

Bangladeshi government confronts rising popular discontent

Wimal Perera**25 September 2015**

One of the Awami League-led government's own coalition partners has warned that growing popular resentment "can lead to widespread unrest." The statement was issued by the Stalinist Workers Party (WP) of Bangladesh, whose leader Rashed Khan Menon is civil aviation and tourism minister.

In a party memorandum on September 15, Menon urged Prime Minister Sheikh Hasina to reverse price rises for essentials and the imposition of the value added tax (VAT) on private university tuition fees.

The WP's warning underscores the fear among sections of the ruling class about the potential struggles provoked by the government's imposition of austerity measures dictated by the International Monetary Fund.

Protests by university students erupted after the government's 2015-16 budget slapped a 7.5 percent VAT on tuition fees, affecting about 450,000 students.

When East West University students in Dhaka demonstrated on September 9, the police fired on them with rubber bullets, injuring at least 35 people, mostly students. The institution's vice-chancellor alleged that "police fired rubber bullets without any provocation" by the students.

All private university students then staged a three-day strike from September 12 to 14. Hasina was compelled to remove the VAT to head off further agitation.

Encouraged by the students' struggle, hundreds of private English-medium high school students, teachers and parents demonstrated on September 17, demanding the cancellation of the VAT on their fees also. On the same day, the High Court stayed the collection of VAT for six months.

The opposition Bangladesh National Party sought to capitalise on the broad unrest by issuing a statement that no country in the world imposed VAT on education. Even H.M. Ershad, the chairman of the

Jatiya Party, another ruling coalition partner, accused the government of not wanting to develop the education sector.

Low wages, maintained for many years, are also fuelling the discontent. More than 250,000 teachers at government universities, primary and secondary schools and colleges across the country began agitating for pay rises after the cabinet approved limited increases for 1.8 million government employees on September 7.

Teachers at all the 37 public universities stopped work on September 13, and demanded equal increases in benefits and salaries, including for senior professors and senior secretaries.

The teachers halted their protests after the trade unions involved held discussions with Finance Minister A.M.A. Muhith and Education Minister Nurul Islam Nuhid, seeking a compromise. But teachers warned that if their demands were not met, the protests would resume next month.

In the pay rises approved on September 7, higher-grade government employees will almost double their monthly salaries from 40,000 taka (\$US513) to 78,000 taka. The lowest grade will rise from just 4,100 to 8,250 taka. These increases came only after seven years, in the face of mounting resentment among public sector employees, and their real value has already been overwhelmed by the increasing cost of living.

Protests have also begun to emerge among garment factory workers. Hundreds of workers from about 12 factories in Savar and outside the capital Dhaka demonstrated on September 11, demanding pay increases. About 5,000 garment workers protested on September 14 demanding the payment of August salaries and Eid religious festival bonuses.

The government's budget did not recommend any

wage rises for private sector workers, including garment workers. The factory owners and the government oppose any pay increases for fear of being undercut by rival cheap labour economies.

Yet the government is slashing subsidies to the Bangladesh Petroleum Corporation, which will drive up prices for many basic commodities. On September 17, the government hiked retail electricity prices by 2.97 percent and gas prices by 26.29 percent. Bus and taxi fares are set to increase.

A *Financial Express* editorial on September 8 warned: “[L]ower and middle income people of the country are indeed becoming increasingly frustrated with rising prices of essentials ... The government’s decision to increase power tariffs has added more salt to the injury.”

The September 15 WP memorandum sounded an alarm to Prime Minister Hasina. “Essential commodities are also slipping out of ordinary people’s reach,” it stated. “The prices of gas, power and CNG [compressed natural gas] have been hiked recently. Oil prices have fallen drastically in the international market, but fuel prices have not been reduced.”

Nevertheless, WP leader Menon defended Hasina, writing: “We know that running a government is a challenging task. The prime minister is doing the job with a great deal of proficiency.”

As a partner in the government, the WP backed the 2015-16 budget, in which the price rises were announced. It praised the budget as “pro-poor and a pillar for the long-term advancement towards economic growth.”

The WP, has consistently shored up the capitalist order, engaging in series of on and off alliances with the bourgeois Awami League. The WP has no broad following among workers. Out of 300 seats in parliament, the WP holds just 6. However, Hasina regards it as an ally that is necessary to divert workers’ opposition.

The WP was formed in 1980 through a merger between the Stalinist Bangladesh Communist Party (Leninist), the Revolutionary Communist League and the Majdur Party on the 100th anniversary of Joseph Stalin’s birth.

The WP and other formations outside the ruling alliance, such as the Communist Party of Bangladesh, Socialist Party of Bangladesh, Socialist Party of

Bangladesh (Marxist), Gana Forum and Bangladesh United Communist League, held separate protest rallies on August 28 against the electricity and gas price hikes. These rallies were designed to let off steam among angry workers and the poor.

As economic conditions worsen globally, however, Hasina’s government is making deeper inroads into the living and social conditions of the working class and poor in order to maintain Bangladesh as a low-cost platform for international investors.

The *Financial Express* reported last Sunday: “Continuous erosion in export receipts in recent months has stirred up worries among economists.” The growth of export revenue is slowing due to falls in the euro and an appreciation of the taka against the US dollar. The newspaper advocated a devaluation of the currency, as demanded by the IMF, but this would push up many domestic prices even further.



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