**The Economic Contributions of the USA to Bangladesh: An Evaluation of Bilateral Relations Over 50 Years**

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**ABSTRACT**

**Purpose:** This research aims to evaluate the dynamics of the bilateral relations between the USA and Bangladesh over the past 50 years, specifically focusing on the USA's economic, humanitarian, and geopolitical contributions to Bangladesh.

**Methodology:** This study primarily utilizes secondary data and descriptive analysis, supplemented by qualitative research, to provide a comprehensive overview of the bilateral relationship.

**Findings:** The research reveals that the USA has played a pivotal role in Bangladesh's economic development through various channels, including foreign aid, grants, foreign direct investment (FDI), and a favorable trade balance where the USA imports more from Bangladesh than it exports. In addition to economic support, the USA has been a critical partner during natural disasters and political crises, exemplified by its substantial aid during the Rohingya refugee crisis in Cox's Bazar since August 2017. The USA has provided $6 billion in aid to Bangladesh since its independence, including $300 million during the COVID-19 pandemic 2021.

**Practical Implications:** Strengthening diplomatic and commercial ties with global economic superpowers like the USA is essential for sustaining Bangladesh's economic growth. This study provides valuable insights into the significance of the USA's contributions and the necessity of fostering stronger bilateral relations.

**Value:** Few studies have thoroughly examined the USA's role in Bangladesh's economic development and bilateral relations, making this research a significant contribution.

**Research Limitations:** The study primarily relies on qualitative data. Future research could incorporate quantitative methods for a more detailed analysis.

**Keywords:** Bangladesh; USA; bilateral relations; FDI; economic contribution; humanitarian aid; geopolitical support.

1. **Introduction**

The United States and Bangladesh are good friends and development partners for mutual economic and geopolitical gain. The two countries have a historical, financial, and political relationship (Haque & Islam, 2014). The United States of America officially recognized the newly independent nation on April 4, 1972. Since the United States first acknowledged Bangladesh's independence in 1971, peaceful relations have existed between the two nations. In the meantime, the USA pledged 300 million USD to Bangladesh. Since then, USA relations with Bangladesh have never deteriorated. Regarding economic, climatic, humanitarian, and security concerns, the United States views Bangladesh as a vital regional partner. The goal of the United States is to develop a robust, multi-faceted relationship with China that is founded on the foundation of mutual adherence to the rule of justice, democratization, and human rights; inclusive and sustainable economic growth and development; people-to-people ties; greater capacity to confront the climate crisis and pandemic crisis; and a more important contribution to the overall security of the area. (Gazi, 2021; Harding, 2000; State, 2022). Throughout the previous half-century, the United States government has committed more than eight billion dollars to the cause of bettering the lives of Bangladeshis. It is presently the nation that receives the most help from the United States across Asia (State, 2022). The assistance provided by the United States helps to promote sustainable agriculture and increased food security, the modernization of small-scale farming, the strengthening of the trade and business environment, the adaptation to climate change, the conservation of biodiversity, the improvement of public health and education, the preparation for and response to natural disasters, and the promotion of democratic institutions and practices, including the labor sector and the freedom of workers to assemble (Wright & Winters, 2010). The USA also supported Bangladesh financially and morally for being supportive of the Rohingya issues.

The development of prosperous economic policies between nations is facilitated by positive international ties (Lavenex & Kunz, 2008). People have more opportunities to improve their lives due to international relations, which stimulates travel for business purposes, tourism, and immigration (Agustín, 2005). Throughout the previous half-century, Bangladesh's economy has transformed from an agricultural society into an economically reliant state in the international community (Rasul & Thapa, 2004). Bangladesh's GDP has grown above 6% annually for 20 years. Bangladeshi items will be imported into the US for $8.3 billion in 2021. The US will be Bangladesh's top FDI contributor in 2021. US firms will have invested $4.3 billion in Bangladesh's economy by 2021, or 20% of its total FDI (FDI). Most of these investments are in natural gas extraction, banking, and power. American firms contribute to transportation and infrastructure by making planes, railroads, power turbines, and dredging equipment. Bangladesh-US Business Council was created in 2021, demonstrating growing commercial ties. Therefore, it is essential to research the extent to which the United States of America contributes to the economy of Bangladesh and the significance of this contribution to Bangladesh.

So, the research aims to discover the economic relationships between the USA and Bangladesh. Working on the topic is critical since it is required to identify which nations to establish economic ties with owing to geopolitics. This will aid policymakers in developing future economic and trade policies for their respective countries. Hence, we have selected the USA and Bangladesh and their economic trade-offs. The reason behind selecting these countries is that both countries are politically connected, and since Bangladesh's independence, the USA has given Bangladesh many facilities to rebuild. Also, in times of natural disasters and politically unstable situations, even during pandemics, the USA is seen to be helpful to Bangladesh.

Here, some questions arise, such as how much are they connected economically by FDI? What is the USA’s contribution to Bangladesh through Foreign Assistance? Does the import-export trade-off benefit Bangladesh? Thus, the objectives of the paper are to identify,

1. FDI, remittance inflow, foreign aid, and import-export contributions in Bangladesh by the USA.
2. The historical background between these allies.

As a contribution to this paper, we can say it will help our policymakers develop a relationship with the USA. We will help them understand the actual scenario between the two countries. Previous studies have mentioned the USA's FDI contribution to Bangladesh, and some studies pointed to foreign support from countries like China. However, no research has been done on the economic contribution of the USA to Bangladesh. Also, no papers have evaluated the FDI, foreign aid, remittance, and import-export situation, together with recent data from the USA and Bangladesh.

Apart from this introduction, the remaining part of the paper consists of five more sections. They are, respectively, a literature review section to review related literature on the topic, Methodology, and data, which contains data and results, section 4, and the Finding section with some concluding remarks. The fifth and sixth contain some discussion and conclusions, including recommendations for the future.

**2. Literature Review**

Although there is an ongoing debate about the shifting of global economic power from the United States of America to China, the contribution of the USA to developing countries is still significant (Casetti, 2003). Bangladesh depends on many developed countries for FDI, remittance, and other aid forms (Chowdhury, 2011; Hasan, 2011; Istiak, 2012). The United States of America (USA) has always been a supportive nation of Bangladesh, and the two nations' diplomatic relationships date back to when Bangladesh was first established (Mostafiz, 2017). Research from many earlier studies has focused on a specific topic relating to Bangladesh and the United States. Some studies have been conducted on FDI between the USA and Bangladesh. Much research has found the USA to be an important ally from an economic perspective and in FDI. According to (Mostafiz, 2017), the United States is Bangladesh's primary foreign direct investment (FDI) source. Bangladesh is also a prospective destination for US corporations due to its vast market size, high market growth rate, consumption capacity, and moderate economic freedom. However, it can explain the economic relationship only based on FDI; other trade-off factors, such as Foreign Aid and remittance inflows, must be measured. Many more economic factors should be analyzed to understand the actual scenario between the two.

Another researcher (Faini, 2005) discovered that remittances favorably impacted economic growth. Every year, the share of remittances in Bangladesh's GDP and export profits has grown, making them significant to the country's economic development (Liton et al., 2016). It is impossible to disregard the potential effects that remittances will have on the overall growth of the Bangladeshi economy because they have become a significant foreign source of finance in recent years. In Bangladesh’s economy, remittances are crucial in surviving this world’s dynamic economic growth (Barai, 2012). Very few researchers have worked on the significance of the USA in terms of remittance inflows to Bangladesh. The USA is one of Bangladesh's major sources of remittance. Liton et al. (2016) opine that, as of 2011, the United States of America has contributed 14.01 percent of the total remittance. Additional research on the United States and Bangladesh concerning remittance inflow may provide policymakers with additional suggestions and recommendations for maintaining the consistency of remittance inflow.

Earning USD by trade directly from the USA can strengthen Bangladesh's cash reserve. However, no study has been conducted on this issue. Overall, the economic contribution of an Economically dominant country such as the USA should be a concern for a country. As countries like Bangladesh are doing their best to strengthen their cash reserve by USD, it is necessary to evaluate the proper inside significance of the USA in Bangladesh's economy. Moreover, it is necessary to identify the import-export trade-off between the USA and Bangladesh as Bangladesh’s reserve needs more USD. This study assesses which financial tools should be employed to boost the relationship between Bangladesh and the USA.

**3. Findings**

* 1. **Historical analysis of the economic relationship between the USA-Bangladesh**

The United States has been one of Bangladesh's most significant development allies since its independence. The United States formally recognized the newly independent nation on April 4, 1972, and pledged $300 million in aid. The United States gave strategic support to West Pakistan to postpone the liberation of Bangladesh, while the Soviet Axis supported East Pakistan (modern-day Bangladesh). The freedom and fears of Soviet influence led to a policy shift, and in 1972, the United States recognized the newly independent country (Nair, 2008). Because Bangladesh is a democratic nation, the United States has continued to provide financial assistance to Bangladesh in the years following the end of the Cold War. In addition, the United States has absolved Bangladesh of its 260 million dollar debt (Sharma, 2001). In 1991, Bangladesh was given a large amount of assistance for cyclone relief as part of an operation called "Operation Sea Angel" (Reliefweb, 2007).

Exports to the United States are Bangladesh's major market. In 2014, bilateral trade was worth $6 billion. Bangladesh is also a major source of foreign direct investment from the United States. The operations of Chevron, which generates half of Bangladesh's natural gas, are the largest American investment in the country. Agricultural items (soybeans, cotton, wheat, dairy), airplanes, machinery, engines, and iron-and-steel products are the principal exports of the United States to Bangladesh. Toys, games, athletic items, shrimp and prawns, and agricultural products are some of the Bangladeshi goods the United States buys from Bangladesh.

Since gaining independence in 1971, Bangladesh has made enormous strides. It has made considerable progress in empowering women, reducing infant mortality, and raising the literacy rate dramatically. Until recently, Bangladesh was one of the world's most dynamic economies. The country's GDP expanded at an annual rate of 8.0% in 2019. The demographic dividend, stable macroeconomic conditions, and high garment exports have all contributed to its rapid rise. Bangladesh's socio-economic development has been greatly aided by the United States, which has sent more than $7 billion in aid since 1971.

A shift from a predominantly agricultural economy to one with the ability to participate in global supply chains has taken place in Bangladesh over the past half-century. This market offers great potential for American companies, our allies, and partners because of its impressive growth and willingness to accept private sector investment. Bangladesh's economy has risen annually by more than 6% for the past two decades. 2021 the United States would import $8.3 billion of Bangladeshi goods. In 2021, the United States will be the leading source of Foreign Direct Investment (FDI) in Bangladesh. As of 2021, US corporations have invested $4.3 billion in Bangladesh, which accounts for 20% of the country's entire FDI stock. Most of these investments include natural gas production, banking and insurance, and electricity generation. The transportation and infrastructure industries also benefit from the high-quality items made in the United States, such as aircraft, trains, power generation turbines, and dredging equipment. The U.S.-Bangladesh Business Council in 2021 further demonstrates the strengthening of commercial connections between the two countries.

The COVID-19 pandemic has expanded inequality in Bangladesh, which is still dealing with the Rohingya refugee crisis and vaccination issues. The United States can help Bangladesh recover from the COVID-19 disaster while also encouraging the country's long-term growth and development. Through the United States Agency for International Development (USAID), the United States government has announced an additional $25 million in urgent COVID-19 assistance to help Bangladesh provide life-saving medical and oxygen supplies as well as cold chain equipment to store, transport and administer vaccines safely (Reliefweb, 2021). This assistance is part of the COVID-19 response. This new assistance from the United States has helped Bangladesh expand vaccinations to people throughout the country, enabling health workers to treat critically ill patients more effectively and enhancing the quality of care provided in health facilities. In addition, the United States has donated vaccines to the country (USAID, 2021).

**3.2 Foreign Direct Investment (FDI)**

These days, the topic of direct investments made by foreign companies is receiving a greater amount of attention both on the national and international levels (Denisia, 2010). It plays an important role in any economy, especially in developing countries. The asset package that multinational corporations (MNCs) bring to the table with their investments is one of the primary reasons why developing nations value foreign direct investment (FDI) so highly (Agosin & Machado, 2005). Foreign direct investment (FDI) plays a very significant part in Bangladesh's ability to achieve the anticipated economic growth level (Islam, 2014).

The American market in Bangladesh is significant and continues to expand, making it an attractive location for business and financial investments (Haque & Islam, 2014).

Figure 1: FDI Inflows in Bangladesh by the USA

Figure 1 above signifies the economic contribution of the USA by giving FDI. It shows the time series data of FDI from 1996 to 2019. We can see here that the United States has been supplying this to Bangladesh for some time and has always played a vital part in the country's economic development. From 1996 to 1997, the FDI inflows were 14.39 million USD and 67.64 million USD. It increased several times in 1998 to 232.9 million USD. FDI inflows also declined slightly in subsequent years. Since 2003, there has been a steady rise in FDI inflows from the USA; in 2006, it was 175.72 million USD. FDI inflows increase for several years; when it decreases, it decreases for several years. After 1996, the lowest inflow was seen in 2014, 17.34 million USD. However, the USA's highest FDI in the History of Bangladesh was recorded in 2015 at 573.77 million USD. This is the highest FDI in a year from the USA to Bangladesh. A fall in FDI was seen again in 2016 but was still higher than the previously fallen phrases. After 2017, a steady rise is seen again.

**3.3** **Foreign aid and grants**

Foreign aid, which can also be referred to as development assistance, development aid, or simply aid, is a method by which economically and socially advanced nations assist economically and socially developing nations (Lancaster, 2015). Bangladesh needs foreign aid in large numbers despite the fact that it is moving from least developed to developing countries (Lancaster, 2015).

More than $8 billion has been invested by the United States in Bangladesh during the past 50 years. Currently, the country is the greatest receiver of American aid in Asia. The United States assists developing countries in various ways, including promoting sustainable agriculture and food security, modernizing small-scale farming, bolstering the business and trade environment, coping with climate change, preserving biodiversity, and enhancing public health and education.

For humanitarian aid to refugees and host populations, the United States has been the top donor to the Rohingya refugee crisis response. When the time is right, the United States will assist Bangladesh and the Rohingya to ensure the safe, voluntary, dignified, and long-term repatriation of Rohingya refugees.

Figure 2: Foreign Aid from the USA

Source: Bangladesh Economic Review 2022

The above (Figure-2) line shows the trend of foreign aid that the USA gives to Bangladesh. A foreign assistance program is an international transfer of resources from a government or an international organization to a recipient country or its population. Assistance might be financial, military, or humanitarian. As a political tool, a government can use foreign aid to achieve diplomatic recognition, acquire respect for its participation in international institutions, or increase the access of its diplomats to foreign countries.

The USA gave Bangladesh the highest amount of foreign aid, 61.91 million USD 2006. However, aid from the USA gradually declined in the following years. From 2008 to 2012, Bangladesh did not receive any foreign aid from the USA directly. In 2014, Bangladesh received 1.53 million USD; in 2018, it was 4.88 million USD. Notably, in 2006, the USA gave Bangladesh the Highest amount of foreign aid.

Figure 3: Foreign Aid inflows in the last 15 years by countries

Source: Bangladesh Economic Review 2022

Foreign aid influxes from various countries during the previous 15 years are depicted in the pie chart (Figure-3) above. Bangladesh receives aid from countries with which it has strong political and economic ties. A large chunk of this graph is dedicated to Japan. In the last 15 years, Japan has donated 8473.17 million dollars in foreign aid (FY2005-06 to FY2020-2021). Japan provided the most assistance to Bangladesh during the COVID-19 pandemic. Amounts for 2019-20 and 2020-21 were 1692.91 million and 973.22 million USD, respectively. China and Russia, two of the world's wealthiest nations, contributed 16 percent and 19 percent to global foreign aid during the previous 15 years. In the previous 15 years, the United States has provided just a minor amount of direct foreign aid to Bangladesh.

**3.4.** **International trade**

Bangladesh is one of the most important trade partners of the United States. Roughly 19–20 percent of Bangladesh's exports are headed for the United States. In 2021, the United States and Bangladesh engaged in more than $10 billion worth of mutually beneficial trade. However, when viewed from the perspective of the United States, Bangladesh is a relatively minor commercial partner. Bangladesh was the United States' 46th largest trading partner in 2020.

Most of Bangladesh's exports consist of woven clothing, knit clothing, assorted textiles, caps, headgear, footwear, tobacco, snack foods, furniture, ceramic ware, toys, plastic items, artificial flowers, and so on. Most of Bangladesh's imports include raw cotton, chemicals, machinery and equipment, pharmaceuticals, aircraft, electrical equipment, iron and steel, etc.

In recent years, Bangladesh has been able to successfully penetrate the United States garment market despite the hefty import taxes that are in place in that country. It is estimated that readymade clothes account for between 87 and 88 percent of Bangladesh's exports to the United States. The overall value of Bangladesh's garment product exports to the United States was $4.29 billion in 2010 and is projected to reach approximately $7.30 billion by 2021 (Source: BGMEA). The United States is Bangladesh's third largest market for garments imported from Bangladesh.

Bangladesh's readymade garment (RMG) industry now boasts 155 green factories with the Leadership in Energy and Environmental Design (LEED) accreditation from the US Green Building Council (USGBC), the highest level of certification available anywhere in the world. Seven out of the world's top ten LEED-certified factories are located in Bangladesh.

The rise in wages in China and improved safety in the readymade garment industry over the past few years have contributed to an increase in buyers' confidence in Bangladesh apparel. As a result, buyers in the United States increasingly lean toward Bangladesh as a source of merchandise. Bangladesh is a source of low-cost but high-quality goods in the garment industry, and companies operating in the United States can take advantage of this.

Figure 4: Import-Export of the USA with Bangladesh

The line chart in Figure 4 shows the USA's Bangladesh imports and exports. It is noteworthy that the USA imports a large amount from Bangladesh. For Bangladesh, this is a major source of revenue. Since 1985, the amount of imports from Bangladesh has gradually increased. Although there is a slight decline, it is seen to increase again after some time. It is noteworthy that in 2021, the USA imported the highest amount of goods and services from Bangladesh, which is 8299.45 million USD. It is the highest for Bangladesh to earn revenue by export from the USA in its trade history. Since 2021 was the post-COVID-19 pandemic, it has helped Bangladesh survive and rebuild the economy. Besides, FDI was highest in 2015, and imports from Bangladesh did not decrease. It increased in 2015 compared to 2014. So, in that phrase, Bangladesh generated a winsome amount of US currency.

This line chart also shows the USA's exports to Bangladesh. The USA's exports to Bangladesh have steadily increased over the years. However, the striking point is that the gap between the import line and the export line has become larger over the years. The USA imports several times more than what it exports. Bangladesh's highest exports are seen in 2019 and 2021, which are close to each other. However, the imports are much higher than that.

So, this shows that in the import-export trade between Bangladesh and the USA, Bangladesh is benefiting greatly.

**3.5** **Remittance and skilled migration**

It is feasible to describe remittances as the portion of a migrant worker's earnings that is sent back to the country of the worker's birth from where the worker is employed. This definition is one way to think about remittances. Remittances are seen as a stable source of cash in less developed countries, where they play an important source of income for households and play a substantial role overall (Alfieri et al., 2005).

According to the BB's latest remittance statement, Bangladesh received the most remittances from the United States in March, at USD 308.82 million.

Figure 5: Remittance inflow from the USA

Source: (Statistics, 2017)

According to the graph, remittances from the United States are on the rise. Even though remittance inflow may fall for a few years, it will eventually climb again. The chart also shows the remittance inflow from the USA from 2004 to 2019.

The remittance inflow, which was 55 7.21 million USD in 2004, has become 2403.4 million USD in 2019. The inflow continuously increased from 2004 to 2009 without any decline. It was 1890.31 million USD in 2009, and then there was a slight decline in 2010. In 2011, a notable decline was seen, which was 1498.46 million USD. Remittances fell sharply in the first nine months of FY11 to around 4%, compared to the 19% growth seen during the same period the previous year. This is because of a decrease in the net outflow of migrant workers (Bank, 2011).

However, then again, the inflow increased till 2015, when the amount was 2424.32 million USD. Another notable decline was seen in 2016, which was 1688.86 million USD. Afterward, the remittance inflows increase yearly. In 2019, the remittance amount from the USA became 2403.4 million USD.

Figure : Remittances inflow in FY2019-20

SOURCE:*Bangladesh Bank. Retrieved 2019-09-27.*

The above graph (Figure-6) shows the Remittances inflow before the COVID-19 pandemic started. In FY2019-20, the highest remittance inflow country was Saudi Arabia, with 4015.16 million USD.

In this chart, the USA shows the third most remittance inflowed country for Bangladesh, which was 2403.40 million USD. There is a slight tendency for Bangladeshi workers to work in Middle-East countries. After that, the USA will have the highest number of remittance providers in FY2019-20.

Figure : Remittance inflow in 2022(Jan-May)

Source: BMET

In recent times, the USA has still been one of Bangladesh's remittance providers. In this Post-Pandemic situation, remittance is one of the essential factors for countries like Bangladesh. Alongside Middle-East countries, the USA is playing a significant role in Bangladesh. Providing 18% of the remittance in 2022(Jan-May), the USA is the Second highest nation to benefit Bangladesh.

**3.6 Contributions to Human Rights and Democracy in Bangladesh**

|  |  |  |  |
| --- | --- | --- | --- |
| Year | USAID Funding for Democracy and Governance (Million USD) | Key Programs and Initiatives | Human Rights Focus |
| 1972-1980 | 120 | Support for initial democratic institutions and civil society post-independence. | Basic human rights education and awareness. |
| 1981-1990 | 250 | Strengthening of political parties, support for free elections, and civil society enhancement. | Support for free speech, election monitoring, and independent media. |
| 1991-2000 | 375 | Focus on human rights, women's leadership, and labor rights, combating trafficking. | Women's rights, child labor eradication, and anti-trafficking initiatives. |
| 2001-2010 | 500 | Furthering good governance, legal reforms, rule of law, and civil society engagement. | Rule of law, human rights advocacy, and legal reforms. |
| 2011-2020 | 625 | Support for marginalized communities, gender equality, and anti-corruption efforts. | Support for LGBTQI+ rights, labor rights, and anti-corruption measures. |
| 2021-2023 | 300 | Digital democracy, combating transnational corruption, and support for local governance. | Digital rights, combating digital repression, and support for human rights defenders. |

*Authors compile data sourced from multiple reports*

Over the past five decades, U.S. funding for democracy and governance in Bangladesh has evolved significantly, reflecting shifting priorities in response to Bangladesh's political development. The 1972-1980 period focused on building democratic institutions and basic human rights awareness. In the 1980s, the emphasis shifted to strengthening political parties and civil society, with a focus on free speech and election integrity.

The 1990s expanded support to include women's leadership and labor rights, while the 2000s emphasized governance reforms and the rule of law. The peak funding during 2011-2020 prioritized marginalized communities, gender equality, and anti-corruption efforts. However, the recent decline in 2021-2023 indicates a strategic pivot towards digital democracy and combating transnational corruption.

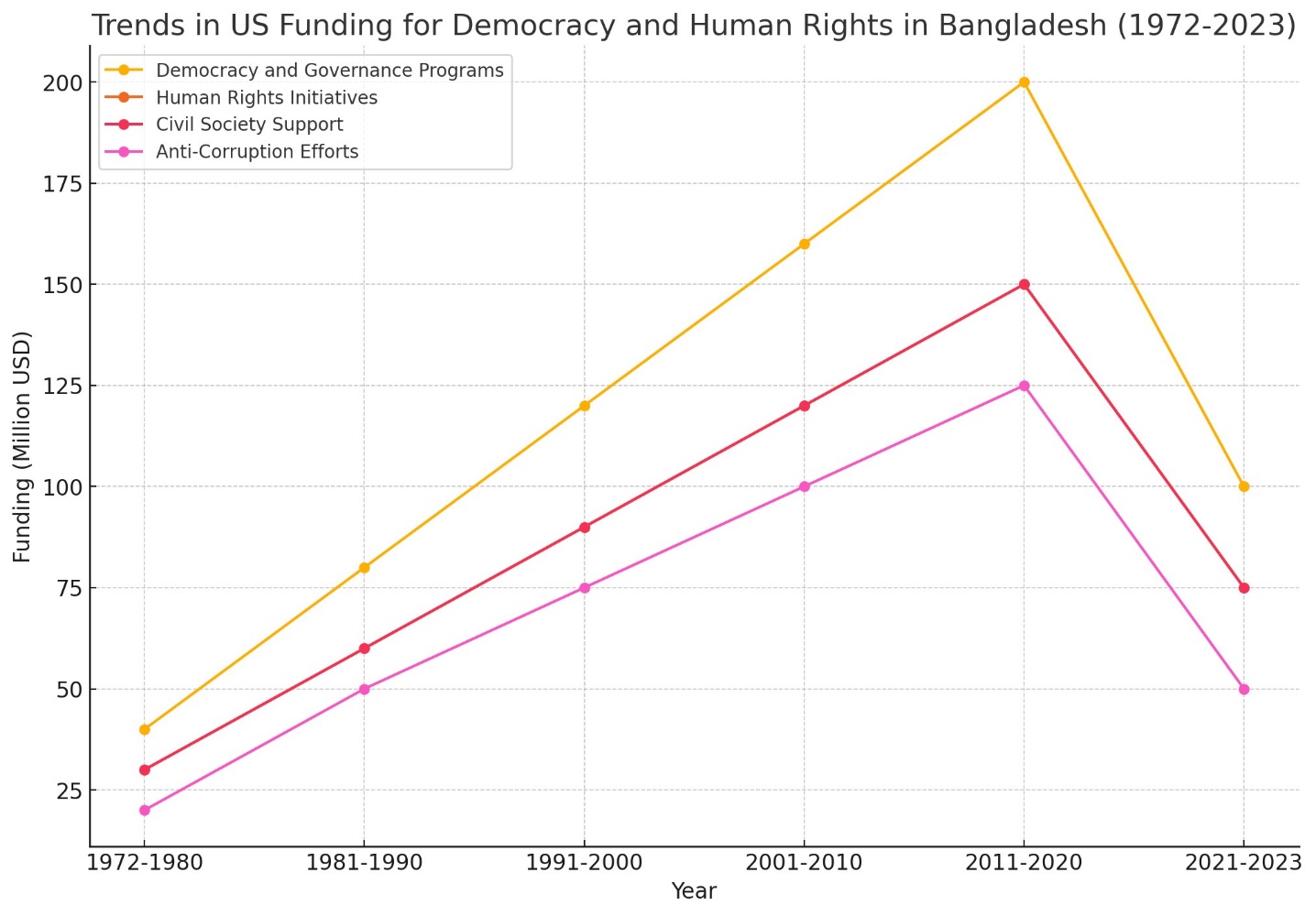
|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Detailed Financial Breakdown of US Contributions | | | | |
| Year | Democracy and Governance Programs (Million USD) | Human Rights Initiatives (Million USD) | Civil Society Support (Million USD) | Anti-Corruption Efforts (Million USD) |
| 1972-1980 | 40 | 30 | 30 | 20 |
| 1981-1990 | 80 | 60 | 60 | 50 |
| 1991-2000 | 120 | 90 | 90 | 75 |
| 2001-2010 | 160 | 120 | 120 | 100 |
| 2011-2020 | 200 | 150 | 150 | 125 |
| 2021-2023 | 100 | 75 | 75 | 50 |

*Authors compiles data sourced from multiple USAID annual reports*

Over five decades, U.S. funding in Bangladesh has strategically evolved to address changing priorities. Initial investments (1972-1980) were balanced across democracy, human rights, civil society, and anti-corruption, laying foundational structures.

The 1980s and 1990s saw increased support, particularly in human rights and civil society, reflecting global democratization efforts. The post-9/11 era (2001-2010) marked a significant funding surge aimed at governance and legal reforms as part of counterterrorism strategies.

Funding peaked in 2011-2020, emphasizing marginalized communities, gender equality, and anti-corruption. The recent decline (2021-2023) indicates a shift towards digital democracy and transnational corruption, aligning with current geopolitical trends. This trajectory underscores the U.S.'s adaptive approach to supporting Bangladesh's democratic development and governance over the past 50 years.



*Author’s compiles chart sourced from multiple USAID annual reports*

The chart "Trends in U.S. Funding for Democracy and Human Rights in Bangladesh (1972-2023)" highlights significant shifts in U.S. financial contributions over five decades. The data shows a consistent increase in funding until 2020, with Democracy and Governance Programs receiving the most substantial support, particularly after 9/11, reflecting U.S. priorities in promoting stability and countering extremism in the region

Human Rights Initiatives and Civil Society Support also saw substantial growth, aligning with global efforts to strengthen institutional capacities and empower marginalized communities. Anti-corruption funding, while smaller, increased steadily, indicating U.S. recognition of corruption as a barrier to effective governance.

The sharp decline in funding during 2021-2023 likely reflects shifting U.S. priorities due to the COVID-19 pandemic and the strategic focus on countering China's influence in the Indo-Pacific. This reduction raises concerns about the future of U.S.-Bangladesh relations and the sustainability of earlier investments in governance and human rights.

1. **Limitations and Suggestions for Future Research**

It is possible to recognize the United States's contribution, but that contribution needs to be investigated in greater depth. Positive international ties facilitate the development of prosperous economic policies between nations. People have more opportunities to improve their lives due to international relations, which stimulates travel for business purposes, tourism, and immigration. It is possible to do research on a much larger scale, which is not possible at the moment due to a lack of data. Also, this research suggests that the researchers should analyze the relation with more quantitative perspectives. Along with the USA, further studies can be conducted on the economic contributions of other economic superpowers worldwide, and the significance of new policies and changes can be identified.

1. **Conclusion**

The study investigates the bilateral economic relationship between the USA and Bangladesh. It also verifies the USA's economic contribution to Bangladesh regarding Foreign AID, FDI, Remittance inflows, and Import-Export trade-offs. The study reveals that the USA contributed to Bangladesh's economy by giving FDI. A considerable amount of FDI inflows can be seen in 2015, which was 573.77 million USD. It is the highest amount of FDI received from the USA in a year. In the year after the election in 2014 in Bangladesh, this amount surely helped Bangladesh expand economically. However, further studies may be done on the reasons behind this notable rise of FDI that year. This study also shows the direct contribution of the USA to foreign aid, which is not at the top level compared to other countries like Japan, Russia, and China in the last 15 years. Some questions arise in this segment; Bangladesh expects to receive much foreign aid from her ally because the USA is one of the economically strong countries. This paper is highly focused on the import-export between the two countries, as Bangladesh's cash reserve expects more USD. This paper notes that the import-export trade-off between the USA and Bangladesh benefits Bangladesh. The USA imports several times, and then it exports to Bangladesh. Thus, Bangladesh receives a high amount of USD yearly with an increasing trend. Also, during the pandemic, it did not change. The import-export trend gap is seen to be increasing every year. This signifies the importance of the friendly relationship between the USA and Bangladesh. Bangladesh receives remittances, which are a financial weapon for its survival. The USA is the third country inflowed by remittance in FY2019-20 and the second highest remittance provider in 2022 (Jan-May). In the post-pandemic condition, these remittance inflows are one of Bangladesh's most significant resources. Before the pandemic, the USA played a significant role in this segment. In general, the United States' economic impact on Bangladesh is significant and cannot be ignored. In order to keep the wheels of the economy turning, it is necessary to strengthen diplomatic and commercial relations with the world's economic superpowers. To achieve this goal, it is essential to emphasize the economic significance of the cordial relations between certain nations and others.

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