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Rebuilding Bangladesh

A nation long plagued by natural disasters, poverty, corruption and violence may finally be on the verge of a happier future

ALEX PERRY

AS Lutfozzaman Babar, Bangladesh's Home Minister, tells it, the call he'd been awaiting for months came at 3 a.m. on March 6 while he was grabbing some sleep in a Singapore hotel during a whistle-stop tour of Asia.

Bhai, whose real name is Siddiqui Islam, was the prime target in the government's crackdown on terrorism. A veteran of the mujahedin war against the Soviets in Afghanistan who later drifted through the Middle East as a nightclub bouncer, Bhai had returned to Bangladesh to help found two extremist groups.

Babar put in a triumphant call to the secure red phone in Prime Minister Khaleda Zia's office. "She was very excited," he recalls. She still is. In an interview with TIME, Zia purrs over how the war against radical Islamists is going.

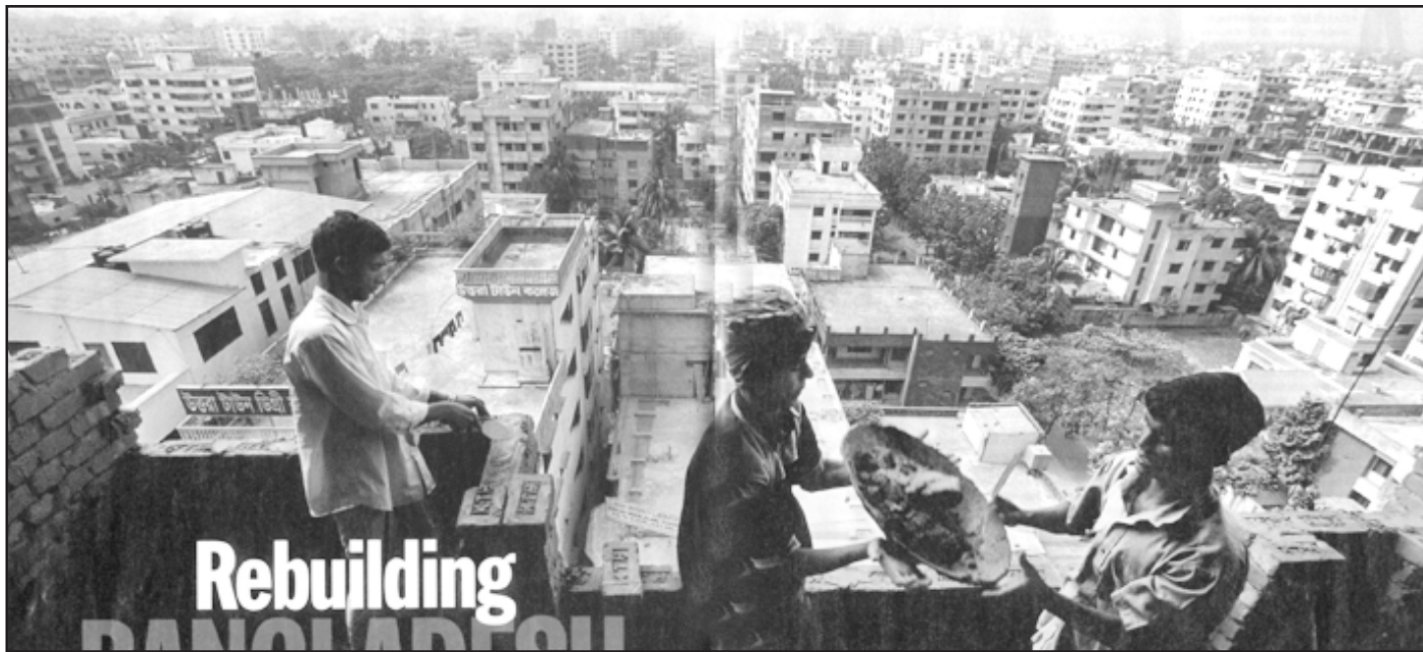
Zia can be forgiven for a little crowing. At the best of times, governing Bangladesh is one of the toughest political challenges on earth. Its 144 million people are crammed into a country the size of New York State, with 70 million of them living on less than \$1 a day.

Man hasn't done Bangladesh many favors either. The country was born from the ruins of East Pakistan 35 years ago after a war of independence in which India-backed nationalists unhappily at being ruled from what was then West Pakistan fought Islamists loyal to Islamabad.

The scale of the Aug. 17 blasts when hundreds of bombs were detonated in an hour demonstrated how close Bangladesh could have come to falling apart. The ingredients for disaster were all there. While the country was founded on secular principles, a Western diplomat in Dhaka says it "has become noticeably more pious in the last few years" due to an explosive growth in radical madrasahs funded by Middle Eastern charities.

Until the August bombings, however, Zia's government had denied the presence of Islamic extremists in Bangladesh. The opposition accused her of avoiding the issue because two hard-line Islamic parties, the Jamaat-i-Islami and Islami Oikya Jote, were partners in her ruling coalition.

The economy is looking up, too. GDP has grown by at least 5% for three years running, and the Asian Development Bank predicts that growth will hit 6.5% in 2006.



not know they were there," she says of the militants. "After the Aug. 17 bomb blasts, we knew."

And they acted. Zia made combating the insurgency the defining mission for Home Minister Babar and the R.A.B., formed in 2004 from 9,000 top officers in the military and police. The Bangladeshi authorities solicited forensic help from the FBI and Scotland Yard, which was particularly interested in a May 2004 bomb attack that injured British High Commissioner Anwar Chowdhury; the R.A.B. also exchanged information with Interpol and Western intelligence agencies.

In addition to Bhai's capture, this antiterrorism campaign has led to nearly 1,000 arrests over the past eight months. Five of the seven top leaders of one terror group, the Jama'at ul Mujahideen Bangladesh, have been caught, including Bhai's alleged co-conspirator Sheikh Abdur Rahman.

Bangladesh, dubbed in the 1970s by Henry Kissinger as a "bottomless basket," is making surprising progress on other fronts, too. According to the U.N.D.P., the country now scores higher than neighbor India on several key barometers of social development, such as infant mortality, child vaccination, and employment of women striking turnaround over the past decade or so.

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The number of cell-phone users rose by 144% in a year. And Goldman Sachs has rated Bangladesh as one of 11 developing nations that, in the long term, could emulate the success of China, India, Brazil and Russia.

That might be overstating it. But Christine Wallich, World Bank country head, says that in the past 12-18 months international opinion has indeed gone through a sea change. Bangladesh, she says, is now seen as "the little engine that could."

Salim Chaklader, 45, is part of the rising tide of Bangladeshis who have escaped from subsistence living and joined the happier ranks of the urban middle class.



Rosling, deep in negotiations with the government over Tata's investment, is coy about specifying the "issues."

Chaklader is less diplomatic. None of his confidence in the country's future, he says, derives from its political leadership. "It's small businessmen like me that boost growth. I've given a living to 40 families. The politicians just get rich."

INTERVIEW OF PRIME MINISTER KHALEDA ZIA

'We have arrested so many'

Bangladesh's Prime Minister Khaleda Zia entered politics after the 1981 assassination of her husband General Ziaur Rahman. In a rare interview with Western journalists, Zia, 60, talked to TIME's William Green and Alex Perry in Dhaka about corruption, her political nemesis and her campaign to crush the threat of militant Islam.



Time: You smile when you say that.

Time: Tell us about the crackdown on Bangladesh's Islamic insurgency.

Zia: We have arrested so many. There are two or three big leaders left. We will get everybody. It's possible because people are with us. Even religious leaders are not supporting them.

Time: How big a factor was pressure from abroad?

Zia: We have very good relations with the FBI, the U.S. and Interpol. We are working together. But this is from me. I told my home minister to catch all these people. They are terrorists. They are using the name of Islam, but they are not good Muslims.

Time: You took a while to act.

Zia: We did not know they were there. After the August 17 bomb blasts, we knew. And we cracked down on them. Some leaders face a death sentence. Many have been given 40 years in jail.

Time: Does having hardline Islamic parties in your coalition compromise your position?

Zia: Our allied parties are fine. They know we have to catch the terrorists.

Time: People say members of your Bangladeshi National Party had links with [insurgent leader] Bangla Bhai.

Zia: Only the opposition says this. There are no B.N.P. members [involved]. If anybody is

involved, not only B.N.P. members, but anybody, we will take action.

Time: Opposition leader Sheikh Hasina told us the insurgency was your "baby"?

Zia: No, no, it's not my baby. It's their baby. When I took over, the country's law-and-order situation was very bad. People were very afraid. Nobody could sleep. Nobody could come out of their homes.

Time: Why the mutual hostility with Hasina?

Zia: It's not mutual. I want to be friends. I'd be very happy to meet her. We have to [be] together [to] resolve problems. I wrote a letter. But she did not receive it. If she really wants to cooperate, tell her she can come. But if she does not want to, I cannot help it.

Time: Where does this friction come from?

Zia: Ask her. Time: That's what she says. Zia: Many times I have invited her, but she did not turn up.

Time: She says the difference between the two of you is ideological, not personal.

Zia: That means she does not believe in democracy. I believe in democracy, and in democracy we sit and talk to everybody. Time: Do you think the dead-lock stymies development?

Zia: We're not fighting, we're working. We have many development programs. If you go to the countryside, you'll see good roads, bridges, homes, electricity, women's education. I am doing all these things. [Our] development

work is not hampered. But when [the opposition] calls countryside strikes, despite promising not to, then development will be hampered. I can't do anything about that.

Time: What about corruption?

Zia: After people come to Bangladesh, they [realize] the law and order situation is [actually] very good. This is all propaganda against Bangladesh. There are some disgruntled newspapers and journalists doing this. TIME magazine also, you did the same thing. If Bangladesh is so bad, how come Bangladesh is doing so well in health and education? How come so much investment is coming? Our growth rate is 5.8%. Everywhere in Bangladesh, [people] lead a good life. Nobody goes without food or clothes. Everybody has access to education. They get proper health care. There is no hunger. What else do you want?

Time: As a woman in an Islamic country, is women's education important to you?

Zia: Girls' education is very important. If we want to progress as a country, if we want to remove poverty, if we have to spread awareness of family planning and bring down population growth, we have to educate them, give them equal rights. Women have to prove that they are no less than men. I am trying to end [the] dowry [system]. That will only happen when women start working as professionals. Our country is conservative, but people have accepted my programs. People accepted me. This is big.

INTERVIEW OF OPPOSITION LEADER SHEIKH HASINA

'Democracy means tolerance. We don't have that'

Opposition leader and former Prime Minister Sheikh Hasina Wajed was abroad during a 1975 coup that killed her father, independence leader Sheikh Mujibur Rahman, and wiped out most of her immediate family. Since then, she has survived several assassination attempts of her own, the latest in August 2004 when a bomb at a political rally she attended killed 21 and left her partially deaf. TIME's Alex Perry spoke to Hasina at her Dhaka home the night before she flew to the U.S. to seek treatment for her hearing. The interview appeared on the Time online edition.



Time: You've been demanding that the government deal with Bangladesh's Islamist militants. How do you feel now that most of the top leaders have been arrested?

Hasina: These terror groups are protected by the government. This is their baby. Maybe because of pressure domestic and international they had to take some action. But they want to blame the opposition, the Awami League. I believe the government uses these terror groups. All the bomb blasts that have taken place in this country have targeted us, minority groups and the secular, democratic, progressive civil society.

Time: How much of this conflict stems from unhealed wounds dating back to Bangladesh's war of independence, when the country was split between nationalists and pro-Pakistan Muslims?

Hasina: It goes back to 1971, or even 1947 [when the territory now known as Bangladesh became East Pakistan during India's bloody Partition]. It's an ideological split. We believe in secular politics. We're very liberal. We struggle for the common people. Their only aim is to make money, remain in power and exploit people, that's all. They never think about people. The question is: should this country be ruled by a military dictatorship, or by them, or

by the people? Time: Why is Bangladeshi politics so intense? It seems that parties are either in power or trying to overthrow the government.

Hasina: People compare us to other democracies. But [in America], when the Republicans are in power, how many Democrats are killed and tortured, how many women raped? Even a 6-year-old girl was raped because her parents worked for my party. Almost all my family members were assassinated. And who was behind that? These killers have not been brought to justice even after 30 years. Every day [killers] target our people. I can show you pictures! Don't know how long you could bear to look at them. And I have to look after the people affected, their families. You can't imagine what we're going through. These killings were discussed in [Britain's] House of Commons [and] House of Lords, in the European Parliament. But we're not even allowed to discuss them in our parliament. The democracy you established in your countries, we never established in our countries.

Democracy means tolerance. It means being able to go freely to any part of the country. We don't have that. Time: When both parties expend all their energy fighting the other, there's a danger that governance can take second place. Is that what is happening in Bangladesh?

Hasina: That's not true. During my time in power, we established good governance. We raised GDP growth from 4% to 6.6%, we cut

inflation from 6.4% to less than 2%, we erased the food deficit nobody starved in my time and literacy and life span went up from 46% to 67% and 58 to 64. American investments rose from \$25 million to \$1 billion. We had three floods and there were predictions that 20 million people would die, but we distributed free food to 4.5 million people and not even 1,000 people died. I signed the Chittagong Hill Tracts peace accord. I brought 64,000 refugees back from India to our country. I solved the problem of sharing the water of the Ganges with India by bilateral discussion. You can't compare this corrupt government with my government. I didn't do politics to benefit myself. [The government] is destroying all the institutions in this country: parliament, the executive, the judiciary. They don't even let me speak in parliament my microphone should be on automatic, so I can speak whenever I want, but it's not.

Time: How important is the coming general election? Hasina: Most people are against terrorism. If they get a free and fair election, they will give their reply. But how will we have a free and fair election when the government has politicized all the electoral institutions? I believe people want a change. Our people are wonderful and tolerant. And if they are pushed to the wall, they won't accept it. Time: Imagine a situation in which you lost. Hasina: Eventually, [junior governing party] Jamaat-i-Islami will be in power. They will marginalize the B.N.P. [Prime Minister Khaleda Zia's ruling Bangladeshi National

Party]. And it will be a totally Taliban state. Their slogan is: "We will be the Taliban and Bangladesh will be Afghanistan." They will eliminate all of us. Time: The personal cost of politics in Bangladesh is enormous. Hasina: I was born and brought up in a political family. From my childhood, my father gave his life for the country and for the people. Our people are poor and my father tried to help them and get them independence. He wanted to develop the country, the nation, the people. Whatever I learned, I learned from my father. Love the people, love the country. I lost my nearest and dearest, everyone, it's true. But I took it as a challenge to fulfill their dream. This is my commitment to the people. After all, many of them also lost their dear ones. I don't want to be someone, I want to do something. I have to do something. Time: Does this make the fight with the Prime Minister too personal? Hasina: People only say that because we are two women. This is a very male-dominated society. That's why this question comes up. When my father was leader, I saw her very often. They used to come to my house. My father made her husband a major general. There is nothing personal in it. It's ideological.

Chaklader fingers corruption, and the sharply uneven development that accompanies it, as the main cause of militancy. The swanky new apartment blocks, gelato houses and Thai restaurants in Gulshan, Dhaka's smartest neighborhood, he says, are a cause of frustration and alienation for many less fortunate Bangladeshis. Indeed, Jamaat-i-Islami explicitly appeals to that dissatisfaction in its party literature, casting its leaders as "honest men" working for a more equitable distribution of wealth. "A lot of people are deprived," says party spokesman Mohammad Kamruzzaman, "and so our support is increasing." The bilious feud between Bangladesh's two leading women also hobbles the country. Asked about the hostility between her and Awami League leader Sheikh Hasina, Zia replies: "Ask her." For her part, Hasina accuses Zia of everything from staging "a drama" with the militant arrests to secretly being behind an attempt to have her assassinated in 2004 when a bomb killed 22 people at an Awami League rally. Politics in Bangladesh has always been a highly personal and perilous blood sport. Zia's husband, former President Ziaur Rahman, was assassinated in May 1981; Hasina's father Sheikh Mujibur Rahman, leader of the independence movement and the nation's first free government, was killed along with much of her immediate family in a military coup in 1975.

This history of personal tragedy has intensified the distrust and recriminations that characterize Bangladeshi politics. In March, Zia took a TIME correspondent by helicopter to a public rally at Pabna, a town west of Dhaka, to witness the popular support she attracts. The crowds were indeed impressive, even adoring, throwing themselves over fences, spilling into rivers and falling out of trees as they raced to catch a glimpse of the Prime Minister. But the day was also notable for the extravagant venom of Zia's speeches. She accused Hasina's party of bringing terrorism to Bangladesh, running a national network of criminal "godfathers," and being linked to the arrested militant leaders. In an interview the previous night at her home in Dhaka, Hasina spoke of Zia as the mastermind behind the Islamist conspiracy "it's her baby," she said and accused her Bangladesh National Party of torture, murder and rape. Needless to say, each of the women dismisses the other's allegations.

The price of this political hatred is incalculable because the instability spills over into the economy. "It's the single biggest issue holding back development," says the World Bank's Wallich. Even the Board of Investment's Rahman agrees: "The intensity of the political rivalry is definitely hurting the nation." It erodes faith in state institutions, which are co-opted into the fight at the expense of governance. The gloves-off bitterness also makes almost anything acceptable in Bangladeshi politics. Both the B.N.P. and the Awami League employ violent student wings, and both parties have wooed fundamentalists over the years to help defeat the opposition. Many B.N.P. members even allied themselves publicly with Bangla Bhai in his earlier days when he became an underworld hero by allegedly killing extortionists operating in the country's lawless western badlands. Asked about these embarrassing links, Home Minister Babar is visibly uncomfortable: "You have to understand that this was only local criminal activities. Bangla Bhai was fighting criminals. It wasn't jihad then."

Perhaps the biggest cost of the political feuding is that 35 years after its bloody birth, the country's tortured soul remains unhealed. Neighbors, colleagues, even members of the same family who support different parties commonly refuse to speak to one another. Truth is often lost in the chasm between these divisions. Depending on who you talk to, the arrest of a journalist is an attack on press freedom or the welcome detention of a professional blackmailer; a new flood-defense project is evidence of good governance or of pork-barrel corruption; even tax evasion can be hailed as a good thing if it keeps the money out of a particular government's hands. Bangladesh may never truly leave behind this legacy of bloodshed, corruption and distrust. But in what was once one of the sorriest places on earth, there is new hope. From the slow but marked gains in foreign investment to Zia's decision to fight Islamic militancy head-on, Bangladesh has achieved progress that few outsiders, or even Bangladeshis, believed possible a few years ago. "All we need," says University of Dhaka Professor of Economics Abul Barkat, "is five years of good governance, and we'd be away." Surely no nation ever deserved it more.

With reporting by Sayem Mehmood/Rajshahi