RISK, DEPRIVATION, AND REVOLT: AN ECONOMIC EXAMINATION OF BANGLADESH'S POLITICAL UNREST

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ABSTRACT

The essay examines the violence that unfurled in Bangladesh in 2024 from the lens of the relative deprivation theory to explain the role of perceived inequality in political violence, and the prospect theory to explain the role of prospect losses as a motivation for individuals to participate in political violence. The essay analyses the events that acted as a trigger for the social unrest and focuses on the contentious quota to explain the decision-making process of the players involved, from the viewpoint of the prospect theory. The essay also looks at macroeconomic variables such as youth unemployment, inflation etc. during both the years that marked a social unrest among the general population and found that in both years, the economy had shown worrying trends. The essay also looks at the role of costs and benefits as perceived by an individual while making a choice in a risky situation. The conceptual framework is further demonstrated by a game where the decision-making process of the government, as a player, is discussed. It is found that the equilibrium for both the players is at the first outcome, where the participation is met with suppression by the government. The most ideal outcome for both the parties is a peaceful approach to the issue at hand. Based on the existing research, and the game theory, policy recommendations have been formulated emphasizing the need for a stronger penal system, to augment the costs that are associated with participation in violence, and to make infrastructural developments to address the socio-economic issues at hand. The establishment of transparent communication channels would also go a long way in mitigating the risks of future unrest.

Keywords: *Relative deprivation theory, prospect theory, Bangladesh student protests, prospective losses.*

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1. INTRODUCTION

Political violence is best understood in the terms of its underlying causes, its central objective being to (directly or indirectly) impact political decisions, and decision-making (Bosi et al, 2015). Identifying the underlying causes of political violence has been a matter of extensive academic discourse with earlier theories postulating that prolonged economic inequality along group lines generates grievances leading to political violence (Cederman et al, 2014).or viewing political violence as serving as an outlet for the human need to form community (Cederman et al, 2014). or that people weigh the benefits and costs of participation/non-participation in political violence (Whiteley, 1995). Castles (1991) states Olson's Rational Choice Theory, applied in the context of political violence, provides that the considerations of an individual who has to make a choice to take part in political violence, depend on the incentives of participation and the costs involved in the alternatives available. Gurr (2012) states that the pioneering theory on political violence by Ted Robert Gurr draws from socio-psychological principles to posit the Relative Deprivation theory which theorizes that widespread perceived discrepancy between the expectations of the people and the capabilities of their current material reality (coined the revolutionary gap) combined with the feeling that this deprivation cannot be addressed through institutional means causes tension leading to political violence. Contemporary research has led to the theory of "Poor Prospects" postulated by Bartusevičius and Leeuwen (2022) which expounds that a higher probability of benefits would entail higher probability for participation and vice versa, that an individual facing the dilemma of participation would be primarily influenced by the prospective losses he expects to incur if the objectives of the violence are not realized. Ritchie (2024) says that the popular student-led movement in 2024 in Bangladesh for reforms in the Quota system snowballed into a mass uprising against the incumbent government's repressive measures to quell said protests. The movement also transformed into a larger avenue to express dissatisfaction with the government's management of the national economy (Ethirajan and Ritchie, 2024), rampant corruption by government officials (Alam, 2024), human rights violations (*Amnesty International,* 2024), allegations of undermining the country's sovereignty by Sheikh Hasina (*Amnesty International,* 2024), increasing authoritarianism and democratic backsliding (Ethirajan and Ritchie, 2024). This has presently resulted into the successful ouster of the Prime Minister and her cabinet (Ethirajan and Ritchie, 2024). The Quota System in Bangladesh was sought to be reinstated in 2024 by a High Court decision in Ohidul Islam and Ors. v. The Government of Bangladesh and

Ors WP No. 6063 of 2021 in June 2024 thereby becoming the subject of mass revolt and this would also amount to reintroduction of the 30% quota for government job, the beneficiaries of which would include the families of freedom fighters bringing the reservation to a total of 56% including that for women, disabled people among other disadvantaged classes. Ethirajan and Ritchie (2024) says that the protests were marked by large-scale political mobilization. In this essay, the authors seek to view political violence within the backdrop of Bangladesh in light of its underlying factors. This is done through comparisons between the prominent theories of political violence- Relative Deprivation and Prospects Theory, for its suitability in the context of the backdrop and providing a game theory to understand the decision-making approach of the players.

2. COMPARATIVE ANALYSIS OF THE RELATIVE DEPRIVATION THEORY AND THE POOR PROSPECTS THEORY

a. *Core Concepts*

The Relative Deprivation theory provides that an individual is willing to participate in political violence when a grave and intolerable discrepancy between his value expectations and capabilities arise (Ethirajan and Ritchie, 2024). Value expectations refer to the materialistic goods, conditions, etc., that the individual feels entitled to, and the value capabilities refer to the individual's material reality (Ethirajan and Ritchie, 2024). The main objective of the individual in this paradigm is a change in the status quo (Ethirajan and Ritchie, 2024).

The prospect theory as given by Bartusevičius and Leeuwen (2022), on the other hand, uses the psychological mechanism of loss-aversion to explain individual behavior in situations related to political violence. The theory contends that an individual is more likely to avert future losses than consider future gains when policy speculation projects future losses (Bartusevičius and Leeuwen, 2022). This is because of the perceived utility of gains and losses. The objective of the individual behind the action is to retain the status quo. The theory depends on dynamic variables to explain human behaviour such as temporal changes in economic conditions (Bartusevičius and Leeuwen, 2022). The theory proposes that temporal dynamic deprivations which are tantamount to an individual comparing their present to past circumstances are highly relevant in political violence. It also suggests that prospective detrimental deprivation, i.e. when the value capabilities fall while the value expectations remain constant, is more likely to lead to violence (Bartusevičius and Leeuwen, 2022).

The Relative Deprivation theory situates its analysis of political violence primarily in the motivations of individuals tracing a link between relative deprivation and political violence through psychological mechanisms referred to as frustration-aggression models (Bartusevičius and Leeuwen, 2022). The Poor Prospects theory demonstrates that relative deprivation in isolation is unlikely to be a catalyst to political violence (Bartusevičius and Leeuwen, 2022). It instead states that although the motivations of an individual are notable, group based perceptions on projected future losses and resistance towards change in living conditions are more likely to fuel people toward political violence. The paper's findings also support the proposition that violent conflict is a group phenomenon and findings that macro-level proxies of individual-based grievances are not reliable predictors of civil conflict (Bartusevičius and Leeuwen, 2022). The Poor Prospects theory does not disavow the individual as a field of study, but seeks to regard decision making of individuals which constitute group attributes as a fertile field of study in the factors causing political violence. Such groups may include location-based, family based, some age or class based, and some culturally differentiated. It has been strongly supported that political violence varies directly in magnitude with the intensity of relative deprivation, with such deprivation as is attributable to discrimination, political separatism, economic dependence, and religious cleavages tends to contribute at a constant rate to civil strife which is inclusive of political violence (Stewart, 2001). The key finding of the study, attributes greater chances of political violence to temporal group relative deprivation (Bartusevičius and Leeuwen, 2022). The temporal aspect relates to resentment and risk-seeking; the group aspect should further contribute to mobilization (Bartusevičius and Leeuwen, 2022). Temporal changes are more likely to lead to anger and stronger motivations constitute higher probability of actual violence (Bartusevičius and Leeuwen, 2022). It is thereby argued that the existence of Relative Deprivation directly does not lead to political violence. It has a positive impact on mobilization which, in turn, influences ethnic conflict behavior (Stewart, 2001). Researchers such as Tilly (1978), have analyzed the contribution of social solidarity to movement mobilization and the ways movements function as organizations, recruiting members and mobilizing other resources to achieve collective ends. In the present instance, university students in Bangladesh perceived the reintroduction of the Bangladesh Quota Reforms as a dynamic change which detrimental to their future prospects of employment based on merit. The magnitude of the perceived deprivation was immense (Ethirajan and Ritchie, 2024). This individual perception precipitated mobilization in the form of an Anti-Discrimination Student

Movement (Ethirajan and Ritchie, 2024), which led to collectivization of students to resist perceived future losses. This collectivization later led to political violence which eventually resulted in the change in government. This conclusively establishes that the Poor Prospects Theory is better suited to explaining the trajectory of events and the decision making of individuals within groups here, university students, facing prospective losses.

b. Relationship Mechanism

The Relative Deprivation Theory entails that perceived inequality is the main factor influencing an individual's decision to participate in political violence. RD as a type of cognitive dissonance (between the value expectations and the belief that it will not be fulfilled) which produces psychic tension, leading to tension-reduction activities such as "organized group action to change the structural source of the blockage" (Mars, 1975). Relative Deprivation is a perceived discrepancy between expectations and reality and authors have argued that there need not to be any objective evidence to cause such perception. The perception stems from economic variables such as the income gap between two communities in a country, which could result from a government policy. In such a scenario, provided the rational choice theory and Gary Becker's economic approach to crime and punishment, the individual's participation would also depend on the expected benefits (a change in status quo) and the costs (punishment) (Becker, 1968). Where β_p represents the benefits an individual expects from participation, and C_p represents the costs, the choice the individual makes will be as follows:

$$\text{If, } \beta_p > C_p \text{ the individual will participate}$$
$$\text{If, } \beta_p < C_p \text{ the individual will not participate}$$

The student uprising in Bangladesh in July 2024 was a result of the existing adverse economic conditions. Unemployment among the youth rose to 18 million (India Today, 2024). In July 2024, the consumer price index of Bangladesh reached 11.66%, and food inflation exceeded 14% in the same month (India Today, 2024). Despite recording significant economic growth in the past decades, a discrepancy emerged in the distribution of resources between the general populace of Bangladesh and the beneficiaries related to the Awami League (India Today, 2024), the latter being heftily favoured by the Sheikh Hasina government. The conditions created a sense of animosity between the public and the government.

If the costs imposed by the status quo are enough to create a gap between the individual's value expectations and capabilities, the individual would be inclined to participate in the violence. Bangladesh had faced similar protests in 2018 as well. The macroeconomic trends in 2018 reflect a 12.27% unemployment rate among the youth, as compared to 4.38% among the total workforce. The statistics also reflect a 12.70% hunger rate (Macrotrends, 2024).

The application of the prospect theory can be understood through the various accounts of Bangladeshi citizens and protesters. The quota would have reserved 30% of government jobs for the kin of freedom fighters in the Liberation War of 1971 (Reuters, 2024). The policy has generated feelings of inequality among the general population in the past as well. The ultimate effect of the quota on the population is a loss of job opportunities in the future.

An individual belonging to the populace would speculate, with respect to the quota, a loss in job opportunities upon its implementation. Theoretically, the projected losses would be greater than the cost of participating since the individual's livelihood is compromised. Accordingly, the cost of not participating would be equal to the projected losses if the individual remains indifferent to the prospective losses and does not participate in the violence.

If such is the case, the individual would be compelled to participate in political violence, provided that the prospect theory also suggests an individual's sensitivity is more towards potential losses than gains (Barberis, 2013). The participation would be an attempt at minimising the prospective losses because the individual displays risk aversion in the prospect theory model. Kanheman and Tversky also introduced the critical "certainty effect", which shows the tendency of an individual to underweight merely probable outcomes. The framework around this particular effect explains an individual's risk aversion (Kahneman and Tversky, 1979). It is pertinent to note that the weighting of the outcomes does not depend on objective probabilities (Kahneman and Tversky, 1979).

Under prospect theory's framework, an individual would perceive higher projected losses and be compelled to participate in the violence when the economic conditions of a country impose costs on an individual that are greater than the cost of participating in the violence (prosecution, sanctions, etc.) The sanctions, therefore, must necessarily impose a lower cost than the projected losses. Such conditions can be inferred through macroeconomic variables such as the unemployment rate, the consumer price index, growth in the national income and any other variables of equitable growth (Yeniçırak, 2021).

The considerations for an individual under a political predicament that endangers their livelihood would also depend on the probability-weighting done by the individual. The costs for participating and not participating would depend on how the success of the revolt (the violence) is weighted. The certainty effect indicates that an individual is more likely to overweigh the outcome of certainty (Kahneman and Tversky, 1979). The costs of the alternatives would, therefore, be a function of the weighted probabilities. In Bangladesh's context, the costs of not participating would mainly consist of the losses that would be faced as a result of the successful implementation of the quota system in the form of loss in future employment opportunities. The cost of participation would include the risk of conviction and facing a prison sentence (India Today, 2024). Where C_p is the cost of participation, C_{np} is the cost of non-participation, and wP refers to weighted-probabilities assigned to an outcome, the function of the cost of each alternative can be explained as an inverse relation between the costs, and the perceived probability of the corresponding outcome.

$$f(C_p) = \frac{1}{wP \ (successful \ revolt)}$$

$$f(C_{np}) = \frac{1}{wP \ (successful \ implementation \ of \ the \ quota)}$$

The ultimate decision, therefore, depends on the determined cost that also accounts for the weighted probabilities of the respective outcomes.

IF, $C_{np} > C_p$, the individual would participate.

IF, $C_{np} < C_p$, the individual would not participate.

If not participating would impose a higher cost on the individual than participating, the individual is virtually condemned to take part in the activity. Profits become a secondary consideration and the individual resorts to instinctive risk and loss-aversion (Grewal et al, 2016). The prospect theory explains the loss-aversion to the higher disutility associated with a prospective loss, as compared to the utility of a gain (Grewal et al, 2016). The loss-aversion also leads the individual to expose himself to risk as he attempts to avert the losses. Simply put, the individual will choose the alternative that saves him from the projected losses.

3. COSTS AND BENEFITS UNDER THE PROSPECT THEORY MODEL (PARTICIPATION IN POLITICAL VIOLENCE)

The Prospect Theory model for the given paper analyses the costs and benefits for the individual in two scenarios: first, where he participates in the political violence, and second, where he does not participate in the political violence. The considerations for both alternatives are different. Keeping the weighted probabilities the same for both the alternatives, the individual's decision would depend on the costs and benefits he perceives in either choice.

Scenario 1: The Individual participates in the Political Violence

The reason why an individual would decide to participate in political violence, according to the prospect theory, is that the individual has perceived projected losses that must be averted. Therefore, the benefit accrued unto the individual who decides to participate, depending on the probability of the revolt's success, is the aversion of the perceived projected losses. The aversion is achieved through the realisation of the objectives of the political violence, in the form of economic rewards, political gains, etc.

The individual would face costs in the form of sanctions imposed by the relevant legislation. In Bangladesh, the range of crimes committed falls under Chapter VIII of the Penal Code (1860), which deals with offences against public tranquility. The ultimate cost, as determined by the individual, would take into account the weighted probability assigned to being convicted for any of the following offences.

Section no.	Offence	Sentence	Fine/s
143	Being member of an unlawful assembly	6 months	Unspecified
144	Unlawful assembly, armed with a deadly weapon	2 years	Unspecified
147	Rioting	2 years	Unspecified
148	Rioting, armed with deadly weapon	3 years	Unspecified

152	Assaulting or obstructing public servant when suppressing riot, etc.	3 years	Unspecified
153B	Inducing students, etc. to take part in political activity	2 years	Unspecified

Table 1:-Ultimate Cost of committing offences against public tranquility as determined by the individual (Source:- Chapter VII of the Indian Penal Code 1860)

Along with the costs imposed as a result of sanctions, the ancillary costs would include litigation costs, social costs in the form of stigmatisation, and a decline in social standing because of the criminal record. Moreover, a violent situation like a riot, etc., entails the endangering of the life of the participant itself.

Scenario 2

The benefits for an individual, considering not to participate in the case are only in the forms of protection against the costs that are imposed on an individual when he chooses to participate. In other words, the benefits to the individual would simply be protection from the corresponding costs including sanctions, and physical injury etc.

The costs for an individual in this scenario surface when the projected losses are realised. This depends on the probability of the failure of the revolt. The quota envisaged to be implemented in Bangladesh would have reserved 30% of the government jobs in Bangladesh for the kin of freedom fighters from the 1971 war (Barberis, 2013). If an individual chooses not to participate, it would be an active acceptance of the fact that the individual will accept the implementation of the quota. The economic effects would be aghast with a loss in economic opportunities for the part of the population that falls outside the purview of the quota and would also impact the efficacious distribution of economic resources.

4. GAME THEORY

Two players emerge in the prevalent situation in Bangladesh: the individual and the government. The individual chooses between participating (+) and not participating (-) in the revolt, while the

government has to decide how to tackle the unrest, either through suppression (+), by using force to quell the protests, or negotiation (-), by engaging in dialogue to address concerns and introduce reforms.

Based on the choices presented to both the players, different combinations can be formed, providing a different degree of benefits and costs to the players.

i.   When the government chooses to suppress the participants in a revolt, coercive measures are undertaken such as Marshall law, curfews with few restrictions on the authorities responsible for supressing the revolt. In this situation, the cost of participating would be the highest. The government still benefits as the suppression allows the government to maintain order. The equilibrium for both the players lies here despite the existence of a better outcome. (+ , +)

ii.   When the government chooses to negotiate as an alternative, the individuals would gain benefits as they try to reach a middle-point with the government, ultimately resulting in the partial success achieved by the revolt, and a loss in legitimacy of the government. (+ , -)

iii.   When the government chooses to suppress any kinds of activities that might give rise to a revolt, the measures that are undertaken may cause a discernible loss to the individuals such as preventive detention, loss in livelihood, violation of fundamental rights etc. The government wouldn't be the benefitting party either because of the resources that will be wasted on maintaining a higher threshold of public tranquility. (-,-)

iv.   The best outcome for both the parties is a peaceful approach to the situation. In this case, the individual does not participate because the government does not choose to suppress. The individuals refrain from participating, and negotiate with the government to reach common ground. (-,+)

The first combination is the least optimal combination in terms of the benefits it delves unto the participants but as discussed earlier, the projected losses would compel the individual to participate. The government would also be compelled to suppress, since negotiating against a revolting side leads to a loss in the legitimacy and control of the government. Therefore, the nash equilibrium rests in the first outcome
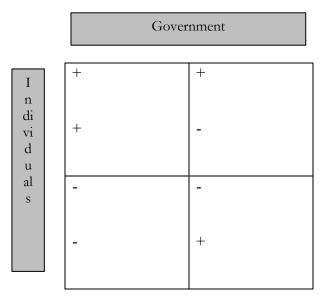
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Figure 1:- The Nash equilibrium rests in the first outcome (Source- Author)

5. RECOMMENDATIONS

The in-depth discussion on the conceptual framework surrounding the relative deprivation theory and the prospect theory reveals that individuals are inclined to revolt when, due to public policies, they feel economically deprived or face projected losses respectively, which compels them to participate in a revolt.

The recommendations must focus on the aspects that could influence the decision-making of the individuals, which, as we have seen, depends on the costs and benefits he expects to derive from his actions. Bangladesh has a weak penal system covering the offences in question. The penal system in Bangladesh provides for concurrent sentencing. Therefore, the maximum sentence a person can face under Chapter VIII of the Penal Code, 1860, is three years, despite facing multiple charges (Barberis, 2013). The best way to tackle the response to projected losses is to increase the costs of participation through an augmentation in the concerned statute (India Today, 2024).

The game theory reveals that the most optimal outcome for both parties is where the problem is approached peacefully and both parties are ready to negotiate. The government should establish transparent communication channels and appoint mediators to negotiate with the individuals. In the long run, the government should aim to make infrastructural changes in education, politics, and the election process in a bid to address socio-political divisions. The same opinion is taken by Hasan Yanicirak, who urges the state to make improvements to the living conditions while

rectifying the conditions that give rise to revolts, instead of just focusing on changing the status quo (India Today, 2024).

It is also helpful to look at collective conflicts as emanating from economic conditions that foster such behaviour among the participating individuals, rather than approach the conflicts as simply ideological conflicts. Governments can strategize their development plans in order to avoid the macroeconomic pre-conditions to conflict.

6. CONCLUSION

The paper presents an alternative to the relative deprivation theory in understanding the factors and decision-making of the individuals behind political violence. The findings show the role of the certainty effect that the individuals employ in providing a weighted probability of a particular outcome influences their ultimate choice. If an equal-weighted probability is assigned to the different alternatives, the decision-making is based on a cost-benefit evaluation of the outcomes. The game theory applied also provides a government perspective and the cost-benefit analysis of the alternatives available to the government in tackling the unrest.

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