



# The Challenges for Bangladesh's New Government

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*By Iftekharul Bashar*

### SYNOPSIS

*Under Tarique Rahman's leadership, the Bangladesh Nationalist Party has returned to power after twenty years, following its landslide victory in the February 2026 elections. With the BNP's traditional rival, the Awami League, being barred from the polls, a historic shift has taken place in the parliamentary structure: An Islamist party, Jamaat-e-Islami, has become the official opposition for the first time. Amid this new political environment, the BNP administration faces significant challenges in security, the economy, and foreign policy.*

### COMMENTARY

Tarique Rahman's inauguration as Prime Minister on February 17, 2026, signals a clear end to a recent volatile period in Bangladesh's 55-year history. This transition, emerging from the 2024 "Gen-Z uprising" that toppled Sheikh Hasina's 15-year rule, has given the Bangladesh Nationalist Party (BNP) a commanding two-thirds majority in the *Jatiyo Sangsad*.

However, the mandate remains fragile. By excluding the Awami League from the ballot, the state has effectively disenfranchised a significant segment of the population, inviting street-level unrest and the emergence of a strong extra-parliamentary opposition.

The makeup of the new parliament marks a historic and controversial shift in the nation's political landscape. For the first time, an Islamist party – Bangladesh Jamaat-e-Islami (BJI) – leads the opposition. Despite its [historical opposition](#) to the country's creation in 1971, BJI has emerged as a dominant parliamentary force with 68 seats, alongside the student-led National Citizen Party (NCP).

This has sparked deep concerns among secularists and minority groups as the BJI did not field any female candidate in the elections. The BJI faces a troubling governance dilemma: It is in the parliamentary opposition bloc expected to uphold a secular constitution, yet ideologically favouring a faith-based legal framework with no female representatives.

Returning from 17 years in exile, Prime Minister Rahman now leads a cabinet that aims to bridge the gap between experience and innovation. As the son of the late Lieutenant-General turned politician, President Ziaur Rahman, and the nation's first female Prime Minister, Khaleda Zia, he oversees a team combining BNP veterans with technocrats, [first-time ministers](#), and youth leaders.

However, the burden of leadership is immense; the government inherits a fragile economy, a deeply polarised society, and a security vacuum that has facilitated radicalisation. Managing these internal crises while handling tense regional diplomacy will be the ultimate challenge of Prime Minister Rahman's historic mandate.

## **Internal Security**

The most immediate challenge for the Rahman government is restoring law and order and addressing growing radicalism in the country. The 18-month interim period leading to the February 2026 elections saw a worrying increase in mob violence and the controversial bailing out of many Islamist extremists, creating a precarious security landscape.

The vacuum in law enforcement resulted in widespread public fear, the rise of neighbourhood vigilante groups, and the frequent need for military intervention to maintain basic social order. Reports highlight a disturbing surge in human rights violations, including nearly 300 deaths from mob violence and at least 107 custodial deaths recorded in 2025 alone.

This instability is further [compounded](#) by the deprioritisation of specialised counterterrorism units, which has coincided with a resurgence of militant cells. This security gap was evidenced by recent blasts in [Keraniganj](#) and [Chapainawabganj](#), along with the controversial release of high-profile radical ideologues who have since re-engaged in online and physical mobilisation.

Furthermore, despite official rhetoric about press freedom, the media have faced unprecedented attacks that have cast a shadow over the country's democratic transition. The most notable were the December 18 arson attacks on the offices of the [Prothom Alo and Daily Star](#), where extremist mobs acted with apparent impunity.

These incidents, along with the harassment of 381 journalists, highlight a dangerous weaponisation of public anger against independent voices. For the newly-installed Rahman government, the way forward requires not only neutralising the extremist threats but also restoring the integrity of the state's security and judicial institutions to protect the fundamental rights of all citizens.

## The Economy and Employment

The new BNP-led government [inherits](#) a crippled economy, with a banking sector burdened by US\$52.5 billion in bad loans, constituting a staggering 35 per cent of all outstanding debt. Recent reports highlight a [significant slowdown](#) in Bangladesh's economy, with FY25 GDP growth dropping to 3.49 per cent due to weakened agriculture and service sectors. As conflict escalates in the Middle East, the Bangladeshi economy is likely to come under [further pressure](#) from rising oil prices and potential declines in manpower exports and remittance inflows. With inflation at 8.66 per cent and high interest rates discouraging domestic investment, the government's survival hinges on immediate systemic reforms and economic diversification.

Experts argue that preventing a total financial collapse requires granting the central bank full independence, enforcing stricter governance of bank directors, and stabilising the law-and-order situation to restore public and investor confidence necessary for market liquidity.

Rahman's government faces the monumental task of transforming this "fragile" state into a US\$1 trillion investment-driven powerhouse by 2034, a core pledge of the [BNP's 2026 manifesto](#). To meet the demands of the Gen Z voters who fuelled the 2024 uprising, the government must shift from consumption-based growth to creating high-value jobs and addressing the [13.5 per cent graduate unemployment rate](#).

This approach requires a delicate balancing act: stabilising the vital US\$45 billion garment industry amid labour unrest, adhering to strict IMF loan conditions such as reducing fuel subsidies, and substantially improving tax collection to lower government borrowing and enable the private sector to thrive.

## Foreign Policy

Under Rahman's leadership, Bangladesh has pivoted to a "Bangladesh First" doctrine, as [announced](#) by Foreign Minister Dr Khalilur Rahman. This strategy marks a departure from the "India-centric" policies of the previous era, aiming instead to revive the [assertive, multi-aligned diplomacy](#) associated with President Ziaur Rahman's tenure.

By emphasising sovereign equality and non-interference, the new government seeks to move away from "one-sided arrangements", focusing on reinvigorating regional platforms such as SAARC and engaging directly with both Myanmar authorities and the Arakan Army (an ethnic armed organisation now controlling much of Rakhine State, Myanmar) to find a swift resolution to the stalled Rohingya repatriation process.

Navigating this reset requires a delicate balancing act amid intense geopolitical rivalries and historic lows in relations with New Delhi. Friction points remain acute, particularly regarding the extradition of former Prime Minister Sheikh Hasina and Indian concerns over the safety of minority communities in Bangladesh.

Consequently, Dhaka is expected to “Look East” towards China for infrastructure investment while seeking US support for democratic reforms.

Furthermore, the government is prioritising economic diplomacy by pledging new skills training centres for overseas workers, a move designed to stabilise vital remittance flows and reassure labour-importing partners, like Singapore, of Bangladesh’s commitment to domestic stability and professionalised migration.

## **Conclusion**

The 2026 election has handed Prime Minister Rahman a decisive, yet precarious mandate born of a political vacuum. To ensure this transition is more than a shuffling of political cards, the government must urgently stabilise the fragile economy and restore a security apparatus capable of curbing radicalisation.

Success hinges on Rahman’s ability to move beyond dynastic rhetoric and build resilient, transparent institutions that satisfy a youth demographic increasingly sceptical of traditional politics. Ultimately, the global community’s primary interest is to see Bangladesh evolve into a stable, middle-income democracy that can successfully balance the ruling party’s “justice-based” manifesto with the pragmatic, often volatile realities of governing alongside a powerful Islamist opposition.

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