

The Comparison of Economic Output between Democracy Period and Military Period in Bangladesh

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Abstract: Throughout Bangladesh 47 years history two forms of government, namely, democratic and military rule have been imposed on the country. Although the economic performance of the two types of government has been documented extensively in terms of qualitative research methodology, no comprehensive quantitative model utilizing inferential statistical techniques to assess their performance has been published in current literature so far. This study investigates economic performance of Bangladesh under the Democracy period and Military period from 1971 to 2018. The study is examined economic performance under military and democratic regimes using various variables such as Real Gross Domestic Product, GDP Growth Rate, Per Capita Income, Gross Domestic Savings and Gross National Savings, Remittances, Foreign Direct Investment, Human Development and population control. The results obtained from the quantitative analysis displays substantial statistical significance. Analysis of data from the World Bank and the Bangladesh Bureau of Statistics (BBS) suggests that development performance of Bangladesh during the democratic governments had been comparatively stronger than that during the militaristic authoritarian governments. Democracy is a precious commodity in a developing country like Bangladesh, and will be thought-about as a necessary precondition for its sustained development.

Key Words: Democracy, Military, Gross Domestic product, Foreign Direct Investment, Remittance, Bangladesh

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I. INTRODUCTION

Bangladesh has become independent state in December 1971 from Pakistan at the expense of 3 million lives in a bloody war of liberation. Since independence Bangladesh has been experiencing a steady increase in the growth rate of real GDP, accelerating from an average of less than 4% per year during 1972-1990 to 7.1% in 2015-18. This is a stimulating performance, even after allowing for the low initial base. The economy grew at a rate of 7.65 percent in FY2017-18, satisfactorily up from 7.28 percent growth in FY2016-17. The per capita national income reached US\$1,610 in FY2016-17, up by US\$145 a year earlier. There are historical evidences that development are often achieved either by a democratic government or authoritarian regime. Therefore one will argue that a democratic system isn't essential condition for development; authoritarian system can also initiate and promote development. Like many other developing countries, Bangladesh has witnessed both democratic and militaristic/authoritarian rules since its independence in 1971.

Bangladesh's journey towards democratisation started with great expectations once in 1972 it adopted the Constitution of the country with four guiding principles of nationalism, democracy, socialism, and secularism. Between 1972 and 1975, the country's first Prime Minister Sheikh Mujibur Rahman and also the ruling Awami League (AL) adopted a parliamentary type of government, but pursued a command economy. Domestically, Bangladesh relied on a strong public sector and promoted a policy of nationalization to reconstruct itself after the destruction of the war. The AL, that had been the main advocate of independence, became the dominant party. Major General Ziaur Rahman emerged as the new military dictator in Bangladesh after the assassination of Mujibur Rahman in 1975. The military government below General Ziaur Rahman (1975 – 1981) promoted Bangladesh's relations with the industrial nations of the West, with the People's Republic of China and with the oil-rich Gulf countries. General Ziaur Rahman founded his own political

platform in 1978 referred to as the Bangladesh Nationalist Party (BNP). An attempted transition to civilian rule unsuccessful, and in March 1982, General Ershad took power. With the creation of the Jatiya Party (JP) in January 1986, Ershad supported a vehicle for his own political ambitions. During his time, leaders in both civil and military arena were privileged that had created further crisis of democracy.

In 1991, Bangladesh experienced a transition to democracy after two decades of unstable authoritarian regimes including periods of military rule. The era of military governance ended in December 1990, when a well-liked revolt the elections of February 1991 brought the BNP back to power under the leadership of Khaleda Zia. The next general parliamentary election was held on 12 June 1996. This resulted in the victory of the opposition party Awami League, led by Sheikh Hasina, who became the next Prime Minister. Another general parliamentary election was held in October 2001, leading to a landslide victory for Begam Khaleda Zia, and she again became Prime Minister. A military backed caretaker government (2007 – 2008), which continued the open economy motto and, as claimed, approached tightening up corruptions but amount of investment began to decline in Bangladesh. The next parliamentary election was held in 2009. This election led to a landslide victory of the Awami League, and ruler Sheikh Hasina once more became the Prime Minister, that post she continues to be holding.

Curiosity to know about the economic growth of one's country is common to everyone. The economic history of Bangladesh since its birth has shown mixed results. The different types of governments which have ruled the nation have influenced its macroeconomic performance. The main objectives of this study is as following:

To show a comparative analysis of economic performance in Bangladesh under Democracy and Military regimes.

II. METHODOLOGY

The study uses time series data over a period of 47 years from 1972 to 2018. The data used in this study is mainly based on secondary sources of data which was collected from the World Bank, data bank of world development indicator, Bangladesh Bureau of Statistics (BBS), Survey report of the Bangladesh Bank (BB) United Nations Population Division, World Population Prospects: 2017 Revision, United Nations Educational, Scientific and Cultural Organization Institute for Statistics. Besides, various articles, journals, websites have been considered in relevant cases. Data has been analysed through descriptive methods. Tabular and graphical analyses were done with the collected data to achieve the objectives of the study. Microsoft Office and Microsoft Excel package have been used in tabular and graphical illustration of data. Analyses of the study have been done through the tabular form, charts and diagrams on the basis of available information.

III. FINDINGS AND DISCUSSION

The findings of the study is discussed as follows:

3.1 Political Regimes and Development of Bangladesh

3.1.1 Economic Growth

In the 40 years since independence, Bangladesh has increased its per capita income by more than 130 percent, cut poverty by more than half, and is currently set to achieve most of the Millennium Development Goals. Bangladesh witnessed decades of slow economic process till 1990. The rate of growth began to rise since early 1990s. During the first decade of the 21st century, the average economic growth rate approached 6 percent each year. In 1973, the First Five Year Plan was developed under the guidance of the Father of the Nation Bangabandhu Sheikh Mujibur Rahman. The Plan aimed to make and sustain a framework wherein people of the country may prosper in freedom, basic needs of common people could be met, and every one may treasure the ideals and values of a free society. The rate of expansion of GDP and different socio-economic indicators over the different plan periods is indicated in Table 1.

Table 1: Achievements in Various Five-Year Plan Periods

Plans	Average GDP Growth Rate		Per Capita GDP Growth	Per Capita GNI**	Life** Expectancy	Forex Reserve	Headcount Poverty Ratio***
	Plan (%)	Actual (%)	(%)	USD	Years	Million USD*	(%)
First Five-Year Plan (1973-1978)	5.5	4.0	1.3	111	53.07	-	82.1

Second Five-Year Plan (1980-1985)	5.4	3.8	1.5	145	55.10	395	69.9
Third Five-Year Plan (1985-1990)	5.4	3.8	1.6	204	56.10	520	56.6
Fourth Five-Year Plan (1990-1995)	5.0	4.2	2.4	253	58.70	3070	50.1
Fifth Five-Year Plan (1997-2002)	7.1	5.1	3.5	431	64.90	1583	48.9
Sixth Five-Year Plan (2011-2015)	7.3	6.3	4.9	1314	70.70	24141	24.8

Source: Bangladesh Bureau of Statistics (BBS) and Sixth Five Year Plan

*Balance of last day of corresponding terminal year

**For the terminal year of plan period

***Corresponding HES, HIES year's figure

Table 1 tells a remarkable story of a rapidly growing economy with lower poverty rates and higher life expectancy. Foreign exchange reserve and per capita GNI also grew over the time. The table clearly depicts that the most successful plan period was sixth plan period. The average GDP growth was fairly stable at around 4 percent per year during the first 4 five year plans over the periods 1973-1995. There was a substantial break from this slow-growing historical past as GDP growth took off during the fifth plan (1997-2002), reaching 5 percent and then accelerated during the sixth plan in the 6 plus percent range. Nevertheless, the ratio of actual GDP growth to the average planned GDP growth achieved in the Sixth Plan was the highest among all Plans.

3.1.2 Average Growth Rate of GDP

If we consider the average annual growth rate of GDP performance of Bangladesh since the 1970s, we are going to notice a clearer image of each the democratic and therefore the military governments (Table-2). From Table 2, we see throughout 1971-1975 the country's average annual growth rate of GDP was negative (-2.12%). In 1974, the GDP growth rate was the highest (9.59%) during Mujib regime whenever the socialist nations and India had contributed considerably. During 1971-1975, the average annual rate of GDP per capita growth is -3.90%. This was the resultant impact of a war ravaged economy that policy makers inherited in 1972. The political modification on 15 August 1975 ended Sheikh Mujib's one party political system introduced on 25 March 1975. Once a series of coups and counter-coups, General Ziaur Rahman introduced a de-facto military government in November 1975. We see that throughout 1976-1980 the country's average annual growth rate of GDP was 4.20%. Throughout this period, the average annual rate of GDP per capita growth was 1.46%. This has been possible due to the increase in GDP over the period. Throughout this time, the socialist mode of development was replaced by a market-oriented, private sector development strategy.

Ershad takes over power on March 1982; thus in terms of year we tend to embody the GDP and per capita GDP of 1981-82 with Ershad regime. In 1981-1990 the country's average annual rate of growth of GDP as 4.01%. However if we tend to exclude 1981, General Ershad in his over 9 years of military rule achieved annual average GDP growth of 3.66%. The growth of per capita GDP had been slow within the 1980s, at annual average of 1.3% a year, however it accelerated to a 2.45% within the 1990s (Table 2). The acceleration resulted partially from a holdup in increment however additionally from a sustained increase in GDP growth, which averaged 4.01% annually throughout the 1980s, 4.68% throughout the 1990s.

The country was dominated or else by the democratically elective governments under Khaleda Zia and Hasina over following one and a half decades. GDP growth rate accelerated to 4.53% within the half of the 1990s (during Khaleda regime) and to 4.83% within the half of that decade (during Hasina regime). Similarly, within the half of the 1990s the annual average rate of gross domestic product per capita growth additionally enlarged to 2.22% and then further to 2.69% within the half of the 1990s. In 2001-2005, the typical annual GDP growth rate was 5.08%, (during Khaleda regime II), however subsequently, it accelerated to 5.92% in 2009-2013 (during Hasina regime II). Throughout this era, the annual average rate of gross domestic product per capita growth additionally enlarged to 3.28% and some to 4.71%. Since 2005 has the economy moved to a

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better growth path of regarding 6.5 % once a year. Since then the expansion rate has remained comparatively steady at that level, though there was expectation that it might accelerate to the range of 7-8 % per year.

The Bangladesh economy has been able to maintain sustained economic process. The economy grew at a rate of 7.28 % in FY2016-17, satisfactorily up from 7.11 % growth in FY2015-16. The per capita national income extended US\$1,610 in FY2016-17, up by US\$145 a year earlier. The average annual gross domestic product (GDP) growth rate was 6.93 percent throughout 2013/2014 to 2017/2018 fiscal year.

Table-2: Growth of Bangladesh Economy in Different Regimes: 1971-2018

(Annual average growth rate)

Sector	Democracy Period	Military Period			Democracy Period				
	Mujib Regime Five-yearly average	Zia Regime Five-yearly average	Ershad Regime Five-yearly average		Khale da Regime	Hasina Regime	Khale da Regime II	Hasina Regime II	Hasina Regime III
					Five-yearly average		Five-yearly average		
	1970/71-1974/75	1975/76 - 1979/80	1980/81-1984/85	1985/86-1989/90	1990/91 - 1994/95	1995/96 - 1999/2000	2000/01 - 2004/05	2008/09 - 2012/13	2013/2014-2017/2018
GDP growth (annual %)	-2.12	4.20	4.27	3.76	4.53	4.83	5.08	5.92	6.93
GDP per capita growth (annual %)	-3.90	1.46	1.51	1.09	2.22	2.69	3.28	4.71	5.66

Source: World Development Indicators 2017, World Bank

Bangladesh is currently progressing towards attending a growth rate of higher than 7% per year which can graduate. Similarly the average annual gross domestic product (GDP) per capita growth rate was 5.66 percent during 2013/2014 to 2017/2018 fiscal year. The highest growth rate earned at the end of the period benefited from robust garment exports, massive remittance inflows and spectacular macro stability. Bangladesh economy has been experiencing steady acceleration in economic process over the last many decades (Figure 1).

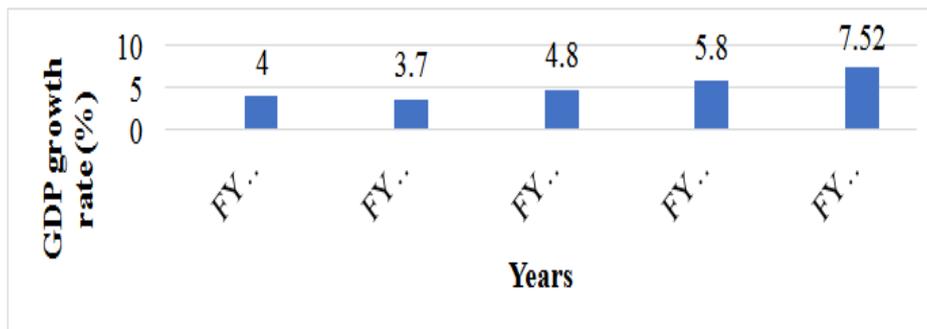


Figure-1: Average Real GDP Growth Rate; Source: Bangladesh Bureau of Statistics (BBS)

Beginning at a slow pace within the 1970s growth picked up speed within the 1990s and beyond. Thus, the average rate of GDP grew from less than 4% per year during 1970-90 to 4.8% in 1990-2000; to 5.8% in 2001-2010 and so surged to 7.52% in 2011-15 (the initial 3 years of the Sixth Five Year Plan). This is often noteworthy accomplishment.

The performance is simply nearly as good in per capita terms (Figure 2).

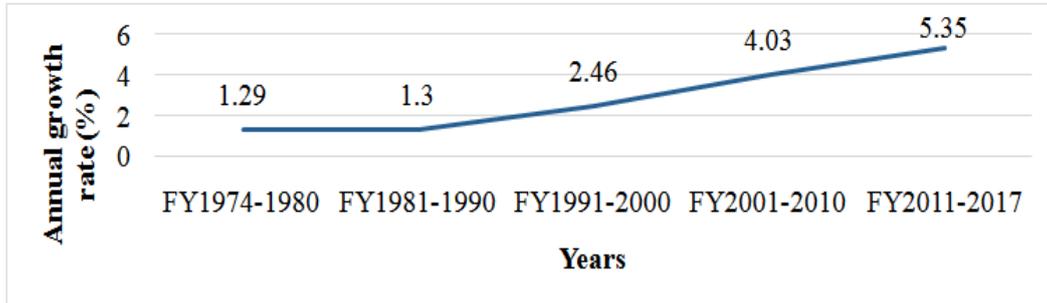


Figure 2: Growth rate of per capita GDP; Source: Bangladesh Bureau of Statistics (BBS)

The average rate of GDP per capita grew from 2% per year during 1970-90 to 2.46% in 1990-2000; to 4.03% in 2001-2010 and so surged to 5.35% in 2011. This is often a remarkable performance of an economy that was once considered as a basket case. If we compare the average growth between the militaristic rule of the 1975-90 and democratic rule of the 1991-2018, we can easily notice that the democratic rule was more conducive to economic growth than the militaristic rule in Bangladesh.

3.1.3 Sectoral Growth of Bangladesh Economy

Agriculture sector plays a very important role in overall economic development of Bangladesh. It is the source of big range of consumer demanded agricultural goods markets, particularly in rural areas. From the Table 3, we see throughout 1971-1975 the country’s average annual growth of agriculture was negative (-2.61%). The destruction of physical infrastructure, loss and dislocation of employees in addition as different productive resources throughout the independence war has severely damaged the production capability of the nation’s economy. Famine in 1974 tested ineffective political administration through the incapability of handling the rising socio economic crisis. Zia regime had implemented a large program for improvement in agriculture sector, which had contributed to the GDP growth rate. In the 1976-1980 the country’s average annual growth of agriculture is 2.41%. Zia focused on the requirement to boost Bangladeshi production, particularly in food and grains, and to integrate rural development through a range of programs.

We see that the agriculture sector contributed 2.31% to the expansion acceleration within the half of the 1980s. It will increase to 2.40% within the half of the last decade. In the first half of the 1990s, the average annual rate of growth of agriculture decreased to 1.44 % but within the half of the second decade it enlarged to 4.53 percent. The growth rate of the nation’s economy is high however the encouraging half lies in its sustained acceleration. The introduction of recent method in agricultural strategies and Higher Yielding Variety (HYV) technology, government subsidiaries on seeds and fertilizers, accessibility of low interest bank credits, and training provided by Department of Agriculture to the farmers have contributed vastly to the expansion of the sector. In 2001-2005, the average annual growth of agriculture decreases to 3.19%, (during Khaleda regime), and then it increases to 3.91% in 2009-2013 (during Hasina regime). In order to large productivity, subsidy in agricultural inputs was increased, as increased coverage and accrued availability of agricultural credit was ensured. The country’s average annual growth of agriculture is 3.30 percent during 2013/2014 to 2017/2018 fiscal year.

Table-3: Sectoral Growth of Bangladesh Economy in Different Regimes: 1971-2018

(Annual average growth rate)

Sector	Democracy Period	Military Period		Democracy Period				
	Mujib Regime Five-yearly average	Zia Regime Five-yearly average	Ershad Regime Five-yearly average	Khaleda Regime Five-yearly	Hasina Regime	Khaleda Regime II	Hasina Regime II	Hasina Regime III
				Five-yearly		Five-yearly average		

	average								
	1970/71-1974/75	1975/76-1979/1980	1980/81-1984/85	1985/86-1989/90	1990/91-1994/95	1995/96-1999/2000	2000/01-2004/05	2008/09-2012/13	2013/14-2017/18
Agriculture, value added (annual % growth)	-2.61	2.41	2.31	2.40	1.44	4.53	3.19	3.91	3.30
Industry, value added (% of GDP)	10.16	16.36	20.98	20.45	23.38	23.29	24.04	26.66	28.56

Source: World Development Indicators 2017, World Bank

The contribution of Industry Sector to GDP is gradually increasing in Bangladesh. From Table 3, we also see that the contribution of the industrial sector to GDP during 1971-75 is 10.16 percent. The industrial sector experienced moderately accelerated growth to 16.36 percent in 1976-1980. Zia was privatizing the industrial sector etc, the domestic investors were inspired by Zia move but they were cautious to return back to invest within the production sectors. The industry sector contributed 20.98 percent to the growth acceleration in the first half of the 1980s. But it decreases to 20.45 percent in the second half of the decade. In first half of the 1990s (under Khaleda regime), the industrial sector experienced moderately accelerated growth (23.38%) compared to the previous decade. Within the second half of the 1990s (under Hasina’s regime) the growth rate slightly decreased. During the period 1975-90, privatization and liberalization encourage putting in of economic organizations outside the dominant coalition. During this period, Growth led by new sectors like garments and textiles benefiting from global rent allocation.

In the 2000s, the average annual growth of industry in GDP is 24.04%, (during Khaleda regime), and then it increases to 26.66% in 2009-2013 (during Hasina regime). The country’s average annual growth of industry is 28.56 percent during 2013/2014 to 2017/2018 fiscal year.

According to BBS, the contribution of the broad industry sector to GDP has been estimated at 32.42 percent in FY2016-17 which was 31.54 percent in FY2015-16. Among the fifteen sectors known for computing national income the broad industry sector includes four sectors like mining and quarrying; manufacturing; electricity gas and water supply and construction. Among these sectors the contribution of the manufacturing sector is that the highest. The EPZs are playing special role within the process of promoting rapid industrialisation and attracting foreign direct investment. If we consider the average we can say that the industrial sector contributed much better to the growth acceleration in the democratic regimes, as compared to that during the militaristic regime in Bangladesh.

3.1.4 Gross Domestic Savings and Gross National Savings

In order to achieve growth in a country’s GDP, it is a vital obligation that the country has increased its level of investment, at the same time it is an important prerequisite that a pick-up in national savings has been taken place to a better level, soadequate investable resources in the development endeavour is accessible. For the case of Bangladesh, the nation has gradually increased its level of savings in monetary value and also savings rate as percentage of GDP.

Table-4: The Growth Performance of Bangladesh Economy in terms of Selected Indicators in Different Regimes: 1971-2018

(Annual average growth rate)

Sector	Democracy Period	Military Period				Democracy Period				
	Mujib Regime Five-yearly average	Zia Regime Five-yearly average	Ershad Regime		Khale da Regime	Hasina Regime	Khale da Regime II	Hasina Regime II	Hasina Regime III	
			Five-yearly average							Five-yearly average
	1970/71-1974/75	1975/76-1979/1980	1980/81-1984/85	1985/86-1989/90	1990/91-1994/95	1995/96-1999/2000	2000/01-2004/05	2008/09-2012/13	2013/2014-2017/2018	
Gross Domestic Savings(% of GDP)	1.09	1.67	7.47	9.07	12.58	17.07	19.91	20.39	24.36	
Gross National Savings(% of GDP)	6.0	7.01	17.71	17.71	19.57	22.57	25.35	29.52	29.53	

Source: World Development Indicators 2017, World Bank.

From table 4 we see that in the 1970s, the average rate of gross domestic savings was 1.38%. In 1981-1990 the country's the average rate of gross domestic savings was 8.27%. During this time, the average rate of gross national savings was 17.71%. This was made possible by counting on an increasing flow of foreign aid, adopting a privatization supported lavish dispensation of low-cost credit, and provision of different incentives like highly protected markets for domestic industries. Since the early 1990s a lot of the investment has been supported by national saving. Under democratic rule in the first half of the 1990s (during Khaleda regime), the average rate of gross domestic savings accelerated to 12.58%, and then further to 17.07% within the second half of the decade (during Hasina regime). Similarly, in the first half of the 1990s the average rate of gross national savings also increased to 19.57% and then further to 22.57% in the second half of the 1990s.

In 2001-2005, the average rate of gross domestic savings accelerated to 19.91%, (during Khaleda regime), and then further to 20.39% in 2009-2013 (during Hasina regime). Similarly, in the first half of the 2000s the average rate of gross national savings also increased to 25.35% and then further to 29.52% in the second half of the 2000s. The positive role of a stable macroeconomic environment, which has been a trademark of long-term macroeconomic management in Bangladesh. By and huge, financial policies have maintained low fiscal deficits and kept public debt domestic and external under control. The rate of Exchange management has been sound, avoiding long periods of appreciation of the importantrate of exchange. All of these have helped preserve the boldness of private investors.

The average annual rate of gross domestic savings during 2014-2018 is 24.36%. During this period the average rate of gross national savings is 29.53%. The expansion of national savings has benefited enormously from the rapid inflow of remittances, which currently account for over 8% of GDP. Indeed, the growth of national saving in recent years has exceeded the investment rate thereby contributing to current account surplus. If we can consider the average, we can see that in Bangladesh the gross domestic savings in terms of the percentage of GDP, was higher under democratic rule than under militaristic rule.

3.1.6 Remittance in Bangladesh

In the past 30 years (1979 – 2008), remittances have emerged as a key driver of economic growth and poverty reduction in Bangladesh. Bangladesh is considered as one of the major labor exporting country of the globe. The accumulative receipts of remittances from Bangladeshi migrants throughout 1976-2003 stood at around US\$22.0 billion. Bangladesh accounted for 12% of all remittances coming into South Asia and 2% of the overall global remittances (Gupta 2004). We see throughout 1976-1980, the country's remittance as a percentage of GDP was 0.97. During the decade of 1980s, remittance inflow was 2.76 percent of GDP. Workers' remittance accounted for about 2.84% of GDP in 1981-82. Within the 1980s Bangladesh economy experienced shift from import trade policies towards export oriented policies. During this periods RMG and knit-ware exports began to dominate the export sector and earned a great deal foreign currencies.

Under democratic rule in the first half of the 1990s (during Khaleda regime), the average rate of remittances inflow accelerated to 2.99% of GDP and then further to 3.29% within the second half of the decade (during Hasina regime). Since 1996 the expansion of remittance slowed down because of volatile international political and economic situations. Between 1995-96 and 1998-99, the compound rate of expansion of remittance was 3.4 per cent only. As a result, the share of remittance in GDP was 3.5 per cent in 1998-99. In the 1990s economic reforms gained momentum and sequent governments opted for export led policies. A major boost in export was accommodated by the rising of RMG sector. In 1990 RMG and knit-ware merchandise exports created up over 65% of the total exports that was 84.95% in the year 1999. Throughout this decade Bangladesh enjoyed a reduced tariff rates by some developing country to export its commodities. Volume of FDI enlarged during this period and remittance became a prominent sector within the economy. Therefore 1990 was a decade of transition from aid dependence to trade orientation.

Table-5:The Growth Performance of Remittance in Bangladesh Economy of Different Regimes: 1976-2017 (Annual average growth rate)

Sector	Military Period			Democracy Period				
	Zia Regime Five-yearly average	Ershad Regime Five-yearly average		Khaleda Regime	Hasina Regime	Khaleda Regime II	Hasina Regime II	Hasina Regime III
				Five-yearly average		Five-yearly average		
	1975/76-1979/1980	1980/81-1984/85	1985/86-1989/90	1990/91-1994/95	1995/96-1999/2000	2000/01-2004/05	2008/09-2012/13	2013/2014-2016/2017
Remittances (% of GDP)	0.97	2.65	2.88	2.99	3.29	5.32	9.78	5.97

Source: World Development Indicators 2017, World Bank

In the 2001-2005, the average rate of remittances inflow accelerated to 5.32% of GDP (during Khaleda regime) and then further remittances inflow accelerate to 9.78% in 2009-2013 (during Hasina regime). In FY 2005-06, the remittance inflow was 45.62% of total exports and 6.69% of GDP whereas remittance inflows as percent of GDP and export earnings were 9.25 and 53.51 percent respectively in FY 2012-13. However, remittance as percent of GDP were highest in FY 2011-12 as 10.59 percent. Import of products was primarily influenced by import of petroleum products because of rise in manufacturing industry. In 2007-2008, about 0.98 million people migrated from Bangladesh that is the highest within the migration history of Bangladesh. It is forecast from the present scenario that labor migration in FY 2014-2015 could increase to 0.55 million. We see throughout 2014-2017, the country's remittance as a percentage of total GDP was 5.97%. The contribution of migration are often seen through remittances, that created up 7.24% of the country's' GDP in 2016-2017, amounting to about US\$ 12.79 billion. It is very evident from the information of remittances as percentage of GDP that remittance sector has had profound impact on the economy of Bangladesh. As it is observed from the Figure 4 that remittance inflow has been growing as percentage of the total GDP over the years. Initially GDP

growth largely was influenced by the foreign aid. It is very understandable that after independence aid had the main impact in restructuring the economy. Gradually it is shifted to remittance and exports.

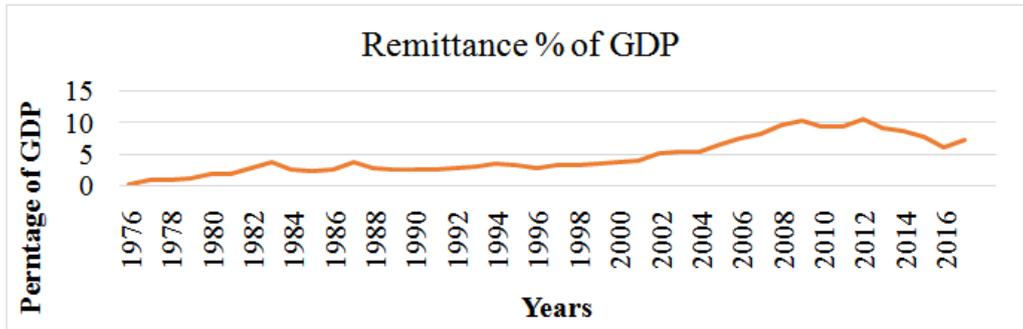


Figure 6: Remittances as percentage of GDP; Source: World Development Indicators 2017, World Bank

Figure 4 shows that the remittance is growing and therefore the remittance of 2012 was almost 13000 million US dollar. This is the highest level of the remittance in our country. This high level of remittance has a great impact on the GDP of the country. The highest share of remittances as percentage GDP is 10.59% in 2012. If we consider the average we can see that remittance as percentage of the total GDP under the democratic regimes was significantly higher than during the militaristic regimes.

3.1.7 The trend of FDI inflow in Bangladesh

Bangladesh realized the necessity and importance of foreign investment after its independence and started trying to attract FDI for the purposes of capital formation as a developing nation. It is a significant weapon to stimulate economy and develop the country’s socio-economic objectives. In 1972, annual FDI inflow was 0.09 million USD and in 1996, it became 231.61 million USD which rose significantly in 2009 to 960.59 million USD which declined to 779.04 million USD in 2011 (source: Bangladesh Board of Investment). The FDI inflow in Bangladesh has been increased in 1980s than earlier periods. And this is significantly increasing after 1990s for adopting the new industrial policy by the government of Bangladesh. The present amount of FDI inflow is \$ 2454.81 million in 2017 which is increased from \$366.85 million in 1997 (Survey Report of BB, 2015). During 1980s, FDI to Bangladesh was very little and mostly focused in banking and a few other sectors. Bangladesh started attracting FDI since 1996 in energy and power sector because of favorable and supportive policies for foreign investment, economic reform as well as unexplored gas and oil resources. Bangladesh becomes FDI recipient country despite of having a number of obstacles, such as poor infrastructure, scarcity of power supply, political instability, problems of bureaucrats, poor law and order situation etc. As, cheapest labor cost, tax holiday facilities etc. have been able to attract the foreign investors to make the country a center of investment. The trend of total inflow is shown by the following figure.

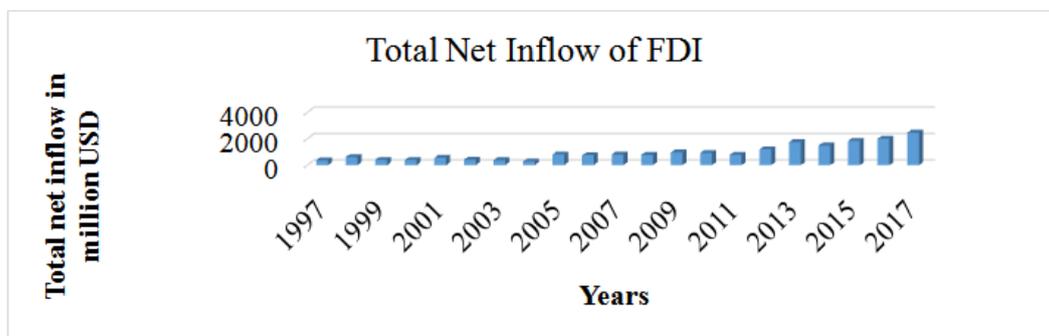


Figure 7: FDI Inflows in million USD in Bangladesh during 1997-2017; Source: Survey Report, (1971-2017), Board of Investment.

Figure 7 illustrates the trend of FDI inflows in Bangladesh during 1997-2017. During the period of 1999 FDI was decreased to \$394.10 million from \$603.30 million in 1998. There were many reasons for falling the FDI inflow such as political unrest during that period. And after five years, it was significantly increased to \$803.78 million in 2005 for emerging new energy and power sectors which was able to attract foreign investors. But it was declined to \$744.61 million in next year, 2006. As the implementation of new industrial projects, FDI rose to \$960.59 million in 2009. At the same time the government of Bangladesh provided import and export

facilities for foreign investors. In 2011, FDI inflow was reduced to \$779.04 million because of discouraging foreign investment and foreign investors lose their confidence to invest. There were also other factors that were liable for declining the inflows. It was also recovered in the following year when telecommunications, textiles, and pharmaceuticals sector were expanded which tremendously increased FDI inflow to \$1730.63 million in 2013. Due to inadequate infrastructure, slow process of privatization, political instability, corruption and inefficient bureaucracy, FDI inflow was falling down to \$1480.34 million in 2014. After that, the total inflow of FDI is increasing continuously over the years. The FDI inflow was \$ 1833.87 million in 2015 and rose to \$2003.53 million in 2016. The highest FDI inflow was \$2454.81 million in the last year, 2017. From the above discussion, we can say that the FDI inflow in Bangladesh under the democratic regimes was significantly higher than during the militaristic regimes.

3.1.8 Human Development and Population Control

Bangladesh has achieved impressive success in the broad area of human development achievements. This is often reflected in both aggregate and individual measures. Table 6 shows Bangladesh’s progress in each of the HDI indicators. Bangladesh’s HDI value for 2015 is 0.579 that place the country in the medium human development category—positioning it at 139 out of 188 countries and territories. Between 1990 and 2015, Bangladesh’s HDI value has increased from 0.386 to 0.579, an increase of 50%. Between 1990 and 2015, Bangladesh’s life expectancy at birth raised by 13.6 years, mean years of schooling increased by 2.4 years and expected years of schooling increased by 4.5 years. Bangladesh’s GNI per capita also increased by about 159.8 percent between 1990 and 2015.

Table 6: Trends in Human Development Index of Bangladesh in Different Regimes: 1980-2015

Years	Life expectancy at birth	Expected years of schooling	Mean years of schooling	GNI per capita (2011 PPP\$)	HDI Value	HDI Rank
1980	53.4				0.234	
1990	58.4	5.7	2.8	1,286	0.386	122
1995	61.9	6.6	3.3	1,435	0.423	120
2000	65.3	7.5	4.1	1,679	0.468	126
2005	68.0	8.4	4.5	2,036	0.506	133
2010	70.1	9.4	4.9	2,652	0.545	143
2011	70.5	9.9	5.1	2,784	0.557	141
2012	70.8	10.0	5.2	2,943	0.565	143
2013	71.2	10.0	5.2	3,071	0.570	142
2014	71.6	10.2	5.2	3,179	0.575	142
2015	72.0	10.2	5.2	3,341	0.579	139

Source: United Nations Population Division. World Population Prospects: 2017 Revision, United Nations Educational, Scientific and Cultural Organization Institute for Statistics and World Bank.

Human resource development is vital for the acceleration of economic growth and development.

Table 7: Population Growth rate of Bangladesh in Different Regimes: 1971-2018

(Annual average growth rate)

Sector	Democr acy Period	Military Period				Democracy Period				
	Mujib Regime Five- yearly average	Zia Regime Five- yearly average	Ershad Regime		Khale da Regi me	Hasina Regime	Khale da Regi me II	Hasina Regime II	Hasina Regime III	
			Five-yearly average							Five-yearly average
	1970/71- 1974/75	1975/76 - 1979/19 80	1980/ 81- 1984/ 85	1985/8 6- 1989/9 0	1990/91- 1994/95	1995/9 6- 1999/2 000	2000/01- 2004/05	2008/ 09- 2012/ 13	2013/20 14- 2017/20 18	

Population Growth rate (annual %)	1.83%	2.66	2.69	2.60	2.22	2.05	1.72	1.14	1.09	

Source: World Development Indicators 2017, World Bank

Table-7 shows that during the democratic regimes in Bangladesh, progress within the population control. Bangladesh is a small and densely populated country. We see throughout 1971-1975 the country's average annual population growth rate was 1.83%. Then there was sharp increase in the country's average annual population growth rate over the period of 1976-1985. Since the second half of the 1970s the governments of Bangladesh have been emphasizing on measures to retard the rate of population growth, and we see that within the 1990s the rate of population growth has decreased significantly. In recent years, there has been vital improvement in female education, and thanks to the readymade garment industry, to women employment. Additional growth of female education and female employment are considered the two most important strategies for reducing the population growth rate.

IV. CONCLUSION

The main goal of this paper is an attempt to investigate economic performance of Bangladesh under the Military Regimes and Democracy Regimes from 1971 to 2018. For this purposes the study focus on various variables such as Real Gross Domestic Product, GDP Growth Rate, Per Capita Income, Gross Domestic Savings and Gross National Savings, Remittances and Foreign Direct Investment, Human Development and Population Control. Bangladesh is a poor and densely populated country. The country achieved its independence through a mass political movement leading to a liberation war against a militaristic authoritarian regime in Pakistan. The objective of the Liberation war and movement was not only to achieve independence but also to develop a country which is democratic, secular and free from poverty and exploitation. In the decade of 1980s, the country was ruled by militaristic authoritarian dictators, but in the 1990s the country recovered its cherished democratic system. Our findings show that economic and social achievements during the successive decades under contrasting authoritarian and democratic rules were not the same. In terms of economic growth, savings, poverty reduction and human development, the achievements under the two democratic regimes were comparatively better than during the militaristic regime. Therefore, the main conclusion of this study is that any democratic regime is more likely to facilitate economic growth and development in Bangladesh than any militaristic or other form of authoritarian regime.

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