

CRS Report for Congress

Bangladesh: Political Turmoil and Transition

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Summary

Bangladesh (the former East Pakistan) gained its independence in 1971, following India's intervention in a rebellion against West Pakistan (currently called Pakistan). The Bangladesh National Party (BNP), which led the ruling coalition of the previous government, and the leading opposition party, the Awami League (AL), traditionally have dominated Bangladeshi politics. The BNP has been led by former Prime Minister Khaleda Zia; the AL has been led by Sheikh Hasina. In the years since independence, Bangladesh has established a reputation as a largely moderate and democratic majority Muslim country. This status has been under threat from a combination of political violence, weak governance, poverty, corruption, and Islamist militancy. When in opposition, both parties have sought to regain control of the government through demonstrations, labor strikes, and transport blockades.

Bangladesh is now ruled by a military-backed caretaker government led by Fakhruddin Ahmed that appears unlikely to relinquish power until at least the end of 2008. It is pursuing an anti-corruption drive that has challenged the usual political elites. It is also seeking to put in place voter reforms, including issuing identity cards, and has moved against militant Islamists. Although there is some concern that the new military-backed caretaker government may be reluctant to relinquish power, it has presented a roadmap for new elections and a return to democracy in Bangladesh.

Bangladesh's status as a secular and moderate state, as well as its democratic process, has been jeopardized as a result of the approach taken by the two main political parties and by the takeover of government by a military-backed caretaker government. Further, there is concern that should Bangladesh become a failed state, or a state with increased influence by Islamist extremists, it could increasingly serve as a base of operations for terrorist activity.

Political violence has become part of the political landscape in Bangladesh under previous governments. A.M.S. Kibria, a finance minister in a previous Awami League government, and four others were killed in a bomb attack that also injured 70 at a political rally of the Awami League in early 2005. In mid 2004, an apparent political assassination attempt on opposition leader Sheikh Hasina at a political rally in Dhaka killed 22. These two attacks, and widespread bombings in mid 2005 that claimed 26 lives and injured dozens others, are the most notable incidents among many in recent years.

U.S. policy toward Bangladesh emphasizes support for political stability and democracy, development, and human rights. The United States has long-standing supportive relations with Bangladesh and views Bangladesh as a moderate voice in the Islamic world. Some analysts are concerned that Islamist parties and groups have gained influence through the political process and that this has created space for militant activities inside the country. Some allege that the presence in the former ruling Bangladesh National Party coalition government of two Islamist parties, the Islamiya Okiyya Jote (IOJ) and the Jamaat-e-Islami, contributed to the expansion of Islamist influence in Bangladesh.

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Bangladesh: Political Turmoil and Transition

Recent Developments¹

Since January 2007, Bangladesh has been ruled under a state of emergency by a military-backed caretaker government led by “Chief Adviser” Fakhruddin Ahmed. This interim administration assumed control of the government and postponed elections that had been scheduled for January 2007 at a time when many feared that election related violence would escalate. Since, it has embarked on an anti-corruption drive and has pledged to return Bangladesh to democracy by holding elections by the end of the 2008. The current government’s anti-corruption drive appears to be aimed at ridding Bangladesh of what many see as endemic corruption associated with Sheikh Hasina of the Awami League (AL) and Khaleda Zia of the Bangladesh National Party (BNP), both of whom are former Prime Ministers of Bangladesh. Despite this effort, it appears that the BNP and the AL, or factions thereof, will be the leading political contenders in the next election. Discontent over increasing food prices may exacerbate political tensions and lead to street protests. This could hinder the caretaker government’s ability to govern and could lead to a prolonged state of emergency that could lead to further destabilization and further erode democracy in Bangladesh.²

The government reportedly arrested some 10,000 people in early June to “maintain law and order” in the lead-up to elections.³ “Local leaders and activists of major political parties, labour leaders, student activists and local government representatives” were reportedly among those arrested.⁴ In May 2008, the interim government invited the main political parties to enter into a dialogue with it to discuss the restoration of democracy in Bangladesh. Sheikh Hasina and Khaleda Zia boycotted the talks on the basis that elections could not proceed without the country’s two main political leaders.⁵

¹ Many of the observations included in this report are based on interviews conducted by the author in Dhaka in February of 2008.

² “Country Report Bangladesh,” *Economist Intelligence Unit*, May 2008.

³ “Over 10,000 Arrested in Bangladesh as Political Dialogue Stalled,” *Indo-Asian News Service*, June 3, 2008.

⁴ “Bangladesh Asks Foreign Envoys to Refrain From ‘Interference,’” *BBC News*, June 3, 2008.

⁵ Mark Dummett, “Thousands Arrested in Bangladesh,” *BBC News*, June 4, 2008. “Bangladesh Parties Decline Talks,” *BBC News*, May 28, 2008.

Bilateral Relations with the United States

Former Deputy Assistant Secretary of State for South and Central Asia John Gastright stated on August 1, 2007, in testimony before the House Subcommittee on the Middle East and South Asia, that Bangladesh was "... fast becoming a democracy in name only, where money, cronyism and intimidation increasingly dictated the outcome of elections." In discussing the shift to the new military-backed caretaker government, he stated that U.S. was initially "troubled that this dramatic shift in government might signal a hidden agenda to indefinitely delay a return to democracy and conceal a secret military coup." He added that the caretaker government was responsive to calls for outlining a roadmap to elections and the restoration of democracy.⁶

The United States has long-standing supportive relations with Bangladesh and has viewed Bangladesh as a moderate voice in the Islamic world. Major U.S. interests in Bangladesh include political stability and democratization; continuation of economic reform and market-opening policies; social and economic development; environmental issues; countering anti-Western Islamist groups; and improvement of the human rights situation. Many in the United States would particularly like to bolster Bangladesh's democracy, which is destabilized by political violence. In early 2003, Dhaka was the site of modestly-sized street demonstrations in opposition to the U.S.-led invasion of Iraq.⁷

Bangladesh is a recipient of significant international aid. It has received more than \$30 billion from foreign donors since its independence in 1971. The State Department has requested a total of \$88.8 million in assistance for Bangladesh in the FY2008 budget request.⁸ U.S. assistance to Bangladesh supports health and economic development programs, the improvement of working conditions, including the elimination of child labor. P.L. 480 funds provide food assistance for the poorest families and for disaster relief. International Military Education and Training programs strengthen the international peacekeeping force of Bangladesh, which is a leading contributor of U.N. peacekeeping personnel.

The United States has generally had a negative balance of trade with Bangladesh since 1986. The United States is Bangladesh's largest export destination. Ready made garments and jute carpet backing are two of Bangladesh's key exports to the U.S. Bangladesh's main import partners are India, China, Kuwait, Singapore, Japan, and

⁶ Statement of John Gastright Deputy Assistant Secretary of State for South and Central Asian Affairs Before the House Committee on Foreign Affairs, Subcommittee on the Middle East and South Asia, August 1, 2007.

⁷ "Text: Powell, Bangladesh Foreign Minister Khan Confer in Washington Jan 24," USIS Washington File, January 24, 2003; "Bangladesh Port City Sees Largest Anti-War Protest," *Reuters News*, April 6, 2003.

⁸ "South and Central Asia," *Budget Justification Document for 2007*, Department of State, 2006, p. 494.

Hong Kong.⁹ The United States exports wheat, fertilizer, cotton, communications equipment, and medical supplies, among other goods to Bangladesh.¹⁰

In April 2008, U.S. Ambassador James Moriarty reportedly articulated three key dimensions to American foreign policy toward Bangladesh. These are democracy, development, and preventing terrorists from gaining influence in the country. He also stated that credible and transparent elections will be extremely difficult to conduct under a state of emergency, and he believes the caretaker government is taking steps to hold elections by the end of the year and that progress has been made in the area of human rights. Moriarty is cited as saying that “we are working closely with the government to strengthen the capacity of law enforcement agencies to fight terrorism and improve control of Bangladesh’s borders and ports of entry.”¹¹

The State Department budget has identified American aid priorities as focused on promoting “peace and security by strengthening democratic governance and tackling the underlying social, demographic, and economic factors that make Bangladesh vulnerable to violent extremism” through programs aimed at “democracy and governance, health, education, disaster management, food security, and economic growth.”¹² The U.S. has provided about \$5 billion in aid to Bangladesh since independence in 1971.¹³

Table 1. U.S. Foreign Assistance to Bangladesh
(in thousands of dollars)

	FY2007 (Actual)	FY2008 (Est.)	FY2009 (Request)
CSH	29,935	37,181	29,575
DA	10,430	29,190	39,060
ESF	3,750	-	-
FMF	990	595	1,000
IMET	934	761	800
INCLE	-	198	800
NADR	2,575	6,301	3,600
PL 480	35,618	30,783	32,000
Total	84,232	105,009	106,835

Source: “Bangladesh Program Overview,” State Department Budget Justification Document, 2008.

Abbreviations: Child Survival and Health (CSH), Development Assistance (DA), Economic Support Fund (ESF), Foreign Military Financing (FMF), International Military Education and Training, (IMET), International Narcotics Control and Law Enforcement (INCLE), Non-proliferation Antiterrorism, Demining, and Related Programs (NADR)

⁹ “Bangladesh,” CIA, *The World Factbook*, August 8, 2006.

¹⁰ “Background Notes: Bangladesh,” U.S. Department of State, August 2005.

¹¹ “Moriarty Says Army Role Could Isolate Bangla,” *United News of Bangladesh*, April 21, 2008.

¹² “Bangladesh Program Overview,” State Department Budget Justification Document, 2008.

¹³ “New Envoy Says Task to be Very Difficult,” *The Daily Star*, April 23, 2008.

General Background

Bangladesh is among the poorest and most corrupt countries in the world. The largely agricultural economy suffers frequent and serious setbacks from cyclones and floods. Bangladesh is believed to have large reserves of natural gas.

History

Formerly known as East Pakistan, and before that as the East Bengal region of British India, Bangladesh gained its independence from Pakistan in 1971 following a civil war that included military intervention by India. Whereas the partition of British India into India and Pakistan was the result of religious division between Hindus and Muslims, the partition of Pakistan that created Bangladesh was more the result of ethnic division and the desire for self expression by Bengalis from East Pakistan. This double partition was a challenge to the rationale for Pakistan and points to the national component of Bengali identity rather than to the religious component that has played an increasingly important role in Bangladesh politics and identity in recent years.¹⁴

Bangladeshi politics have been characterized by a bitter struggle between the Bangladesh National Party (BNP) and the Awami League (AL), and particularly between the two leaders of the respective parties, former Prime Minister Khaleda Zia (1991-1996, 2001-2006) and former Prime Minister Sheikh Hasina Wajed (1996-2001). Zia is the widow of former president and military strongman Ziaur Rahman, who was assassinated in 1981. Sheikh Hasina is the daughter of Bangladeshi independence leader and first prime minister Sheikh Mujibur Rahman, who was assassinated in 1975. When out of power, both the AL and the BNP have devoted their energies to parliamentary boycotts, demonstrations, and strikes in an effort to unseat the ruling party. The strikes often succeeded in immobilizing the government and disrupting economic activity. The President's powers are largely ceremonial but are expanded during the tenure of a caretaker government.

Bangladesh in Brief

Population: 153.5 million; *growth rate:* 2.02%
Land Area: 147,570 sq. km. (slightly smaller than Iowa) 55.39% of which is arable land
Capital: Dhaka, population approx. 10 million
Language: Bengali (official); English widely used
Literacy: 43.1%
Ethnic Groups: Approximately 98% Bengali with some tribal and no-Bengali groups
Religion: Muslim 88.3%; Hindu 10.5%
Life Expectancy at Birth: 63.21 years
Infant Mortality: 57.45 per 1,000 births
Inflation: 7.2%
Poverty: 45% are below the poverty line
Gross Domestic Product: 6% growth with per capita ppp = \$1,400
GDP by Sector: Agriculture 19%, industry 28.7%, services 52.3%
Labor Force: Agriculture 63%, industry 11%, services 26%
Key Exports: Garments, jute, leather, frozen fish, seafood
Key Export Partners: U.S. 24.9%, Germany 12.8%, U.K. 9.8%, France 5%
Sources: CIA, *The World Factbook*; Reuters; BBC News; The Economist Intelligence Unit; U.S. Departments of State and Commerce; World Bank.

¹⁴ Maneeza Hossain, "Broken Pendulum: Bangladesh's Swing to Radicalism," *The Hudson Institute*, 2007.

There has been much political violence in Bangladesh in recent years. The State Department issued a statement that “strongly condemned” the bomb attack that killed four, including former Awami League Finance Minister A.M.S. Kibria, and injured 70 at a political rally of the Awami League on January 27, 2005. The incident was described by the State Department as “the latest in a series of often deadly attacks on prominent leaders of the political opposition and civil society.” On August 21, 2004, grenades were hurled in an apparent political assassination attempt on opposition leader Sheikh Hasina at a political rally in Dhaka and killed 22. These two attacks, and widespread bombings on August 17, 2005, marked a rising tide of political violence in Bangladesh. The formerly ruling Awami League alleged that the Islamist Jamaat-e-Islami and Islamiya Okiyya Jote parties protected the radicals responsible for the violence from prosecution by the government.¹⁵

Geography

Bangladesh is a low-lying riparian nation of much agricultural fertility with a subtropical monsoonal climate that is particularly prone to flooding. The country’s alluvial plain is drained by five major river systems that flow into the Bay of Bengal. Some 40% of Bangladesh’s total land area is flooded on average each year washing away 1% of arable land.¹⁶ It has a large delta at the confluence of the Ganges, Brahmaputra, and Meghana rivers and their tributaries. The southwest coastal jungle region is known as the Sundarbans and is home to some of the few remaining Bengal Tigers in the world. There are some hills in the Chittagong Hill Tract region in the southeast and near Sylhet in the northeast of the country. Bangladesh is subject to major cyclones that cause extensive flooding at the rate of some 16 floods per decade.¹⁷ The low lying aspect of Bangladesh’s terrain makes it particularly vulnerable to sea level rise due to climate change.

Government, Politics, and Elections

Structure of Government

An understanding of the close political balance between the two main parties in the last election is necessary to understand the political maneuvering that has taken place in the lead-up to the elections that were scheduled for January 22, 2007. The January 2007 elections were postponed by the military-backed interim government ostensibly to forestall mounting political violence and remove corrupt officials from office. Bangladesh has a 300-seat unicameral national parliament known as the Jatiya Sangsad. During the last election, held on October 1, 2001, the Zia-led Bangladesh National Party and its alliance partners won 41% of votes. The BNP’s alliance partners in that election included the Jamaat-e-Islami (JI), the Islamiya Okiya Jote (IOJ), and the Jatiya Party (JP) - Manzur Faction. They were opposed by the Hasina-led Awami League which won 40% of the vote. The number of seats won by party

¹⁵ Roland Buerk, “Bangladesh and Islamic Militants,” *BBC News*, February 25, 2005.

¹⁶ Devin Hagerty, “Bangladesh in 2007,” *Asian Survey*, February 2008.

¹⁷ “Background Notes: Bangladesh,” Department of State, Bureau of South and Central Asian Affairs, May 2007.

were as follows: BNP: 193, AL: 58, JI: 17, JP (Ershad Faction): 14, IOJ: 2, JP (Manzur Faction): 4, and others: 12.¹⁸

Elections in Bangladesh are to be held every five years. Bangladesh has instituted a provision for the President to appoint an interim government in the immediate lead-up to polls in order to prevent the incumbent government from using the powers of office to unfair political advantage.

Political Dynamics

The intense and at times violent political rivalry between the BNP and the AL, and the presence of radical Islamist parties and groups, have defined Bangladesh's poor political environment in recent years. Other challenges facing Bangladesh include rampant corruption, dysfunctional parliamentary government, a weak judiciary, poor human rights, communal conflict, periodic environmental disasters, and poverty.¹⁹

Political turmoil and violence, the politicisation of the public administration and concerns that corruption obstructs private sector investment and public service delivery are key elements of what is widely deemed a 'crisis of governance'. These mount amid newer concerns about security and the perceived rise of Islamic militancy.²⁰

There is also increasing concern that the military may continue to play a political role in the future despite its pledge to return Bangladesh to democratic government.

Former U.S. Ambassador Patricia Butenis stated that Bangladeshis

have suffered because the political parties ... could not agree on the basic rules of the game ... the hard part is actually creating political parties that are genuinely democratic in practice and outlook, parties that focus on issues and the national interest instead of personalities...²¹

In the lead-up to the scheduled January 2007 election, observers generally feared that political infighting, corruption, rising Islamist extremism, and political violence would further erode the Bangladesh government's ability to effectively or democratically govern. Bombings and other violence "targeted opponents of

¹⁸ Bangladesh elects its representatives by district. CIA, *The World Factbook*, [<http://www.cis.gov/cia/publications/factbook/geos/bg>].

¹⁹ "Bangladesh Today," *International Crisis Group*, October 23, 2006.

²⁰ Manzoor Hasan and Imran Matin eds. *The State of Governance in Bangladesh 2006*, (Dhaka: Centre for Governance Studies, BRAC University and BRAC Research and Evaluation Division, 2006).

²¹ Ambassador Patricia Butenis, "Elections: The Road Ahead," Dhaka University, December 17, 2006.

Islamization: secular and leftist politicians, intellectuals and journalists, and religious minority groups.”²²

Lead Up to 2008 Elections

There is concern that elections scheduled to take place by the end of 2008 may be delayed and that this could precipitate a further erosion of democracy and lead to further political instability in Bangladesh. The acting leader of the Awami League, Zillur Rahman, has stated that his party will not participate in the next general elections if they are held under a state of emergency. He added that elections would not be possible if AL leader Sheikh Hasina was not released from jail.²³ Hasina has been held on charges of graft, abuse of power, and extortion in a building inside the parliament complex since July 2007. She is among 170 political figures being held on corruption charges by the interim government. Of the 170, 40 have thus far been convicted. Hasina, who is 60, was hospitalized in April due to high blood pressure. The AL has threatened street protests to achieve her release. Hasina has reportedly stated that she doubts that polls will be held by the end of the year.²⁴

The Bangladesh National Party has split into two factions. One remains loyal to Khaleda Zia while another has broken away. Zia unsuccessfully challenged the breakaway faction’s right to hold discussions with the interim government’s Election Commission. The 62-year-old Zia is also under detention on corruption charges in the parliamentary complex.²⁵ As a result of a court ruling, the breakaway group led by Hafizuddin Ahmed has strengthened its claim to the leadership of the BNP.²⁶ Hafizuddin is acting Secretary General of the pro-Saifur faction while Khandaker Delwar Hossain was appointed BNP Secretary General by Khaleda Zia.²⁷ Saifur Rahman is viewed as a reformist leader in the AL.²⁸ Delwar has stated that, “No election would be held under the state of emergency and release of the two top leaders is a must for holding an acceptable election.”²⁹

²² Stephen Ulph, “Nationwide Bombing Campaign in Bangladesh,” *The Jamestown Foundation*, August 19, 2005.

²³ Hasan Jahid Tusher, “AL Won’t Join Talks if Hasina Not Freed,” *The Daily Star*, May 28, 2008.

²⁴ “Bangladesh Party Refuses to Contest Polls Under Emergency,” *BBC News*, April 21, 2008. “Bangladesh’s Biggest Party Demands Release of Ex-PM,” *Reuters*, April 13, 2008. “Former Bangladesh PM Hasina Hospitalised,” *Asian News International*, April 19, 2008. “Bangladesh Ex-PM’s Party Threatens Street Movement for Her Release,” *BBC News*, April 12, 2008. “Bangladesh Detained Ex-PM Hasina Doubts Polls by Year End,” *BBC News*, April 8, 2008.

²⁵ “Bangladesh Court Rejects Zia Appeal,” *Aljazeera*, April 10, 2008.

²⁶ Nizam Ahmed, “Bangladesh’s Khaleda Suffers Setback in Court Ruling,” *Reuters*, April 10, 2008.

²⁷ “Interim Govt Calls Both Factions of Ex-PM Zia’s Party for Informal Talks,” *BBC News*, April 9, 2008.

²⁸ “BNP Factions Still in their Respective Stances,” *Promotho Alo*, April 19, 2008.

²⁹ “No Polls Under Huda-Led EC,” *Daily Star*, April 24, 2008.

The recent dramatic rise in food costs in Bangladesh is contributing to the destabilized political situation there. Food prices reportedly have doubled in Bangladesh over the past year in part due to flooding associated with Cyclone Sidr and other storms in 2007. Concurrently, there is also a dramatic rise in regional and global food prices. The price of rice in some Asian markets has reportedly risen from \$460 per metric ton to approximately \$1,000 in less than two months.³⁰ Bangladesh is now experiencing acute shortages of food, driving prices up. There has been some rioting in Dhaka as a result.³¹ The growing world food crisis is particularly acute in places like Bangladesh where more than half the people are landless laborers who are in no position to grow their own food.³² An estimated 60 million of Bangladesh's poor spend 40% of their income on food. The crisis is raising discontent with the interim government's state of emergency and is reportedly emboldening the parties to act. In the words of one laborer, "our politicians were corrupt, but we had enough money to buy food."³³

The Caretaker Government

Many initially welcomed the intervention by the military as it was thought to have prevented anticipated violence. While initially welcomed as a stabilizing influence, the military-backed interim government is increasingly viewed in Bangladesh, and abroad, as a potential threat to democratic government in Dhaka.

Anti-Corruption Drive. Corruption is widespread in Bangladesh. Berlin-based Transparency International ranked Bangladesh as among the world's most corrupt countries with a rank of 162 out of 179 countries.³⁴ According to one source, Bangladesh took disciplinary action against a significant percentage of its police force in recent years for offenses ranging from corruption to dereliction of duty.³⁵ Bangladesh's largest port, Chittagong, which handles 90% of all trade to Bangladesh, is reportedly hampered by widespread corruption and a rapid increase in piracy.³⁶ U.S. Assistant Secretary of State for South and Central Asia Richard Boucher has stated "the main obstacles [for Bangladesh] are corruption and poor governance."³⁷

³⁰ Kevin Sullivan, "Food Crisis is Depicted as Silent Tsunami," *Washington Post*, April 23, 2008.

³¹ David Montero, "Asia Limits Rice Exports as Prices and Uncertainty Rise," *The Christian Science Monitor*, April 22, 2008.

³² "Reviving the Ration Card," and "The New Face of Hunger," *The Economist*, April 19, 2008.

³³ "A Different Sort of Emergency," *The Economist*, April 19, 2008.

³⁴ The index ranks 179 countries based on a composite of surveys drawn from a number of institutions gathering the perceptions of business people and analysts. The index defines corruption as the abuse of public office for private gain. (2007 Transparency International Corruption Perceptions Index, [http://www.transparency.org/policy_research/surveys].)

³⁵ "Bangladesh Punishes Nearly Two Thirds of Its Police Force," *Reuters*, August 20, 2006.

³⁶ Elizabeth Mills, "Anger After Bangladeshi Port Is Named Worst for Piracy," *Global Insight*, July 28, 2006.

³⁷ "Corruption, Intra-Party Conflicts Challenge Bangladesh's Next Elections," *United News* (continued...)

A key goal for the caretaker government has been to remove Hasina and Zia, and their associated political machines, from the political scene in Bangladesh. This “minus two” strategy has met with mixed success. The government was unsuccessful in its attempts to exile the two but has kept them under detention. In May 2008, the caretaker government announced the formation of a “truth commission.” Those appearing before the truth commission and giving details of fraud would not be tried for their crimes but would be banned from contesting elections for five years.³⁸

The Role of the Military. The power behind the caretaker government is thought by some to reside with the Directorate General of Forces Intelligence (DGFI). The military has sought to exert its influence from behind the scenes through the interim caretaker government. Army Chief General Moeen Ahmed has reiterated his pledge that the military has no political ambition and that it remains committed to the political roadmap to hold elections by the end of 2008. He added that the army wishes to see honest and competent leadership come to power.³⁹ Many observers believe that the military wants to rid Bangladesh of past corrupt leaders and to then withdraw from politics in a way that would preserve the military’s position in society and avoid retaliation by disaffected politicians. The extent to which there is uniform support for this objective within the armed forces is unclear. General Ahmed’s term as Chief of Staff of the Armed Forces of Bangladesh has been extended to June 2009. There has been discussion of a proposed National Security Council (NSC). This has caused concern that the military’s role in the affairs of state could be institutionalized through the creation of a NSC.⁴⁰

The difficulty that the military has had in dealing with economic difficulties, natural disasters, and the “minus two” strategy, has reportedly undermined the morale of some in the armed forces and led to internal tensions within the military. There is reportedly a split within the officer corps between senior and junior officers with the latter group believing that senior officers have been corrupted through their involvement in the political process. The perception that the military’s reform agenda is faltering may lead to further division.⁴¹

It is thought by some observers that General Ahmed is interested in becoming president. There is also speculation that he and others in the military favor reform that would strengthen the presidency and allow the president to sack an elected prime minister and dissolve parliament. Such a president, it is thought, would be able to use the proposed National Security Council to facilitate his or her role in government.⁴²

³⁷ (...continued)
of Bangladesh, May 18, 2006.

³⁸ “Truth Commission for Bangladesh,” *BBC News*, May 26, 2008.

³⁹ “No Deviation From Electoral Roadmap, Says Gen. Moeen,” *United News of Bangladesh*, April 11, 2008.

⁴⁰ *Country Report: Bangladesh*, The Economist Intelligence Unit, May 2008.

⁴¹ “Restoring Democracy in Bangladesh,” *International Crisis Group*, April 28, 2008.

⁴² “Bangladesh Today,” *International Crisis Group*, October 23, 2006.

It has been argued that the military will be, at least in part, restrained by a desire not to jeopardize its lucrative involvement in international peacekeeping. Bangladesh first became involved in United Nations (U.N.) peacekeeping in 1988 and has since contributed some 60,000 soldiers to such efforts. Bangladesh had some 9,600 soldiers serving abroad in U.N. peace operations in 11 different countries in March 2008, making Bangladesh one of the largest sources of U.N. troops.⁴³ It has been reported that the U.N. resident representative in Bangladesh has in the past pointed out that the military's actions in Bangladesh have implications for its involvement in U.N. peacekeeping contracts.⁴⁴ Bangladeshi troops have a reputation for being disciplined and have fewer complaints lodged against them than U.N. troops from many other countries.⁴⁵

Islamist Extremism

Bangladesh was originally founded on secular-socialist principles and firmly grounded in an ethnic Bengali nationalism as opposed to a Muslim religious identity. Some have attributed the rise of Islamist influence in Bangladesh to the failure of Bangladeshi political elites to effectively govern. This has been described as a crisis of hegemony of the rulers who have failed to provide moral leadership or effectively represent the interests of the masses.⁴⁶ Many believe this has created political space for the Islamists to gain influence.

The May 2008 attacks in Jaipur, India suggests that Islamist extremists from Bangladesh remain a threat in the region. The May 13 bombings in Jaipur are thought to have killed 80 and wounded 200. It has been reported that Indian investigators believe that the Bangladeshi group Harkat ul-Jihad-al-Islami is responsible for the attacks. Such attacks also threaten to undermine inter-communal harmony in India as Indian Muslims increasingly fear reprisals for such attacks.⁴⁷

The caretaker government indicated its resolve to fight Islamist extremism by executing six leaders of the Islamist extremist group Jamaatul Mujahideen Bangladesh (JMB) in March 2007. The previous BNP government also demonstrated new-found resolve to fight terrorism before it stepped down, despite having Islamist political parties in its coalition. There is a fear among some observers that the current crisis confronting Bangladesh may create a political or security vacuum that radical Islamists may seek to fill.

⁴³ "2,728 Bangladeshi Peacekeepers Decorated with UN Medal," *Independent Bangladesh*, March 31, 2008.

⁴⁴ "The UN in Bangladesh," *The Economist*, February 21, 2007.

⁴⁵ Roland Buerk, "The Cream of UN Peacekeepers," *BBC News*, January 18, 2006.

⁴⁶ Ali Riaz, *God Willing: The Politics of Islamism in Bangladesh*, (New York: Rowman and Littlefield Publishers, 2004).

⁴⁷ Emily Wax, "Poor Muslims Cite Fear of Backlash After Blasts in Historic Indian City," *Washington Post*, May 16, 2008.

The political context for the potential influence of Islamist extremism is demonstrated by the role that Islamist parties played as coalition partners in the previous BNP government. The BNP government of Khaleda Zia ruled with coalition support from the Jamaat Islami (JI) and Islami Okiya Jote (IOJ) political parties. These two political parties have an Islamist political agenda and are thought to have ties to radical extremists.⁴⁸

Because of the near even electoral balance between the BNP and the AL in the pre-2007 political environment, the Islamist political parties, JI and IOJ in particular, enjoyed political influence disproportionate to their support among the Bangladeshi electorate. The current split within the BNP appears to be creating a more multi-party system in which Islamist political parties may not enjoy the same degree of influence. Some analysts believe the parties' abilities to be political queen - makers may be less obvious with more potential political factions and parties. Islamists rioted in Dhaka in April 2008 to protest a draft law that would give equal inheritance rights to women. This triggered further protests in Chittagong on April 11 in which Islamist activists, many of them reportedly madrasa students, attacked a police station.⁴⁹

Extremist Groups

Several terrorist and militant extremist groups operate in Bangladesh, including Harkat ul Jihad al Islami (HuJi), Jagrata Muslim Janata Bangladesh (JMJB), and Jama'atul Mujahideen Bangladesh (JMB). The Bangladeshi opposition, analysts, and media observers have alleged that the presence in the former ruling Bangladesh National Party (BNP) Coalition government of two Islamist parties, the Islamiya Okiyya Jote (IOJ) and the Jamaat-e-Islami, had expanded Islamist influence in Bangladesh and created space within which terrorist and extremist groups could operate. Islami Okiyya Jote is reported to have ties to the radical Harkat-ul-Jihad-al-Islami (HuJI).⁵⁰ Jamaat may also have had ties to Harkat ul-Jihad-i-Islami, which itself has ties to Al Qaeda. Harkat leader Fazlul Rahman signed an Osama bin Laden holy war declaration in 1998.⁵¹ JMB seeks the imposition of Sharia law for Bangladesh and is thought responsible for the widespread and coordinated August 2005 bombings. HuJI has been implicated in the January 2002 attack on the American Center in Calcutta, India.⁵² HuJI, or the Movement of Islamic Holy War, is on the U.S. State Department's list of "other terrorist organizations" and is thought to have links to Pakistani militant groups. It is also thought to have a cadre strength

⁴⁸ See CRS Report RL33646, *Bangladesh: Background and U.S. Relations*, by Bruce Vaughn, for additional background information.

⁴⁹ "Authorities Order Intensified Security Vigil in Dhaka," *Press Trust of India*, April 12, 2008. See CRS Report RS22591, *Islamist Extremism in Bangladesh*, by Bruce Vaughn for additional background information.

⁵⁰ Roland Buerk, "Bangladesh and Islamic Militants," *BBC News*, February 25, 2005.

⁵¹ "Bangladesh Becoming a Regional Terror Hub," *Hindustan Times*, August 3, 2006.

⁵² "Bangladesh's First Suicide Bombers," *Janes Terrorism and Security Monitor*, January 18, 2006.

of several thousand.⁵³ Awami League sources claimed that former fundamentalist leader Bangla Bhai had ties to Jamaat-e-Islami.⁵⁴ AL leader Sheikh Hasina has accused the previous government of “letting loose communal extremist forces.”⁵⁵ Some news sources have reported that international extremists have used Bangladeshi passports and that some have obtained them with the assistance of sympathetic officials at various Bangladesh Embassies under the previous government.⁵⁶

Two senior members of IOJ have reportedly been connected with the reemergence of Harkat ul Jihad (HuJi) under the name “Conscious Islamic People.”⁵⁷ It has also been reported that the political wing of HuJi may seek to enter politics under the name Islami Gono Andolon.⁵⁸ The former BNP government had denied the presence of significant terrorist elements in the country and reportedly had even expelled BNP lawmaker Abu Hena from the BNP for speaking out against extremist activities at a time when the official view was that such extremists did not exist.⁵⁹

The former BNP government eventually moved to suppress the Jamaat-ul-Mujahideen (JMB) and the Jagrata Muslim Janata Bangladesh (JMJB) terrorist groups operating in Bangladesh. The government sentenced to death JMB leaders Shaikh Abdur Rahman and Siddiq ul Islam, also known as “Bangla Bhai,” as well as five other JMB members, in May 2006. They were subsequently executed for their role in the bombings.⁶⁰ The two Islamist militant leaders received their sentences for the murder of two judges in November of 2005. They are also believed to have been behind widespread bombings in Bangladesh and to have sought to replace the secular legal system with Sharia law through such attacks. The government also reportedly has arrested some 900 lower-level militants, seven known senior leaders, 4 out of 11 commanders, and some 20 district leaders on terrorism charges.⁶¹ Despite this, the then leader of the opposition, Sheikh Hassina, stated “militants are partners of the government ... the government catches a few militants whenever foreign guests visit Bangladesh.” She has also alleged that Jamaat has 15,000 guerillas and its own

⁵³ Office of the Coordinator for Counterterrorism, Department of State, *Patterns of Global Terrorism, 2003*, April 29, 2004.

⁵⁴ Roland Buerk, “Bangladesh’s Escalating Extremism,” *BBC News*, November 29, 2005.

⁵⁵ Roland Buerk, “Dhaka Struggles to Respond to Bombs,” *BBC News*, August 2005.

⁵⁶ “International Terrorists Using Bangladeshi Passports,” *Notes From the Bangla Media*, August 30, 2006, The U.S. Embassy, Dhaka, “Bangladesh Press Selection,” *BBC News*, August 30, 2006; and “BSF Wants Anup Chetia Deported,” *Indian Express*, August 29, 2006.

⁵⁷ “IOJ Behind Reemergence of Harkatul Jihad,” *Notes From the Bangla Media*, United States Embassy, Dhaka, August 22, 2006.

⁵⁸ “War on Terror Digest 21-22 Aug 06,” *BBC Monitoring*, August 22, 2006.

⁵⁹ “Summer of Discontent in the BNP,” *United News of Bangladesh*, June 9, 2006.

⁶⁰ “Bangladesh Arrests Two Senior Leaders of Banned Militant Group,” *BBC News*, July 12, 2007.

⁶¹ “Bangladesh Coalition Partners to Face Election Together Amid Terrorism Charges,” *Open Source Center*, July 13, 2006.

training camps. Hassina has also stated that the arrest of JMB operatives is “only the tip of the iceberg.”⁶²

It appears that the former BNP government shifted its position on the necessity of acknowledging and addressing Islamist militants in August of 2005. In response, JMB leader Rahman reportedly has stated, “masks will fall and you [the authorities] will be exposed.” Such an allegation is consistent with allegations by the AL opposition, which has accused the government, or more likely elements within the government, of allowing Islamist militancy to rise in Bangladesh.⁶³

Selig Harrison, a prominent South Asia Analyst, noted in early August 2006 that “a growing Islamic fundamentalist movement linked to al-Qaeda and Pakistani intelligence agencies is steadily converting the strategically located nation of Bangladesh into a new regional hub for terrorist operations that reach into India and Southeast Asia.” Harrison pointed out that former Prime Minister Khaleda Zia’s Bangladesh National Party’s coalition alliance with the Jamaat-e-Islami Party of Bangladesh led to a “Faustian bargain” that brought Jamaat officials into the government. These officials, he argued, in turn allowed Taliban-styled squads to operate with impunity. Jamaat’s entry into the former BNP government also reportedly led to fundamentalist control over large parts of the Bangladesh economy, Islamist madrasa schools acting as fronts for terrorist activity, fundamentalist inroads being made in the armed forces, and rigging (by manipulating voter lists) of the elections that were originally scheduled for January 2007.⁶⁴

The State Department continues to view the government of Bangladesh as working to thwart terrorist activities. In responding to a question from an Indian journalist who asserted that Bangladesh “is not only aiding and abetting the separatist Indian guerilla forces, but is also ... supporting and helping the Islamic forces to fight against India,” Assistant Secretary of State Boucher stated the following:

We see that Bangladesh is a very populated country with a developing security service, a developing ability to fight terrorism, with some successes already that they can show in terms of arresting the leaders of the major terrorist group that has been operating in Bangladesh, but with a lot of work left to do, in terms of getting the whole network and getting, stopping other people who might be operating there.⁶⁵

On July 11, 2006, a series of coordinated bomb blasts killed approximately 200 persons while wounding some 500 others on commuter trains in Bombay (Mumbai), India. Indian authorities subsequently arrested several individuals reportedly with ties to terrorist groups in Bangladesh and Nepal who were “directly or indirectly” linked to Pakistan. Indian intelligence officials have portrayed the bombers as being backed

⁶² “Militants Arrest Meant to Impress US: Hassina,” *Hindustan Times*, August 4, 2006.

⁶³ “Bangladesh Blast Masterminds Sentenced to Death,” *Agence France-Presse*, May 29, 2006.

⁶⁴ Selig Harrison, “A New Hub for Terrorism? In Bangladesh, An Islamic Movement with Al-Qaeda Ties is on the Rise,” *Washington Post*, August 2, 2006.

⁶⁵ “Richard Boucher Holds a News Conference in Calcutta, India,” *CQ Transcripts*, August 4, 2006. “U.S. Wants Pakistan to Move Against Terrorists,” *The Hindu*, August 5, 2006.

by Pakistan-supported terrorist groups. Pakistan has denied these allegations.⁶⁶ Allegations had been made that the explosives had come from Bangladesh. In response, Bangladesh authorities stated that the Jamaat ul-Mujahideen (JMB) attacks in Bangladesh on August 17, 2005, which killed 30 in a series of nationwide blasts, were of Indian origin.⁶⁷ Six of the eight arrested in India in connection with the bombings are thought to have received training from Lashkar-e-Toiba at terrorist camps in Pakistan. Lashkar is a Pakistan-based, Al Qaeda-allied terrorist group.

Although most of the terrorism focus in India has been on Pakistan, Bharatiya Janata Party (BJP) President Rajnath Singh has called on the Indian government to pressure Bangladesh to dismantle terrorist training centers in Bangladesh. The Hindu nationalist BJP is the leading opposition party in India. Singh also stated that Bangladesh had become “a centre of Islamic fundamentalist forces.”⁶⁸ The anti-terrorism squad investigating the Bombay blasts also interrogated a number of individuals in a village in Tripura, India, that borders Bangladesh.⁶⁹ A bombing in Varanasi, India, in March 2006 also reportedly had links to HuJi in Bangladesh.⁷⁰

Army forces captured Habibur Rahman Bulbuli in June 2007. Bulbuli was leader of the Khelafat Majlish that is a component of the Islamiya Okiya Jote, which was a junior partner in the former BNP government of Khaleda Zia. Bulbuli has claimed to be a veteran of fighting in Afghanistan and a follower of Osama bin Laden.⁷¹ In June 2007, Bangladesh police charged Mufti Hannan and three accomplices, who are all now in prison, with trying to assassinate the British High Commissioner Anwar Choudhury in 2004. Choudhury, who is of Bangladeshi origin, was wounded in a grenade attack as were some 50 others. Three were also killed in the attack which occurred at a shrine near Choudhury’s ancestral home.⁷² The Rapid Action Battalion (RAB) reportedly captured four suspected members of Jamaat-ul-Mujahideen, as well as grenades and explosives, near Kishoregani northwest of Dhaka on July 18, 2007.⁷³

⁶⁶ “Three Arrested Over Mumbai Bombs Linked to Pakistan,” *Financial Times*, August 6, 2006.

⁶⁷ Waliur Rahman, “Dhaka Dismisses Mumbai Bomb Claim,” *BBC News*, July 15, 2006.

⁶⁸ “Uproot Terror Camps From Bangla: BJP,” *Hindustan Times*, July 19, 2006.

⁶⁹ “Mumbai Police Interrogates Terror Suspects in Tripura,” *Hindustan Times*, July 19, 2006.

⁷⁰ “Bangla Immigrants the Threat Within,” *Times of India*, July 14, 2006.

⁷¹ “Bangladesh Forces Capture Afghan War Veteran Bulbuli,” *Asia News International*, May 16, 2007.

⁷² “B’desh Charges Islamists for Attacks on U.K. Envoy,” *Reuters*, June 9, 2007.

⁷³ “Bangladesh Arrests Islamists, Seizes Explosives,” *Reuters*, July 18, 2007.

The Economy

Bangladesh is one of the poorest countries in Asia, with almost half the population living on a dollar a day or less. Population growth, natural disasters, and political instability have all placed constraints on the economic development of the country. Bangladesh is believed to have significant onshore and offshore natural gas deposits that could bring future prosperity to the country.

The most immediate economic challenge for the interim government is to gain control over consumer price inflation, as many Bangladeshis are finding food too expensive. One survey found that the cost of food staples grew 50% in 2007 and food prices have continued to rise in 2008. Speculators are thought to be hoarding rice and the government has moved to try to restrict banks from loaning money to hoarders of rice.⁷⁴ Cyclone Sidr, which killed an estimated 3,400 and destroyed an estimated \$291 million worth of the winter rice crop, followed heavy flooding in July and August 2007 which also had a negative impact on the harvest. As a result, Bangladesh had a 3.1 million ton shortfall to meet domestic demand for the year ending in June 2008.⁷⁵ Such discontent could make an already volatile political situation even more difficult. Another key challenge is underemployment which is estimated to be 24.5% of the population.⁷⁶

Bangladesh's economic growth is expected to slow. Although actual GNP growth was 6.6% in 2006, Bangladesh's GNP growth is estimated to be 6.5% in 2007 and is projected to slow to 5.7% in 2008. Weakened external demand for textiles and labor problems are contributing causes for this slowdown, though there are signs that textiles are already recovering. The garment sector in Bangladesh accounts for 80% of exports and 40% of industrial jobs. Key export markets include the United States (25.2%), Germany (12.7%), the United Kingdom (9.9%), France (5.5%), and Italy (3.9%). Private consumption in Bangladesh now accounts for some 65% of GDP.⁷⁷

Bangladesh is thought to have significant reserves of natural gas, although estimates of its reserves have varied over the years. It was reported in *Oil and Gas Journal* in 2006 that Bangladesh had 5 trillion cubic feet (Tcf) of proven gas reserves. In 2004, Bangladesh's Ministry of Finance estimated that Bangladesh had some 20.5 Tcf of recoverable reserves. In 2001, the U.S. Geological Survey estimated that Bangladesh had over 32 Tcf of undiscovered reserves. Natural gas accounts for 80% of Bangladesh's commercial energy consumption. Though there have been negotiations to build a pipeline to export gas to India these have not come to fruition. Instead, the Bangladesh government appears to have focused on meeting Bangladesh's current and future energy needs. As a result, India has explored

⁷⁴ Rejaul Karim Byron, "Move on Against People Out to Hoard Rice," *The Daily Star*, May 15, 2008.

⁷⁵ "Bangladesh Army Chief Concerned at High Rice Prices," *Agence France-Presse*, January 4, 2008.

⁷⁶ Inam Ahmed, "Employment Growth Shrinks by Half," *The Daily Star*, February 22, 2008.

⁷⁷ Bangladesh's fiscal year ends June 30. "Bangladesh: Country Report," *The Economist Intelligence Unit*, May 2008.

building a pipeline around the north of Bangladesh to access gas in neighboring Burma.⁷⁸ It is estimated that Burma made \$2.7 billion from gas exports in 2007.⁷⁹

Religious Freedom and Human Rights

Religious Freedom

Approximately 88% of Bangladesh's population is Muslim. Approximately 10% of the population is Hindu, while the remainder is Christian and Buddhist. Ethnic and religious minority groups overlap in areas such as the Chittagong Hill Tracts area where most Buddhists and non-Bengali people are found. While there is relative peace between religious groups at present, Bangladesh's struggle for independence in 1971 led to much inter-communal strife and death with some estimates listing the number killed at over a million. A further eight to ten million refugees fled into West Bengal, India.⁸⁰

Though the state religion of Bangladesh is Islam, the nation's Constitution provides for the right to practice the religion of one's choosing. According to the State Department's *International Religious Freedom Report 2007*, while the government publically has supported freedom of religion "... attacks on religious and ethnic minorities continued to be a problem ... Religion exerted a significant influence on politics, and the government was sensitive to the Islamic consciousness of its political allies and the majority of its citizens." The report went on to add that public officials and the police were "sometimes slow to assist religious minority victims of harassment and violence ... Hindu, Christian, and Buddhist minorities experienced discrimination and sometimes violence by the Muslim majority." There were also continuing calls for the Ahmadi sect to be declared non-Muslim.⁸¹

Human Rights

The ongoing state of emergency and postponement of elections are widely viewed as undermining political rights in Bangladesh. Many rights, such as the freedom of expression, freedom of the press, freedom of association, and the right to bail, were suspended. The State Department concluded that, "the anti-corruption drive initiated by the government, while greeted with popular support, gave rise to concerns about due process." It also observed that "there was a significant drop in the number of extrajudicial killings by security forces," though members of the security

⁷⁸ "Bangladesh: Natural Gas," Energy Information Administration: Official Energy Statistics from the U.S. Government, [<http://www.eia.doe.gov/cabs/Bangladesh/naturalGas.html>].

⁷⁹ "Myanmar's Generals Amass Fortunes While Country Flounders," *Agence France-Presse*, May 11, 2008.

⁸⁰ James Heitzman and Robert Worden, *Bangladesh: A Country Study*, (Washington: U.S. Government Printing Office, 1988), p. 30.

⁸¹ "Bangladesh," *International Religious Freedom Report 2007*, Bureau of Democracy, Human Rights and Labor, Released September 14, 2007. Unlike other Muslims, Ahmadis believe that their leader was also a prophet and hence that Mohammad was not the last Prophet.

forces continued to act “with impunity and committed acts of physical and psychological torture.”⁸²

Figure 1. Map of Bangladesh



Source: Map Resources. Adapted by CRS.

⁸² “Bangladesh,” *Country Reports on Human Rights Practices 2007*, Bureau of Democracy, Human Rights, and Labor, Released March 11, 2008.