

BANGLADESH IN TRANSITION: A FORESIGHT OUTLOOK

Political alignment is key to a desirable future

This is the final instalment in a three-part series based on a foresight analysis centred on Bangladesh's transition, elaborating on the possible future scenarios and outlining the related risks, opportunities, and strategic options for key actors as the national elections draw closer.

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"The best way to predict the future is to create it."

The four scenarios developed through our foresight analysis and subsequent validation meetings paint a vivid picture of how different combinations of political alignments and economic conditions might unfold in the coming years. Each scenario highlights the subtle, often overlooked signals that can serve as early indicators for proactive measures, as well as the diverse challenges that accompany these possible futures. Through these narratives, we could gain insight into the complex interplay between governance and financial landscapes, revealing the nuances that shape our responses and strategies moving forward. The four scenarios explored were voted on to identify the most plausible, desirable, and undesirable future for the nation.

The most plausible and the most undesirable scenarios are almost at par: Out of the four scenarios, the prospect characterised by improved or improving economic conditions but low political alignment (Scenario 2) emerged as the most plausible future scenario in the near term (in the period leading up to the national elections). This was attributed to the signs of improving economic conditions in recent

The economic outlook in the near term was the more contested driver of change. At the time of conducting this foresight workshop, the progress of specific external economic indicators had been encouraging (e.g., inflation, remittances and foreign exchange reserves). However, other indicators, such as private investment and the employment situation, were far more precarious.

Nevertheless, there was a broad consensus among experts that low political alignment would be the most likely future outcome,

transition from exploring possible futures to identifying strategic pathways, a critical question arises: *who truly is in the driving seat to steer the economic and socio political scenarios in Bangladesh today?* Hence, we go beyond institutions and examine the informal, shifting networks of influence—the "wheel within the wheel"—to understand what it will take to transition from a plausible to a desirable future.

"Every time I think that I have thought of all possible scenarios, something else happens."

The strategic objective is now quite clear: to navigate Bangladesh from the most plausible scenario (Scenario 2), characterised by improving economic conditions and low political alignment, to the desirable scenario (Scenario 4), where both economic conditions and political alignment are improving.

Among the leading political parties, the overarching reactions will be a mixed bag. Major parties may have little to no incentives or motivation to mobilise and take to the streets. Political parties that are "pro-substantive

restoration of law and order, transparency in its consensus-building process, and a clear election roadmap. Whatever, the interim government needs to be perceived as politically neutral as it moves forward.

The major political parties need to articulate their respective "minimum" regarding the scope, sequencing, speed of reforms, and timeline of national elections. Non-state actors, including rights-based NGOs, the private sector, and the media, would need to amplify citizens' voices in shaping the consensus-building process and protect marginalised communities during this process.

If political misalignment continues, the path ahead is expected to be fraught with the risk of breakdown of the ongoing processes. The risk of escalated agitation of different forms is a potential reality. Political parties seeking national elections at the earliest may resort to mass mobilisation on the streets to pressure the interim government. However, this does not necessarily mean that the political parties will withdraw their support for the interim government; rather, it may create a volatile political climate.

Our foresight analysis highlighted that at the same time, the possibility of a potential regression of democratic processes is not excluded. Due to a continued lack of political consensus on reforms and the increased influence of mob violence, the public trust built since August 5 is currently in decay, creating further pitfalls on the road to national elections. There is also growing concern about the capability of the interim government to ensure free and fair national elections.

An additional set of risks is arising from the emerging fault lines in the fragmented geo-economic and geostrategic landscapes. This may undermine the role of international development partners (IDPs) as a balancing factor, as their credibility may falter, and they may become hesitant to engage.

There is also the possibility of a structural change in the interim government, as continued instability may increase the likelihood of a more direct military influence, among others.

Experts pointed out that, although not desirable, a changed interim government including the current head is also a possibility.

Finally, the risk of continued political instability may also be spurred by the activities of the supporters of the ousted government. While restrictions have been put on the leaders and the party of the ousted regime, their total exclusion from the electoral processes may put new pressure on the political space.

Bangladesh is at a critical juncture in its nation-building process, which requires more than mere optimism. Our foresight analysis highlights that while the plausible scenario gives some breathing room, there is a looming risk that if political misalignment (along with governance weaknesses) continues, the country may regress into a potentially uncharted future. Safeguarding against this regression will require bold and principled steps. There has to be a clear roadmap for national elections at the earliest, with a minimum working consensus among political parties on reforms, trials, and national elections. Meanwhile, international development partners (IDPs), in the absence of an explicit collective position, may hold their concerns to themselves and instead try to anticipate their approaches to the post-election government.

In summary, the plausible scenario (Scenario 2) presents a future where economic conditions may extend a breathing space for the country, but its political foundation remains fragile. This raises the concern that while the system does not collapse, it also does not renew. Deep political misalignments and a lack of consensus regarding the articulation of reform may further aggravate economic instability. Moreover, political fragmentation underpinned by national elections and trials of the ousted regime may put further pressure on this delicate balance between economic circumstances and political alignment.

As such, shifting from the plausible to the desired future will require more than nominal and incremental change. A credible participatory process will need to emerge to foster common ground on the scope, sequencing, and speed of reforms, as well as the timing of national elections and the inclusivity of the process. To create an environment that fosters improved political alignment, the interim government may need to ensure the

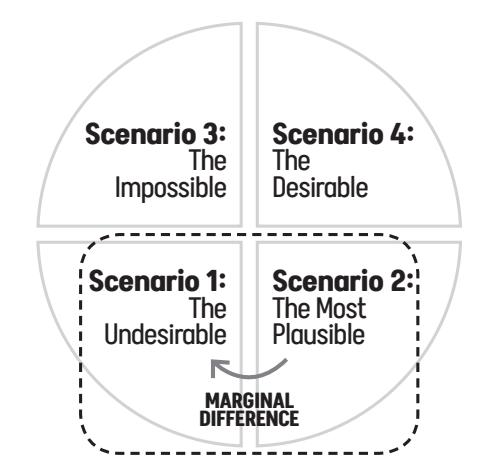
It should be noted that this foresight exercise is not a one-off act. The wheels of power will continue to turn, and alliances will continue to shift. As such, this foresight exercise will be repeated and updated, hopefully with the release of the National Charter. By then, it is expected that there will be a clearer indication of the country's future direction towards a meaningful democratic transition.

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FILE VISUAL: ANWAR SOHEL

FIGURE 1: SNAPSHOT OF THE NEAR-TERM FUTURES



regardless of economic conditions. Low political alignment may lead to delaying an agreement on and implementation of key reforms (including those on economic issues), which may exacerbate uncertainty in the policy space, serving to shrink investor confidence due to perceived instability, slowing down of economic activity, negatively impacting job creation, increasing the cost of living and thus, aggravating economic discontent.

Ultimately, there is a risk of regressing from our most plausible future (Scenario 2) to our most undesired future (Scenario 1) if political misalignment continues or escalates, as identified by the experts.

The four scenarios outlined in our foresight analysis offer more than just alternative future trajectories for Bangladesh—they are grounded in the country's current realities and weak signals already visible on the horizon. While one scenario appears more plausible than others, it is not far enough from

This sentiment neatly captures the fluid socio-political and economic circumstances, as well as the underlying changing power structures in Bangladesh. While power is conventionally understood to be exercised through formal institutions, real influence is perceived to be residing in informal networks and alliances that are shaped by the issue at hand and the players involved. These opportunistic alliances are what was referred to as "variable geometry": the same actors do not always align on every issue.

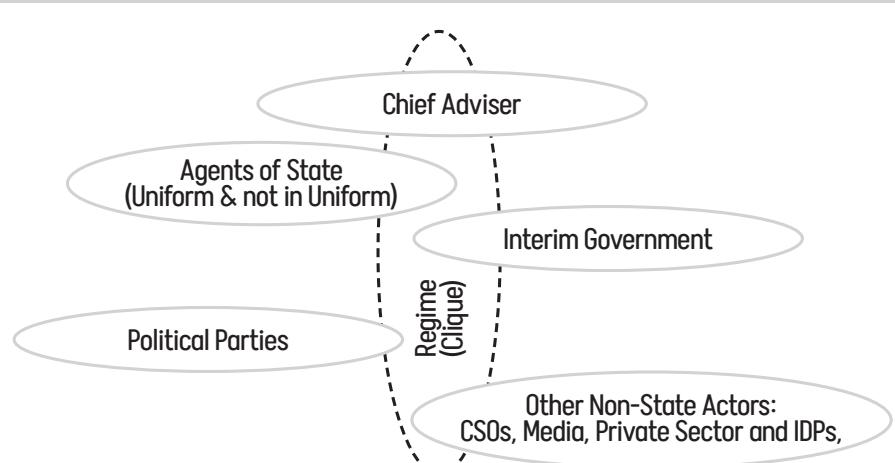
Power, then, can be said to be held by a cross-cutting group of actors—what may be loosely referred to as a "regime," though the experts in this exercise preferred the term "clique" of powerbrokers. These powerbrokers are perceived to be dispersed across five key groups, rather than confined to a single institutional corner. The real power brokers and their influence may be revealed through strategic appointments and access to decision-

months, primarily a gradual decline in inflationary pressure, robust remittance inflows, and strengthened foreign exchange reserves. However, Scenario 1, a future defined by both low political alignment and low economic conditions, was behind by a margin. Moreover, Scenario 1 was also voted for as the future that should be avoided at all costs, i.e., the most undesirable scenario, given the profound socio-political and economic instability it entails.

The most desirable and impossible scenarios: The most desired future scenario (as envisaged by the experts) in the near term was identified as Scenario 4. This scenario is characterised by both very positive economic conditions and substantial political alignment. Scenario 3, which featured low economic conditions and high political alignment, was neither considered plausible, desirable, nor undesirable. The notion of a high political alignment emerging in worsened or worsening economic conditions was dismissed as an oxymoron and thus identified as an impossible scenario (Figure 1).

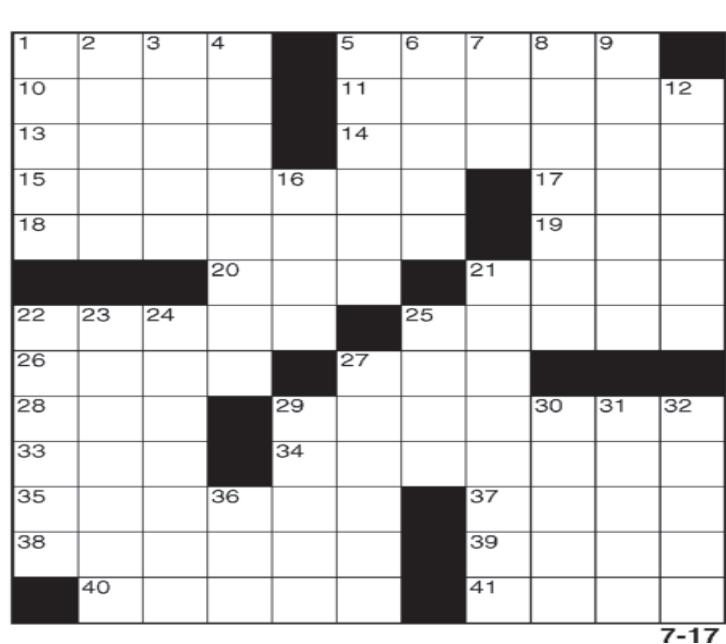
Political alignment is the defining driver:

FIGURE 2: WHEEL WITHIN THE WHEEL



the most undesired future scenario. Whether we regress into the undesired scenario or upgrade to the desired future will depend on how various key actors perceive the landscape and react in the coming months leading up to the national elections. However, as we

making spaces rather than formal titles. The current reading of the prevailing power structure is depicted in Figure 2; however, it is essential to note that the picture does not represent the quantitative dimensions (scale) of the interface.



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