

Democracy and Economic Growth: Theoretical Challenges and Implementation in Bangladesh

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Abstract:

This paper examines economic growth of Bangladesh through democracy. The empirical studies conducted so far to find the relationship between democracy and growth have contributed to contradictory results. Some works suggest that there is a strong relationship between the two, while some others indicate almost negative relationship and some other studies find inconclusive results. Interestingly the works suggesting inclusive results are of the opinion that democratic features are conducive for economic growth. The paper identifies the regime types of Bangladesh and indicates that Bangladesh's democratic values and institutions have positive impact on her growth. Explaining the growth trends during various regimes of Bangladesh, the paper substantiates that democracy creates congenial atmosphere in Bangladesh for economic growth and development.

1. Introduction

This paper examines the pattern and extent of relationship between democracy and economic growth of Bangladesh. Immediately after independence in 1971, the post-liberation government under Sheikh Mujibur Rahman proclaimed to build up a democratic country, which was followed by the similar declarations of the subsequent governments. In reality, our democracy has been too fragile to identify whether the country has at all experienced democratic tradition. Since the formation of the parliamentary government in 1991, Bangladesh anchored the journey to democracy and now people are prone to see democracy flourishing every where in the state organs and institutions. Although a number of factors seem to positively work for the slow and steady growth of democracy bearing prospects for democratic consolidation in our country, there are strong negative elements that pose threats to sustainable democracy.

The central theme of the present work is to examine the theoretical challenges of understanding the relationship between democracy and economic growth and to show their implications for Bangladesh. This paper argues that democracy is conducive for development and thus the democratic regimes in Bangladesh have always experienced more economic growth than the authoritarian governments. The author concedes that the present work, which was conducted under the supervision of a non-Bangladesh Professor with strong academic and professional background in both the West and Asia countries, might provide an in-depth and objective analysis of democratic trends in Bangladesh. It tends to respond to a

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number of questions: What is the meaning and impact of democracy for economic growth? Is democracy an ideal and universally accepted process of social development and political cohesiveness? Under what circumstances, democracy flourishes in a smooth manner? What are the patterns and process of the emerging democratic trends in Bangladesh? Is democracy a welcome sign for Bangladesh? Is there any development alternative beyond democracy? Is democracy merely a slogan and politically used ideology of regime legitimization and party-politics survival? How far democracy has contributed to achieving economic growth and development of Bangladesh? What are the challenges and opportunities for managing economic growth through democracy in our country?

1.1 Methodology and Analytical Framework

The paper is based on secondary materials that include research articles, World Bank data, Bangladesh Bureau of Statistics (BBS), World Development Indicators (WDI), and books published in the field.

The paper, however, suffers some limitations that emanate from the following practical problems. First, the academic exercise in this field is quite new and the literature on the topic is very rare. Second, it is very difficult to identify the extent of democracy in different regimes of Bangladesh. For example, although Ershad came to power by military means, he strengthened vital democratic institutions like sub-national government. On the other hand, although Sheikh Mujib was popularly accepted leader of Bangladesh, he banned all political parties, restricted press and media and adopted many undemocratic rules. Given the circumstances, it is very difficult to consider the Mujib era as democratic and Ershad era as undemocratic. Finally, there are a number of indicators and variables to measure development in a democratic environment. Only one indicator-democracy has been considered to analyze whether economic development of Bangladesh can be achieved through managing democracy.

Structurally, this paper is divided into six sections. The first section is the one that includes an introduction, methodology and the analytical framework. The second section contains the conceptual analysis of democracy. The theoretical debate regarding the relationship between the regime-type and economic growth is discussed in the third section. The fourth section examines the implications of democracy for the growth and development of Bangladesh. The fifth section identifies the challenges and opportunities for democracy and development of Bangladesh. Finally, the paper ends with some concluding remarks.

2. Democracy: Conceptual Analysis

2.1 Democracy: Concept and Notion

The term democracy is derived from two Greek words- 'demos' and 'cratia', the former means people while the latter implies power. Thus the central meaning of democracy lies in the power of the people. In more precise words, democracy the

system and procedure of such government structure where the choices and priorities of the general people must prevail.

Generally speaking and in the dictionary definition, democracy is a government by the people in which the supreme power is vested in the people and exercised directly by them or by their elected agents under a free electoral system. According to the Green philosophers and which Abraham Lincoln also quoted, democracy is a government of the people, by the people and for the people (Ahamed, 1986(a)). Gattell gave a comprehensive definition of democracy. According to him, democracy is that form of government in which the mass of the population possesses the right to share in the exercise of sovereign power. (Ahamed 1986b). Seeley said that democracy is a government in which everybody has a share. Thus the notion of democracy indicates the participation of people in decision making of the whole mechanism of the government. A pragmatic definition was provided by Lord Bryce, "A government in which the will of the majority of the qualified citizens rules ...say, at least three fourths, so that the physical force of the citizens coincides with their voting power" (Ahamed, 1986c).

Broadly speaking, all democracies are systems in which citizens freely make political decisions by the majority rule. But the majority rule is not necessarily democratic. In a democratic society, majority rule must be coupled with guarantees of individual human rights that in turn, serves to protect the rights of the minority whether ethnic, religious, or political, or simply the losers in the debate over a piece of controversial legislation. The right of the minority does not depend upon the goodwill of the majority and cannot be eliminated by majority vote. The minority rights are protected through the democratic institutions and democratic laws that include: (i) sovereignty of the people (ii) popular representative government made of consensus, (iii) defined rights of both majority and minority and guaranteeing them, (iv) free and fair elections, (v) rule of law and equality before the law, (vi) constitutional limits of the government, (vii) social, economic and political pluralism, and (viii) values of tolerance, pragmatism, cooperation, and compromise.

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

the role and activities of mass media, intellectuals, NGOs, human rights organizations, business community and pressure group are very important.

2.2 Models of Democracy

Lijphardt's hypothesis focuses on two different models of democracy: Westminster or majoritarian model of democracy and consensus model of democracy. (Lijphardt, 1999) These two models are distinct from each other in terms of the executive control, party system, electoral procedure, parliament function and financial structure. The Westminster model believes in one party government, bipartisan party structure, single member electoral system and highly dominated central banking system. The consensus democracy, on the other hand, advocates a coalition government, multi-party system, proportional representative electoral process and independent banking structure. In terms of parliamentary system, consensus mode believes in strong bicameralism, whereas the majoritarian democracy propagates a unicameral or asymmetrical bicameral model.

Scholars on politics found problems in both the models. Although, the majoritarian model seems to be better at governing, it is worse at representing and thus this model violates one of the basic tenets of democracy. The consensus model, on the other hand, seems to be better at representing, but many practical problems obstruct the governance and leadership process under such system. However, Lijphardt argues that the consensus model is as good as, even better than the Westminster model even in governing (Sugita, 2004a).

2.3 Different Forms of Democracy

Two forms-direct and indirect-are available to understand various types of democracy. Direct form is often considered as pure democracy and the indirect form is called as representative democracy.

When the people themselves directly express their will on public affairs, it is called pure or direct democracy. The people formulate laws in a mass meeting. Hearnshaw said that a democratic form of government, is one in which the community as a whole, directly or immediately, without agents or representatives, performs the functions of sovereignty. Direct Democracy was established in Greek city-states. In India, direct democracy was seen in Vajji Sangha during the Buddhist periods (Sartori, 1967). Today when large and complex societies emerged and when area of the state is very extensive, direct democracy is impracticable. This system now prevails only in four cantons of Switzerland.

In a Representative or Indirect Democracy, the will of the state is formulated and expressed not directly by the people themselves, but by their representatives to whom they delegate the power of deliberation and decision-making. John Stuart Mill said that indirect or representative democracy is one in which the whole

people or some numerous portion of them exercise the governing power through deputies periodically elected by themselves. Bluntschli said that in the representative democracy the rule is that the people govern through its officials while it legislates, and controls the administration through its representatives. This type of government was established in England in the seventeenth century. In France, it was established in 1830 and in Italy in 1948. In Germany it was established after the First World War according to Weimer Constitution. Again this system was established in West Germany after the Second World War. In India direct democracy was introduced in the Minto-Morley Reforms of 1909. Today this system is seen in many countries like Japan, Sri Lanka, India, Canada, Australia, New Zealand, the United States of America, West Germany, Italy, France, Holland, Denmark, Sweden, Norway, Austria and Belgium.

2.4 Distinctive Features of Democracy

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

Different views are encouraged under democracy and so opposition parties play very important role in a democratic society. In a democratic country, concentration of power in the hands of a few cannot be found, rather decentralization of power appears to be usual course of action. Some scholars opine that democracy upholds orderly succession of rulers and minimizes coercion. According to Duverger's model three types of party structure are available-single party, Anglo-Saxon two-party and multi-party. (Duverger, 1964) Under a single-party system, democracy cannot take root, but the other two can be a breeding ground of a strong democratic system. Sartori called the single party system as non-competitive and labeled the two party and multi-party systems as competitive (Sartori, 1976). Australia for example provides a very good example of sustainable democracy.

Parliamentary system is another important feature of a democratic tradition. In a parliamentary democracy, parliament, multiparty system executive, legislature, judiciary and different interest groups play vital role in institutionalizing democracy through diffusing democratic norms and values in the society.

3. The Linkage between Democracy and Growth: Theoretical Challenges

Economists and scholars have extensively debated on identifying the relationship between democracy and growth. Many empirical studies have been conducted in order to find whether democracy contributes as an explanatory factor for growth and development. Theoretically, scholars found strong relationship between democracy and growth (Barro, 2001a). Starting with the work by Adelman and Morris in 1967 (Barro, 2001b), economists have concurred that the standard of living in a society is a direct result of the dynamic interdependence of economic, political, and social forces. They admit the importance of valid political structures and social cohesion for good economic health in addition to sound macroeconomic policies. However, several issues cause this accord to sink into disagreement. The following are among the questions at the core of the debate: is the nature of political regimes a significant determinant of economic performance? In other words, does it matter whether the regime is democratic or authoritarian? Or would socio-political stability, in fact, be what really counts?

Two broadly opposing views fail to reach a consensus on the authoritative answers to these questions. Advocates of democracy regard political liberties to be necessary to achieve sustained and equitable growth. In their view, democratic features such as political pluralism, the system of institutional checks and balances, and the periodic renewal of policy makers through elections protect the economic system against abusive or predatory behaviors typical of most authoritarian regimes. The democratic process is viewed as more suitable to economic prosperity because it can better nurture civil liberties and secure property and contract rights. Consequently, it provides agents with incentives to undertake investments and to seek to maximize welfare. Democracy makes it possible for individuals to examine opportunity costs freely, to engage in the entrepreneurial initiatives of their choice, and to benefit fully from the fruits of their labor.

In opposition to that perspective is the proposition that democratic regimes hamper growth because of their short-term focus. According to adherents to that view, elected officials tend to be shortsighted because they long for popular approval and success in the next election, making them exceedingly receptive to all sorts of pressures, and inclined to yield to calls for immediate consumption. They argue that actions by private pressure groups and lobbying can affect people's perception of the economic game. The market mechanism is held in suspicion, and resource allocation is considered to be the result of a lottery.

However, the empirical studies conducted to examine the above views led to contradictory results. Some works suggest that there is strong relationship between the two (Fransisco, 2002) while some others indicate almost negative relationship (Ludovic, 2003) and some other papers find inconclusive results (Bhagwati, 1992). Interestingly the works suggesting inconclusive results

(Helliwell, 1992) are of the opinion that economic freedom, open market, liberal trade and other democratic features are conducive and helpful for economic growth. That means, democracy and human rights have an undeniable linkage to economic growth (Shen, 2002).

If we look from international political economy perspective, we see that the political ideologies focusing on elements that are compatible with democratic elements enhance economic growth and the ideologies that strengthen authoritarian elements retard growth. For example, the communist, and other autocratic regimes have been proved to be negative for growth. We have seen how at the end of the last century communism succumbed to failure.

People should not be confused by the phenomenal success of the East Asian countries like Hong Kong, Singapore, Taiwan, South Korea and Mainland China, none of which having democracies in a substantive sense during their miracle years. This has led some people to think that democracy is inconsistent with development. But the fact is that non-democratic countries have had an immense variety of performances, ranging from the spectacular in East Asia to disastrous in many nations of Africa. Looking at the developing countries in the postwar period, therefore, it would be hard to conclude that democracies have had less rapid development performance. In fact, if the developed countries are considered instead, the democracies have done immensely better than the Soviet bloc dictatorship that have now vanished from our midst.

If we look more closely at the East Asian countries we find that these once backward countries have relatively free markets. Their government imposed a relatively low burden on the citizens in the form of taxation and economic regulation. These countries also shared some important characteristics that are vital to economic growth. These include secure property rights and rule of law which are the essential parts of democracy and human rights. China's backwardness in the fifties and sixties means that her authoritarianism could not promote growth during these years and again her phenomenal growth in the 1970s or 1980s was possible only with modernization, liberal trade, and FDI that are integral parts of democracy.

Empirically speaking, all developed countries including US and European developed capitalist countries (DCCs) are developed because of their democracy and the poor countries are backward because of their political instability or autocratic natures of the regimes. An in-depth study on African countries shows that the more the country is democratic, the more is its economic growth (Hadenius, 1992). Barro talked about the Lipset and Aristotle hypotheses, both of which indicate sharp positive relationship between economic prosperity and democracy. The Aristotle hypothesis suggests that a wealthy society results in people's participation, which is the fundamental component of democracy. According to the Lipset hypothesis prosperity stimulates democracy. That means, there is a strong relationship between economic growth and democracy.

4. Democracy and Growth: The Case of Bangladesh

A number of indicators and variables exist that explain economic growth and development. In the present work, one such variable-democracy-has been considered to examine whether democracy plays any role in promoting growth and development of a country and if so, to what extent it has been effective in the case of Bangladesh. Prior to investigating the relevance of democracy for economic growth of Bangladesh, it is worthwhile to briefly look at the growth and history of democracy in Bangladesh.

4.1 Emergence of Democracy in Bangladesh

With the collapse of the erstwhile USSR and dissolution of communism, the golden era of democracy started. The political science writers in many ways explained the new era and its implications for the coming days. Some considered it as the demise of the struggle between two competing ideologies, namely, communism and liberal capitalism and the scholars in this line talked about "the end of history" (Fukuyama, 1992). Democracy, as a mega trend is now sweeping across the world where communism is no longer an archrival to democracy.

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

Bangladesh came into being as an independent state following the liberation war of 1971. It was the expectations of every one that country would exercise democracy in its courses of action. To that end, democracy was incorporated, as one of four basic principles of Bangladesh State in its first constitution of 1972. In 1975 General Zia came in the limelight of Bangladesh politics. It is worth mentioning that he came from army headquarter and wanted to return to the army quarter. Despite the fact that he was a General and he made substantial amendments in Bangladesh constitutions, he kept democracy untouched and in tact. The subsequent regimes and governments from Ershad to Khaleda to Hasina to Khaleda Zie-all respected democracy. It is interesting that General Ershad, although rose to power and ruled the country in a non-democratic way, he never spoke in the public in favor of autocracy. Rather, he repeatedly uttered rhetorics regarding the image and implications of democracy and introduced himself and his ruling system as democratic.

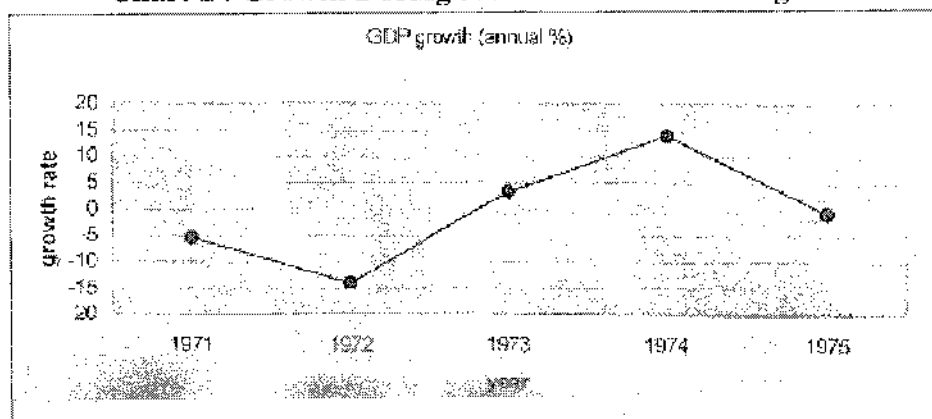
Many scholars view that as soon as the parliamentary form of government was inaugurated in 1991, the actual period of democracy started in Bangladesh. Ahmad (1995) noted that “following the parliamentary form of government in 1991, Bangladesh is almost completing its first democratic tenure”. The then leader of the ruling party BNP, Khaleda Zia made an amendment and introduced parliamentary form of government. Thus the amendment during Khaleda Zia exists as a milestone in the history of democracy of Bangladesh.

Based on 1991 constitutional amendment, there was 1996 parliament election where the second democratic stage came into being in our country during which time the immediate past Prime Minister Sheikh Hasian became as the leader of the country. The third parliament and democratic election was held in October 2001 and Khaleda Zia was elected as the new Prime Minister. And from now on, Bangladesh began to speak about democracy both from ruling party perspective and from the opposition platform. Both the government and the opposition are claiming to forward their activities in order to uphold and survive democracy. The combined opposition is now involved in oust-government movement in order to, as they say, establish democracy and rule of law.

4.2. Implication of Democracy for Economic Growth of Bangladesh

As mentioned earlier, Bangladesh has a very short history of democracy that started mainly from the early 1990s following the “dictatorship” of 1971-75 “chaotic administration” of 1976-81, and the military regime of 1982-91. For the convenience of the present work, we will look at the growth scenarios and democracy situation of mainly three period; (a) the period from 1975 to 1990 (b) the period from 1991 to 2001 and (c) present regime. Three types of government mark the first period: first, the dictatorship and one party rule that existed from 1971 to 1975. During this time, the presidential form government was initiated and one party system was introduced. All newspapers were taken under the government control.

Chart 1 : Growth During the First Dictatorial Regime

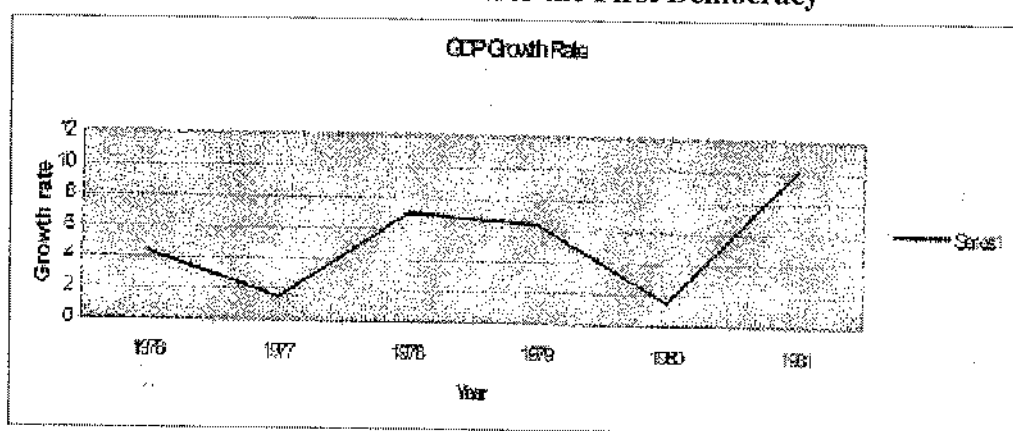


Source : Prepared based on WDI database

The above chart shows the trend of growth in the early dictatorial regime. The growth rates, in 1971 and 1972 were 5 percent and 15 percent respectively while in 1973 and 1974 growth rate rose to almost 5 percent and 15 percent. The increased rate in 1973 and 1974 was perhaps the result of huge foreign aid and external assistance. However, the striking point is that overall growth rates were highly fluctuating during this time and in some years the country had experienced even negative growth.

The second type of government in the first period was the army rule that took the power at the most critical junction of the country's history and then transformed the country to the path of democracy. The period from 1976 to 1981 was marked by high political turmoil, unpredictable socio-economic and political scenario and a number of coups and counter coups. Although the Marshal Law was declared under the military rule in the first few months, but after a short time, the military ruler introduced multiparty democracy, conducted general elections and led the country for the first time to the path of democracy. Amidst chaos and political uncertainties the country moved towards democracy Chart 2 indicates the changes in the growth trends during this period of the first democracy in Bangladesh.

Chart 2 : Growth under the First Democracy



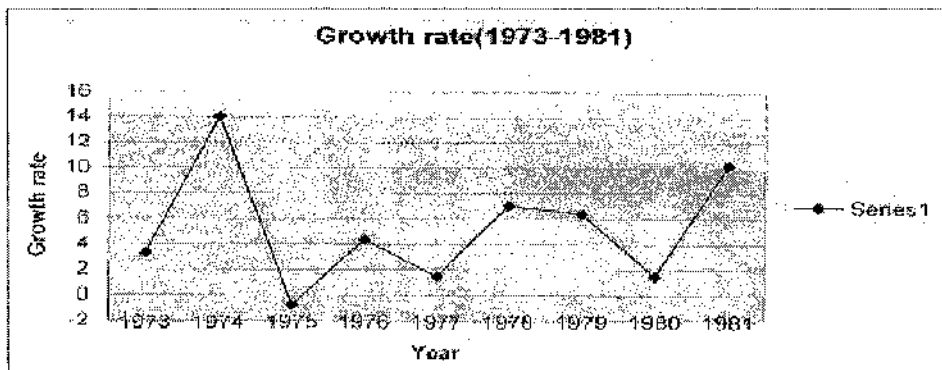
Source : Prepared based on WDI database

The extreme growth fluctuation observed in the initial years seemed to be reduced during the post- 1975 regime-the first rising democracy in the history of the nascent country. The curve shows a bit steady trend in economic growth during this time. The country could also overcome the curse of negative growth that was experienced the authoritarian period immediately after the independence.

Chart 3 below shows the comparative growth rates during the first authoritarian rule in the post independence period and the first democratic rule in the post-1975 period. The chart depicts that the growth rate during the first authoritarian government was characterized by high fluctuations and negative trend. Compared

to the first dictatorship, the growth rate in the first chaotic but democratic regime in the post-1975 period was positive and non-fluctuating. The regime left Bangladesh in 1975 with (-73 percent) growth rate. With the new and nascent democratic government of 1976, the growth rate sharply rose to 4.34 percent which was followed by more stable but less fluctuating growth rate in the period from 1977 through 1981 and this trend continued until the arrival of the second authoritarian government under the military rule by Ershad.

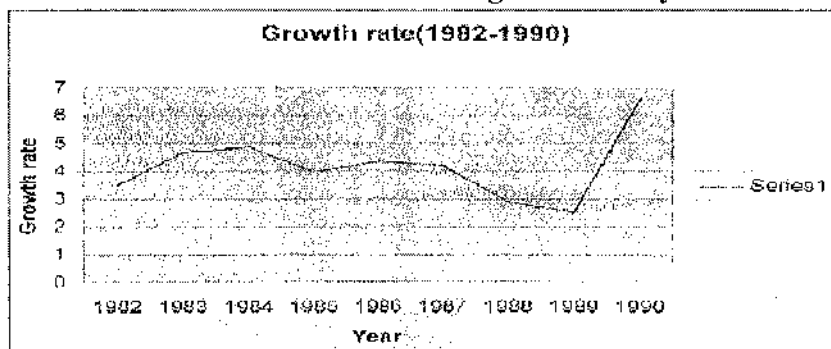
Chart 3: Comparative Growth of Mujib and Zia Regimes



Source: Prepared based on WDI database

The third type of government in the first period started with the onset of the 1980s when the decade long authoritarian government ascended the throne of the political power, under the then Army Chief. After the first decade of uncertainty and political chaos was over following the independence war, the appropriate time for development preparedness was in the making. Unfortunately, however, the dictatorial regime of 1980s obstructed the anticipated development goals. The years throughout the eighties experienced series of anti government democratic movements resulting in torture and humiliation on the opposition. Finally, the autocratic government could not survive. In the early 1990s the military government had to quit in the face of the democratic uprising.

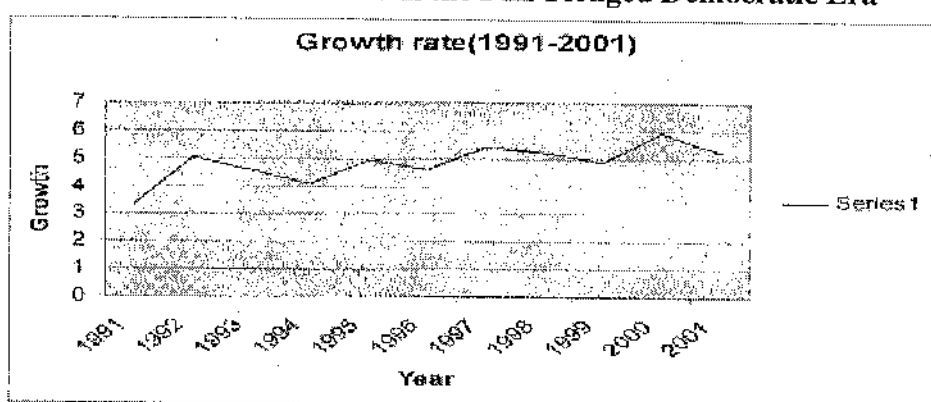
Chart 4: Growth Rate During the Military Rule



Source: Prepared based on the WDI database.

Charts four and five show the growth rate of the 1980s and 1990s respectively. The growth rate of the authoritarian regime shows less growth compared to both the full-fledged democratic era in 1990s and the first chaotic tenure of 1976-1980. The military government came to power at a time when Bangladesh's growth rate stood at 10.21 per cent in 1981. The growth rates in the subsequent years declined to 3.5, 4.7, 4.9, 3.9, 4.3, 4.1, 2.9, 2.5 and 6.6 per cent. The growth rates during 1990s are the highest in the growth history of Bangladesh. There is a sharp increasing rate during this time with the spree of steady growth. The growth rate grew from 3.3 percent in 1991 to 4 to 5 to 6 percents in the following years.

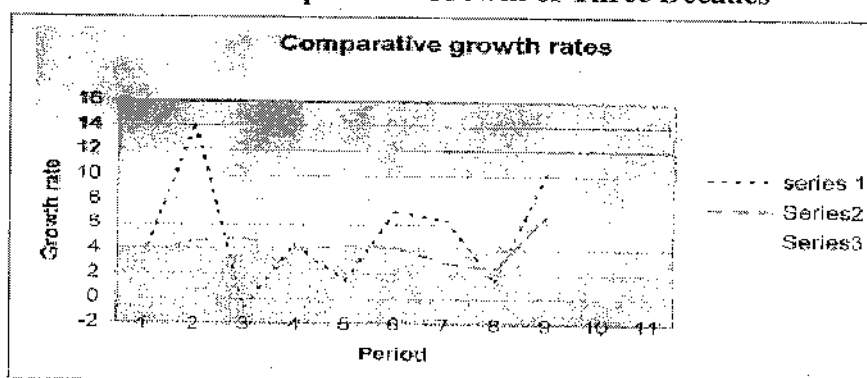
Chart 5 : Growth Rate in the Full-Fledged Democratic Era



Source: Prepared based on the WDI database.

Chart 6 clearly shows the comparative pictures of our growth rates during the three decades of our history. This first two decades of almost authoritarian regimes show the fluctuating and decreasing trends in the country's growth rate while the last decade of democracy indicate the stable, steady and increasing rate. If we look at the average picture, we find that the average growth in the 1970s was 5 percent but it declined to 4 percent in 1980s with the authoritarian regime and it rose again to 5 percent with democratic government in the country.

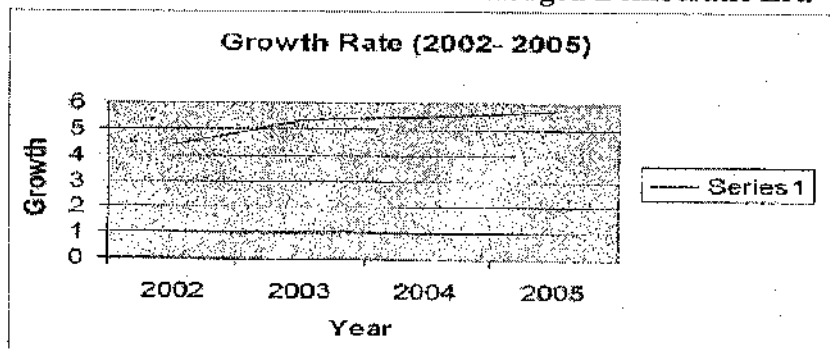
Chart 6: Comparative Growth of Three Decades



Source: Prepared based on the WDI database.

Series 1 of chart 6 implies the growth rate during the first decade; series 2 represents that of the second decade whereas series 3 indicates the growth of the third decade. The first two decades of authoritarian and chaotic rule clearly shows the negative growth, fluctuation and decreased rate while the last decade of democracy marks a stable and steady and increased growth rate. The charts above covered the periods from 1971 to 2001. These charts established the fact that growth rates of Bangladesh have been quite low during the periods when democratic values have not been in practice here.

Chart 7 : Growth Rate in the Full-Fledged Democratic Era



Source: Prepared based on the Asian Development Bank, Country Strategy and Program Update 2005-206: Bangladesh.

The above chart shows the trend of growth in Khaleda Zia regime. The growth rates, in 2002 and 2003 were 4.4 percent and 5.3 percent respectively while in 2004 and 2005 growth rate rose to almost 5.5 (Bangladesh Economic Review, 2004) percent and 5.7 percent. We see that the chart is upward going. The increased rate in 2004 and 2005 was the result of democracy. We have noticed that growth rate has increased significantly during the years when democratic elements have been available here. Thus following the emergence of democracy in Bangladesh officially and formally from 1990s, GDP growth rate started going up slowly and steadily. The growth rates during 2002-2005 periods are amazing when the century experienced nearly 6 percent growth rate. According to an internal source, GDP (PPP) in 2005 stood at US\$ 304.3 billion. The GDP of the country in terms of official growth rate in 2005 was US\$ 63.56 billion. During this time GDP per capita was US\$ 2,100. Thus in 2005, the GDP growth rate was 5.7 that means, in this era of democracy GDP grew substantially (The World Fact Book, 2006).

5. The Economic Growth and Democracy of Bangladesh: Challenges and Opportunities

In order to understand the critical evaluation of relevance of democracy for economic growth of Bangladesh, we need to look at the problems and prospects of democracy in this country.

5.1 Challenges of Democracy

The first and the foremost constraint concerns the fact that our constitution has not reflected democratic values from the very beginning. The constitution was accepted in the face of severe criticism and refusal from the then opposition parties. Along with the inclusion of democracy in the 1972 constitution as one of the four state principles, two other principles—secularism and socialism—were also incorporated and these two principles were in a direct clash of more than 90 percent of the people's belief and practice. Although Zia and Ershad tried to reflect the choice and views of Muslim majority in Bangladesh by revising the situation through Islamization, they did not implement the values of Islam in the state life, rather used it as the means of their survival in power. The critics remark that the Islamization of both Zia and Ershad albeit fraudulent and treacherous gained popularity (Amin, March 2, 2000).

Another problem is that the opposition views and opposition parties have always remained unheard and unnoticed. They demonstrate in the street, but their voices are not respected through implementing their views. The newspapers and media are very often controlled and influenced by the ruling party. Especially BTV always acts as the TV of ruling party.

Although separation of powers is one of the hallmarks of democratic government, but this has sometimes blurred. Judges are not seen free to decide. They are under the pressure of ruling party. The issue of "Lathi showing" to the judges during the Hasina government, unauthorized interference in judges' activities during the present government etc. are notable examples of disobedience to judiciary. This actual separation of power seems to be never possible nor ensured in Bangladesh (Amin, April 16, 2000). The current government took some initiatives to separate judiciary from the executive. Unfortunately it has not yet seen the light of success until today.

Rule of law is the fourth important factor to play a pioneer role for strengthening democracy. But law and order has seriously been deteriorated in Bangladesh. Public Safety Act (PSA) during the previous government could not minimize the expansions of crimes. The dreadful news regarding killing, hijacking, robbery, is splashed on front pages of newspapers almost everyday. Despite inauguration of Rapid Action Battalion (RAB), Chita, etc. the dangerous incidence of JMB terrorist activities, ransacking and firing of garment industries in Savar, Gazipur, and other places of Dhaka city, etc. are the indicators of failure of existing law and order system.

NGOs must have positive role in strengthening democracy. But the NGOs of our country are now making unauthorized penetration in our politics. Instead of active development activities, they are now prone to involve in our politics. NGOs' role in our politics is clear in three dimensions. First, on development perspectives they are intimately working with Bangladesh government. For example CCDB's

involvement with RHD and Communication Ministry for different phases of RRMP is a glaring case in point (Khan and Amin, 1997). Moreover, many government officials including Secretaries are directly or indirectly associated with NGOs in varied forms and nature to complete their missions. Second, in local government structure NGOs have predominant role. Comparative studies provide evidences of relative superiority of the NGOs over the local Government in project design and management suitable to local conditions of rural Bangladesh (Huq, 1987). Third, NGOs political role is also clear in recent issues. For example, 'Fatwa' is now a political issue. The issue led to hassles, between pro-Islam political parties and the ruling Awami League government where the NGOs' involvement was a vivid phenomenon. Under the auspices of Association of Development Agencies in Bangladesh a meeting was convened where the 'Fatwa' issue was the significant among the agenda. This agenda involved the NGOs in being a party to the political dispute of political parties of Bangladesh.

Many Third World countries started their journey towards constitutionalism and economic development with fragile institutions as is in the case of Bangladesh. The basic reason behind such a position is leadership crisis, which these nations have been suffering since its independence. The Malaysian Prime Minister Mahatir is a classic example of a prudent and intelligent leader; he transformed his country from rudimentary stage of this 'tiger' status. Malaysia was beset with many problems earlier. South Korea's economy was not better than ours in the 1960s. Its per capita income was lower than that of Bangladesh in 1953. But by virtue of solid leadership skill, it has surpassed us long back (Ahmed, 1997). The age of our independence is 36 years, which is a pretty long time. Unfortunately, we still talk about food, clothes, and shelter-three basic needs of the people. This 36 years period was enough for any civilized and hard working nation to change its luck and rise to glory. Ironically we failed even to meet our minimum needs over this long period. Our people are no less hard working than those of industrial nations. The leaders in our country only 'aggravate the crisis of democracy by trying to shape events to suit their own exigency while disregarding the urgent need for economic growth. Their commitments limited to speeches and the ritual of annual plans are drawn up and implemented by bureaucracy... No political effort is made to inspire the people towards sacrifice and growth and no serious national plan is envisaged to deal with these problems. The leaders have remained too busy with small, peripheral, petty personal politics and ignored the fundamental issues of development and democracy (Ahmed, Moudud, 1995).

5 b. Prospects for Democracy

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

As already mentioned, in parliamentary democracy like that of Bangladesh, parliament, multiparty system, executive legislative, judiciary and different interest groups play vital role in institutionalizing of democracy through diffusing democratic norm and values in the society. Paucity and 'checks balance' are the hallmarks of democratic political institutions. Through checks and balances, democratic institutions put a restraint on the unrestrained behavior of the government. Opposition political party's role is also very important, because parties carry the democratic values to the lower levels in the society. Democratic government is the party government. Democratic institution may degenerate if democratic norms and values are not properly injected.

Along with democratic institutions, the importance of civil society deserves significant academic discussion. Civil society encompasses a vast array of organizations-economic, cultural, educational, development issue-oriented and civic.

Both the above two elements are vividly found in Bangladesh. The role of opposition in Bangladesh politics has always been predominant. The combined movement of the opposition caused the fall of Ershad, and Khaleda Zia. Nowadays all the opposition parties are staging movement to topple the government of Sheikh Hasina. Now a days major political parties are campaign about political culture and aware the grassroots level people to their rights and duties to the state. They also aware them how to develop the socio-economic condition of our rural Bangladesh as well as the whole state. For example, we can mention both NBP and AI who are already meeting, seating and campaign every district and thana level one after another respectively with local level workers and leaders.

At various times, the student community assumed the role of a catalyst in the political history of Bangladesh, ushering in changes and democratization in one country. Their role in the 1950s and 1960s took a new shape in the democratic movement and popular upsurge in 1990. In terms of civil society, the role of mass media, intellectuals, NGOs, human right organizations, business organizations are very important. Bangladesh seem to stay in the making of strengthening the features of a civil society. The people of our country are almost homogeneous in their origin, socio-economic and political belief. Except some minorities in CHT, almost all the people are from Bengali origin and about 85 percent of our people are Muslim. Such homogeneous character of the people is a positive side for democratic development.

The constitution of Bangladesh contains the provision of gender equality, prohibition of gender basis of discrimination and extension of opportunity of women in all spheres of civic life. It is also stated in the constitution that the local government institutions be composed of representatives of peasants, workers and women (Article 9) steps will be taken to ensure participation of women in all spheres of national life (article 10): right to guaranteed employment at a

reasonable wage having regard to the quality of life [article 15 (b)]. Our political parties are fond of making room for women in their party politics. Both two women head the government and opposition parties, women's representation in the party committees and other bodies is noticeable. The participation of women in electoral politics is significant.

Finally, the consciousness grew among the political parties as well as the civil society that Bangladesh needs to enhance its economic growth and development. Nowadays, there is a general consensus about understanding the significance of democracy to that end. Several studies show that the democratic traditions so far achieved enhanced Bangladesh's growth. The first two decades (1971-1980) of authoritarian and chaotic rule clearly indicates the negative growth, fluctuation and decreased rate while the last decade of democracy (1990-2000) marks a stable and steady and increased growth rate. Realizing this strong positive relationship between democracy and economic growth, the policy makers and the government leaders are now prone to practice democracy so that Bangladesh can speed up economic growth.

6. Conclusion and Recommendations

The above analysis explained the theoretical debate on the relationship between the regime type and economic growth and examined their implications for Bangladesh. Various regimes were identified and efforts were made to show whether the democratic values have any effect on Bangladesh's growth. The present discussion concluded that democracy has an effective impact on the country's growth and development. It was found that until the mid-1975, Bangladesh was ruled by one-party dictatorship which resulted in negative and fluctuating growth. As soon as a civil-military joint movement in August 1975 toppled the dictatorial regime and democracy anchored its journey through a multiparty political system the country's growth trend started getting rid of the negative growth and fluctuation. When the authoritarian military government under General Ershad took control of the country in the early 1980s, the growth was again affected. The growth rates of 1980s were compared with those of 1990s and it was observed that an increased and steady and stable growth existed under the democratic government and reversely a negative or fluctuating or decreased growth rate existed in the authoritarian and dictatorial regimes.

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

First, historically, Bangladesh had experiences of many undemocratic rule in the name of presidential authoritarian rule, one party rule and frequently military rule

from 1975 to 1990. As a result, the perception regarding political power has been developed. Politics has become intransigence, threats. "I am the state" feeling careless attitude towards opposition views. Thus although Bangladesh has reverted to democracy but power remained in reality, in authoritarian sense. Bangladesh should come out of this situation as soon as possible.

Second, in the democratic institutions, the leadership role and parties contribution is important in nurturing democracy. In the current party structure, chief of the parties voice is considered as decisions. Of course, discussions and deliberations are there, but ultimately chiefs' voice is predominant. This way personality cult has been injected into the higher echelon of the party. In order to overcome this problem, democratic practices should be pulled back to the party activities. We should not only expect a democratic state, we need also establish democracy in parties.

Third, the absence of effective local government has strengthened the absolute hands of government. The major problems lie in their lack of autonomy. Their freedom from the control of central government is a crucial factor. In order to achieve sustainable democracy, local bodies need to be strengthened through various means. There are four theories with regard to decentralization (Conyers, 1985). All these theories need to be examined and their implications for Bangladesh must be assessed. Thus the most appropriate mechanism should be accepted to make local system more powerful.

Bureaucratic control over the resource distribution is a major hurdle in peoples' participation in the development process. In the distribution process, people should get involved alongside other government mechanism.

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

Fifth, NGOs are playing political role in many way and instead of their thrust on political power, these organization should include some programs like leadership training, voters consciousness, peoples awareness about law, politics and rights.

Sixth, student are used by the politicians as the tools of their survival. Once President Shahabuddin repeatedly urged to stop student politics. It is my humble opinion that the younger generation should cut off traditional political ties and dependence on the major political parties. Students may be mobilized to form small type of "political clubs" in order to practice democratic values.

Seventh, intellectuals can play pioneer roles for establishing effective democracy. It is not an impossible task if they their just role. They can teach the students democratic norms and values. They can also teach the general people through their column writing in newspapers and Radio-TV discussions.

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

Finally, the concept of democracy along with its implementation need to be examined in the context of socio-cultural and religious beliefs of the majority people. As Bangladesh is overwhelmingly a Muslim populated country, the significance of its political structure based on Islamic politics cannot be ignored. Islam and democracy are not incompatible. Many democratic features and institutions are in conformity with Islam. In another word, democracy and Islam are not mutually exclusive; rather in many respects they are mutually exhaustive. A number of democratic features like participation, representative parliament, consultation and debate, voting, human rights popular government, welfare activities, accountability are also the perennial features of Islamic political ideology. Considering above analysis, Islamic political system can be a viable alternative for sustained democracy in Bangladesh (Sugita, 2004b). Realizing the importance of Islam, an important amendment (Amin, February 9, 2000) to the constitution of Bangladesh was made in the mid seventies, according to which Islamization as incorporated in the constitution and all the later government maintained the amendment without any modification. However, in reality, Islamic political principles have not been materialized in substantial measures; rather Islam has been used as an instrument of survival in power (Amin, March 2, 2000). There is no denying the fact that once Islam is a popular political ideology to the majority of people and since Islam provides important safeguards for the rights of non-Muslim citizens, Islamic political system could be implemented for a sustainable democracy in Bangladesh.

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