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Made in Bangladesh: Homegrown Development in a Global Economy

NAOMI HOSSAIN

In less than half a century of national independence, Bangladesh has transformed itself from an agrarian backwater and a byword for disaster and deprivation into one of the fastest-growing economies in the world. It has made good use of its global connections in the form of aid, trade, and migration, achieving rapid progress on human development and women’s empowerment. GDP per capita has increased more than fourfold since independence, and Bangladeshis live longer and healthier lives. Yet the challenges of meeting the needs of 170 million people, densely packed into a small territory with few natural resources, remain daunting.

Millions are still locked in poverty, and the old problem of hunger has been compounded by modern forms of malnutrition such as obesity. Exploitation of export manufacturing workers sometimes ends in disasters like the 2013 Rana Plaza factory collapse, which killed 1,138 garment workers and jeopardized the future of the apparel sector. Climate change unleashes ever more powerful cyclones as well as slow-onset crises like water salination as sea levels rise around the low-lying south.

State institutions, businesses, and the country’s internationally renowned nongovernmental organizations (NGOs) and civic groups must navigate a political setting that has long been characterized by corruption, weak rule of law, and personalistic governance. The party that led the national liberation struggle, the Awami League, is increasingly dominant and intolerant of opposition.

Despite these significant challenges, as it nears its half-century milestone Bangladesh is all but

unrecognizable as the “basket case” it was described as by then-US national security adviser Henry Kissinger in 1971, its year of independence. Indeed, Bangladesh is something of a canary in the globalization coal mine, and the world has much to learn from its experiences.

In key respects—its opening up to global export markets in garments and migrant labor, its exposure to climate change effects, and its early but rapidly declining dependence on international aid—it has been a sometimes reluctant pioneer, a “test case for development,” as one World Bank country representative wrote. How Bangladesh overcame the unenviable distinction of being one of the world’s poorest large countries, and ended up being singled out as an example of pro-poor development success and a new “tiger economy,” is a remarkable tale of policy innovation and political commitment. There are lessons to be learned about what has succeeded in making Bangladesh a more prosperous country, and what has not.

Bangladesh’s homegrown efforts at national development reflect what it means for any country to be exposed to globalization on unfavorable terms. Few big countries—by population, Bangladesh is the eighth-largest nation in the world—have had their fortunes so profoundly shaped by a weak position in the global system.

The country’s political history can be summarized as a struggle by the mostly Bengali and Muslim population of the Bengal Delta to survive and thrive despite its vulnerability to global market volatility and natural disasters. This struggle culminated in a national liberation movement to secure the protections denied by foreign rulers. Since then, the national project has both embraced the opportunities of globalization and fortified the population against serious threats in the form of food crises, natural disasters, and chronic poverty.

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Bangladesh is by no means the only developing country to have experienced what the political economist Karl Polanyi called a “double movement” of global market integration alongside a pushback from political parties and civil society demanding greater social protection from those markets. But it was one of the poorest countries to have done so.

Initial conditions in 1971 were so unpromising that Bangladesh looked set for long-term aid dependence. Its devastated postwar economy had suffered decades of underdevelopment; millions were displaced and most of the population impoverished and hungry; the civil administration was weak and the political elite corrupt and fractious. Aid donors soon displayed signs of fatigue and unwillingness to support the new regime. What changed after the darkest days of the mid-1970s, and why Bangladesh was able to pick up the pace of progress and develop in a surprisingly inclusive manner, deserves to be better known.

Some history helps show why Bangladesh offered an early warning about the costs of globalization. It has long appeared to be a traditional, closed, and agrarian society, yet it was open for business through trade, migration, and experiments with international aid soon after its birth. For over a century before independence, it was embedded—on mainly adverse terms—in global circuits of commodities and capital, as a hinterland to British India’s onetime capital and industrial center, Calcutta.

British imperial trade imperatives pushed the peasants of Bengal, which had been a rich and flourishing economy of agriculture and fine textiles under the Mughal Empire, into debt and dependence on the volatile international jute market. The Raj presided over major Bengal famines in the eighteenth, nineteenth, and twentieth centuries, in each of which millions died. Twice, millions of the region’s people were casualties of power shifts on the world stage, first following the criminally inept withdrawal of British rule from South Asia in the 1947 Partition, and then again in 1971, when Cold War geopolitics permitted Pakistan to unleash a genocidal attack on its breakaway eastern province.

Subjection to global forces over which they have little control is thus an old story for the people of

the Bengal Delta. This long history of adverse incorporation into the global system helps explain why Bangladesh started life as the poster child for Third World misery—and why its ultimately successful push for national liberation allowed it to steer a more prosperous path through the risks and opportunities of globalization.

DISASTER POLITICS

One of the best ways of assessing Bangladesh’s transformation is to note what no longer happens: since the mid-1970s, its citizens’ chances of dying in a natural disaster or suffering from starvation have rapidly diminished. This may not sound like a great achievement; most people in developed countries enjoy such fundamental security without even noticing (though climate change may alter that). But the people of the Bay of Bengal endured a series of crises of subsistence and survival in the early 1970s that were of such magnitude and severity that they could not be written off as “natural” disasters beyond the scope of public intervention.

Many people know that Bangladesh won its independence in a devastating war that left millions dead or displaced. Fewer know that the war was immediately preceded and fol-

lowed by catastrophes that killed up to 2 million more Bangladeshis. These events turned the lack of basic protection into a political matter, signaling the need for a sovereign state to take action on fundamental matters of life and death, and shaping its foundational policies on disaster management and food security.

First came the 1970 Bhola cyclone, which struck the southern coast of what was then East Pakistan just weeks before Pakistan’s first democratic elections. The cyclone packed immense force, unleashing a 20-foot tidal wave that swept away up to half a million people as well as livestock, trees, and buildings. It still ranks among the most destructive natural disasters in world history.

The cyclone drew international attention and a massive humanitarian response. But the (West) Pakistani regime was callous and negligent toward what it openly viewed as a routine disaster in a politically and economically unimportant backwater. The failures of the Pakistani response quickly became central to the election campaign, and Sheikh Mujibur Rahman’s East Pakistan Awami League

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scored a stunning victory that should by rights have made him prime minister of Pakistan. The Pakistani army responded with a genocidal attack on the Bengalis in March 1971, triggering the liberation war. Pakistan was defeated within 13 days, after India entered the war.

Upon coming to power as prime minister in independent Bangladesh in 1972, Sheikh Mujib started a national cyclone-preparedness program, now one of the longest-running and largest initiatives of its kind anywhere. Bangladesh has faced a series of devastating tropical storms—those in 1991, 2007, and 2009 came close to Bhola in their ferocity. But an increasingly robust capacity for early warning and action has sharply reduced the death tolls; the storms to which the region is so exposed no longer wreak the vast human and economic destruction they once did. Similar progress has been made in the management of excess flooding, to which this low-lying delta is also prone.

The second major disaster of the independence era was the famine of 1974, which taught the new Bangladeshi elite comparable lessons about food security. Global commodity price movements, colonial agricultural and land policies, and natural disasters had all played their part in major famines in the region's past. The 1974 famine had a complex set of causes common to post-conflict settings.

Excess flooding was particularly severe, and led to the collapse of agricultural wages for millions of the landless poor. Public finances were too weak for the technically bankrupt government to import grain, since international commodity prices had spiked with the OPEC oil embargo. The domestic price of rice also spiked, probably due to speculative hoarding and smuggling. The United States withheld access to international food aid, citing a US law banning aid to countries that traded with communist states (Bangladesh had sold \$5 million worth of jute sacks to Cuba). By the time US food aid finally arrived, the worst of the famine was over.

The Bangladeshi government in any case lacked the administrative capacity and know-how to deliver effective relief to its starving people, and proved unwilling or unable to divert what food aid it did have from rations for the politically important urban middle classes to the starving rural poor. Some aid was offered in soup kitchens, but this neither nourished the hungry adequately nor protected them against disease. An estimated 1.5 million people (2 percent of the population at the

time) perished from disease and other effects of starvation in 1974 and early 1975.

The effects of the famine and the associated economic and political crisis were profound and lasting. Against a backdrop of leftist opposition, political divisions, and popular discontent over inflation, law and order, and corruption, the once-heroic nationalist democrat Sheikh Mujib amended the constitution to create a single-party state in 1975. Within a year, he was assassinated alongside his family. A series of coups and political murders followed, preparing the ground for military rule that lasted until 1990.

Food security topped the national policy agenda then and remains a high priority nearly half a century later. There have been no famines in Bangladesh since 1974. Every potential food crisis has been more or less successfully managed thanks to grain reserves used to stabilize prices, more open trade, food transfers and other social protections for the poorest, and agricultural policies designed to boost productivity and national food security. Several of the country's well-regarded NGOs were also founded in response to these disasters, which touched the national community as a whole and bound it in agreement that such tragedies were intolerable in a sovereign nation—that they could and should be prevented.

Over time and across party divides, ruling elites have agreed on the need to honor this minimal social contract (if nothing else). They recognize that failure to do so could threaten their political legitimacy and very survival. Meeting these commitments required strengthening the government's capacity to monitor and respond to potential disasters, being more receptive to Western aid, and creating space for non-state actors.

Elites also learned that the political payoffs from protecting the population were rarely earned in the short term, but easily squandered by careless handling of a disaster. Protection demanded long-term planning, investment in state capacity, and sustained commitment by successive governments. The results have been vital but invisible. Bangladesh's improved ability to respond to potential crises has enabled its citizens to go about their lives with far less experience of disasters and hunger than their parents or grandparents.

MAKINGS OF A MIRACLE

A more visible achievement can be seen in Bangladesh's unexpectedly rapid human development. This has been enabled in part by greater economic

and social stability since the 1970s, and also by a pluralist approach to bringing health and education within reach of the rural masses.

“Have you heard about the miracle that has happened in Bangladesh over the last 30 years?” asked the late Swedish statistician Hans Rosling in one of his popular teaching videos. The “miracle” was that this impoverished country had managed to bring its population growth under control so rapidly. That is one of several examples of unexpected social transformation.

Against the odds in a poor, patriarchal, Muslim-majority society, women and girls have won more rights and taken an increasingly prominent part in public life. Women are more visible in politics, administration, and civil society than in the past. There has been rapid progress toward gender parity in key education and employment indicators, though women still bear the burden of reproductive work, limiting their employment options.

Elites agreed on the need to turn the country’s only wealth—its vast human resources—into economic growth. This meant transforming the population to equip it for competition in the global system—a project that entailed a key role for mothers and demanded that they receive the necessary services, from health care to education and social protection.

The headline indicators of Bangladesh’s development have been its robust economic growth, averaging over 5 percent for two decades, and its visible transformation from an agrarian to an increasingly modern industrial and export-oriented economy. Other countries have experienced faster growth and more thorough structural transformations. But as a 2013 special issue of the British medical journal *The Lancet* noted, Bangladesh has emerged as a “positive deviant” by improving on a range of human development indicators faster than its per capita income and poverty levels would predict, and at a lower cost. This points to a purposive and concerted effort to lift the population out of poverty.

The task of rolling out mass public services has been mammoth. Bangladesh made rapid progress on enrolling children in school in the 1990s and 2000s, achieving gender parity at the primary and lower secondary levels. Immunization and other basic public-health provisions have reached more or less full coverage. Millions of rural women

have been recruited into small enterprises and the cash economy through the country’s Nobel Peace Prize–winning microfinance programs, giving them business experience and additional funds to help them manage their households.

Fertility control was the primary goal of aid policy in the early decades. High birth and infant mortality rates amid famine and poverty cast Bangladesh as a Malthusian nightmare. The overriding objective was to reduce the number of babies being born. Medical ethics were often cast aside as Bangladeshi women were experimented on with contraceptive technologies like Norplant, deemed too risky to be tried on American women.

The number of babies born per mother dropped from 7 in the 1970s to 2 by the 2000s, reflecting latent demand for reproductive control. A national program recruited community health workers to reach poor rural women with contraception and family-planning advice, bringing together government agencies, donors, and NGOs in one of several such partnerships. Infant and child mortality

declined sharply: the under-five mortality rate (per 1,000) was 223 in 1971, but by 2011 it had fallen to 47, and the life chances of Bangladesh’s children continue to improve.

Progress has also been made on immunization and common childhood diseases. A simple at-home oral rehydration treatment pioneered by the NGO BRAC has prevented millions of avoidable infant deaths from diarrheal diseases at home and abroad. Interventions to tackle micronutrient malnutrition, improve water and sanitation access, livelihoods, and food security, and deliver a range of reproductive and basic health services have all contributed to better living standards. The people of Bangladesh now can expect to live longer and healthier lives, and to see their children survive and have a decent chance to thrive.

Inventive NGOs like BRAC (known as the world’s largest) and microfinance institutions such as the Grameen Bank have justly received international acclaim for their work. In addition to its oral rehydration therapy, BRAC’s successful models include the DOTS tuberculosis treatment, non-formal primary education for poor rural girls, and “graduation” programs designed to permanently lift the extremely poor out of poverty. The Grameen Bank developed a rural banking system with a wide array of financial and related services for poor wom-

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en. Both BRAC and Grameen Bank have spun off a range of for-profit and nonprofit companies and initiatives, including the country's largest mobile phone service provider, GrameenPhone, and its biggest provider of mobile money services, BKash, which is part of the BRAC group.

Governmental and NGO programs have been able to scale up partly because of the nation's population density and ethnic and cultural homogeneity. Viewed from the outside, NGOs have sometimes overshadowed the role of the state. But within Bangladesh it is clear that successive governments have played major roles, and not only by granting private initiative the space in which to operate. Some of the most effective solutions to health, education, hunger, and other problems have harnessed public and private efforts. This is part of the wider elite consensus about the imperative to protect and transform the population.

The Nobel Prize-winning economist Amartya Sen (who was born in East Bengal in British India), has said that Bangladesh's achievements can be explained in part by a lack of adherence to ideology and an experimental pragmatism in public policy. Governments have been ready to try anything that might work. Policy makers in contemporary Bangladesh aim to show the world that homegrown solutions can succeed.

Over time the state has expanded its outreach to the population, and it now provides many services that people need and want. Of course, not all of its programs have proved equally successful. In some cases they have been of poor quality, designed to reach many but not necessarily well. The past decade of Awami League rule under Sheikh Hasina has brought a new generation of experiments with digital means of reaching the people, including biometric data, smart cards, and mobile money. But there are concerns that these tech initiatives may not be entirely benign, and could be used for surveillance.

GLOBAL WAGE LABOR

If this fairly rosy picture of pro-poor progress does not fit in with common knowledge of Bangladesh, that is largely due to the first part of Polanyi's double movement—the global economic forces against which the impulse to protection responded. The excesses of globalization have once again made Bangladesh synonymous with misery,

this time in the “dark Satanic mills” of Rana Plaza-style factories. Wages are low and labor rights are weak. But while there can be no doubt that Bangladeshis have rapidly entered global labor markets on unfavorable terms because that was the best option they had, most nonetheless have benefited from doing so.

Two foreign exchange-earning sectors predominate: ready-made garment production at the low end of the value chain, accounting for some 83 percent of export earnings in 2018; and low-wage labor migration, mainly to the Middle East and Southeast Asia. Remittances from overseas workers through formal channels alone accounted for over 5 percent of the country's GDP, or \$15 billion, in 2018. Together these sectors have provided crucial sources of employment and income for a large younger generation whose improving health and education levels fitted them for recruitment into global labor markets, with both positive and adverse effects.

Starting in the 1980s, the garment sector helped

transform gender relations in Bangladesh, drawing the “nimble fingers” and supposedly docile bodies of poor, young, rural girls and women into wage labor in global production networks. As the economist Naila Kabeer and the late devel-

opment expert Simeen Mahmud have shown, this changed the relative valuation of girls and boys in a patriarchal and mainly Muslim society—which helps explain why Bangladesh has seen the life chances of its children improve for both genders. The “son preference” that killed so many infant girls in China and India has disappeared as women's relative status has improved.

Women garment workers have clearly valued the autonomy and identity they gain through paid employment. But the jobs are physically tough, low-paid, and dangerous, as the Tazreen fire and the Rana Plaza collapse revealed. Workers remain at the mercy of global market conditions for fast fashion.

The rising level of labor militancy since Rana Plaza shows that women garment workers increasingly have the consciousness and the means to mobilize for their common interests. They draw on their connections with international trade unions and labor rights advocates when needed, and are aware of their own power to disrupt or facilitate production. This is a kind of women's empower-

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ment that aid donors have been slow to support; most prefer programs that integrate women into markets over efforts to strengthen their bargaining position.

While global export manufacturing has the Cinderellas of the modern female precariat, migrant labor has chiefly drawn in millions of young men who travel abroad for low-wage work, enjoying few rights and protections because of their weak position in the global system. They are attracted by construction and domestic and retail service contracts in the United Arab Emirates, Saudi Arabia, and Malaysia—and the opportunity to send remittances home. But often they are cheated of the down payments required to secure jobs, or pushed into insecure and unsafe labor. Many return home having lost everything and earned nothing but the experience of gross injustice and exposure to Salafist versions of Islam.

These violations of its people's rights abroad have sorely tested Bangladesh's diplomatic capacities and economic clout. Since the country continues to depend on this vital source of foreign exchange and employment, it has been chronically constrained in its ability to demand better protections for its citizens overseas.

CLOSING SPACES

For observers unaware of the foundational politics of crisis and disaster in Bangladesh's national liberation era, the country poses a paradox: how, with its notoriously fractious and violent politics and venal elites, has it managed to achieve such inclusive development? The answer is that the elites' interest in their own success and survival led them to forge a consensus to better protect the population. The consensus held together whether the government was elected or not, and shaped the centrism and relative openness of both major parties during the period of multiparty democracy that began in the 1990s.

The “double movement”—toward greater economic growth and integration in global markets, and toward stronger protection of the population from those forces—has, if anything, speeded up in the past ten years under the Awami League government led by Prime Minister Sheikh Hasina, one of the surviving daughters of Sheikh Mujib. The Awami League took power in 2009 with an unprecedented popular mandate after a two-year military-backed caretaker regime overstayed its welcome, having presided over a massive spike in the price of rice.

As the country benefited from the global economic rebound after the 2008 financial crisis, annual growth rates hovered at an impressive 6–7 percent range. Poverty rates have dropped substantially. The coverage and quality of public services, particularly infrastructure and energy, appear to have improved.

The Awami League decade, however, has also been a time of closing democratic space. The opposition Bangladesh National Party and critics of the regime have been silenced or criminalized. Some have been imprisoned or disappeared. The crackdown on purportedly criminal behavior has been justified in part by a series of Islamist terrorist attacks on secular and foreign targets in Bangladesh, culminating in a July 2016 massacre at the Holey Artisan Bakery café in Dhaka's upmarket Gulshan area that left 20 hostages dead, mostly foreigners. Terrorist suspects were rounded up and killed without restraint.

The comparatively moderate Jamaat-e-Islami, the main Islamist political party, has been disabled by the execution of five of its top leaders who were convicted by the International Crimes Tribunal, a Bangladesh court set up to finally try the alleged war criminals of 1971. Jamaat is visibly in disarray at the start of 2019, and there are fears that the absence of a moderate Muslim political movement may push some toward extremism. A growing number of voices and organizations are pushing for more radical Islamist influence in public policy, with some effect—restrictions on madrassas have been loosened and the minimum marriage age for girls has been reduced in recent years.

A broader concern is the effect of shrinking civic space as the media, think tanks, civil society groups, and NGOs face tighter regulations and threats against outspoken dissenters, targeting the political opposition as well as secularists and human rights defenders. Bangladesh has benefited from openness that keeps market information flowing, enables learning about what works to foster development across different sectors, and ensures a rough kind of accountability, often through public naming and shaming. Whether the country can maintain its distinctively inclusive model of development under less liberal conditions remains to be seen.

After what was widely seen as a thoroughly rigged election in December 2018, there is little optimism about the prospects for participatory democracy in Bangladesh. The Awami League holds increasingly unchecked power over party poli-

tics and institutions of the state and civil society. What the political scientist Mirza Hassan terms a “dominant political system” has made it possible to address problems that require long-term planning and action. But it has also deafened the state to emerging issues. There have been mass protests over road safety, civil service recruitment, and minimum wages in the past year alone.

A NEW SOCIAL CONTRACT?

Bangladesh increasingly promotes its own development successes and takes a leading role in regional and global policy discussions on climate change and migration. There is a national ambition to replace the old “basket case” image with that of *Shonar Bangla* or Golden Bengal, in the words of the national anthem—a song written by yet another of this land’s Nobel Prize-winning sons, Rabindranath Tagore. In a marked reversal of its earlier role as a recipient of aid, the country now sends well-regarded peacekeeping troops (including many women officers) abroad to protect others as part of United Nations operations.

For the first time in its independent history, Bangladesh has taken a position of some importance in geopolitics by extending its protection to over 700,000 Rohingya refugees fleeing genocide in Myanmar’s Rakhine state, adding to the approximately 300,000 Rohingya who were already in Bangladesh after previous ethnic-cleansing campaigns against this mainly Muslim ethnic group. Despite a long-standing resistance to accepting refugees seen in Myanmar as “illegal Bengalis,” the government of Bangladesh took them in and set in motion a vast effort to provide shelter and sustenance to this traumatized population in what

were once the forests of Cox’s Bazaar in the border area on the southeast coast. The relief effort has involved complex global cooperation, and the government has won praise for its generosity and capacity to coordinate the delivery of vital aid.

In the precarious twenty-first century, with its contagious financial crises and complex climate change effects, Bangladesh faces new challenges and will need to renegotiate its social contract to better protect its citizens. Its institutions do an effective job of protecting them from natural disasters and food crises. It is taking rapid strides toward a modern social security system intended to provide protection from the volatility inherent in globalization. Yet the government has proved less able to protect Bangladeshis from the precarity of wages and working conditions in local and global labor markets.

Will Bangladesh continue to improve the lives of its citizens at an impressive pace in the future? The lessons of the past suggest that the gains made so far have depended on a pluralist political culture in which citizens can articulate discontent and dissent. This is how untenable policies are changed over time, and how public policy responds to mass needs.

Can the dominant party system protect citizens against the worst effects of being at the bottom of the global economic system? As Bangladesh moves toward its half-century mark in 2021, the direction of change will start to become clearer. For now, the rest of the world should see in Bangladesh a witness to the human effects of untamed globalization, and learn what it takes for a country with little but its sovereignty to push back and succeed against the odds it faced at its difficult birth. ■