# Management and Economy in Hartals: The Case of Bangladesh

by

# Khondaker Mizanur Rahman

School of Business, Nanzan University

Based on the secondary sources and interviews, this paper gives an account of hartal and similar political activities, examining the economic and social impacts of such activities on the economy of Bangladesh and the management of the companies in that country. As hartal and associated activities are not well defined in literature, this study begins by giving a brief definition and description of those activities. The findings of the study suggest that these activities are organized to ensure freedom of assembly, expression of opinion, and political rights by raising protests against certain government actions and policies. However, in reality, and especially during the last two decades, much of these activities have been used as a vindictive movement against the political party in the helm of the regime. The study also found that hartal and similar activities have resulted in colossal economic losses of work, working hours, business management, industrial output, business capital, property, and human life, as well as visible and non-visible social losses, such as human distress, loss of human life, uncertainly, chaos, hatred, disunity among people, and erosion of the national image. Finally, this study found that people engaged in economic activities dislike such political activities, considering them as unnecessary evils, and want political parties to work on creating alternative, peaceful action programs. The paper finally gives some suggestions to solve the problem of hartal and relieve the miseries that come along with it.

## 1. Introduction

Historically, Bangladesh has been affected by a number of problems, namely acute poverty, high population density, high birth rates, high child mortality, frequent natural disasters like floods, cyclones, and tornados, low literacy rates, high rural-urban disparity, low rates of participation by women in economic activities, and high unemployment, to name a few. In the last two decades, the country has encountered a number of other problems such as industrial accidents, industrial strife, deforestation, high environmental pollution, rural-urban migration, political repression, boycott of parliamentary activities by the opposition party, frequent political *hartal* (general strike), *bikkhov* (agitation), and *oborodh* (blockade), among other problems that had not been encountered in the past.

Of these problems, the political turmoil of hartal is a severe crisis rather than a mere problem, even though the economic and management literature does not address it as a problem. Hartal has far-reaching impacts on the whole nation, including its industrial, social, and economic development, as well as its national and international image. This problem arises from the political freedom to express views and dissent against certain acts, laws, and policies of the government through public demonstration and social mobilization. As we will see later, from 1947 to 1971 hartal was a rare way of expressing political grievances and was organized once every two or three years. More recently, especially in the last two

decades, it has been organized many times per year. Instead of being a way to raise views or dissent, it has become an action of political hatred and dislike for particular political opponents. Its focus has diverged from the national issues to mere personal issues, and is often used as political sabotage.

In view of this situation, this paper gives an account of hartal and similar political activities in Bangladesh, examining their economic and social impacts on the economy and the management of business organizations. The research methodology for the study depends mainly on secondary sources, which are supplemented by a telephone survey to authenticate certain facts.

The paper proceeds as follows: First, it examines the definition of hartal and its associated activities, as these might be unknown to readers who are not familiar with the politics and economy of Bangladesh. It then examines various national and international laws to investigate the legal basis of hartal. After that, the study takes an historical account of hartal within this legal history. Then, it explains the losses accrued by Bangladesh as a result of hartal and similar political movements. Finally, it postulates some measures that can be adopted to solve the problem of hartal. The conclusion of this paper shows that an understanding and resolution of the causes of hartal will lessen its frequency and will eventually fix the losses to the business and economy of the country.

## 2. Definitions of Hartal and Similar Political Movements

#### Hartal

Used first during India's independence movement in the 1920s and 1930s, the Gujrati term *hadtal* has been popularly adopted in South Asian countries, namely Bangladesh, India, Nepal, Pakistan, and Sri Lanka, to denote a national or regional anti-government political movement. This term was institutionalized in by Mahatma Gandhi as a political movement. Gandhi hailed from Gujrat and organized peaceful anti-British strikes that consisted of shutting down shops, warehouses, offices, workplaces, courts of law, transportation, etc., as a form of civil disobedience, calling these protests "hartal." In Bangladesh, it is popularly known as *hartal* or *hottal* in colloquial speech and is regarded as a constitutionally accepted method for articulating any political demand. In a study under the auspices of the United Nations Development Programme (UNDP) offices in Dhaka, Islam (2005) describes hartal as the temporary suspension of work in business premises, offices, and educational institutions and movement of vehicular traffic nationally, regionally or locally as a mark of protest against actual or perceived grievances called by parties and other demand groups. However, hartal usually means a stoppage of vehicular traffic and the closure of markets, shops, and offices for a specific period of time to articulate agitation (Huq, 1992). In the existing socio-political environment of Bangladesh, hartal is a powerful weapon in generating public opinion in favor of any national issue (Banglapedia, 2013).

## **Bundh and Ghearo**

Bundh and Ghearo are two other terms that need to be defined in order to understand how the tactics of hartal differ from or resemble with other popular movements that are used to realize political demands in the aforementioned countries. Bundh is a Hindi term meaning "closed" and is understood in India as protest against the state government, national government, or even a municipal authority to remove popular grievances. The party or group declaring Bundh expects people to stay at home and not to

report to work, shops to close operation, and transportation services to stay off the road and not carry passengers. Another Hindi term *Gherao* means "encirclement" and is defined in the *Concise Oxford English Dictionary* (Eleventh Edition) as "a protest in which workers prevent employers leaving a place of work until demands are met". This tactic is used by labor activists and union leaders surrounding a politician or a government office until their demands are fulfilled.

#### **Oborodh or Blockade**

*Oborodh* or blockade, implies the nation-and region-wide blockade of roads, railroads, and waterways to force postponement of certain actions or programs by the government. Stopping all land transportation to and from an area, in most cases within the capital city or district headquarters, is a popular act of political demonstration in Bangladesh.

## **Bikkhobh or Agitation**

*Bikkhobh* or agitation denotes political activities in which a group of agitators urges the general populace to do (or not do) something. In Bangladesh especially, *bikkhobh* is a public, street protest, or picketing, and is normally done during the two to three days prior to a big movement, which is generally a hartal.

### Strike

According to the labor laws in Bangladesh, a strike means the cessation of work by a body of persons employed in any establishment acting in combination or a concerted refusal under a common understanding of any number of persons who are so employed to continue to work or to accept employment (GOB/MOL, 2006; GOB/MOL, 1969; Dhar, 2006).

Hartal in Bangladesh is almost the same as *Bundh* in India. Although *gherao* is popular with labor movement organizers as a protesting technique, it is also used in political movements. Strike is mostly practiced in industrial enterprises by labor organizations and in academic institutions by student activists. However, as labor union movements and student politics in Bangladesh are highly politically biased, strikes by labor unions, student organizations, and other organizers receive wide political support and color in that country. All these political activities are closely linked to a hartal and can be seen during, before, and after it. Most of the above political activities before a hartal can be viewed as a "warming up" stage for a big hartal movement.

# 3. Law of the Country Regarding Hartal

#### 3.1 The National Constitution

The national Constitution of Bangladesh has accorded some fundamental rights to its citizens. Articles 37, 38, and 39 of the constitution are related to the right to organize assembly and expression, which have culminated in hartal and similar other tactics to impose pressure on the government. These articles are quoted below (GOB, 1972):

## "37. Freedom of assembly.

Every citizen shall have the right to assemble and to participate in public meetings and processions peacefully and without arms, subject to any reasonable restrictions imposed by law in the interests of public order and health."

## "38. Freedom of association.

Every citizen shall have the right to form associations or unions, subject to any reasonable restrictions imposed by law in the interests of morality or public order."

- "39. Freedom of thought and conscience, and of speech.
- (1) Freedom of thought and conscience is guaranteed.
- (2) Subject to any reasonable restrictions imposed by law in the interests of the security of the State, friendly relations with foreign states, public order, decency or morality, or in relation to contempt of court, defamation or incitement to an offence the right of every citizen of freedom of speech and expression; and freedom of the press, are guaranteed".

Thus, the freedom of assembly and participation in public meetings and processions are subject to restrictions imposed by the law in the interest of public order and health. The right, given in *Article 37* of the Constitution, is subject to two restrictions, namely that the assembly must be peaceful and the participants must not carry any arms. *Article 38* provides freedom of forming associations, in other words, allows a political party to organize any assembly. *Article 39* guarantees freedom of oral, written, or any other mode of expression as protection against government actions.

However, there are also national laws that restrict freedom of expression and assembly, namely the *Bangladesh Penal Code*, the *Special Powers Act* of 1974, the *Anti-Terrorism Act* of 1992, and the *Public Safety Act* of 2000. The respective provisions of these laws are mentioned below:

## 3.2 Bangladesh Penal Code, 1860 (Act XLV of 1860)

The *Penal Code*, first formed in 1860 by *Act XLV*, in its current form imposes restrictions on sedition and unlawful assemblies in *Section 124A* and *Section 141*.

#### Section 124A: Sedition

"Whoever by words, either spoken or written, or by signs, or by visible representation, or otherwise brings or attempts to bring into hatred or contempt, or excites or attempts to excite disaffection towards the Government established by law, shall be punished".

#### Section 141: Unlawful assembly

"An assembly of five or more persons is designated an "unlawful assembly" if the common object of the persons composing that assembly is -1) To overawe by criminal force, or show of force, the Government or any public servant in the exercise of the lawful power of such public servant; or 2) To resist the execution of any law, or any legal process; or 3) To commit any mischief or criminal trespass, or other offence; or 4) By means of criminal force, or show of criminal force, to any person, to take or obtain possession of any property, or to deprive any person of the enjoyment of a right of way, or of the use of water or other incorporeal right of which he is in possession or enjoyment, or to enforce any right or supposed right; or 5) By means of criminal force, or show of criminal force, to compel any person to do what he is not legally bound to do, or to omit to do what he is legally entitled to do".

Section 143 has given a provision of punishment by imprisonment up to six months, by paying a fine, or by both for involvement in any unlawful assembly. Likewise, Section 144 mentions punishment by imprisonment for a term of two years, with fine, or with both for joining any unlawful assembly armed with deadly weapons (MOL/GOB: 1860).

## 3.3 Special Powers Act, 1974

The *Special Powers Act, 1974* imposes certain restrictions on the freedom of assembly and expression by allowing preventive detention for a period of thirty days for certain acts which might be "prejudicial". Such restricted acts are as follows.

Section 2(f) Prejudicial Acts

"i) prejudicial to the sovereignty or Defense; ii) prejudicial to the maintenance of friendly relations with foreign powers; iii) that prejudices the security of Bangladesh, endangers public safety or maintenance of public order; iv) creates or incites hatred, feelings of enmity between communities, classes or sections of people; v) incites or interferes with the administration and maintenance of law and order; vi) prejudices maintenance of supplies and services essential to the community; vii) causes fear of alarm in public; viii) prejudices economic or financial interests of the State".

## 3.4 Anti-Terrorism Act, 1992 and Public Safety Act, 2000

These two laws restrict terrorist actions of any kind. Any actions involving "the use of coercion or use of force to obstruct or deviate the right of any vessel over land, air and water; or to intentionally cause damage to vehicles and the creation of fear in households and shops and markets or in vehicles in a planned or sudden way" (Mohammad and Hasan, 2005) are regarded as terrorist actions and are thus prohibited.

Therefore, the national laws in Bangladesh provide freedom of expression and assembly with reasonable restrictions against harmful actions that can be found in any modern, peace-loving nation.

## 3.5 International Legal Framework

Other than the aforementioned national laws, Bangladesh also derives its conception of freedom of expression and assembly from different international sources, which the government implicitly and explicitly endorses as a member of the international committee of nations. For example, Bangladesh is a signatory to the Universal Declaration of Human Rights (UDHR), adopted in 1948, which by its Articles 19 and 20 stipulate that everyone has the right to freedom of opinion and expression and access to media without interference (UN, 1948). Bangladesh is also a signatory of the International Covenant on Civil and Political Rights (ICCPR) 1966, which was entered into force in March 1976, and ensures in its Articles 19 and 21 the right to hold opinions and join any peaceful assembly without interference (United Nations Human Rights, 1966).

### 3.6 Court's Rule

There are legal verdicts concerning the freedom of assembly and expression through hartal in Bangladesh. In 1999, the hartal issue was taken to court by way of a written petition to the High Court

bench of the Supreme Court by one Khondaker Modarresh Elahi. He argued that hartal days were not peaceful, violence occurred, citizens were restrained from attending daily activities, commercial life was paralyzed, and incidents of vandalism took place affecting both government and private property (Mohammad and Hasan, 2005). The petition further argued that the rights of citizens could not be infringed upon by the exercise of the right of hartal by political parties. He sought a verdict to rule a political party's call of hartal as unlawful.

In the High Court Division (Special Original jurisdiction) of the Bangladesh Supreme Court, three ruling judges, Mainur Reza Chowdhury, Syed J R Muddasir Husain, and M A Aziz, JJ ruled on this petition [Petition No. 1216 of 1999, Khondaker Modarresh Elahi vs The Government the People's Republic of Bangladesh; date of judgment: The 25th of October, 2000]. The writ was discharged, and the hartal was not adjudicated as illegal. Justice Syed JR Muddassir Husain stated his reasoning in his judgment report: "Judging from the above points of view, Hartal cannot be declared illegal. It is a democratic right to call hartal but it should be observed peacefully without resorting to any illegal activities by the pro-hartal activists but at the same time hartal should also be allowed to be observed peacefully without any provocation, instigation, intervention and aggression of any kind by anti-hartal activists" (UNDP, 2005). Unfortunately, hartal rarely takes place peacefully and without provocation and aggression.

# 4. Accounting of Hartal in Bangladesh

Finding accurate statistics on different types of hartals, namely local, regional, and national, which are organized mainly by the opposition political parties, is a very difficult task. Although hartals can be organized by any group of people who may or may not have any political affiliation, in most of the cases in recent years, organizers rally support from different political parties and pressure groups to gain favor for their agitation, procession, picketing, and blockade interests. Activities called *bikkhov*, *obrodh*, *gherao*, etc. are organized prior to hartals, and are considered as movements geared towards intensifying and collecting activities during the day of the hartal.

As no official records of hartal exist, we summarized an account of hartal in Table 1 combining information from different sources (Banglapedia/NEB, 2013; *Daily Ittefaq*, 2013; and *Prothom Alo*, 2014). In the pre-independence period from 1947 to 1971, there were 47 national hartals, 13 regional hartals, and 24 local level hartals. On average, there were 1.88 national hartals per year. In the initial years of Bangladesh's independence (from July 1972 to June 1982), national hartals occurred less than once a year. During this period, the biggest political party in the country was the Awami League (AL), and other political parties were insignificant in size and capacity as to organize nationwide hartals.

Table 1: Number of Hartals at National, Regional, and Local levels (1962-2013)

Year	Regime	National	Dhaka and Regional	Local	Total
1947-71		47	13	24	84
1972-75	AL	5	5	12	22
1975-82	Zia & BNP	6	9	44	59

1982-1990	Ershad	72	56	200	328
1991-1996	BNP	26	NA	NA	NA
1996-2001	AL	215	NA	NA	NA
2001-2006	BNP	173	NA	NA	NA
2007-2008	FA & MUA	0	NA	NA	NA
2009-2011	AL	11	NA	NA	NA
2012	AL	29	NA	NA	NA
2013	AL	62	NA	NA	NA

Notes: (1) Bangladesh became independent in 1971.

(2) AL = Awami League; BNP = Bangladesh Nationalist Party; FA & MUA: Fakhruddin Ahmed and Moeen U. Ahmed.

The Bangladesh Nationalist Party (BNP) was formed in September 1978, having captured power with the support of the military. Initially, the BNP held politics in a tight grip. It has ruled Bangladesh for a total of 14 years, for three separate terms since its inception (1978-1982, 1991-1996, and 2001–2006). The AL won the parliamentary election in 1970 under the Pakistan regime, and also won the first general election after Bangladesh's independence in 1973. It was overthrown by a bloody military coup d'état in 1975. Since the 1990s, the AL was in power for two terms (1996-2001 and 2008-2013). General H.M. Ershad led a bloodless coup over the BNP on 24 March 1982 and ruled until 1990 with support from the army. During his regime, there were 72 national hartals, an average of 9 hartals a year. In the instance of Ershad's regime, both the AL and the BNP joined together in the anti-regime movement and organized both joint and separate anti-government movements, which increased the number of hartals.

During the tenure of the BNP government from 1991 to 1996, there were 26 days of nation-wide hartal, while during the tenure of the AL from 1996 to 2001, there were 215 days of hartal. From 2001 to 2006 when the BNP was in power, there were 173 days of hartal. Fakhruddin Ahmed and Moin U. Ahmed (FA& MUA) took over power on 11 January 2007 (the so-called one-eleven in Bangladesh), imposed emergency rule in the country during 2007-2008, and banned all sorts of political movements and agitations. The tenure of the AL's third cabinet was from 2008 to 2013. Although calculating the exact number of hartals in this period is difficult as no record is kept by the government and political parties, in 2013 alone, the BNP and its allies called 62 days of nationwide hartal. In addition to nation-wide hartals, many regional and local hartals, which are even more difficult to take accurate record of, were called during all of the aforementioned regimes. In general, regional and local hartals occur more frequently and last longer than national hartals (Khundker, 2005).

The politics of hartal was a decisive method in mobilizing people for the independence of Bangladesh. After independence, hartal began being used as a means of creating pressure on the government or the ruling party in all governments, local or national. During the time of Ershad, the main issue behind hartal was the legitimacy of his military backed government. From an analysis of the causes of hartal from 1947-2002, the four most important reasons were as follows: (a) political killings at local levels, (b) inter-party and intra-party conflicts, (c) the law and order and human security situation vis-à-vis law enforcing agencies; and (d) demand for better governance and public utilities and services (Islam, 2005). These reasons also hold true for many cases of hartals after 2002. However, some recent causes have been demand for the BNP to hold national elections (tenth parliament) under a caretaker

government, demand for stopping alleged repression on political activities and party workers, and demand to end the imposition of capital punishment on the leaders of the Jamaat-e-Islam for their involvement in crimes against the nation during the liberation war.

A recent feature of hartal is that, increasingly, lesser known parties and groups have been organizing hartals. Hartals are organized both unilaterally and jointly by political parties and religious allies. Hartals are more frequent during the last year of an elected government's tenure, and are called even on the weekends (Bhatacharya, 2013). They are called for consecutive days or unspecified durations of time, but are withdrawn and stopped on the Muslim prayer days, especially Friday. There are also serious increases in the number of picketers, sudden attacks (*jhotika akromon*), violent actions like armed attacks, vandalism, and the torching of houses of minority communities and government party supporters by organizers. Sometimes, regional hartals involving the capital city of Dhaka develop into a national hartal. There are also cases of local hartals, e.g. at district and sub-district levels, by activists without the consultation of the party headquarters. While new terror creating measures have increased in general, the use of information technology measures to organize activities and diffuse information have also become popular. Cases of attacks on law enforcement agencies during hartals have also increased tremendously.

## 5. Economic Impact of Hartal

Although Bangladesh has not been affected by civil war and violent conflict, it does have an unusual domestic situation due to frequent hartal, blockade, and agitation. However, providing a detailed account of the loss that this country suffers every year due to hartal is nearly impossible. Studies have been performed by domestic and foreign sources, which place importance on economic impacts. The Asian Development Bank (2013) observed that political stability in 2013 would remain volatile and risky in the run-up to elections. Moody's found increased frequency of strikes in Bangladesh, with their more common occurrences of violence, where were detrimental to its economic stability (*Daily Star*, 2013). According to Bhattacharya (2013), hartal has had significant negative impacts on economic performance, even though it was never organized to pursue economic causes. As he found, all major macroeconomic indicators (namely economic growth, private investment, public investment, and savings), domestic indicators (namely revenue collection, annual development plan (ADP) implementation, private sector credit, and call money rate), and external indicators (namely export, import, letter of credit (L/C) opening for import, and foreign aid flow) are affected in hartal.

Although many articles and reports highlight the impacts of hartal, very few methods and models have been developed to estimate its nominal and real costs. Both the organizers of hartal and the government know the apparent cost, the party in power in the government in particular providing accounts of loss due to hartal in the parliament and news media. As the World Bank estimated, during the 1990s an equivalent of 45 full working days was lost annually due to hartal, which cost an amount of approximately US\$50 million per day, accounting to approximately 5 percent of the GDP (Khundker, 2005). According to the UNDP, the loss per day due to hartal in 2005 was Tk.5,000 million (Yusuf, 2013).

Khundker (2005) has provided an account of the yearly cost of national hartal from 1990-91 to 1999-2000 based on information, which is cited in Table 2, from the Bangladesh Bureau of Statistics

(BBS). The average cost of hartal during this ten-year period was 4.5 percent of the GDP, which included foreign earnings, lost employment, lost output, reduced savings, indebtedness, capital losses, and reduced business profitability. She argues that these figures of loss are rather rough indicators and do not give a concrete idea of the economic cost. She emphasizes the need to have a detailed accounting of hartal, which should also include its impact on saving, indebtedness, formal and informal sectors, and psychological and other non-economic costs. Her accounts included the impacts on different sectors, namely transportation (including non-formal transports like auto-rickshaws, tempo-van operators, rickshaws, cycle-van drivers, push-cars, etc.), exports, readymade garments, retail, public and private sectors, and the rural economy.

Table 2: Cost of Hartals for Ten Years from 1990-91 to 1999-2000 (million TK)

Year	GDP	GDP/day	Hartal days	Loss of GDP for hartals	GDP loss (%)
1990-91	1,325,226	4,477	1	4,477	0.3
1991-92	1,392,005	4,703	5	23,514	1.0
1992-93	1,455,680	4,918	7	34,425	0.2
1993-94	1,515,139	5,119	13	66,543	4.4
1994-95	1,589,762	5,371	27	145,012	9.1
1995-96	1,663,241	5,619	28	157,334	9.5
1996-97	1,762,847	5,956	7	41,689	2.4
1997-98	1,844,436	6,231	8	49,850	2.7
1998-99	1,934,370	6,535	28	182,981	9.5
1999-2000	1,934,291	6,535	15	98,022	5.1
10 yr average	1,641,700	5,546	14	80,385	4.5

Note: Figures in this table cannot be authenticated as the author did not give any information on the method of calculation.

As the US Ambassador to Bangladesh Dan Mozena observed, approximately US\$200 million was lost for every day of political hostilities in hartal in 2013. According to the estimation of the Dhaka Chamber of Commerce and Industries (DCCI), Tk.16,000 million was lost each day from hartal, while annually 6.5 percent of the GDP was lost. An ex-official of the Chamber of Commerce mentioned that the national economy suffered a total loss of about Tk.1,000,000 crore in the 62 days of hartal and blockade in this year. From this account, the loss per day appears to be Tk.1,613 crore (1 crore = 10 million Taka) (Noor, 2014). Still, another source shows a higher loss, amounting to Tk. 21,570 million each day (Yusuf, 2013).

As price levels change and national productivity increases, the amount of loss also varies each year. Yusuf (2013) reported that the GDP on a hartal day in 2013 was reduced by 60 percent compared to a normal day and the total loss of GDP for the year due to this reason alone amounted to 6.5 percent. In his estimation, the amount of loss in different sectors could be as shown in Table 3. However, the amount of loss incurred to the economy due to the degradation of the national image or its branding was potentially enormous, which cannot be calculated in terms of money.

Table 3: Sector-wise Loss due to Hartal in 2013 (million Tk.)

Sector/ Account	Daily Loss	Yearly Loss
Manufacturing	1,000	62,000
Garments	3,600	2,232,000
Transportation	600	372,000
Tourism	500	310,000
Whole Sale/Retail	6,000	372,000
Insurance	150	9,300
Financial	500	310,000
Revenue	N/A	100,000

As is well-known, Bangladesh is an agrarian nation, and all agricultural activities are located in rural areas. However, the impact of hartal on the rural economy is not as colossal as it is on the urban sector. Farm owning farmers, as well as farm workers, are not affected as much by the picketing of political activists because it largely does not reach them. Farmers can postpone planting and harvesting, and fishery owners can delay their catches if needed. Though shops in the rural bazaars and business centers often remain open during hartal, their commerce is very dull. The most severe problem to the rural economy occurs when famers and middlemen cannot transport their raw produce, namely fish, vegetables, milk, and fruits to the town and city markets, nor can they store these due to the lack of available storage facilities.

With the exception of the agricultural sector, the rest of the economy also undergoes enormous losses. Were proper statistics available, the amount of loss incurred as the economy has been growing constantly during the last twenty years might be seen to be increasing unabatedly, even in the face of hartal and other obstacles. People at every location in villages, slums, towns, cities - poor or rich, male or female, child, adult or elder - are all trying hard for achieving prosperity and economic well-being. In other words, a silent revolution towards economic and social development has been underway throughout the country. People cannot afford losses due to unproductive political movement and activities.

The garment industry is the most vibrant sector of the national economy and accounts for more than 10 percent of the GDP and 78 percent of export earnings. This industry employs more than 3.6 million people directly, 80 percent of whom are female. About 20 million people depend directly or indirectly on this industry for their livelihood. It is playing a decisive role to alleviate poverty through skills development and employment generation and has created a platform for 2.8 million women to empower themselves and engage in a productive role in society. In this sector especially, many prominent foreign buyers have warned that they would switch to other countries if blockade and violence continued, which deterred factory production as well as shipments. According to the Bangladesh Garment Manufacturer and Exporters Association (BGMEA), the apparel sector depends on the cooperation of many other side services, and it lost over Tk. 300 crore in each day of hartal and blockade (Noor, 2014). Purchase orders due to shipment uncertainty fell sharply in the second half of 2013, especially in November and December. Some foreign buyers were reportedly scared to visit Bangladesh to place orders and negotiate on the terms and schedules of shipment and changed their orders to other countries fearing more violence. As BGMEA apprehended, 500 small-and medium-sized factories would face closure by February 2014 due to a sharp fall in orders (New Nation, 2013). Due to uncertain business conditions, the

European Union (EU) has threatened to scrap its preferential tariff treatment for Bangladesh, which is called the Generalized System of Preferences (GSP).

Foreign direct investment (FDI) has declined at an alarming rate due to hartal and other political tensions in 2013, and this trend is supposed to spill over into 2014. Compared with 2011, FDI proposal declined to 60 percent in 2012. During the ten months of 2013 from January to October, the proposal for FDI in both foreign and joint-venture projects amounted to US\$2,560 million. It registered at US\$30 million in August and fell further to US\$20 million in October. This serious impact was also visible in the case of domestic investment (DI). In 2011, the registration for DI was decreased by 17 percent, compared with the previous year. It was registered at US\$6,080 million in 2012 and fell to US\$4,274 million by October, 2013 (Shipon, 2013).

2013 was earmarked as a year of calamity in the financial sector. In September 2013, the capital deficit due to default loans at the four nationalized banks alone stood at Tk.88,630 million. The amount of bad debt stood at 12 percent. Compared with 2012, operating profits at eleven major private sector commercial banks, namely Agrani, Janata, Rupali, National, Islami, Basic, NCC, Prime, Exim, Social Investment, and Shahjalal, eroded enormously in 2013 (Byron, 2014). The smaller banks also suffered substantially. Although the foreign currency reserves increased to US\$19 billion, this increase, according to economists, was due mainly to stagnancy in imports, exports, and investments (Shipon, 2013).

The stock market remains extremely vulnerable during the days of national hartal and blockade, which is especially true during agitation in the capital city Dhaka, where the biggest stock market, the Dhaka Stock Exchange (DSE), is located. From the beginning of 2013, transactions in the stock market were dull. Though the institutional investors came forward to attract general investors, who are around 30 lakhs, transactions did not increase as expected due to high encouragement from the government. Market index and transaction increased irregularly but did not stabilize due to the inertia of the general investors. At the beginning of the year, the average daily transactions amounted to Tk.200 crore, which increased a certain degree in June, and fell again to the previous level of Tk.200 crore in July. During the last eight working days of November, when the institutional investors are said to have responded positively, the average daily transaction was Tk.686 crore; however, it declined to Tk.484 crore (about 30 percent) in December. Instead of stabilizing, the market index increased and decreased irregularly. Institutional investors did not see any stability, owing mainly to frequent hartal, blockade, and uncertain politics (*Daily Ittefaq*, 2013). According to stock market analysts, the irregular movement of the stock market is not all desirable for the smooth development of the economy (*Daily Ittefaq*, 2013).

Hartals seriously affect the implementation of annual development plans (ADP) in the country. During the months of frequent strike, hartal, blockade, and shutdown, funds disbursement and funds utilization remained very sluggish and uneven. The implementation of the development projects became relatively slow during the election year, whereas waste, misuse, misappropriation, and other corruptions heightened. The quality of work and expenditure seriously fell, and accountability in connection with the ongoing development projects became extremely fluid. In 2013, during the five months from July to November, ADP implementation stood at only 20 percent compared with the same period in 2012. The government was able to use only Tk.13,156 crore from the total annual allocation of Tk.65,827 crore. Under such circumstances, the development of the country is always seriously jeopardized (*New Nation*, 2014).

Hartal has a terrible impact on inflation in the country. Although inflation was under control at the beginning of 2013, it became unmanageable because of tensions during and after hartal. In particular, it had a severe impact on the price of foodstuffs. Taking 2005-06 as the base year, overall inflation was 6.62 percent in 2013, which rose to 7.3 in October and 7.15 in November.

Of the many impacts of hartal, a major long term impact, according to Bhattacharya (2013), is the loss of capital stock in the country, which negatively affects GDP, export, import, household consumption, government deficit, revenue loss, labor employment, and fixed investment. Using the computable general equilibrium (CGE) model, he found that the impact of 1 percent decline in capital supply from hartal in 2012 resulted in the loss of GDP by Tk.8,233 crore, exports by US\$583 million, imports by US\$284 million, household consumption by Tk.5,487 million, government revenue by Tk.796 crore, and fixed investment by Tk.233 crore, in nominal terms.

Hartals bring non-economic costs in the form of psychological stress and personal security. The business community emphasizes that hartal creates a negative impact on foreign investors, making Bangladesh a less lucrative destination for investment compared with other regional competitors, and thus deters foreign investments to the country. Hartals even result in the outflow of foreign investment. According to the chairman of the Federation of Bangladesh Chamber of Commerce and Industries (FBCCI), hartal caused the country to be subjected to image crisis abroad, particularly in the foreign markets. Since many foreign buyers shifted their orders to the producers and suppliers in other countries, a lot of entrepreneurs became loan defaulters and feared bankruptcy (Noor, 2014).

Ain O Shalish Kendro (ASK), in a report entitled "Human Rights Situation in Bangladesh 2013" mentioned that the country underwent a very unstable human rights situation throughout the year. Despite some positive steps taken to establish economic, social, and cultural rights, political violence and the deteriorated situation of law and order created panic and insecurity among people. Forced disappearances, open extrajudicial killings, deaths in custody, religious violence, harassment and killing of journalists, gender-based violence, and infringement upon workers' rights were witnessed throughout the year, especially during the end of the year, when hartals in the form of blockade and agitation escalated rampantly (New Nation, 2014). The report further elaborated that as many as 848 clashes took place in 2013, mostly centering on the verdicts of war crime trials and political disputes over the parliamentary election. These killed 507 people, including 15 policemen and two members of the Border Guard of Bangladesh (BGB), and left 22,407 injured. When the 10th parliamentary election schedule was announced on November 25, more than 100 people died across the country in the hartal and blockade called by the opposition to stop this election. Of them, 75 died between November 25 and December 15, and 25 died between December 10 and 13 in clashes surrounding the execution of an accused war criminal. The clashes reportedly took place in and around 50 districts of the country (New Nation, 2014). A severe panic prevailed all over the country, which affected the mental health and economic activities of the general people in both rural and urban areas.

Other than the above economic losses, the most colossal losses occurred in the field of education. There are 78,685primary schools, 19,070 high schools, 3,475 colleges, 34 government universities, 52 private universities, and 42 private medical colleges in the country. In addition to these there are madrasas (religious educational institutions), vocation schools, and polytechnic schools. Together, these provide education to about 30,428,000 of students (GOB/BBS (2013). All of these institutions remain closed

during hartals and blockade activities. As a result, academic sessions were deferred and examinations could not be held or were delayed. In a national hartal, at least more than 30 million students and pupils were affected, which ultimately increased the academic costs of their supporting families. Students at tertiary education institutions in particular could not finish their courses and degrees in time. As observed, hartals increased individual families' economic burden of investing in education by delaying graduation dates and thereby delaying entry into the job market, also causing considerable stress over security concerns, career prospects, and financial losses (Chowdhury, 2005).

The ultimate impact of hartal is reflected on the growth of the economy as a whole. Although the government earmarked a GDP growth target of 7.2 percent for 2013, the World Bank assessment shows that it is actually around 5.7 percent due to political unrest, the image crisis of the garment sector, and slow remittance growth (*Daily Star*, 2014). While the garment sector could not give timely shipments to its international markets due to chaos and confusion in the domestic transportation sector, the export of manpower to foreign markets was hindered mainly because of political uncertainty and the inaction of government agencies and exporting intermediaries. Consequently, the overall development of the economy became delayed and uncertain.

# **6.** Impact on Management

Hartal sometimes brings huge losses to employers, especially in the manufacturing sector, since they cannot legally lay off workers and cut wages even if their factories are closed. During prolonged and consecutive hartals, the factories are closed down and workers are retrenched. Even when factories remain open, payments to workers are sometimes delayed due to problems with mobilizing working capital from banks and financial institutions. For working people, not only are their earnings reduced, but they also cannot meet their daily consumption needs as prices for essentials rise (Khundker, 2005).

Factory owners and managers face serious problems in carrying out the day-to-day management of the factories. Because of the non-operation of transportation, workers and employees sometime fail to report to work in time. Since these people also support or oppose each other's political parties, sometimes they even sabotage their own work. The labor-management relationship becomes very delicate, and workers sometime revolt against management and owners for petty reasons.

Political activities during hartal take a severe toll on the job market of Bangladesh. About 30 lakhs (10 lakhs = 1 million) of graduates entered the job market in 2013, of which about 90 percent were to be employed in the private sector. Due to turmoil, the private sector industries could not perform their usual recruitment activities (Noor, 2014). Moreover, daily laborers, casual workers, and workers in various informal sectors remained jobless on the hartal days. Due to economic uncertainty and fragile psychological conditions, the motivation and commitment level of the regular workforce and employees remain at the lowest ebb. As a result, productivity on the day of hartal remains significantly low, and the industrial sector as whole incurs enormous loss.

# 7. Solving the Destructive side of Hartal

As observed by the National Encyclopedia of Bangladesh, hartal is economically damaging. Giving a hartal means a lot of organizational preparations at a huge cost at both central and grassroots levels. On the government side, matching preparations are usually taken to contain hartals. Private and public properties are often damaged; work hour is lost; and transportation is disrupted. The cumulative effects of such losses are very alarming for the national economy and social order. Viewed in this way, hartal is now considered as a baneful political right. Hartal is an extreme measure and socially and economically unsustainable as it is called very frequently. It has long outlived its purposes. Though a right, hartal is apt to curtail the rights of many people who are not willing to participate in it. From this consideration, it is considered by many as a coercive political right (Banglapedia/NEB/NEB, 2013).

People from every walk of life, including daily laborers, rickshaw-pullers, hawkers, workers, employees, managers, civil servants, students, teachers, businessmen, factory owners, industrialists, doctors, nurses, patients, transport workers and owners, and even the unemployed often do not support frequent *hartal*, *bikkhob*, and *oborodh*. About 50 people were surveyed for this study, both personally and by telephone. All expressed their concerns about ruinous political activities, which increase their problems and sufferings.

The Daily Ittefaq (2014) found that entrepreneurs of all categories, small, medium, and large, were with the demand for political stability in the country. According to these entrepreneurs, political stability increases their income, which ultimately increases the income and prosperity of the country. According to a high officer of the FBCCI, all activities in the country should be centered around economic development; the politicians should prioritize to the economy, which will ensure the realization of a self-reliant nation (*Daily Ittefaq*, 2014).

Khundaker (2005) found that hartal brought colossal short-term losses in the form of forgone earnings and lost employment and output, as well as long-term losses due to reduced savings, indebtedness, capital losses, and reduced profitability of businesses. Hartal imposed non-economic costs on people, including psychological stress and personal insecurity. Officials and workers in both public and private sectors were against hartals, especially those organized to promote the interests of a particular individual or party rather than national interests. Her samples suggested that political parties should cooperate to find alternative to hartals.

In order to rid the nation of hartals, Choudhury and Hsanuzzaman (2005) have recommended three constructive alternatives to hartal and similar activities. These alternatives are as follows. (a) The use of constructive alternatives or soft strategies to influence government policy and voice views. This includes the use of symbolic protests such as human chains, silent protests, mock parliaments, mock courts, and the use of new and innovative types of social mobilization and demonstrations. (b) The activation and cooperation of civil society, mass media, business leaders, and development partners. For example, civil societies, in addition to their current measures for mobilizing opinion such as seminars, symposia, and workshops, can introduce new and innovative ways to popularize democratic reforms of policies. Mass media can integrate its activities with electronic media, websites, and private TV and radio channels to propagate public views on the government actions. Private TV channels may organize debates and discussions on government policies, inviting government policy makers and opinion leaders to speak.

Websites can provide the various views of intellectuals, specialists, scholars, and opinion leaders. Business communities and leaders can initiate dialogue with government leaders and opposition parties and pursue them on the necessity of political stability and peace in the country for the healthy development and operation of business. Furthermore, international development partners can promote democratic awareness and reforms through their advocacy programs and actions. (c) The promotion of a code of conduct by all parties for democratic dialogue. This should include measures for the self-regulation of the scope and impact of hartals by the organizers and a tolerance for peaceful demonstrations by the government and its law enforcement agencies.

International communities such as the United Nations (UN), United Nations Development Program (UNDP), World Bank, European Union, and foreign diplomats stationed in Bangladesh often try to promote dialogue and mediation between political parties. However, such activities are often ineffective due to the stubbornness and megalomania of the parties within Bangladesh. During the repeated hartals and political deadlock surrounding the national election in November and December of 2013, UN Secretary General Ban ki-Moon sent his Assistant Secretary-General for Political Affairs, Oscar Fernandez-Taranco, to mediate between the AL-led government and the BNP alliance. Although he tried his best to bring peaceful solutions to all issues, both sides showed utter indifference to all constructive proposals and dialogues.

Foreign leaders sometimes advise Bangladeshi leaders on political situations in the country and give constructive suggestions for establishing an amicable and participative political environment. Dr. Mahathir Mohammad, the former prime minister of Malaysia, during a private visit to Bangladesh to attend the convocation of a university, passed the following opinion on March 15, 2014: "Foreign investment depends on political stability. If foreign investment increases, the development of the country will emerge automatically. For this reason it is the duty of the political parties to create an investment friendly environment by maintaining political stability." (Mahathir, 2014) Regarding the BNP's boycotting of the recent national election, he said, "Boycotting election and election result is not the solution; such a decision is not beneficial to the country and the nation." (Mahathir, 2014) He further added "in any democratic election someone will lose, someone will win. You will have to accept win and loss. Those who lose will have to be patient and will have to wait for the next election." (Mahathir, 2014). Mahathir also said, "Street demonstration is an impediment to economic development. If an elected government is removed from power by street demonstration, economic development will be hampered" (Mahathir, 2014). Although these conclusions seem very simple, the truth of the effect of political behavior is adequately expressed in Dr. Mahathir's comments. Neither the ruling party nor the opposition party is losing from the politics of hartal; rather, the nation is losing enormously and its development is being delayed day by day.

Contextually, we can view the situation through the lens of neighboring India, where hartal has been inherited from the legacy of Mahatma Gandhi's non-violent anti-government movements. *Article 226* of the *Constitution of India* upholds that the "High Court has jurisdiction to declare that calling of 'bundh' and the holding of it is unconstitutional. The political parties and the organizers which call for 'bundhs' and enforce them are liable to compensate the Government, the public citizen for the loss suffered by them." Furthermore, the Kerala High Court, in a case (*Bharat Kumar K. Plicha and another vs. State of Kerala and others*) on bundh in 1997, ruled that no political party or organization shall attempt to paralyze industry or commerce in the entire nation or in any of its states, and regarded such

actions as unconstitutional. In the case *Khondaker Modarresh Elahi vs. The Government of the People's Republic of Bangladesh*, the ruling judges observed that hartal in Bangladesh is fundamentally different from bundh in India. The plaintiff rightfully argued that during hartals citizens are physically restrained from attending their regular activities, business and commercial life is paralyzed, people are debarred from reporting to work, and innumerable incidents of vandalism, destruction, and hatred that affect both government and private properties take place (Mohammad and Hasan, 2005). Although this case failed to gain any verdict against hartal, plenty of truths were raised by it. Such cases ought to be discussed more from different quarters, and courts of justice should consider positive verdicts.

Following the example of India, Bangladesh should incorporate new clauses into its national constitution that restrict destructive and vindictive activities during hartals. No political party or organization should claim that, in the name of freedom of expression and assembly, it has the right to make vindictive accusations, paralyze the entire country, close transportation, industry, and commerce, and stop education and examinations at schools and colleges; nor is it entitled to obstruct the citizens who do not sympathize with its viewpoint. Perhaps Bangladesh should enact separate laws to regulate *hartal*, *bikkhobh*, and *obrodh*. In view of increasing and consecutive hartals in recent years by known and unknown parties, some legal measures are needed. These should include measures for both genuine allegations as well as unlawful contentions. The courts of justice in the country should be enlightened and fair enough to impose legal embargos on and injunction against destructive political actions and movements. The country may also organize referenda to seek public opinion concerning amendments in the constitution and enactments of the law.

On November 10, 1998 the business community comprised of the BGMEA, the Dhaka Chamber of Commerce and Industry (DCCI), the FBCCI, the Metropolitan Chamber of Commerce and Industry (MCCI), and the Bangladesh Textile Manufacturers Association (BTMA) published a joint declaration urging the political custodians in the country to keep the wheels of the national economy running and to shore up the uncertain political environment. In view of hostile activities both during and in the aftermath of hartal, the community recommended that the political party in power should show genuine magnanimity and respect in upholding the various provisions of parliamentary democracy as stated in the constitution of the country. It urged the government party to stop the provocation and harassment of the opposition political activists and show tolerance to their constructive political opinions and criticisms. In the same vein, it encouraged the opposition political parties to deviate from the path of hartals and other counterproductive activities that cause the destruction of public and private properties. This declaration called upon all parties to refrain from hartal and pointed out the actions deserved from police administration, judiciary, and mass media to avoid causes of political strife (UNDP, 2005). On November 15 of the same year, the then prime minister of the ruling AL unilaterally declared that it would never resort to hartal even if the government was returned to the opposition (*Daily Star*, 1998). Unfortunately, this declaration of the business community was ultimately proved ineffective due to wild-cat hartals. We urge that all political parties understand its inherent spirit and adopt positive actions without reservation.

## 8. Conclusion

In the political culture of Bangladesh, *hartal*, *bikkhob*, and *oborodh* are democratic rights and can be exercised by any party even without genuine public support. Such activities have been proved to be

unproductive and damaging to national interests and image, especially in the recent regimes. In view of their destructive nature, concerns against these activities have been raised both at home and abroad. As a rational judgment, political activities that are hostile and destructive to national interests and unity should not be justified for any reason and should be stopped.

This paper has articulated the various legal aspects of hartals and similar political practices in the country, summarizing the damages that are caused to the various sectors of the economy. Before the independence of Bangladesh in 1971, hartals definitely played certain constructive roles in organizing unified movements, subduing repressive actions, and mobilizing mass support. Nowadays, however, hostile political leaders and surreptitious groups engage in organizing hartals, mobilizing criminals, paid agents, and even children to participate. Hartals have also lost legitimacy as a broad based social movement to promote the development of the nation. Such acts serve the interests of a minority of political party leaders, who choose the route of hartal for reasons of vindictiveness, personality clashes, political grudges, and ambition for power. The mechanisms of parliamentary democracy do not work rationally under hartal; law makers remain absent from law making sessions of parliament without any reason and do not raise a timely voice against unpopular laws and bills.

The techniques of hartal have changed abruptly in recent years, and actions during hartals include vandalism, sudden armed picketing, armed attacks on transportation, throwing Molotov cocktails, bombings, arms trade, cutting trees, removing rail line slippers, etc. By all judgment, these are coercive and threatening measures. In order to get rid of these, and other deadly political movements, constructive dialogue and engagement is needed from all quarters. Perhaps what Bangladesh needs most is a mental revolution on the part of the organizers of hartal, the political rivals who hold power, and the nation as a whole to finally solve this problem.

# **References**

Asian Development Bank.2013. Asian Development Outlook – Bangladesh. Available at: http://www.adb.org/sites/default/files/ado2013-bangladesh.pdf Access in March 10, 2014.

Banglapedia, National Encyclopedia of Bangladesh. 2013. Available at: http://www.Banglapedia/NEB.org Access in December 20.

Bhattacharya, Debapriya. 2013. Bangladesh 2013: Assessing Economic Implications of the Present Political Shocks. *Centre for Policy Dialogue*. Dhaka.

Byron, Rejaul Karim. (2014. Unrest slows GDP pace. Daily Star, The. Dhaka. January 1.

Choudhury, Dilara and Hasanuzzaman, Al Masud. 2005. Constructive Alternatives to Hartals: Ending the Impasse.2005. (ed.). *Beyond Hartals: Towards Democratic Dialogue Bangladesh*, Dhaka: UNDP-Bangladesh.

Chowdhury, Rafiqul Abrar. 2005. The Education Deficit: Struggling to Keep Up. *Beyond Hartals: Towards Democratic Dialogue in Bangladesh*, Dhaka. UNDP-Bangladesh.

Daily Ittefaq, The. 2013. Share market is spiritless even after institutional investment. Bangla, Dhaka. December 26.

Daily Ittefaq, The. 2014. All small and big entrepreneurs demand political stability Bangla, Dhaka. January 19.

Daily Star, The. 2013. Increasing strikes credit negative: Moody's. Dhaka, April 11.

Daily Star, The. 2014. Political jitters to slow economic growth. Dhaka, January 16.

Dhar, Nirmolendu. 2006. Bangladesh Labour and Industrial Act. Remisi Publishers, Dhaka.

Government of Bangladesh. Ministry of Law. 1860. The Penal Code, 1860 (Act XLV of 1860). Dhaka.

Government of Bangladesh. 1969. The Industrial Relations Ordinance, 1969. Minister of Law, Dhaka

Government of Bangladesh. 1972., Constitution of the People's Republic of Bangladesh, Dhaka.

Government of Bangladesh. 2006. Bangladesh Labour Act, 2006, Dhaka

Government of Bangladesh. 2013. Statistical Year Book of Bangladesh 2012, Dhaka.

Huq, Enamul (ed.) 1992. Bangla Academy Byabaharik Bangla Dictionary, Dhaka: Bangla Academy.

Islam, Aminul S. 2005. The History of Hartals, UNDP. 2005. *Beyond Hartals: Towards Democratic Dialogue in Bangladesh*, Dhaka. UNDP-Bangladesh.

Khundker, Nasreen. 2005. The Price of Hartals: Impact on the Economy. *Beyond Hartals: Towards Democratic Dialogue in Bangladesh*, Dhaka. UNDP, Bangladesh.

Mahathir, Mohammad. 2014. Election and giving up result is not any solution. *Daily Ittefaq*, *The*. Dhaka, March 16.

Mohammad, Abu Zayed and Hasan, M. Manzoor. 2005. Hartals and the Law. *Beyond Hartals: Towards Democratic Dialogue in Bangladesh*. Dhaka, UNDP.

New Nation, The. 2014. 507 including 15 cops killed in poll violence last year. Dhaka, January 1.

New Nation, The. 2014. Unrest impacts ADP execution. Dhaka, January 2.

Noor, Anisul Islam.2014. Tk.1,00,000 crore loss in 62-day poll programs, *Daily New Nation*, *The*, Dhaka, January 1.

- Shipon, Sayeed. 2013. Collapsed economy, uncertain future. *Bangla News Twentyfour.Com*, December 31.
- United Nations.1948. The Universal Declaration of Human Rights. Available at: <a href="http://www.un.org/en/documents/udhr/">http://www.un.org/en/documents/udhr/</a> Access in December 30, 2013.
- United Nations Human Rights. 1966. International Covenant on Civil and Political Rights. <a href="http://www.ohchr.org/en/professionalinterest/pages/ccpr.aspx">http://www.ohchr.org/en/professionalinterest/pages/ccpr.aspx</a> Access in December 30, 2013.
- UNDP. 2005. Beyond Hartals: Towards Democratic Dialogue in Bangladesh., Dhaka, UNDP-Bangladesh.
- Yusuf, Sadnan. 2013. How much is the loss in Hartal (in Bengali). *The Probashe Bangladesh*, Seventh Issue, June 2013.