

*Iftikharuzzaman*

## **BANGLADESH IN THE CHANGING WORLD: CHALLENGES AND OPTIONS AT HOME\***

### **I. INTRODUCTION**

The main question raised in this paper is : how can Bangladesh adjust itself to the sea-wave of changes taking place around the world today? The international order is changing and it is changing too fast and too radically to permit any conclusive judgment on the emerging scenario in the space of a paper like the present. It proceeds instead with two very general considerations about the so-called new world order as the premise on which Bangladesh's *locus standi* in tomorrow's world may be viewed. One is that whatever may be detailed features of the post-cold war international order, the international power structure is to remain pyramidic with the United States at the apex and the industrialized west contributing to the strength of the structure, while the rest of the world would be vying for positions at the peripheries. And secondly, if the cold war era was essentially one of military-political state system, the emerging era would be dominated by economic-trading-financial power of the state. That way, the global economic power-configuration may, of course, be rather diluted with more prominent sub-groupings within the OECD. However, like on the politico-strategic front, economically also, except for the NICs, the rest of the countries would remain

---

\* The paper was presented at the seminar on "Tomorrow's Bangladesh : A European Perspective" held at BISS on 25 February, 1992.

disadvantaged, competing with each other for eking out ways to survive.

The location of Bangladesh in such a scenario is obvious. It will continue to be at the periphery of the periphery. The main objective here is to project the major challenges facing Bangladesh in that peripheral position and indicate some possible options for the country in facing these. The political transition that the country recently experienced and enormous economic constraints that continue to mount before it will provide the basic parameters of the analytical frame. The fast-moving global changes of the contemporary times will be considered to the extent these are likely to impinge on Bangladesh's future. An attempt is first made to depict the economic challenges facing the country. The problems of governance are then discussed. Finally, some indications are provided on possible ways to face these.

## II. THE PREMISE OF THE PAPER

The basic premise of the paper is that changes in the global order may have some general, if not only marginal, positive implications for Bangladesh in the form of a trickle-down process. But the period ahead is in no way going to be any less challenging - economically, politico-strategically or otherwise - for Bangladesh than so far. While on a positive note, the onset of the post-cold war era certainly raises hopes that there would be new opportunities for pursuing the country's national objectives in an international environment of greater cooperation with renewed emphasis on multilateralism including enhanced role of the UN, it would be too naive to anticipate radical positive impacts on the external environment directly relevant to Bangladesh. For Bangladesh which is critically resource-poor,



endemically poverty-stricken, alarmingly prone to natural and environmental disasters, and chronically under-developed in terms of growth of politico-economic institutions and infrastructures, international peace, stability and cooperation are among the most essential pre-requisites for successful attainment of national objectives. That way, if the new world order can really produce an environ of greater international cooperation, Bangladesh may expect to gain.

It should be stressed, however, that for all practical purposes Bangladesh's position in the world needs to be viewed from essentially two broad perspectives: a) regionally within its immediate neighbourhood of South Asia, and b) globally with the rest of the world - both bilaterally and multilaterally. Regionally, the challenges for Bangladesh are likely to come from the implications that global changes are going to have on South Asia, particularly on the regional ambition of its big neighbour, India.<sup>1</sup> This aspect is, however, not within the scope of the present paper although it may be relevant to note here that irrespective of the changes elsewhere, Bangladesh does not appear to face a prospect of being able to improve its relation with India too brightly in the foreseeable future. Dhaka may have to learn to live with its problems with New Delhi although efforts should continue ceaselessly to keep the negative impacts of these to containable limits.

- 
1. See for details, Iftekharuzzaman, "Changing Global Scenario: Implications for Bangladesh", in M. G. Kabir and Shaukat Hassan, (eds.), *Issues and Challenges Facing Bangladesh Foreign Policy*, BSIS, Dhaka, 1989, pp. 230-268; Iftekharuzzaman, "The India Doctrine : Relevance for Bangladesh", in Kabir and Hassan, *op. cit.*, pp. 18-44; A. K. M. Abdus Sabur, "Changing Global Scenario: Implications for South Asia", Seminar Paper presented at BISS, August 1988.

On the wider plane, Bangladesh belongs to the category of countries that are destined to be the victims of events and actions outside their national frontiers and for whom the main concern of diplomacy and foreign policy is how best to respond to these events and actions so as to expand the scope of mobility and maneuverability and thereby to maximize national interests. While the nation's intrinsic politico-economic strength, the nature and state of the society and the corresponding pattern of its interface with current global political and economic environ remain the main determinants of such response, compulsions of domestic economic survival and development take precedence over others. Thus if a country's position in the international arena is a function of its national strength and compulsions, there can be no other factor as critical in case of Bangladesh as its economic and political vulnerabilities and imperatives.

### III. THE ECONOMIC CHALLENGES\*

#### Poverty and human underdevelopment

Bangladesh's emergence as an independent nation was the culmination of a long and traumatic struggle against exploitation first under British colonialism and then under 'internal colonialism' of Pakistan. The post-independence period of the new nation's political consolidation and economic rehabilitation coincided with the deepest of the post-World War II international economic crises which began with the great oil shock of the early seventies. The country inherited a poor infra-structural base and economic, industrial and technological

---

\* Unless otherwise indicated, data quoted in this part are taken from annexed tables 1-7



deficiencies. With independence came the series of external economic impediments including loss of markets for the country's few exportable items and ever-declining price of the same thereby shrinking the possibility of sustaining the income and of supporting development and financing import requirements. While the inherited level of external economic dependence continued to grow and productive base shrunk, pressure on scant available resources kept on mounting. The administrative and managerial inexperience coupled with distorted economic and social standards on the one hand, and political mismanagement on the other created socio-political disharmony and instability in the country. Series of political turmoils followed soon and this complex background continues to have its impact not merely on subsequent politico-economic development but also on all possible prognoses about the country's future.

As one of the least developed countries of the present-day world, Bangladesh today faces nearly all the conceivable problems of development. It is the eighth largest country of the world in terms of population size which is 113 million. With one of the highest densities of population, Bangladesh has virtually no resources except its vast under-utilized manpower and alluvial farm land. The potential of the latter is ravaged almost invariably each year by recurrent natural disasters including devastating floods in its mighty rivers belonging to the Himalyan basin.

The country has one of the lowest levels of per capita income at US\$ 170 in 1988. Poverty is pervasive with according to one estimate 86% of the population or over 99 million people living below the poverty line. This is also one of the world's deepest concentration of poor people. The rate of malnutrition is high with 71 percent of the children suffering from this problem. The daily calorie supply is only

83% of the requirements and under-five mortality rate is 184 per 1000 of live births. Only 6 percent of the people have access to sanitation, 49 percent to safe water and 45 percent to health services. Life expectancy is 51.8 years whereas that for the industrialized countries is 74.5 and all developing countries is 62.8 years. Adult literacy rate is amongst the lowest in the world at 32 percent whereas the comparable figures for countries like Sri Lanka and Burma are 87 and 78 percent respectively. The number of scientists and technicians per 1000 people is as low as 0.5 compared to 3 in Sri Lanka, 2.5 in Pakistan, 1.8 in India and 0.6 in Nepal. Detailed comparative figures for the industrialized countries, all developing countries and for South Asian neighbours are given in Table 1 which indicates the alarming state.

Any discussion on the state of the Bangladesh society, its socio-economic conditions and political challenges must refer sooner or later to the single-most overriding issue of poverty. Massive poverty, which has been noted by the Task Force<sup>2</sup> as one of the three main characteristics - the other two being aid dependence and disaster-proneness - of the economy of Bangladesh must be identified as the greatest challenge that the country faces. The Task Force defines poverty as the lack of certain basic capabilities to live a healthy active life free of avoidable morbidity and premature mortality, the capability to live with dignity, with adequate clothing and shelter, etc.<sup>3</sup> As a

---

2. The Task Force was constituted in 1991 by the Interim Government that replaced the autocratic rule in Bangladesh. The Task Force composed of several hundred Bangladeshi experts and professionals who within a very short period produced a substantive report in four volumes dealing with various dimensions of developmental challenges facing the country. See, *Report of the Task Forces on Bangladesh Development: Strategies for the 1990s*, (UPL, Dhaka, 1991, vols 1-4).

3. *Ibid*, p. 25.



corollary, therefore, any strategy of poverty alleviation in order to bear fruits must consider a range of quality of life variables such as nutrition, health and sanitation, housing, personal security, access to state distribution system, participation and institutional capability, crisis-coping capacity, etc.<sup>4</sup>

Bangladesh not only ranks very low among the least developed countries in terms of human resources development measured by such basic indicators as literacy, health and nutrition, but also continues to spend the least comparable share of public expenditures for these sectors. Public expenditures for human resources development have remained roughly constant at about 2.5 percent of GDP between 1981-90, which is below the amount required.<sup>5</sup> Public health expenditure as percentage of GNP is 0.6% which is lower than any other country in South Asia other than Pakistan. Public expenditure on education as percentage of GNP at 1.3% in 1986 was lowest in South Asia. Judged by the share of ODA (official development assistance) spent for social investment also Bangladesh ranks very poorly with 5.6% whereas countries like Bhutan and Sri Lanka spent 29.3 and 38.3 percent of the ODA for the same purpose. The figure for the whole of South Asia is 10 percent. Massive poverty and socio-cultural factors add to the widespread gender-based discrimination in terms of access to services, employment and income. Bangladesh has reached a shameful state of internal resources mobilization and it hardly generates any revenue surplus to finance development. Indeed there is evidence that donors are now financing not just 100% of our development budget but also some component of our non-development

4. *Ibid.*

5. World Bank, Report no. 9379, *Bangladesh: Managing Public Enterprises for Higher Growth*, April 19, p. 1.

expenditure.<sup>6</sup> The poor state of national savings rate has been shown in a recent work as not only an economic issue but also a measure of overall erosion of national values and norms.<sup>7</sup> If savings can be considered as a synthetic expression and measure of national creativity and socio-cultural values, the state of savings in Bangladesh must be an indicator of an extremely humiliating and decaying portrait.

### Inequities and cleavages

Bangladesh is also a society of sharp social inequalities and cleavages. On the one hand, there is abject poverty pervading the society, on the other, there is acute inequity in the distribution of income and wealth in both urban and rural areas. The latest available data show 42 percent of national income distributed to the highest quintile while its lowest counterpart gets only 12 percent. In terms of land distribution the inequality is even sharper with the top 10 percent of owners occupying 49 percent of cultivable land while the smallest 10 percent own only 2 percent.<sup>8</sup> The per capita income of the lowest 40% of the households was \$70 in 1988. The society is furthermore a specific case of 'intermediate-praetorian syndrome'<sup>9</sup>. The intermediate class in the absence of well-developed capitalist establishments is at

- 
6. Rehman Sobhan (ed.), *The Decade of Stagnation: The State of Bangladesh Economy*, (UPL, Dhaka, 1991), p. 2.
  7. Md. Anisur Rahman, *Jatiya Atma-Nirvarshilatar Proshno* (The Issue of National Self-Reliance), in Bangla, Najma Jesmin Choudhury Memorial Lecture, Dhaka University. October 1991, p. 16.
  8. World Bank, *op. cit.*, p. 1.
  9. Iftekharuzzaman, "The Political Economy of Instability in Bangladesh," in M. Salimullah Khan (ed.), *Politics and Instability in Bangladesh*, (Dana Publishers, Dhaka, 1987).



the helm of state authority with its power base in various elite sub-groupings dominated by the civil and military bureaucracy and the political activists, both urban and rural. The vast 'ruled universe' including the lower-middle and low-income working class and the unemployed, the near or total landless peasants and the destitutes and disadvantaged in both rural and urban areas sustain on what is left over. This ruled part of the society, however, forms the reservoir of political activism that is used as the instrument of whatever changes may occur from time to time.<sup>10</sup>

Although poverty, socio-economic underdevelopment and sharpening inequity determine the composition and structure of the society in Bangladesh, the class character is hardly reflected in the social and political formations and behaviour of the disadvantaged sections, nor are they organized on the basis of class consciousness. Thus no real class-based organizations have practically grown in the society, nor have they any effective political lobby at the policy or decision level. On the other hand, there exist strong and well-knit patron-client relationships between the poor and the rich. From the poor's point of view such relationship is necessitated by the question of sheer survival for which they have been traditionally tied to the local landed and richer sections. The latter for their part have extended the facade of support to create and sustain the power base of their social, economic and political muscle. The outcome is that whether it is a political party, or a civil-military oligarchy that is in power, the platform is built not on the basis of long term socio-economic needs of the society as a whole but on mutual patronage criterion. In the

---

10. Peter J. Bertocci, "Bangladesh in the Early 1980s: Praetorian Politics in an Intermediate Regime," *Asian Survey*, (California), vol. 22, no. 10, 1982, p. 992.

process the masses remain out of the corridors of policy and decision making. They are also virtually out of the process of participation in the mainstream of political and economic activities.

### External dependence

On the other hand, the nation has been exposed to a critical level of dependence on external aid which has been in the ultimate analysis, according to expert opinion, increasingly denying the prospect of self-reliance.<sup>11</sup> The country suffers from chronic balance of payments difficulties with export earnings currently financing only about 35 percent of import costs. On the fiscal front government revenues account only about 56 percent of government expenditures. Such staggering levels of fiscal and external deficits coupled with demands for resources for financing development have contributed to a narcotic dependence of the country on external economic assistance. Bangladesh did in the first place emerge independent with substantial degree of inherited external dependence from the Pakistan period. The unfavourable international economic environment, particularly the oil crisis of the early seventies had its impact on the performance during the first decade of independence. Then came the new oil shock of the early eighties when sharp deterioration in the terms of trade coupled with shrinking availability of external aid compounded the macro-economic imbalances of the country.

The world economy in the 1980s was dominated first by sharp recession, then with steady and prolonged growth in industrial countries associated by high interest rates, declining commodity prices, massive exchange rates movements and sharp decline of soft

---

11. Rehman Sobhan (ed.) *op. cit.*



lending for developing countries. While some of the developing countries did well in terms of economic growth - in several the GNP grew at 6-10 percent annually - Bangladesh, like most other South Asian countries continued to suffer. The developing countries that achieved better performances like the NICs of East Asia did so by sound macro-economic policies and more importantly by maintaining competitiveness of exports. For Bangladesh, while domestic policy failures and political and economic mismanagement contributed to low growth, excessive indebtedness and continued losses from external economic shocks of the past decade accounted for a major part of the problems. The problems have recently been compounded by the Gulf crisis resulting in severe losses in terms of decreased remittances, high import costs, low export earnings and greater unemployment.

No compulsion other than aid dependence has been as overriding in determining Bangladesh's external economic policy. The pre-eminence of the aid factor is dictated by the fact that unlike many other developing countries Bangladesh's exposure to the global economy is very low in terms of other aspects of external economic interaction like trade and investment. Export accounts for very low share of the country's GDP at little over 6 percent whereas the figure for high income countries including the OECD group is in the range of 15-16 percent. Even low income developing countries average is about 12 percent while East Asian countries have a ratio of 21 percent.<sup>12</sup>

Import continues to be overwhelmingly credit-financed in Bangladesh. Negative balance in external trade has been continually worsening with trade deficit growing from \$1.44 billion in 1983 to

---

12. World Bank, *World Development Report 1991*, Oxford University Press, 1991.

2.35 \$ billion in 1989. Looking at Bangladesh's export figures, it may be observed that these have grown significantly — almost doubled during the period 1983-89. The country's exports to the industrialized countries have indeed more than doubled during the period. By contrast, import from developing countries has increased much more than export to those countries which remained roughly stable. In percentage terms while export to industrial countries rose from 46.7 percent to 65 percent during 1983-89, that to the group of developing countries has fallen from 44.6 percent to 27.2 percent. It is worth noting here that nearly 70 percent of Bangladesh's trade deficit with the IME group is accounted for by that with Japan. The cumulative trade deficit of Bangladesh with Japan during 1983-89 stood at \$1901 million which is much more than the total export earning of Bangladesh in any particular year. It is further notable that there has not been any growth at all in export trade with Japan which after picking up hesitantly in 1985-86, remained more or less stable. Import from Japan, for its part, however, grew at a rate many times higher than from anywhere else.

Foreign investment is at a very low level—picking up only in recent years—and remains out of international commercial lending. On the other hand, the quantum, nature and terms of inflow of external resources are the most critical aspects of economic interaction with the outside world. The country's total outstanding debt by June 1990 reached \$9.8 billion which is about half of the annual GDP. The debt service ratio as percentage of exports of goods and services in 1988 was 20.5% and obviously, the share of aid in ADP provisions has been increasing steadily.

The growth of Bangladesh's trade imbalance with Japan has been matched by the latter's rise as Bangladesh's leading, and eventually



largest source of foreign investment and aid. Japan is ahead of any other country in terms of private foreign investment in Bangladesh and accounts for 14 percent of total foreign investment followed by UK and US. The Export Processing Zones in Chittagong is the host to more Japanese firms than any other. On the other hand, Japan's aid under its Official Development Assistance (ODA) programme has been increasing sharply recent years. By 1989 Bangladesh joined about 30 other developing countries for whom Japan is the largest donor. The comparative growth of Japanese and US aid has been shown in the table 7. It can be observed that while in the early seventies Japan's aid to Bangladesh was roughly about one-third of what came from the US, by late 1970s and early 80s it reached the break-even and by the late 1980s the situation absolutely reversed with Japan providing more than double the amount of US aid for the period 1985-88. Beside Japan and US, other leading bilateral donors for Bangladesh are Canada, Germany, UK, Netherlands and France. The OECD group accounted for 48.42% of the total aid inflow into Bangladesh during 1971-1990, the international agencies accounted for 40.65%. Japan accounts for 26.76% of Bangladesh's total outstanding debt as of June 1990 and about three-fourths of what is due to the OECD countries taken together. This overwhelming indebtedness to Japan has accumulated not merely because of Japan's being the largest donor for Bangladesh but because the share of grant element in Japan's aid is the lowest at only 28.59% compared to about 70% for all OECD countries and 40.54% for all donors. The detailed information are provided in enclosed tables.

If the critical level of Bangladesh's aid dependence is a commonplace wisdom, it is also by now an open secret that the country has been vulnerable to donor's influences. Bangladesh is not

alone in the community of aid-dependent countries to be so, and the linkage between aid and influence in general is well-documented. As for Bangladesh, the very extent of dependence and its growing incidence is the most important leverage for the donors to influence domestic policies adopted by the government. The World Bank's first Resident Representative in independent Bangladesh noted, "the opportunity for the aid-givers to impose their views on Bangladesh was made all too clear when it became the accepted view that Bangladesh simply could not manage her economy without the assurance that large amounts of aid would be forthcoming."<sup>13</sup>

Rehman Sobhan, Bangladesh's most authoritative expert on the subject has convincingly argued about Bangladesh's exposure to foreign influence because of its dependence of external resource inflow.<sup>14</sup> In highlighting donor's influence on the domestic economic policies of Bangladesh he said, in Bangladesh donors have tended to freely express their views on the suitability of various policies enacted by the government of the day, the quality of their administration and their political integrity. This attitude originates from the belief that the size and importance of their contribution to Bangladesh's development efforts give them a right to dictate how it should conduct its development affairs.<sup>15</sup> In a more recent study conducted along with Debapriya Bhattacharya, he found instructive evidences as to "overriding concerns of the donors on the direction of public policy

---

13. Quoted in, Rehman Sobhan and Debapriya Bhattacharya, "Donor Perspectives and Influence on Domestic Economic Policy", in Rehman Sobhan, (ed.), *From Aid Dependence to Self Reliance : Development Options for Bangladesh*, BIDS/UPL, Dhaka, 1990, p. 177.

14. See Rehman Sobhan, *Crisis of External Dependence: Political Economy of Foreign Aid to Bangladesh.*, UPL, Dhaka, 1982.

15. Rehman Sobhan, quoted in, Sobhan and Bhattacharya, *op. cit.*, p. 178.



in Bangladesh, their normative biases and their perceptions of their own particular interests in Bangladesh."<sup>16</sup> The study, based on survey of documents relating to specific aid programmes, exchanges at the Paris Consortium meetings and interviews with specific donors identifies World Bank and USAID as the donors enjoying the monopoly in the use of aid conditionality for realizing policy changes in Bangladesh.<sup>17</sup> It has also been found that their interventions are directed towards promoting private enterprises although these are justified in the name of promoting rural development and helping the poor.

To be sure, not all the donors share the tendency of jumping headlong into the exercise of policy advise to the government. They project differing degrees of interest in imposing own policy choices. The Nordic countries, for example take rather ambivalent positions while at the other extreme the US does not hesitate to assert its particular policy choice. The present US Ambassador has been lecturing loud and clear in Dhaka on the virtues of the promotion of the private sector. Addressing the Dhaka Chamber of Commerce and Industry, for example, he said that Bangladesh could not afford to continue to support the money-losing state-owned industries and also could not afford to ignore the economic benefits of privatisation.<sup>18</sup> The Ambassador's message has been echoed by the Finance Minister of Bangladesh who expressed the determination to curb the public sector enterprises which have been suffering at huge loss largely due to managerial inefficiency. Critical of the poor performance of the nationalized enterprises, particularly jute industries, Power Develop-

---

16. *Ibid.*, p. 219.

17. *Ibid.*, p. 220.

18. *The Bangladesh Observer*, Dhaka, 17 January 1992.

ment Board (PDB) and Biman Bangladesh Airlines, he said that the state sector cannot afford to run at the prevailing staggering losses.<sup>19</sup> The US interest in privatisation in Bangladesh was subsequently conveyed to Bangladesh via the Commerce Minister who was told at the UNCTAD III meeting by the US leader of the delegation that "ways and means must be found for the success of the privatisation programme in Bangladesh."<sup>20</sup> The Foreign Minister of Bangladesh agreed that "the conditions attached to the aid are sometimes tough. Some conditionalities make it difficult to decide where to utilize". Referring to conditionalities the Minister candidly agreed that "the imposition of structural adjustment without sufficient lead time, leads to an imposition on the poorest of the poor which is extremely burdensome, and the lower income group elements who are outside the mainstream of development are affected much more direly while we are moving towards privatisation and towards a new industrial policy, and towards a new commercial policy, to denationalization and so on."<sup>21</sup>

Privatisation of the economy and disinvestment of public sector enterprises have been one of the best manifestations of the outcome of donor influence in Bangladesh. The pressure was there since the seventies and by 1989, as many as 640 enterprises have been denationalized and the process continues. The rationale advanced for the denationalisation is a blanket allegation that the public sector enterprises are ill-managed, under-utilized and yield low factor productivity. Leaving apart the debate on the validity of the arguments in favour of disinvestment, it is important to note the way Bangladesh

---

19. *The Daily Star*, 02 February 1992.

20. *Ibid.*, 16 February 1992

21. *Ibid.*, 17 January 1992.



has been offered a *fait accompli* as the successive governments have been evidenced to accept uncritically the donor pressures in this regard.<sup>22</sup> It is also necessary to note that instead of examining the outcome of large-scale disinvestment the process continues as an act of blind faith and without any attempt to empirically study whether the disinvested units have in reality performed any better in terms of productivity, capacity utilization and managerial efficiency as compared to public ownership. Rehman Sobhan thus concludes, "the industrial policy component of the structural adjustment programmes devised for the economy by the donors and unconditionally embraced by the GOB achieved little in way of accelerated investment or sustained industrial growth and may well have retarded the process of expansion and structural diversification of the manufacturing sector."<sup>23</sup>

The most important and long term impact of chronic aid dependence is a pernicious lack of imperatives for mobilizing internal resources and national strength to build up a self-sustaining economy. There is indeed a strong vested interest in the country in favour of perpetuating the aid dependence. And as highlighted by several studies,<sup>24</sup> the most visible implication of the aid-dependent development strategy is the expanding and strengthening network of aid-dependent elite which flourishes its exclusive position by trading poverty while in the end the masses of poor continue to grow poorer. Hence the main focus of all debate on the prospect of sustainable

---

22. Rehman Sobhan, "Industrial Policy and Industrial Stagnation in the 1980s: Redesigning A Strategy for the 1990s", in Rehman Sobhan, (ed.), *The Decade of Stagnation : The State of the Bangladesh Economy in the 1980s*, UPL Dhaka, 1991, p. 146.

23. *Idid.*, p. 138.

24. See for details, *The Task Force Report*, *op. cit.*

development in Bangladesh must refer sooner or later to the strategy to relieve the country from the menace of aid dependence which appears to be more a problem of political choice than economic. We now take up a discussion on the problems faced by Bangladesh at the political front.

#### IV. CHALLENGES OF GOVERNANCE

##### Problems of nation-building

Bangladesh is known for its chronic political crisis and instability resulting from ceaseless dissensions on core national issues. Problems are mostly associated, as common for the vast majority of post-colonial states, with the process of nation-building. Nation-building in its usual connotation was not supposed to be an issue in the context of Bangladesh because of its near-homogeneity in ethnic, linguistic, cultural and even religious terms.<sup>25</sup>

On a closer focus and from what its post-independence history has revealed, however, despite advantages of homogeneity and shared glory of the past, very little has been achieved in the way of nation building. The point is brought home if nation building is viewed to cover the "vast range of human relationships, attitudes, activities and social processes ... the development of a sense of nationality; the integration of political units into common territorial framework with a government which can exercise authority; the integration of the rulers and the ruled; the integration of the citizens and various social groups into a common political process, and ... the integration of individuals

---

25. See for details, Iftekharuzzaman and Mahbubur Rahman, "Nation Building in Bangladesh, Perceptions, Problems and an Approach", in M. Abdul Hafiz and Abdur Rob Khan, *op. cit.*



into institutions for purposive activities.<sup>26</sup> Viewed from such a multi-dimensional and comprehensive perspective Bangladesh continues to be far from having achieved the objectives of nation building. The critical factor is the endemic weakness of the state and deep-rooted "crisis of governance" faced by the successive post-independence regimes.

### Crisis of political institutions

The most important contributor to chronic political instability and crisis of governance is the undeveloped state of political institutions. Very few of the numerous political parties active in the country are strictly organized, well-knit and spread upto grass-roots levels having definite policies and programmes of action.<sup>27</sup> Intense factionalism and polarization among social groups and classes which are formulated along the prevailing inequitable distribution of wealth and power coupled with a widespread network of patron-client relationships pervading the whole society have resulted in a system devoid of institutional virtues. Parties are born of factions and party politics is almost universally characterized by factional and parochial interests while policies and decisions reflect strong subjective bias which leaves the interest of the masses at bay. Whether in the government or in the opposition, parties and their organizational set-ups lack democratic values and the leadership caters to the maximization of the interests of the influential elites and power bases at the cost of the interests of the common people.

---

26. *Ibid.*, p. 12.

27. Emajuddin Ahamed. "Crisis of Democracy in Bangladesh," *The Bangladesh Today*, (Weekly, Dhaka), Vol. 2, No. 16, 1985.

Party politics is determined largely by narrow individual or group interests. Political postures, activities and performances are determined by factors of personalities, influences, patronage and prestige rather than by specific political issues or alternate political programmes. The value orientation and activism of the political elite reflect their urge for enhancing their social prestige, political power and economic status at the cost of national interest, allegiance to which is minimal. The end result is that political elite is incapable of creating a strong and resilient state authority.

### **Problem of accountability**

The recent political developments in the country need to be viewed in this context. The year 1991 began with happy notes and high expectations about the political future of Bangladesh. The exit of long years of autocracy in the face of massive popular uprising towards the end of last year and subsequently a nationally and internationally acclaimed free and fair election led to the formation of a government that today faces the challenges of sustaining the process of democratic transition in the country. The installation of the new democratically elected government is, however, one of the many more milestones that lie ahead before the real transition to democracy in this country. Democracy is of course never achieved overnight, it is a continuing process, and it builds, corrects and strengthens itself in an apparently endless process. Striking about this process in Bangladesh is that in the long years of its experimentation, despite very rich tradition of trading blood for democracy, its values norms and institutions have been severely damaged. The political system suffered repeated setbacks under long years of autocratic rule during which the parliament was robbed of its sovereignty, office of the president or chief execu-



tive was made omnipotent, effectiveness of the judiciary curtailed, and above all, accountability of the government was totally lost.

Some major political reforms and constitutional amendments have been introduced by the new government aimed at the establishment of an accountable government. The parliamentary form of government has been re-introduced under these changes. Subsequent developments have, however, confirmed that the issue is not merely the nature of government. Democracy can function under both parliamentary and presidential form of government. Neither a presidential form *per se* is associated with lack of accountability, nor a parliamentary form as such can ensure accountability of the government. What is critical is the constitutional guarantee of the limited and accountable nature of the executive. The cardinal element of democracy is that the government derives power from the people, exercises it as long as approved by the people to whom it also remains accountable. And the parliament as the forum through which people's voice is generated, mobilized and ventilated is the organ to which the executive, whether presidential or parliamentary, must remain accountable.

### **Problems of parochial politics**

At the present critical phase of democratic transition, the political parties would need to rise above narrow partisan interests and cooperate with each other for the sake of greater and enduring national welfare the way they did during the peak of anti-autocracy movement. The reality has however been different. The victory or defeat in election has largely been taken as a measure of loss or gain in a zero-sum format. The winning party has refrained from fully appreciating that their victory was no more than a chance proffered to them by the

people to show their worth in facing the country's challenges. It should have also been clear that some fundamental level of cooperation and understanding with the losers was indispensable for them to be able to run the government. On the other hand, the losers should have not considered that they have lost it all, rather it should have been borne in mind that they would now essentially constitute the part of the institution that would ensure the political check and balance.

There had been hardly any reasonable ground to anticipate that the installation of the BNP (Bangladesh National Party) government would bring overnight changes in the politico-economic scenario bedeviled by long years of autocratic rule. What could be anticipated was a much greater degree of constructive cooperation between the government and the opposition towards strengthening of the process of institutionalization of democracy in the country. In reality, while the ruling party has adopted the traditional approach of monopolizing the credit for what has been achieved in the anti-autocracy movement, its main opponents, the Awami League (AL), already in disarray in the wake of its shocking defeat, failed to consolidate itself to be capable of playing the role of active and constructive opposition. Apparently obsessed with a possessive psyche of considering itself the only party destined to rule the country, it failed to realize the need for reassessment of much of its political programmes.

Most of its political slogans already lost currency. During the election of last year, it had intended, without any success, to push ahead with socialism at a time when throughout the world the concept and the system has been buried. More recently it has revised its economic policy in favour of promoting free enterprise and market economy, but apparently it has yet to articulate its position on socialism *per se*. Secularism as a philosophy of life has never been



unacceptable in Bangladesh and despite occasional setbacks it still remains a part of the national value-orientation here. The people of this country are essentially much more tolerant and progressive than their other South Asian counterparts from religious point of view and communal records are certainly far better here. The problem arises when attempts are made to over-blow the slogan of secularism and when religion is used as an instrument of political profiteering and exploitation. In either case, history of this country has shown that an essentially non-issue becomes over-sensitive and self-defeating.

The AL has also to ask itself why it is identified with an alleged Indian design for interference in Bangladesh. Rightly or not, people voted during the 1991 elections largely against AL because of its continued prophecy of socialism and rather hardline commitment to secularism. Conversely, they voted more in favour of BNP because of its success in a campaign to project AL's policy as a design for selling-out to India. Whether or not an AL government would really be more pro-Indian than pro-Bangladeshi and whether a BNP government can objectively afford or even need to be as anti-Indian as commonly understood, are issues for separate debate. But the fact remains that with the switchover to parliamentary form of government the Awami League apparently finds itself with hardly any political cards for itself. Moreover, for lack of constructive political behaviour as an active and responsible opposition and for lack of intra-organizational discipline and proper leadership it has so far failed to place itself in a more advantageous position than it currently holds.

One other related issue that needs to be raised is that a significant element of politics in Bangladesh developed particularly as a fallout of long absence of democracy is negativism and mutual intolerance as displayed by the political organizations, specially at the leadership

level. Recall the level of hatred with which the two major parties behaved with each other during the long period of anti-autocracy movement. It was essentially as an outcome of massive popular, particularly student pressure that they managed to demonstrate some degree of flexibility and accommodation during the last phase of the movement. The result of learning to live and work with political opponents have certainly been realized in the form of the victory of the anti-autocracy movement. This has, however, not been carried forward ever since, particularly since the election of 1991. Neither the BNP nor the AL has shown any gesture to rise above narrow partisan behaviour. It hardly needs to be explained that the volatile situation at the student political front has its roots to a great extent in this renewed antagonism between the two major political parties.

On the whole, the fall of the autocratic regime and subsequent introduction of the democratic government including some of the basic reforms already introduced do not by themselves ensure the success of the process of democracy, nor does it come as a panacea to the myriad of problems faced by the country. If the changes are to really bear fruits, the understanding between the ruling and opposition parties must continue to persist above narrow partisan interests and egoistic manipulations. The political leadership, both in the government and outside, must demonstrate many more evidences of their firm commitment to help sustain the democratic process and strengthen the institutions. The failure to do so will alienate the political leaders from the masses and perpetuate the crisis of governance.

## V. SOME CONCLUDING IDEAS

The main theme of the above discussion is that in defining its own position in the emerging world order, Bangladesh faces two basic, and essentially inter-related types of challenges: one, problems of sustaining the process of democratic transition and its institutionaliza-



tion, and two, ensuring a process of sustainable participatory development putting the interest of the *people* at the core of all policy and decision-making. From this perspective, the fundamental policy-thrust for the country should be to count on what it can *bargain and earn* by projecting what it is capable of, rather than on what it may *deserve and obtain* because of its impediments. In the end, it is the strength or weakness of the society, polity and economy that would define Bangladesh's position in the comity of nations.

The overriding consideration in strengthening the socio-economic base of the state is to eradicate massive poverty, convert its poor masses into productive human resources and relieve the country of its chronic aid dependence. The need for a 'human approach' and social considerations in development strategies are stressed. Since there is a guarantee of flow of external resources and assistance there is no sufficient imperative to mobilize internal resources in the country. Even the urge for mobilization of internal resources for development comes from time to time out of external pressure or when there is a realization now and then that the availability of external resources may shrink.<sup>28</sup>

The problem with such reactive realization is that since it is caused by external and negative factor it has an essentially short term nature

---

28. Bangladesh, for example, joined the rest of the developing world in expressing concern about the prospect of gloomy scenario in terms of availability of foreign aid in the context of the changing global scenario. The Finance Minister said, "the increasing aid demand of the former Soviet Union and Eastern Europe would shrink our aid slice in a changed global politico-economic situation. So we have to reduce unnecessary expenses and mobilize domestic resources for our development." See, *The Daily Star*, 02 Feb. 1992.

and will hardly be effective if it is not backed up by domestic considerations and a positive attitude. What is implied here by the need for a positive attitude is that the whole idea that Bangladesh cannot survive without external resource inflow may be a myth. The need for foreign aid for humanitarian consideration to face natural disasters, Rohingya-type situations and similar crises cannot certainly be underestimated for the foreseeable future. But that Bangladesh cannot in the long run develop into a self-sustaining economy and cannot drastically reduce its external aid dependence has never been seriously justified. As a matter of fact, historically, Bangladesh has served as the supplier of resources for development of other countries. Resources of Bangladesh contributed to the growth of Manchester, industries of West Bengal and economic footing of Pakistan. What Bangladesh needs to try now after several decades of aid-dependent developmental disaster is a self-imposed moratorium on its external resource inflow for a decade or two, so that it can force upon itself a no-aid development strategy.

It is essentially a political choice to be taken by the people and their political representatives. For this, enough information should first of all be made available to the people to be able to answer the basic question: has foreign aid helped the common people of Bangladesh to the extent that justifies the acceptability of the long term negative implications of the same? Objective deliberation on this question should be initiated in and outside the parliament, with the participation of the media and mass education and information network. Once the people are sufficiently aware of the relevant information, the question of inflow of external resources into Bangladesh should be placed on a national referendum. If the people reject the idea of narcotic dependence on aid by their own considered



choice they can be expected to render all support to any government strategy for self-reliance and sustainable development.

The aid-oriented external policy pursued so far must gradually make room for trade and investment-oriented diplomacy. There are some indications now that attempts are afoot to break away from the past.<sup>29</sup> In adjusting itself to the global change, Bangladesh must make keen efforts to promote its ties with Japan, particularly in terms of improving trade and investment. Bangladesh also must look to the NICs of East Asia not only for exploring trade and investment opportunities, but also for ideas and experiences in the development process.<sup>30</sup> Equally vigorous drives must be launched to strengthen the existing footholds in the US and West European markets. Bangladesh must also be able to make best use of the export and employment opportunities in the West Asian markets as well as the CIS particularly its Central Asian states. The target, in a word, should be to replace aid by trade and investment as the source of resource inflow into the country which must be critical in achieving self-reliance in the long run.

The country's chronic political instability and socio-economic frustration in a process of complex interface with its external vulnerabilities have so far seriously impeded the process of development. A search for building up the internal and intrinsic national resilience capable of ensuring long term sustainable develop-

---

29. The Foreign Minister in his recent interview mentioned some measures being taken to incorporate trade and investment promotion as an important element of Bangladesh' diplomacy in the days to come. See, *The Daily Star*, 17 January 1992.

30. A. K. M. Abdus Sabur, "Foreign policy of Bangladesh: Challenges in the 1990s", *BISS Journal*, vol. 12, no. 4, 1991, pp. 483-6.

ment brings forth the whole set of issues related to the process of nation-building and development pursuit. The point being stressed is that the polity and the economy have to be built so strongly as to develop an instinctive national resilience. A reasonable degree of social equity and spontaneous and active popular participation are indispensable in building of such a vibrant society.

The imperative in this respect is a leadership deserving of the loyalty and spontaneous support of the vast majority of the citizens who would also endorse the policies pursued by the state and would accept its authority with the understanding that the policies and institutions provided would ensure enduring and self-sustaining welfare of the masses. Parallel with this is the imperative of a strong and responsible political opposition to ensure democratic check and balance. Only then a true participatory process of political and economic development can be ensured, the alternative to which is bound to be too expensive for the country's future.



Table 1 Bangladesh : Basic Indicators in Comparative Perspective

Indicator	Country/Region									
	Bangladesh	Bhutan	India	Nepal	Pakistan	Sri Lanka	All South Asia	Myanmar	All developing countries	Industrialized countries
Population (million/1990)	113.0	1.5	827.1	18.9	112.1	17.0	1089.6	4.8	-	-
Pop. Gr. rate	2.5	-	2.3	2.7	3.1	1.8	2.3	2.2	2.3	0.8
Life exp. at birth	51.8	48.9	59.1	52.2	57.7	70.9	58.4	61.3	62.8	74.5
% of population with access to										
- Health services	45	-	-	-	55	93	56	33	63.0	-
- Safe water	49	-	57	-	45	41	56	30	62.0	-
- Sanitation	6	-	-	-	20	50	-	29	46	-
Daily calorie supply (as % of requirement)	83	-	100	93	97	110	100	119	107	113
Adult literacy rate	32	32	44	22	31	87	42	78	60	
GNP per capita (US \$/1988)	170	180	340	180	350	420	390	200	710	12,510
GNP Growth rate (1965-89)	0.4	1.8	0.6	2.5	3.0	-	-	-	-	-
People below the poverty line/1990										
- million	99.4	-	410	11.6	36.8	-	-	16.7	-	-
- % of people	86.0	-	48.0	60.0	30	-	42.0	40.0	-	-
Scientists and technicians per 100 people	0.5	-	3.0	0.6	-	-	3.0	-	9.5	139.3
% of children suffering from malnutrition	71	38	41	70	52	38		38	-	-

Table 1 (contd.)

Indicator	Country/Region									
	Bangladesh	Bhutan	India	Nepal	Pakistan	Sri Lanka	All South Asia	Myanmar	All developing countries	Industrialized countries
Under five mortality rate per 1000 live births	184	193	145	193	162	36	151	91	-	-
Public health expenditure (as % of GNP)	0.6	-	0.9	0.9	0.2	1.7	0.8	-	-	-
Public exp. on education (as % of GNP)	1.3	4.2	3.4	2.1	2.2	2.4	-	-	-	-
Per capita GNP of lowest 40% of households (\$/1988)	70	-	120	-	-	160	-	-	-	-
Total ODA received (1989) \$ million	1791	40	1874	488	1149	558	220	-	-	-
ODA as % of GNP	9.8	13.3	0.7	15.5	3.0	7.9	1.1	-	1.3	-
ODA for social investment (1988) (as % of total ODA)	5.6	29.3	6.9	8.3	9.0	38.3	10.0	3.5	15.2	-
Total debt as % of GNP	49	28	19	35	37	60	-	-	-	-
Debt service as % of exports of goods and services (1988)	20.5	-	21.8	8.5	23.5	17.2	-	-	-	-
Worker's remittances from abroad as % of GNP (1988)	4.0	-	1.0	0	5.4	5.1	-	-	-	-

Sources : World Bank, *World Development Report 1991*, Oxford University Press, 1991 Asian Development Bank, *Key Indicators of Developing Asian and Pacific Countries*, Vol. XXII, July 1991, Philippines, 1991.



Table 2 : Bangladesh Trade Statistics 1983-1989

Figures in US \$ million

Country Region	Export							Imports						
	1983	1984	1985	1986	1987	1988	1989	1983	1984	1985	1986	1987	1988	1989
World	724	931	999	887	1067	1291	1304	2164	2825	2772	2486	2680	3046	3659
Ind. Countries	338	473	481	526	711	883	848	1018	1184	1115	1145	1225	1325	1402
Canada	8	11	12	14	18	17	14	98	123	97	89	138	103	74
Australia	18	21	14	13	20	31	29	16	116	38	28	48	51	79
Japan	54	62	72	71	62	74	55	167	260	310	318	381	477	437
France	2	11	5	5	13	24	29	37		24	55	34	27	26
Germany	12	16	19	25	41	65	56	99	82	89	112	83	33	104
Netherlands	14	14	14	16	18	25	22	57	97	91	56	63	101	102
Italy	32	64	35	45	82	126	89	6	6	8	7	12	15	17
U. K.	43	68	51	49	56	75	77	105	113	87	91	87	121	92
Developing Countries	323	412	462	302	293	324	354	828	1007	968	825	955	1023	1358
Africa	45	48	113	71	59	48	61	2	4	5	3	2	4	11
Asia	125	180	146	117	132	147	176	368	700	642	536	682	754	963
China	18	10	12	25	26	22	34	58	109	83	74	82	97	134
Hong Kong	4	5	10	9	16	12	14	17	42	51	47	87	121	132
Indonesia	5	(.)	(.)	(.)	1	(.)	(.)	6	15	16	31	33	44	60
Korea	6	(.)	2	1	1	1	(.)	28	41	63	59	76	94	105
Malaysia	4	2	3	3	2	10	4	19	38	44	20	28	49	42
Singapore	15	35	28	20	38	28	65	162	260	210	184	163	158	216
Thailand	4	5	5	2	2	6	2	14	95	74	26	91	n.a	n.a
India	7	28	30	8	11	8	11	38	60	65	57	74	90	121
Nepal	3	14	5	10	5	5	10	(.)	(.)	(.)	(.)	(.)	(.)	1
Pakistan	51	63	41	36	28	33	23	17	18	18	26	37	62	26
Europe	24	37	42	22	21	39	37	36	46	35	35	37	n.a	n.a
Middle East	125	135	153	84	73	75	73	420	244	271	243	230	n.a	n.a
Western Hem.	2	11	7	8	7	15	7	2	13	14	7	3	n.a	n.a
USSR & Other non-member of IMF	63	43	54	59	65	73	96	94	84	85	149	93	n.a	n.a

Source : IMF, *Direction of Trade Statistics Yearbook 1990*, pp. 95-96.

Table 3 : Bangladesh : Percentage Distribution of Export and Imports

## Export :

Group/region	Year						
	1983	1984	1985	1986	1987	1988	1989
Industrial Countries	46.7	50.8	48.2	59.1	66.1	68.5	65.0
Developing Countries	44.6	44.3	46.3	34.0	27.2	25.2	27.2
- Africa	6.3	5.2	11.4	8.0	5.5	3.8	4.7
- Asia	17.3	19.3	14.6	13.2	12.3	11.4	13.6
- Europe	3.4	4.0	4.2	2.4	1.9	3.0	2.8
- Middle East	17.2	14.6	15.3	9.5	6.7	5.8	5.6
- W. Hemisphere	0.4	1.2	0.7	0.9	0.7	1.2	0.5
USSR and Others	8.7	4.6	5.4	6.7	6.0	5.7	7.4

## Import :

Industrial Countries	44.4	44.0	44.1	44.9	44.9	43.7	38.9
Developing Countries	36.2	37.4	38.3	32.3	35.0	33.7	37.6
- Africa	0.1	0.2	0.2	0.1	0.1	0.1	0.3
- Asia	16.1	26.0	25.4	21.0	25.0	24.9	26.7
- Europe	1.6	1.7	1.4	1.4	1.4	0.9	1.6
- Middle East	18.3	9.1	10.7	9.5	8.5	7.2	7.7
- W. Hemisphere	0.1	0.5	0.5	0.3	0.1	0.7	1.4
USSR and Others	4.1	3.1	3.4	5.8	3.4	5.2	3.9

Source : IMF, *Direction of Trade Statistics, Yearbook 1990*, p. 97.



**Table 4 : Foreign Aid to Bangladesh by Source and Category (commitment of aid from 16.12.1971 to 30.06.1990)**

Figures in Million \$

Country	Category of aid											
	Food aid			Commodity aid			Project aid			Total		
	Grant	Loan	Total	Grant	Loan	Total	Grant	Loan	Total	Grant	Loan	Total
Australia	181.0	49.2	230.2	15.2	-	15.2	49.3	-	49.3	245.5	49.2	294.7
Canada	771.9	10.0	781.9	351.9	-	351.9	508.3	6.0	514.3	1632.1	16.0	1648.1
										[99.02]		(6.2)
France	35.9	-	35.9	12.6	23.9	36.5	158.8	291.6	450.5	207.3	315.5	522.8
										[39.65]		(1.96)
Germany	93.4	2.4	95.8	274.4	196.6	471.0	479.5	68.8	548.3	847.3	267.8	1115.1
										[75.98]		(4.19)
Holland	9.1	-	9.1	441.7	23.7	465.5	314.0	47.5	361.6	764.8	71.2	836.2
Sweden	21.0	-	21.0	205.1	-	205.1	243.1	6.5	249.2	469.6	6.5	475.7
U. K.	53.7	-	53.7	349.1	62.3	411.4	601.4	-	601.4	1004.2	62.3	1066.5
										[94.15]		(4.01)
All Europe	240.3	2.5	243.4	1577.9	322.8	1900.6	2363.5	529.2	2893.4	4182.4	854.5	5036.5
										[83.04]		(18.94)
Japan	164.2	163.2	327.4	362.0	1174.0	1536.0	359.8	875.2	1235.1	886.0	2212.4	3098.5
										[28.59]		(11.65)
USA	932.2	484.2	1416.4	409.1	155.7	564.9	680.9	131.8	812.8	2022.2	771.7	2794.1
										[69.87]		(10.00)
OECD (a)	2290.9	709.1	2999.1	2716.0	1652.3	4368.3	3961.7	1542.1	5503.8	8968.6	3903.5	12871.2
										[69.67]		(48.42)
OPEC (b)	116.0	-	116.0	307.7	97.1	404.8	48.3	605.2	689.5	508.0	702.3	1210.3
										[41.97]		(4.55)

Contd. Table 4

Figures in Million \$

Country	Category of aid											
	Food aid			Commodity aid			Project aid			Total		
	Grant	Loan	Total	Grant	Loan	Total	Grant	Loan	Total	Grant	Loan	Total
Int. Org.	1271.9	-	1271.9	240.7	2231.3	2472.0	825.8	6236.1	7061.9	2338.4	8467.4	10805.8
										[21.64]		(40.65)
CPE (c)	8.8	53.5	62.3	33.4	28.6	62.5	19.0	759.0	778.0	61.7	841.1	902.8
										[6.83]		(3.39)
Others (d)	147.7	-	147.7	177.2	59.4	236.7	2.1	404.3	406.4	327.0	463.7	790.8
- India	113.3	-	113.3	69.7	59.5	129.2	2.1	138.3	140.4	185.1	197.8	382.9
										[48.34]		
- Pakistan	27.2	-	272.2	6.9	-	6.9	-	50.0	50.0	34.1	50.0	84.1
										[40.54]		
Total	3834.6	762.6	4597.6	3475.6	4068.9	7544.6	48.93.0	9546.8	14439.8	12203.3	14378.3	26581.6
										[45.9]		[(100)]

Notes : (a) Includes other than listed countries from Australia to USA, Belgium, Denmark, Finland, New Zealand, Norway and Switzerland.

(b) Mainly Iraq, Libya, Saudi Arabia and UAE.

(c) Bulgaria, China, former GDR, Poland and CIS, (d) India, Pakistan and Turkey.

Source : Economic Relations Division, *Flow of External Resources into Bangladesh*, 18 August 1991, Table 4, (components may not add to totals due to rounding)

Figures in first parentheses indicate percentage share of respective donor country/group in total aid flow.

Figures in second parentheses indicate share of grant aid in total aid of particular donor.



**Table 5 : Commitment of Aid to Bangladesh by Major Donors**

(US \$ million)

Country/Group	1989/90	1988/89	1983/84	1980/81
Australia	8.4	8.5	13.2	20.0
Belgium	17.4	0.6	-	-
Canada	47.4	45.6	195.7	39.9
Denmark	97.0	8.0	48.9	19.2
France	66.8	77.5	2.4	70.0
Finland	10.7	8.8	-	3.3
F.R.G.	99.1	132.9	67.4	68.3
Japan	313.6	463.2	210.3	231.1
Netherlands	76.4	63.7	52.4	84.0
Norway	37.3	12.1	23.7	22.4
Sweden	36.7	1.5	5.7	26.0
U. K.	55.8	51.7	63.3	6.0
USA	135.5	69.2	125.4	181.8
ADB	271.8	307.4	256.3	164.3
IDA	667.0	396.1	339.3	334.0
EEC	57.2	63.0	36.0	34.9
IFAD	7.8	0.0	11.4	22.7
UN System	52.4	31.0	101.6	65.0
Sub-total Aid Group	2058.2	1776.9	1579.4	1622.9
OPEC Sources	72.5	32.3	70.0	102.3
of which S. Arabia	13.3	20.3	55.0	-
Socialist and other sources	44.3	56.5	45.7	117.1
<b>Total</b>	<b>2175.0</b>	<b>1865.7</b>	<b>1695.1</b>	<b>1642.3</b>

Source : Economic Relations Division, *Flow of External Resources into Bangladesh*, 1991, 1990, 1985, 1982.

**Table 6 : Donor-wise Outstanding Foreign Debt of Bangladesh  
(As of 30 June 1990)**

(US \$ million)

Country/Group	Amount outstanding
Belgium	47.31
France	141.62
Japan	2625.08
Switzerland	6.08
USA	782.16
OECD total	3,602.26
OPEC countries	265.25
International Agencies	5,594.98
Planned Economies	253.20
Others	93.69
<b>Total</b>	<b>9,809.40</b>

Source : Economic Relations Divisions, *op. cit.*, 1991, Table 6.

**Table 7: Comparative Growth of Japanese and US aid to Bangladesh.**

Disbursement of Aid in US \$ millions

Period	United States	Japan
1971-72—1972-73	45.8	14.8
1973-74—1977-78	835.5	250.5
1978-79—1979-80	348.7	358.2
1980-81—1984-85	752.3	738.3
1985-86—1987-88	372.6	786.9

Source : External Resources Division, *op. cit.*, 1989, pp. 32-33.