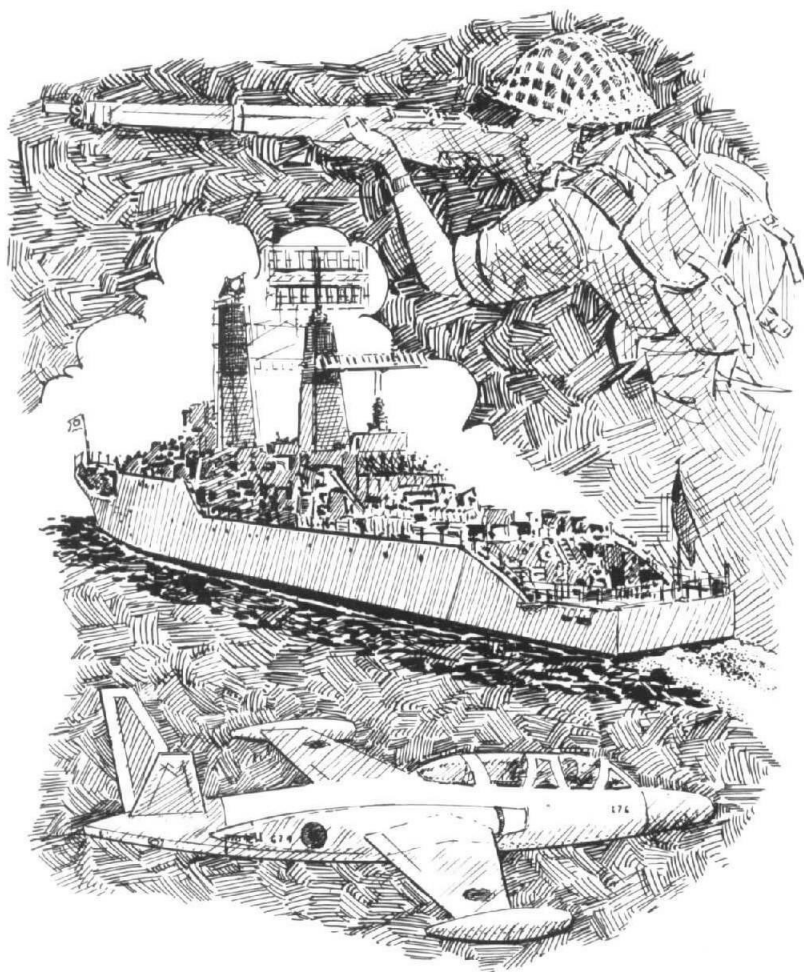
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A good overview of Bangladesh and its role in South Asian politics until the mid-1980s is *Government and Politics in South Asia* by Craig Baxter et al. The text of the Bangladesh Constitution can be found in Albert P. Blaustein and Gisbert H. Flanz's *Constitutions of the Countries of the World*. General introductions to the administrative organization of Bangladesh are Mohammad Mohabbat Khan and John P. Thorp's *Bangladesh: Society, Politics, and Bureaucracy* and A.M.M. Shawkat Ali's *Politics, Development and Upazila*. Harry W. Blair's article, "Participation, Public Policy, Political Economy, and Development in Rural Bangladesh, 1958-85," gives a good introduction to administrative decentralization. Among a number of studies on Bangladeshi politics are E.W. Timm's *Power Relations in Rural Development*, Betsy Hartmann and James K. Boyce's *A Quiet Violence*, Kirsten Westergaard's *State and Rural Society in Bangladesh*, and Atiur Rahman's *Peasants and Classes*.

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For reportage on Bangladeshi politics and international affairs, the Far Eastern Economic Review's *Asia Yearbook*, annual essays on Bangladesh in February issues of *Asian Survey*, and the *Europa Year Book* are good sources. More detailed daily chronicles can be found in *Public Opinion Trends Analyses and News Service: Bangladesh Series* and Foreign Broadcast Information Service, *Daily Report: Near East and South Asia*. (For further information and complete citations, see Bibliography.)

Chapter 5. National Security



Bangladesh's ground, navy, and air forces

BORN FROM THE CHAOS of civil war, steeped in a praetorian tradition of military supremacy over the civilian political process, and racked by internal dissension, the armed forces created by Bangladesh were not disciplined during the first years after independence. By the mid-1980s, however, the armed forces had evolved into a more cohesive and professional organization. The military—particularly the army—continued to play a critical role in guiding or controlling the political process in Bangladesh.

Since formally declaring independence from Pakistan in April 1971, Bangladesh has not experienced an orderly transfer of power. Every Bangladeshi ruler initially assumed power in the aftermath of extraordinary and often bloody events, such as civil war, a military coup, or the assassination of his predecessor. Without exception, every national election staged between 1973 and 1988 was intended to legitimize the rule of a nonelected leader already in power. During the same fifteen years, there were four successful military coups, in addition to a string of *jawan* (soldier) uprisings, assassination plots, and abortive rebellions. As of mid-1988, Bangladeshi military authorities had been in power, either directly or as guarantor of a nominally civilian regime, for over two-thirds of the country's independent existence.

Army involvement in politics during this time followed four distinct patterns. The first pattern—characterized by the military's subordination to an elected civilian government—is that which prevailed between 1971 and 1975 when the Awami League (People's League) was in power. During this formative stage, Awami League leader Sheikh Mujibur Rahman (Mujib), a civilian, kept a tight rein on his military commanders, some of whom were suspected of political disloyalty. After declaring a national emergency in December 1974, however, Mujib assumed dictatorial powers. Mujib's inability to address the military's grievances, limit corruption, and restore law and order in the country triggered Bangladesh's first military coup in August 1975. With Mujib's assassination and the eclipse of the Awami League, civilian control over the military was effectively ended.

A second pattern of army involvement in politics is the classic martial law dictatorship led by a junta or a military strongman. Regimes of this type included a short-lived "revolutionary" government headed by power-seeking army officers, November 3–7, 1975, and periods of authoritarian rule under Ziaur Rahman (Zia), from

April 1977 to June 1978 and under Hussain Muhammad Ershad from March 1982 to May 1986.

The third pattern is a transitional regime in which power is nominally held by a civilian figurehead who depends on army backing for political survival. Regimes of this type have been headed by Khondakar Mushtaque Ahmed from August 15 to November 3, 1975; Abu Sadat Muhammad Sayem from November 7, 1975, to April 1977; and the legally constituted civilian government of Abdus Sattar from May 1981 to March 1982.

A fourth type of political arrangement is a quasi-military regime headed by a military strongman who retired from the army while still in power, assembled a personal political party, and engineered his own election as a civilian president. There have been two such regimes in Bangladesh: Zia's Bangladesh Nationalist Party government between June 1978 and May 1981 and Ershad's Jatiyo Party (National Party) government, elected to a parliamentary majority in May 1986, confirmed with Ershad's election as president in October 1986, and reaffirmed in parliamentary election in March 1988. Although each of these governments won resounding electoral mandates against a weak and divided opposition, most observers of the Bangladeshi political scene agreed that the armed forces remained the real guarantors of the government's power.

Civilian control over the military has always been weak under elected civilian governments and nonexistent under martial law regimes. Since the early 1970s, the armed forces have distrusted civilian politicians and sought to prevent their "meddling" in the military's vital interests, such as resource allocations, pay and benefits, and promotions.

Armed Forces and Society

Colonial Origins

The military history of Bangladesh before independence is part of that of the Indian subcontinent, particularly of British India and then of Pakistan from 1947 through 1971. The period having the greatest influence on the military establishments of the subcontinent began with the arrival of the Europeans at the start of the sixteenth century and, more particularly, Queen Elizabeth I's granting of a charter to the British East India Company in 1600 (see *European Colonization, 1757-1857*, ch. 1). As European settlements were established, locals were employed as guards to protect company trading posts and participate in ceremonials. As the number of trading posts increased, these guards were more formally organized into companies led by British officers. Three independent

forces emerged and became known as presidency armies and the troops as sepoys (a corruption of the Hindi *sipahi*, or soldier). Regular British troops also were incorporated into the presidency armies. In 1748 the three armies were grouped under a single commander in chief and organized, armed, uniformed, and trained by British officers.

The rapid expansion of British control of the Indian subcontinent during the early nineteenth century was accompanied by mounting resistance. Political, social, religious, and ethnic tensions led to four eruptions in the army in the years between 1844 and 1857, although these incidents were considered minor by the British authorities. The long pent-up discontent of the sepoys then broke into open revolt at Meerut, near Delhi on May 10, 1857, starting the Sepoy Rebellion (see *The Uprising of 1857*, ch. 1).

The uprising, regarded by the British as a mutiny but by later South Asian nationalists as the "first war of independence," was largely confined to Bengalis in the British Indian Army, but it grew into a major conflict in northern and central India. The British used loyal Indian troops and reinforcements from Britain to crush the rebellion by 1858. A proclamation by Queen Victoria terminated the British East India Company government, India became a British colony, and the role of Indian military forces was reevaluated. Because the uprising was limited almost entirely to the Bengali troops and to the regions of north-central India and Bengal (see Glossary), the British not only disbanded the Bengali army but also became distrustful of Bengalis and concentrated military recruitment among the more favored Punjabis and Pathans of northwestern India. Additionally, a complete reorganization of the Indian forces followed. By 1895 the army was put under the central authority of the army headquarters at Delhi and was divided into four territorial commands at of Bengal, Madras, Bombay, and Punjab, each commanded by a lieutenant general.

After the 1857-58 uprising, the British developed a recruitment policy that was to shape the Pakistani military and later that of Bangladesh. Recruitment was based on the "martial races" myth, according to which the inhabitants of certain areas or members of certain castes or tribes were reputed to make more fearless and disciplined soldiers than others. Popularization of this concept is usually attributed to Lord Frederick Roberts, commander in chief of the British Indian Army from 1885 to 1893. Roberts believed that the best recruits were found in northwestern India, including Punjab and parts of what later became West Pakistan. Because recruitment was based on these theories, the period from 1890 to 1914 sometimes is referred to as "the Punjabization of the army."

Roberts also favored staffing certain units or subunits with members of the same caste, tribal, or religious group from within the so-called martial races, a practice that became fairly common. These methods produced an apolitical, professional force responsive to British command, but one that accentuated regional and communal distinctions. Nevertheless, the British never organized a combat unit of battalion size or larger that was entirely composed of Muslims. Consequently, when the Muslim majority state of Pakistan achieved independence in 1947, existing British Indian Army formations that were transferred to the new state were severely understrength.

Bengali participation in the military services was much lower than that of other groups, and a number of reasons have been advanced for this fact. In the 1920s, Punjab, with about 20 million people, contributed some 350,000 recruits to the British Indian Army, whereas Bengal, with a population base at least twice as large, contributed only 7,000 recruits during the same period.

Pakistan Era

The partition of the Indian subcontinent in 1947 to form India and Pakistan also entailed the division of the units and equipment of the British Indian Army. Under a partition formula announced on July 1, 1947, existing military forces were divided on the basis of religious identification; units with a Muslim majority were transferred to Pakistan with their records and unit designations more or less intact. Individual Muslim servicemen who were from the areas that were to become India were given the option of remaining with the Indian armed forces or going to Pakistan. Hindus in the Muslim majority units could stay with those units when they transferred to Pakistan or be reassigned to Indian units. In both countries the newly formed armed forces continued to be organized, trained, and employed along the familiar lines of British practice.

The armed forces that Pakistan inherited in 1947 from the division of the British Indian Army included Bengali Muslims, and there was always a small minority of them in the Pakistani armed services. These Bengalis served with their units as a matter of course in the 1947-48 and 1965 wars with India and in the numerous security operations in Pakistan up to 1971 (see *Pakistan Period, 1947-71*, ch. 1).

Despite the participation of these Bengalis, East Pakistani spokesmen vigorously denounced East Pakistan's lack of military representation and influence in military policy. All senior military headquarters were located in West Pakistan, and almost all regular Pakistani forces were stationed there. Defense expenditures from

indigenous revenue and foreign military aid in the 1950s and 1960s constituted the largest single item of the country's budget. But because of the force-stationing policy and associated allocation practices, the economic benefits from defense spending—in contracts, purchasing, and military support jobs—went almost entirely to West Pakistan. Pay and allowances to members of the armed forces also largely benefited only the West Pakistanis.

Pakistani recruiters claimed difficulty in securing volunteers in East Pakistan. West Pakistanis held that Bengalis were not “martially inclined”—especially in comparison with Punjabis and Pathans, among whom military orientation was deeply embedded. East Pakistanis asserted, however, that as active participants in the movement to create an Islamic homeland they had a right and obligation to participate more extensively in the armed forces and should be represented in about the same ratio as their numbers in the total population. They assailed the old, entrenched doctrine of the “martial races” as ridiculous and humiliating. Arguing from the standpoint of security, they pointed out that the force-stationing policy left East Pakistan virtually defenseless against rival India and that no planning was under way to remedy this situation.

All these arguments, although frequently and eloquently advanced, had little effect. Pakistan president Mohammad Ayub Khan (1958–69) held that East Pakistan was indefensible without the prior development of strong forces and bases in West Pakistan. On this principle he continued existing practices. In 1956 the Pakistan Army had a total of 894 officers in the grades of major through lieutenant general. Of this number only 14 (1.6 percent) were of East Pakistani origin. Of these, only one was of brigadier rank, the highest rank held until then by a Bengali. Naval officers of all ranks numbered 593, but only 7 (1.2 percent) of them were of Bengali origin. Bengalis fared slightly better in the air force, which had a total of 640 officers, 40 (6.3 percent) of whom were Bengalis.

By 1965 the participation ratio had improved slightly, although it was still far from East Pakistani desires and expectations. Among the total of 6,000 army officers, 5 percent were Bengalis. Only one of them had become a major general. In the navy and air force, with officer totals of 800 and 1,200, respectively, the overall percentages of Bengalis had increased more than in the army but were still at a distinct minority level. Most Bengali officers in the navy and air force were in technical or administrative rather than command positions.

In February 1966, Mujib, head of the East Pakistani Awami League, announced a six-point program calling for East Pakistani provincial autonomy with a federated Pakistan (see Emerging

Discontent, 1966-70, ch. 1). Significantly, the sixth point of this program held that the federating units should each "be empowered to maintain a militia or paramilitary force in order to contribute effectively toward national security." This point was, in time, expanded to encompass the attainment by East Pakistan of self-sufficiency in defense matters. Specific actions called for under the sixth point included establishment of an ordnance factory, a military academy, and the federal naval headquarters in East Pakistan.

Mujib's six-point package was unacceptable to the central government, but in July 1969 General Agha Mohammad Yahya Khan, who had succeeded Ayub as president earlier that year, announced a major policy change. The recruitment of Bengalis into the military services was to be doubled. Among steps taken to improve recruitment of East Pakistanis were establishing new recruiting centers in East Pakistan, giving greater publicity to the recruitment process, making promises (albeit vague ones) of promotions for Bengalis, and reducing the minimum height for enlistment by 5 centimeters to 162 centimeters. (Bengalis are, on the average, smaller than Punjabis and Pathans, and the old height requirement had excluded many Bengalis from military service.) East Pakistani participation in the armed forces increased, but Bengalis were still heavily underrepresented when the civil war that led to the partition of Pakistan erupted in March 1971 (see *The War for Bangladeshi Independence, 1971*, ch 1).

On the eve of the civil war, there were only two military units specifically identified with East Pakistan. One of these was the lightly armed paramilitary border security force called the East Pakistan Rifles; the other was the East Bengal Regiment of the Pakistan Army. The East Bengal Regiment had been established soon after the division of the British Indian Army in 1947. The First Battalion of the East Bengal Regiment was raised in February 1948 and the Second Battalion in December of the same year. Thereafter six more battalions were formed. The Ninth Battalion was being raised at the East Bengal Regiment center in Chittagong when the civil war broke out in March 1971.

The Liberation War

In the fall of 1970, a powerful opposition movement emerged in East Pakistan. During the 1971 civil war, a number of factional paramilitary bands, which included communist forces dedicated to a rural-based revolution along Maoist lines, fought against each other and engaged in terrorism. The strongest of the new paramilitary bands, and the one that would have the greatest impact on future events, was organized under the Awami League's military

committee headed by Colonel M.A.G. Osmany, a retired Pakistan Army officer. This band was raised as Mujib's action arm and security force. As the political struggle between East Pakistan and West Pakistan intensified, the Awami League's military arm assumed the character of a conventional, albeit illegal, armed force.

At first, Osmany recruited his force from three main sources: the East Pakistan Students League (the Awami League's youth branch); the security militia called Ansars (*ansar* is Arabic for helper) and Mujahids (*mujahid* is Arabic for holy warrior), who were trained, respectively, by the police and the army; and urban toughs known throughout the subcontinent as *goondas*. Osmany's group collected arms and ammunition and conspired with Bengali-origin officers and troops in the regular Pakistani forces and the East Pakistan Rifles. Initially, Osmany's band was called Sevak Bahini (Service Force); after its expansion, it became known as the Mukti Fauj (Liberation Force; more loosely, freedom fighters), a name that evolved into Mukti Bahini, a term of more common Bengali usage having the same meaning as Mukti Fauj. The very existence of an underground army responsive to Awami League directives convinced West Pakistani leaders that Mujib was intent on leading the secession of East Pakistan.

On March 25, 1971, the Pakistan armed forces launched a campaign to suppress the resistance movement. During the ensuing month, military operations spread throughout East Pakistan. The East Bengal Regiment, the East Pakistan Rifles, and most of the East Pakistani police and their auxiliaries joined the revolt. They seized West Pakistani officers serving with these units and killed some of them. The wholesale, planned defection of the Bengalis from the Pakistan Army in the early weeks of the war came as a surprise to the Pakistani command and was of supreme importance to the Bangladesh cause. The Bengali units, after fighting numerous actions against West Pakistani regulars, gradually withdrew and merged with the Mukti Bahini, providing the essential core of leadership and organizational basis for the rest of the war.

Gradually this amalgamation of forces grew into a unified military as it confronted the Pakistanis. Retired officers and troops helped train the revolutionary forces. On April 14, Osmany officially became the commander in chief of the Mukti Bahini. Although most of this force, estimated at over 100,000 strong at the height of the conflict, maintained unswerving allegiance to Mujib and the Awami League, many partisan bands operated independently. East Pakistani civilian members of the resistance operated out of Calcutta. The high command divided the country into eight military sectors, each commanded by a Pakistan Army major

who had defected. India granted sanctuary to the Mukti Bahini and provided bases and substantial matériel and training. The initial operations by the Pakistan Army failed to destroy the Mukti Bahini or to prevent its expansion and development, but by late May 1971 Pakistani authority had been widely reasserted. Rebel forces were largely confined to the areas near the Indian border states of West Bengal, Assam, and Tripura. Pakistani forces received reinforcements and the assistance of an internal security force called Razakars (Keepers of Public Order) and other collaborators that had been raised in East Pakistan by the Pakistani administration. Denounced by the resistance for collaborating with Pakistani authorities, most Razakars were Urdu-speaking Muslims who had emigrated from the Indian state of Bihar at the time of partition. The weary Pakistani regulars, however, were able to contain a July monsoon offensive by the Mukti Bahini.

Despite the setback, the Mukti Bahini had gained valuable experience and shown increased capability. Back in their border base area, they regrouped. Recruitment was never a serious problem, and numerical losses were easily replaced. Indian aid and participation materially increased, and the tempo of fighting again picked up by October, when Pakistan had raised its army troop strength to about 80,000. Border clashes between the Indian and Pakistani armies became frequent.

In response to Indian military incursions into East Pakistan in late November, Pakistan launched a series of preemptive air strikes against Indian airfields on December 3, 1971. Indian prime minister Indira Gandhi then ordered national mobilization, and Indian forces launched a full-scale invasion of East Pakistan the next day. The initial Pakistani air strikes had been ineffective, and the Indian Air Force attained air superiority within the next twenty-four hours and held it. The Pakistan Air Force detachment in East Pakistan was destroyed, and supply and escape routes were cut off; in West Pakistan the Indian Air Force systematically struck aircraft and airfields, base installations, communication centers, and troop concentrations. At sea an Indian Navy task force immobilized East Pakistani port facilities and landed an amphibious force to cut off escape routes to Burma. At the same time, an Indian task force contained Pakistan's fleet and bombarded port installations at Karachi, West Pakistan.

On the ground the Indian strategic plan was aimed at East Pakistan as first priority, while simultaneously containing West Pakistan. The Indian force that invaded East Pakistan consisted of nine infantry divisions with attached armor units and supporting arms. Separated into five invasion columns, Indian forces

advanced rapidly, bypassing intermediate cities and obstacles and pressing relentlessly toward the capital at Dhaka. At the same time, guerrilla attacks intensified, and at least three brigades of the Mukti Bahini fought in conventional formations with the Indian forces. Overwhelmed by the speed and power of the Indian advance, Pakistan's four divisions and smaller separate units fought a number of hard actions but soon had their escape routes cut off and were without air support. On December 16 Dhaka fell, and Pakistan's commander, Lieutenant General A.A.K. Niazi, with about 75,000 troops, surrendered to Lieutenant General J.S. Aurora, the Indian commander of the combined Indian and Mukti Bahini forces. On the western front, India's forces had effectively contained Pakistani attacks and had made limited advances into West Pakistan.

Postindependence Period

Indian military forces initially remained in newly independent Bangladesh to consolidate their victory and to assist in stabilizing the new government, but they completed their withdrawal on March 12, 1972. A flotilla of Soviet minesweepers arrived in Bangladesh shortly thereafter, ostensibly to clear Pakistani mines from Chittagong harbor. The prolonged Soviet presence, a source of suspicion among Awami League critics, ended in 1975 when Mujib's successors requested the Soviets to leave.

Regular Bangladeshi armed forces were quickly established but, because of budgetary constraints, on an extremely limited scale. The organization of these armed forces reflected not only that of the colonial British Indian Army, especially as it had continued under the Pakistan Army, but also the experience of the Mukti Bahini in the 1971 war of independence. Most of the guerrilla fighters reverted to civilian status, although some were absorbed into the regular armed forces. Countrywide, vast but undetermined numbers of small arms and automatic weapons remained at large in the population, presaging trouble in the years ahead.

A difficult residual issue was prisoner exchanges. India held about 90,000 Pakistani prisoners of war and civilian internees, while Bangladesh retained 195 Pakistanis (mostly military) with the intent—later put aside—of bringing them to trial for war crimes. Pakistan also held some 28,000 Bengali military personnel stranded in West Pakistan. Under agreements reached by the governments of Bangladesh, India, and Pakistan in August 1973 and April 1974, prisoner release and repatriation in all categories were completed by April 30, 1975.

The bitter rift between military personnel who returned to Bangladesh after liberation and freedom fighters who had fought

in the war was to have profound consequences for the new nation. The repatriates, who had languished in West Pakistani jails during the civil war, were absorbed into an army dominated by former guerrillas, some of whom were civilians inducted as a reward for their sacrifices. Repatriates, by and large, felt no personal loyalty to Mujib and viewed the freedom fighters as a undisciplined and politicized element. Repatriate officers bridled under Mujib's use of the army in disarming the civilian population and taming his political opponents. Moreover, repatriates were suspicious of the regime's pro-Indian sympathies, its rhetorical support for the Soviet Union, and its efforts to circumscribe the role of Islam in national affairs. The rift between repatriates and freedom fighters worsened considerably when Mujib formed the Jatiyo Rakkhi Bahini (National Defense Force), an elite parallel army intended to insulate the regime against military coups and other armed challenges to its authority. By 1975 the Jatiyo Rakkhi Bahini had swelled to an estimated 30,000 troops. Repatriates complained that Mujib destroyed the army's integrity by disbanding the East Bengal Regiment, which was composed primarily of repatriates; funneling all new recruits to the Jatiyo Rakkhi Bahini; favoring freedom fighters in matters of pay and promotions; and slashing the army's budget in order to sustain the Jatiyo Rakkhi Bahini.

Other armed elements that supported Mujib roamed the countryside searching out and punishing Pakistani collaborators, opponents of the regime, and, as was often the case, anyone who offered resistance to their warlord-style rule. For instance, freedom fighter leader Kader "Tiger" Siddiqi and his estimated 3,000 armed supporters virtually ruled Mymensingh District while Mujib was in office.

Other, more radical factions within the army viewed the liberation movement as unfinished until the "petit bourgeois" Awami League government was swept aside and replaced by a Maoist "people's government." The central figure among these factions was Abu Taher, a former Pakistan Army colonel who had been trained in commando operations in the United States and was later cashiered by Mujib because of his radical views. Taher and an inner circle of radical freedom fighters belonged to the Jatiyo Samajtantrik Dal (National Socialist Party) and its armed wing, the Biplabi Sainik Sangstha (Revolutionary Soldiers Organization). The Jatiyo Samajtantrik Dal developed deep roots in the military and among radical students connected with the Chhatro Union (Students Union) of the Bangladesh Communist Party. The Jatiyo Samajtantrik Dal tailored its appeal to lower level officers and *jawans*. By 1975 Jatiyo Samajtantrik Dal sympathizers within the military and police were estimated to number 20,000.

Tensions within the military exploded on August 15, 1975, when thirty middle-ranking army officers, many of whom were repatriates, staged a coup. With the support of troops from the First Bengal Lancers and the Second Field Artillery Regiment, the mutineers assassinated Mujib and members of his family and called on Ziaur Rahman (Zia) to become army chief of staff. Osmany, the former Mukti Bahini chief, lent respectability to the emerging military-political order by agreeing to serve as defense adviser to the new figurehead president, Khondakar Mushtaque Ahmed.

Freedom-fighter elements within the army countered this so-called “majors’ plot” by staging a coup of their own on November 3, 1975. Following the murder of prominent Awami League officials detained in Dhaka Central Jail, troops commanded by Brigadier Khaled Musharraf dismissed the government, placed Zia under arrest, created a vaguely defined revolutionary council, and exiled the ringleaders of the original coup to Libya. A total breakdown in discipline within the military occurred shortly after this second coup, as junior army officers and *jawans* took to the streets to defend themselves against anticipated assaults from rival army factions. Simultaneously, the Jatiyo Samajtantrik Dal called on *jawans* to kill their commanding officers. On November 7, Zia secured his release from house arrest, reportedly with Jatiyo Samajtantrik Dal backing, and staged a third coup. Musharraf was killed, Zia and other senior officers restored a semblance of army unity, and the *jawans* returned to barracks.

As Zia attempted to consolidate power under his new title of chief martial law administrator, additional challenges to his authority occurred. In April 1976, conservative officers led by Air Vice Marshal M.G. Tawab attempted to overthrow Zia after recalling four of the “killer majors” from exile. The conspirators called for the creation of an Islamic state and demanded a share of political power. After officers of the two armored regiments, the First Bengal Cavalry and the First Bengal Lancers, refused to turn over the rebels, troops loyal to Zia descended on Bogra cantonment to put down the mutiny. In the aftermath of the failed coup, Tawab was exiled, the Twenty-second East Bengal Regiment was disbanded, Taher was hanged, and over 200 servicemen were tried in military courts on disciplinary charges.

An even more serious breach of discipline occurred on September 29, 1977, when Japanese Red Army terrorists landed a hijacked aircraft at Dhaka International Airport (present-day Zia International Airport). While Zia and his senior staff officers were busy negotiating with the hijackers, an entire army battalion mutinied in Bogra. As the hostage drama continued, the revolt spread to Dhaka cantonment and to air force units at the airport itself.

The uprising was the handiwork of the Jatiyo Samajtantrik Dal, which again exhorted *jawans* to kill their commanding officers. Their slogan was "All soldiers are brothers; blood of officers wanted; no ranks above [low-ranking] *subedar*." The mutineers' goal was to create a "classless army" that would act as a revolutionary vanguard in remaking Bangladeshi society in a Maoist mold. Alarmed by the spreading disorder within the ranks, senior army officers rallied behind Zia's leadership. After several days of heavy fighting that killed an estimated 200 soldiers, loyal troops succeeded in suppressing the rebellion. Zia then moved swiftly to purge mutinous elements from the military. Within a span of 2 months, more than 1,100 had been executed for involvement in the uprising. According to a well-informed observer, "it was the most devastating punishment exercise in the history of Bangladesh, carried out with the utmost speed and with total disregard for justice and the legal process." As additional precautions, Zia reorganized the three service branches, disbanded mutinous units, shuffled his senior commanders, and banned the Jatiyo Samajtantrik Dal.

During his six-year tenure in office, Zia implemented a number of strategies to instill discipline in the armed forces and broaden the political base of his regime. Zia recognized that officers and *jawans* alike nursed serious grievances against their military and civilian superiors, such as low pay, lack of promotions, corruption and political machinations. He set out to professionalize the military by promoting repatriates, increasing military pay and benefits, and building up the defense budget. Zia also co-opted the officer corps by expanding the armed forces, appointing both active-duty and retired military cronies to lucrative positions in the civil bureaucracy, and exiling potential challengers to diplomatic posts abroad. Simultaneously, Zia militarized the national police system by firing thousands of police on charges of corruption and appointing army officers to oversee the system.

Despite his efforts to curb the army's appetite for power, Zia fell victim to assassination. On the night of May 30, 1981, Major General Muhammed Manzur Ahmed, commander of the Twenty-fourth Infantry Division and a hero of the war of independence, led troops to the government rest house in Chittagong where Zia was staying. After murdering the president and his bodyguards, Manzur seized the local radio station and called on troops elsewhere in the country to support his coup.

Manzur announced the formation of a "revolutionary council," dismissed senior officers from their posts in Dhaka, dissolved Parliament, and abrogated the 1972 Treaty of Cooperation, Friendship, and Peace with India. Manzur apparently was convinced that