

Bangladesh's parliament building in Dhaka. The challenge facing the new government extends beyond a change in political leadership to dismantling deeply entrenched networks of patronage, dependency and informal power that shape relations between the state and society.
PHOTO: PALASH KHAN

THE ANATOMY OF A FAUSTIAN SOCIETY

Can Bangladesh break free from the politics of dependency?

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Twenty-three years ago, I published an article in the journal World Development (2003), titled 'Staying Poor, Staying Secure: The Faustian Bargain'. It advanced the argument that poor people can be distinguished, inter alia, from well-off classes by their need to trade autonomy for security, at the cost of remaining poor. At that time, I was focused on how the rural poor were locked into personalised dependency within patron-clientelist communities, and how their poverty was therefore socially reproduced, with opportunities to break out denied. My proposition now asks whether this micro-level context can be expanded to characterise an entire society, where poverty and livelihood insecurity for the majority, even as the economy has advanced, induce a large-scale sacrifice of freedom of agency through an acceptance of client dependency, thereby reinforcing clientelist politics at all levels and in all activities, extending to the behaviour of political parties when in power. An analysis of labour markets and agrarian transitions, summarised below, would suggest that such an expansion of the concept is justified as a description of the macro picture: hence, a Faustian society.

After two decades of change, especially in societies like Bangladesh, does this argument still hold? Two questions can be asked: does that element of distinction between poor and comfortable classes still apply; and can any part of the argument be applied on a wider scale, to the extent that we can talk about Faustian societies?

Will ordinary people's livelihoods continue to rely on pervasive patron-clientelism, personalised networks and segmented labour markets that operate outside both open competition and full-scale commoditisation, offering, at best, dependent security?

We should immediately observe that many societies around the world are going into reverse by measures of rights, democracy and personal autonomy, driven largely by right-wing, neo-fascist agendas in which acceptance of political suppression is the price offered for survival. Consider the politics of the contemporary USA, Germany, France, Sweden, the Netherlands, Italy and right-wing opposition parties in the UK, for example, or the ongoing examples of China, Russia, North Korea and Argentina, but now not Brazil and Serbia (after the 25 October elections)! So, let us dismiss instantly the idea of a natural societal progression towards individual autonomy within a framework of advancing democracy. The evidence is too thin. Rather, the idea of the Faustian society has considerable resonance in modern times. The late 20th- and early 21st-century 'enlightenment' looks increasingly like a temporary blip in world history.

These threats to everyone's liberty, rich and poor alike, occur amid evidence of rising inequalities worldwide. This rise can be attributed to the global oligopolistic concentration of capital, and thus of power. The expansion of AI, alongside the ability of finance capital to suck up other people's savings (Yanis Varoufakis, Technofeudalism: What Killed Capitalism, 2023), has reinforced this process. If we take the underconsumption thesis seriously (Rosa Luxemburg, Accumulation of Capital, 1913), then capitalism itself is marching towards self-destruction in the absence of contemporary imperialist offsets. These conditions have always favoured millenarian politics rather than inclusive and collective solutions: our present global danger.

How far does this arc of global history apply to Bangladesh and its neighbours with a shared colonial history? As Bangladesh transitions from a pre-capitalist agrarian past, with the rapid expansion of urbanised gangster capitalism, what kind of growth can it contemplate? Inclusive or exclusionary? Can any government deliver welfare to its people when it is likely to encounter the jobless growth conundrum (Santosh Mehrotra, India's Economic Paradox: Growth Without Jobs, lecture, May 2025)? How can the prospect of a large reserve army of labour, comprising those detached from the growing parts of the economy, be addressed?

This is the context for considering the 'Faustian society' proposition. Will ordinary people's livelihoods continue to rely on pervasive patron-clientelism, personalised networks and segmented labour markets that operate outside both open competition and full-scale commoditisation, offering, at best, dependent security?

The answer is unlikely to be all or nothing. Consider, first, overseas employment opportunities in labour-intensive, at best partially skilled, sectors (e.g. construction). These continue to be sources of remittances that are converted into domestic opportunities for poor, less-educated families. But access remains characterised by informal recruitment networks and debt bondage of some kind. Such opportunities may be seen as part of globalisation but are far from commoditised: Faustian rather than evidence of an 'open' society. Of course, well-off classes with wealth derived from rents and corruption have enjoyed privileged access to international education and careers for their children, with subsequent recruitment into employment still occurring through family and patron connections.

Turning, , to domestic employment, what is the evidence of merit-based, open recruitment, again adjusting for middle-class connections? The economy of Bangladesh has undoubtedly evolved, as witnessed by its recent period of rapid urbanisation and the expansion of digitisation and services. Expanding industrial sectors (garments being an obvious leader) require a growing managerial class, as well as upskilled labour, with the national composition of that labour shifting away from workers from India, China and Korea towards Bangladeshis, again recruited largely through informal gatekeepers. Simultaneously, urbanisation entails significant growth in services and the informal sector, where networks and segmented market conditions apply. Our understanding of 'syndicates' (David Jackman, Syndicates and Societies, 2024) reveals rival gangs and mastaans, protected by politicians, controlling spaces and territories and the opportunities within them. It is difficult to believe that these ways in which the political economy operates can be changed in the short term by any government. Where are the incentives to do so? Rent-seeking, whether through the manipulation of state resources or through private-sector quasi-monopolies, pervades the mode of politics, both in the quest for power and in its exercise. In such a system, no man can be an island within the myth of 'equality of opportunity'.

Third, agrarian relations continue to undergo significant transformation (e.g. Wood and Mandal, Agrarian Futures in Bangladesh: The Political Economy of Peasant Transformation, 2025) as capital further intrudes into traditional relationships and modes of land use. This includes changing patterns of clientelism. The era of landlords presiding over dependent small subsistence peasant families and sharecroppers, characterised by extortionate rents, moneylending and tied, bonded labour, has passed. But the aftermath has not produced a sustainable class of petty commodity producers with net marketable surpluses sustaining urban populations. The Bangladeshi 'nation of small farmers' is rapidly disappearing. Increasingly, the rural scene can be illustrated by the observation: 'My land produces rice, but I buy my rice in a packet.' Landowners and tenants are leasing out their fragmented plots to contractors who manage the land throughout the production cycle, from land preparation, transplanting, irrigation and crop management to harvesting and processing. This proliferation of agricultural actors reflects the intrusion of capital in various forms and a redistribution of returns through different forms of corporate behaviour. But this disarticulation of the family farm as a self-contained social unit of production has not been replaced by an open, competitive process of commoditisation. Rather, it is characterised by new forms of patron-clientelism, with the erstwhile peasantry becoming rentiers and price takers in new forms of contracting and market chains. Access to agricultural labour and off-farm opportunities in this new rurbanised economy occurs, for most people, through gatekeepers or sardars of some sort. Research on syndicates shows that this new political economy relies on political patronage at upazila, district and national levels, where politicised control is exercised over the interface between publicly funded projects and private contracting. The rurbanisation of Bangladesh's delta space does not imply that open, commoditised transactions simply replace relationships of personalised dependency. Roberts captured this phenomenon in Latin America in 1978 with the title Cities of Peasants.

There are, of course, other aspects of Bangladesh's increasingly unequal political economy and its continuing reliance on informal networks and patrons. At best, the country might be a Pareto-optimising one, with the possibility of raising living standards for all, but at varying rates for different classes, though this is a process likely to be further undermined when the prospects for young people are considered. Rather, it remains an elitist society, albeit one that has to accommodate new entrants, representing new forms of income and wealth, into wider coalitions of meaningful participation and citizenship. If this process of accommodating the nouveau riche implied more open modes of access to livelihood opportunities and security, then the Faustian society proposition would not hold.

According to North, Wallis and Weingast in Violence and Social Orders (2009), this process of accommodation would entail a shift from violence and coercion (or meaningful threats thereof) towards more codified, legally based universalism, in which political and social rights steadily advance, with a corresponding strengthening of democratic and 'open access' conditions. But North et al. also remind us that this linear progression towards inclusive, rights-based development cannot be assumed. Given the fragile and contradictory state of contemporary Bangladesh, with a pessimistic prognosis for many indicators, a shift towards codification would threaten the short- and medium-term interests of present elites, who are the economic beneficiaries of opaque state and market practices involving favours in return for rents extracted by those holding power within political, bureaucratic, legal, banking, educational, business and military institutions.

In summary, the normative idea of a state that works for everyone in the population is weak in Bangladesh, as is, therefore, the notion of universal, equally meaningful citizenship. Meanwhile, society, with its inherited and continuing deep structures, remains strong, adapting to change without relinquishing elite control, which is maintained through a complex hierarchy of informal roles embedded in its past (see Joel Migdal, Strong Societies and Weak States: State-Society Relations and State Capabilities in the Third World, 1988). These conditions open us up to the idea of a Faustian society, which, of course, is not unique to Bangladesh but is present, I would argue, across the subcontinent and beyond, including in the fragile, post-industrial economies noted above.

So how is a Faustian society to be understood in terms of state-society relations, and what indicators of significant changes in practices should we look out for? And can we realistically expect the present elected government to escape this embeddedness? In a short article like this, is it possible to provide detailed evidence for the truth of my core proposition? Not really. But I invite readers, in all conscience, to consider everyday life around them through the lens I have offered here, and to conduct their own verification exercise, their own triangulation.

As a reminder to readers, it seems clear that previous post-liberation regimes in Bangladesh have seen ruling parties and the military unable to dissociate or detach the state from Faustian societal practices. Rather, we have witnessed a blurring (permeability) of the fictional boundary between state and society, between public and private spheres, a process of mutual co-option: governments seek loyalty and compliance across the institutional landscape to exercise state power; elites seek to harness those elements of state power that can facilitate their private interests.

This mutuality has involved the use of state power (a combination of violence and bureaucratic pseudo-legal entanglement) to subvert the independence and permanence of the media, journalism, student associations, the justice system, academic research and teaching, the framing of history in schools, the civil bureaucracy and the police. This has entailed interference with open, meritocratic recruitment and the redeployment of public officials (reward and punishment), alongside the allocation of pension entitlements through the establishment of favourable quota criteria; allowing national banks to tolerate loan delinquency, enabling rent-seeking by favoured indebted borrowers; allocating valuable plots of land for construction to favoured client groups to secure their loyalty; presiding over the marketisation of state services, accepting pay-offs for tax avoidance and evasion, and turning a blind eye to capital flight overseas; and turning attempts at codification and regulation into opportunities for gatekeeper rent-seeking rather than ensuring probity and fairness in competition.

All of the above confirm a process of locking state officials and much of the population into continuing personalised and informal dependency. A further outcome has been historically low levels of tax revenue as a proportion of GDP (7%) compared with other countries at similar stages of development (13%), thereby undermining the provision of general public services or necessitating further public debt to maintain them: another negative trade-off.

At the same time, if the analysis of syndicate behaviour is accepted, then economic transactions throughout society, especially those involving public investment, including major infrastructure projects, have entailed kickbacks to officials holding power. Transparency International Bangladesh has exposed much of this, including the siphoning of rents into overseas and offshore havens. In all these instances, many thousands of economic and political actors are involved in informal, non-transparent deals and agreements, aided by interlocking forms of coercion, whether manifest or latent. New entrants, whether public officials or private-sector employees, are quickly inducted by their superiors, with compliance ensured by the threat of exposure. That becomes the established way to get ahead in both arenas. What all this means is that it is not only the poor who have to accept client status and forgo subsequent freedoms to access low-level opportunities and employment; those 'above them' in the hierarchy of the political economy are also incorporated into Faustian behaviour.

So what would a counterfactual look like? Can the incoming regime, this new government, led by a political party whose own origins lie within the post-colonial culture described above, manage to dissociate itself from this past and reverse many of these behaviours, which have been so extensively practised by its predecessors? It is not so easy to detach oneself from deep structures, precisely because they are so deeply embedded. And let us be clear: many societies around the world, including those regarded as democratic and open-access societies by rating agencies, share many of these inherited problems. My own country is included: just look at the scandals arising from the Johnson administration during the Covid era. But more deeply, we have a caste system too, which straddles and structures the intimate relationship between public- and private-sector behaviour.

Meanwhile, until this break from the past occurs, it would seem prima facie valid to describe these conditions as those of 'Faustian societies'.



PHOTO: PRABIR DAS

Street vendors sell clothing and other goods from makeshift stalls along a crowded road in Gulistan, Dhaka. Access to trading spaces and economic opportunities is often controlled by informal networks, including local powerbrokers and politically protected groups, reinforcing relationships of dependency and patronage.



Aspiring migrant workers queue with their luggage, wearing BMET Bangladesh T-shirts. Overseas employment opportunities remain shaped by informal recruitment networks, intermediaries and debt obligations, even as remittances provide economic opportunities for poorer households in Bangladesh.
PHOTO: STAR

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