

Essay on Foreign Aid and National Development

Introduction

National development sometimes depends on foreign aid particularly for developing and underdeveloped country but the donors group imposes lots of rules and regulations on them for their own sake. Again, these rules are applied for raising awareness among the people about a basic thing. As a result of getting foreign aid our govt. its annual development budget to use it in another sector.

Difference between foreign aid and national development

To make a country developed by the inhabitants of that country is called national development and foreign aid means the financial help that comes from outside the country for different purposes. In other words, the monetary help which a country accepts from foreign countries for the economic development of that country can be called foreign aid. When a country prepares its budget, this foreign aid plays a vital role and it works as one of the most important elements for economic development.

Type of assistance

Normally rich countries offer aid to a comparatively poor country to form their economy. They assist poor countries in different ways. The ways how that countries accept foreign aids can be defined in different forms, such as cash or monetary aid, project aid, commodity aid, technical aid, or foreign investment. These aids are different in their activities and fields. They also differ in the benefits the donor country confers on the receiving countries and the strains they produce in their economy. The money aid which some developed

countries offer to other poor countries is especially for food. They also give food as an aid and the receiving country sells the food within the country and the money which this country earns in this way is used in various developing projects. In the case of project aid, the donor country identifies some underdeveloped areas in a certain country, then that donor country finds its remedy and according to that plan, the rich country offers help to that victim country as a project. Sometimes, this help stays under the direct supervision of the donor country, and sometimes it is given to the prevailing NGOs of that country. The donor country is mainly concerned about the socio-economic condition of the common people. They also work with the neglected people who are deprived of their basic rights and are living in the unhygienic area, especially in the slums. Technical help is for the technical side of that country. This help does not bring any money directly, rather the donor country helps the poor country with various technical instruments. This aid also involves in other sides and it comes for increasing the facilities of technical education and supplies necessary instruments for this education and research and sends technical experts to develop the overall technical situation of that country. Commodity aid means the supply of various commodities to this country. In this aid, the receiving country gets different types of equipment, materials, tools, raw medicine, food corn, and so on to fulfill the basic demands of the aid receiving country.

The attraction for foreign investment

Private foreign investments mainly come in the industrial sector of a country. Usually, a poor country has more population than their field to engage them in different jobs and this situation begets unemployment problems in that country. As a result, the natives search for jobs for their survival and they try to get works even at low payment. The foreign developed country tries to take this

opportunity. They want to set up industries in that country where they would get labor with a low payment. The poor countries receive this because they can remove their unemployment by engaging these extra people in foreign-owned industries. In the case of this investment, capital is transferred from one country to another through the purchase of bonds and debentures of a firm or company in the aid receiving country.

It is sure that if a country gets the above-mentioned aids from foreign countries, its economy will get a huge acceleration. A country may have vast resources but if it does not have any capital to process these resources, then these are useless. As an under-developed country, Bangladesh has vast natural resources but it does not have the capital to make the resources usable. She needs a lot of capital to utilize these unused resources in the production process. So, Bangladesh needs to import foreign capital to remove the shortage of local capital.

Why foreign investment is necessary

The equipment, essential for industrial development, is imported from a foreign country. A few of these are nowadays being produced in our country but they are not lasting long. So, durable things we need to import and they cost a huge sum of money. But the capacity to earn foreign currency of an underde-veloped country like Bangladesh is very limited. So, if she wants to set up any industry to make the situation easy, she needs to import equipments through debt or aid.

Entrepreneurship is very urgent in every case and Bangladesh is severely in need of it. A few industrialists that Bangladesh has, do not want to take risks to invest their capital in the industry but if the foreign industrialists show interest to invest capital in an underdeveloped country like Bangladesh the local industrialists will

be courageous to invest capital in these industries. This is a very magnificent way to develop a country and every government of Bangladesh should try to allure foreign investors to come and set industries in this country.

Govt. earnest effort

Bangladesh government is trying to create fields to allure foreign investors because they know if the investors come then technicians, specialists and other opportunities will also come with the investments. It will bring a good result for Bangladesh because both the employer and the employees will be able to acquire knowledge about technology and technical education. Bangladeshi workers will also get a chance to make themselves technically skilled. If they can become skillful then their unemployment problem will be solved and the government would export the extra skilled workers to foreign countries. It will also develop the environment of this country and people will develop their lifestyle. Only the aid that we get from different organizations and foreign countries is not sufficient to develop this country. So, we need foreign investments and we should try to create a field for alluring the investors.

Key role development

We can see other usefulness that foreign capital brings. It increases the domestic savings of a country and helps to harness them to secure a rapid rate of growth. It also works as a stimulant for domestic investors. If a country can increase its capital rate, it can go a long way in removing the capital deficiency which is the main hurdle in the field of economic growth. It is very difficult for a country to overcome this hurdle without foreign help. But if a country becomes successful to bring foreign investors, it can change the infrastructure of its industrial area. This is the way through which

it adds aggregate nation-al product and per capita income of a country which not only works to remove their poverty but also increases their savings rate which is the main ingredient to accelerate their growth process.

Cautions about proper utilizing

No doubt, foreign aids bring blessings for a country but it also has a bad impact on the economy and administration of a country. Foreign aid is implicitly or explicitly related to the politics of a country. If the investors interfere in/with a country's politics, there is a possibility to have a loss in independence or pol-icy or even in sovereignty. It can become a threat to a domestic policy which is very harmful to a country. Besides, the loans that the country receives are to be repaid and the interest payments become a burden to that country. It makes a country dependent on the other country. It spoils the natural resources of that country and if the people of that country are not employed in those industries, the unemployment problem takes a severe shape. The foreign investors always avoid the domestic workers and it results in that the workers fail to have skills. So, we should be careful when a foreign investor comes to our country.

Conclution

To conclude foreign aid and national development are closely related in a country. If foreign aid comes into a country and it is properly utilized, it is sure that her economy will be a developed one. So, a country should be cautious of making fields for foreign investors and they also should make proper policy to utilize the foreign capital that is invested in their country.