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Lessons from Bangladesh's Uprising

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NEW DELHI – The popular insurrection that ousted Bangladeshi Prime Minister Sheikh Hasina and her Awami League government offers important lessons for the international community and neighboring India. While the unrest was undoubtedly fueled by the regime's repressive and increasingly anti-democratic tactics, exemplified by its brutal crackdown on largely peaceful student protesters, the underlying causes of public discontent are often overlooked.

The student protests initially focused on ending the job-quota system that reserved 30% of government jobs for veterans of Bangladesh's 1971 War of Independence and their descendants. Although Hasina's government abolished all quotas through an executive order in 2018, the High Court reinstated it in June this year, triggering mass demonstrations. A month later, the Supreme Court intervened, overturning the lower court's decision and ruling that quotas must be reduced to 5% and that 93% of government jobs must be filled on the basis of merit.

By then, however, the government's brutal crackdown had claimed the lives of more than 300 protesters, including student activist Abu Sayed, fueling public outrage and calls for Hasina's resignation. On August 5, Hasina resigned and fled to India after the military refused her demand for even harsher measures.

The sad irony is that Hasina – the daughter of Bangladesh's first president, Sheikh Mujibur Rahman – was once a student leader and pro-democracy activist opposing a military regime. During her four terms as prime minister, she presided over a remarkable economic transformation, driven by a dramatic surge in garment exports and significant infrastructure investments that also spurred a sharp increase in women's employment. Over the past two decades, poverty rates have been halved, and Bangladesh's per capita GDP (in current US dollars) surpassed that of India in 2019. The country is poised to graduate from "least developed country" status in 2026.

But Hasina's authoritarian tendencies ultimately overshadowed her economic achievements. The execution of alleged "extremists," along with the arrests and disappearances of lawyers, journalists, and indigenous-rights activists who dared to criticize the government, creating a climate of fear that intensified during the 2018 election.

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After further erosion of Bangladesh's democratic institutions, the 2024 election was an outright sham. With most opposition parties either boycotting the vote or effectively barred from participating, Hasina won an overwhelming majority and secured a fourth consecutive term. Despite her government's lack of popular legitimacy, the outcome was quickly recognized by India and other major powers.

The country's sputtering economy also played a pivotal role in the recent uprising. Over the past decade, rising inequality and unemployment, together with skyrocketing prices for essential goods,

have intensified public anger over nepotism and rampant corruption. The government's stubborn refusal to confront or even acknowledge these issues aggravated popular sentiment further.

A key lesson from Bangladesh's experience is that rapid GDP growth and robust exports alone cannot ensure broad-based prosperity. When the benefits of economic growth are concentrated at the top, most citizens see little improvement or even find themselves worse off, frustrating their rising expectations and underscoring the need for a fairer distribution of wealth and income.

Another crucial lesson is that employment matters. Creating jobs is important, especially for young people, but so is ensuring fair wages and decent working conditions. When most people's incomes stagnate or decline, the public tends to lose faith in official narratives of economic dynamism.

Indian Prime Minister Narendra Modi's government would be wise to heed these lessons, given India's glaring inequalities of income, wealth, and opportunities. But Bangladesh should also serve as a warning to international organizations and external observers, who are often overly influenced by aggregate growth figures and openness to foreign investors.

Crucially, analysts often overlook the role that the International Monetary Fund has played in Bangladesh's recent economic struggles. In 2023, Bangladesh secured a \$4.7 billion bailout from the IMF, a move that some observers argued was unnecessary. Initially, these funds were intended to shore up the country's foreign-exchange reserves, which had been depleted by the COVID-19 shock and the global spike in food and fuel prices. But the conditions attached to the IMF loan, which included greater exchange-rate flexibility, led to a sharp depreciation of the Bangladeshi taka and the introduction of a new pricing policy for petroleum products, both of which triggered a surge in domestic inflation.

The IMF also demanded that Bangladesh reduce its budget deficit, leading to fiscal retrenchment that affected essential public services, including critical social programs. Meanwhile, the central bank tightened monetary policy and raised interest rates to curb inflation, putting enormous pressure on small and medium-size enterprises and exacerbating the employment crisis. In June, the IMF approved the loan's third installment, totaling \$1.2 billion, and imposed 33 new conditions that Bangladesh must meet to receive the remaining disbursements.

While these measures are purportedly designed to enhance economic "efficiency" and bolster investor confidence, history suggests that such outcomes are highly unlikely. On the contrary, the austerity policies championed by the IMF have fueled economic insecurity and public anger across the developing world. The mass protests and political instability that have roiled countries like Kenya, Nigeria, and Ghana – all of which have implemented IMF programs – underscore the urgent need for the Fund to reconsider its approach.

But the key political lesson here is that authoritarian leaders like Hasina are not invincible. They may suppress democratic protests, muzzle the media, undermine independent institutions, and attempt to control the judiciary, but they cannot remain in power indefinitely. In fact, the more ruthless such regimes become, the more they risk a popular backlash.

Thus, Hasina's downfall should serve as a wake-up call for Modi, a close ally with authoritarian tendencies of his own. Global leaders should also take note: the long-term costs of aligning with undemocratic regimes for geopolitical gain often outweigh the short-term benefits.

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