

APPENDIX ONE

The real-life relationship between donors and recipients in Bangladesh: exploratory research into the sociology of aid relations

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Any attempt to improve the effectiveness of aid thus lies in a complete rethinking of not just the policy agendas associated with aid but in the nature of the relationship between donors and recipient (Sobhan 2003: 2).

1. Introduction: ‘the open secret’ about donor-recipient relations in Bangladesh

This paper reports on exploratory research into donor-recipient relations in Bangladesh. This is familiar territory in this once acutely aid-dependent country: one of the best-known accounts of the political-economic effects of foreign aid is a study of Bangladesh¹ and numerous other scholarly and consultancy reports on the state of aid relations have been produced since. This wealth of documents at the least suggests there is something about this relationship that needs explaining, year after year.

This paper differs from other studies because it tries to make sense of aid relations sociologically, through the everyday encounters and social settings that make up the relationship between aid donors and recipients. It does not ignore the ‘virtual’ global political and economic ties which determine the general shape of aid relationships - who gives, who receives. But the focus here is on personal and social interactions between donors and recipients. The motivations for looking at the aid relationship in this way come from the recognition that aid donors are political and social actors in the societies in which they live, work, and disburse their aid.² As international and local actors, the presence and behaviour of aid agency staff (and indeed, the wider community of aid professionals) merits attention as a sociological curiosity in its own right.

This exploratory round of our research project - seemingly frivolously entitled *Guess Who’s Coming to Dinner?* – had practical as well as academic aims. It aimed to raise questions and stimulate discussion about aid and its practitioners: do the social relations and personal behaviours of aid donors contribute to achieving their official goals of development and poverty reduction? This question is important because who ‘comes to dinner’ at the tables of powerful people – whom the powerful invite to speak, to join, to hear, be heard and seen³ - is always likely to be a political matter. These are certainly not trivial matters in a country like Bangladesh, where the substance and ‘tilt’ of aid donor policies have had such enduring political consequences.

One of the hypotheses of the *Guess Who’s Coming to Dinner?* research project was derived from the lead researchers’ experiences as aid recipient and donor respectively, in Bolivia,⁴ in particular, the perception that the relationship between expatriate donor agency staff in La Paz and the Bolivian elite enjoyed a highly visibly sociable relationship. Given that donors are supposed to have the interests of the poorest Bolivians at heart, and that these values are not

¹ I refer to Rehman Sobhan’s **The Crisis of External Dependence** (1982). See also its follow-up, **From Aid Dependence to Self-Reliance** (Sobhan (ed.) 1990).

² See Eyben (2003) for an extended discussion of this point.

³ To borrow from Sarah White’s timely discussion on race and development (2002).

⁴ Rosario León, as Director of the social and economic research institute CERES, in Cochabamba, and Rosalind Eyben, as former Head of the DfID office in La Paz.

ascribed to the Bolivian elite, this relationship may seem uncomfortably close for donors. This paper does not comment directly on donor-elite relations in Bolivia, as this will be dealt with in the Bolivian country report from the same research project (León *forthcoming*). However, the situation in Dhaka seemed at first sight different from that in La Paz: the interaction between the Bangladeshi elite and the donor community is limited to professional and formal encounters. If anything, the relationship is characterised by social separation and mutual indifference, at times shading into antipathy. Questions that arise include the following: is it significant that donors in Dhaka engage so little with the domestic elite? Does the lack of social interaction affect donors' capacity to understand the society in which they live and work, or to influence those in positions of power? Is the lack of warmth towards domestic elites an indication that donors are more 'pro-poor' in Dhaka than elsewhere?⁵

Global power relations inevitably shape relations between donors and recipients, but other institutional and personal characteristics also matter. The most significant of these may be race, but nationality and social status (age, class background, education and gender) also feature. And as many people told me during this research, personalities matter, too. The extent to which race or status factors exacerbate tensions between donor and recipient can, of course, be mitigated by individuals: the experience of social difference does not have to be negative. All of these 'personal' factors constitute less familiar territory for research into aid relations.⁶ The attempt reported here to understand the real-life relationship between donors and recipients has covered ground most consider personal, some find humiliating or enraging, and which all agree is sensitive. It is an open secret in Dhaka elite social circles that the real-life relationship between donors and recipients is a difficult one.

The paper reports what I heard and observed over five months interviewing and interacting with donor agency staff and NGO and government recipients of aid in Dhaka. It is deliberately heavy on context and description and light on analysis, partly because the populations of donors and recipients are fully equipped to undertake useful analysis of their own; they would also do so from a far closer perspective than I would find possible. The immediate point of this paper is to unveil some unacknowledged truths about how the two groups view each other. The larger aim of the paper is to spur further reflection and research on this issue, preferably by donors and recipients themselves.

Concepts and theoretical issues

The anthropological notion of the 'gift' helps to explain why relations between donors and recipients of aid are always likely to feature unresolved tensions.⁷ In its everyday sense in English, a gift is something given with no expectation of a return gift or repayment. The anthropological or Maussian gift⁸ is different: it is something which is given freely but with a combination of interest and disinterest. In its anthropological sense, a gift is given in a form of exchange, but it is not a form of purchase or barter because no price is paid for it. This does not mean that there is no reciprocity. Unlike the rationally self-interested individuals we assume participate in market transactions, those involved in gift exchange are 'moral persons', who enter into the exchange 'as incumbents of status positions and do not act on their own behalf' (Parry 1986: 456). While the relationship between buyer and seller ends with the end of the transaction, the exchange of a gift also brings some part of the giver with it, so that the exchange fosters an enduring relationship between giver and receiver.

⁵ See Hossain and Moore (2002) on the significance of donor attitudes to national developing country elites.

⁶ For recent commentaries on the significance of race in development see Crewe and Harrison (1999), White (2002) and Goudge (2003).

⁷ See Henkel and Stirrat (1997) for a full discussion of aid as gift.

⁸ 'Essai sur le don: forme et raison de l'échange dans le société archaïques', 1977.

Some argue that this notion of gift is not the same as our contemporary English-language notion, but should correctly be seen as its ancestor. Parry explains that the reason we tend to feel uncomfortable with the notion that a 'gift' can be both interested and disinterested is that an emphasis on exchanges through the market separates forms of exchange which are altruistic from those which are self-interested. Capitalist, market-oriented societies tend to have a sphere in which it is expected that people pursue individual economic self-interest, but also a second from which self-interest is banished, in which 'pure' gifts such as charity are given, to cement moral social relationships. One argument is that our ideology of a 'pure' or altruistic gift goes together with our ideology of the self-interested individual in the market as two sides of the same coin: societies and eras in which the values of the market are celebrated also tend to be societies and eras in which the virtues of charity are also elevated (1986).

Because the anthropological gift is not a market exchange, it is never fully or precisely returned, even if there may be some reciprocity. But the bond it builds usually places the giver in a position of superiority. This is because a gift of this type carries some part of the giver with it, so that the receiver is always constrained in its use. A familiar form of gift relationship may be that of patron-client relations, and it is as a form of patron-client relations that the aid relationship is explored below. We can apply the notion of gift to aid to help us understand the relationship between donors and recipients. Aid is not paid for, but that does not mean donors are entirely disinterested; there are benefits for both sides. Aid is ultimately the gift of the taxpaying public of the donor country, which is why it comes with their conditions for its use attached. Aid can literally carry the identity of its donors if they insist – as they sometimes do – that goods bought with their resources are branded with their agencies' logos. Recipients of aid are not free to do what they will; there is a relationship here that they prefer to maintain, and so must respect the fact that aid comes with donors.

It is also worth noting that aid donors consistently present their aid to Bangladesh as humanitarian and compassionate, as a 'pure gift'. At the same time, they also seek to promote the values of the unfettered market. Recipients tend to emphasise the benefits of aid to donors and to ridicule the notion that it might be altruistic. This highlights how aid is close to an exchange in the market, for which they have paid, and with which they should, therefore, be able to do what they like.⁹ If we see aid as a gift in the anthropological sense, these differences in perspective make sense: the tensions between the two cannot be resolved because they are both right.

Methods and limitations

The research on which this paper reports was a preparatory exploration into donor-recipient relations. The intention was to provide the basis for a second, different kind of research exercise, in which groups of donors and recipients undertake their own action-research using the methodology of 'cooperative inquiry'. This method is detailed in an annex.

The research reported on here took place in stages between March and September 2003. The main methods included semi-structured interviews and follow-up discussions with 40 individuals, mainly in Dhaka: donors from the main agencies, government and former government officials, NGO leaders, and other members of the professional aid community. A workshop to discuss preliminary findings and methods with two groups of selected donors and NGO staff was held in Dhaka. The research also involved extended observation and informal discussions with a wider population through social events and professional contexts

⁹ It is arguable whether loans, even of the 'soft' variety, can be said to constitute aid, or whether only grants and other transfers can be termed aid. For present purposes, let us assume that subsidised credit has some small grant element, which permits its partial classification as 'aid'.

such as conferences and seminars. I maintained a 'fieldwork' diary documenting these discussions and experiences, and reviewed other material, such as newspaper reports, expatriate community newsletters, and guidelines to expatriates for settling in Bangladesh. I also visited the social spaces that dominate expatriate life, including schools and clubs.

From previous research and through my own Bangladeshi social networks I was able to access 'recipients' of aid with ease. The greater challenge was in getting to meet expatriates. While I was never denied a formal interview with an expatriate donor, the social separation on which this paper reports meant that initially, at least, my encounters with expatriates were limited to the professional office context. The globally mobile nature of the expatriate aid world meant, however, that I had some pre-existing contacts with aid agency staff based in Dhaka on which to draw. My access to expatriate donors may have been eased by the fact that my credentials were from a well-known British institution (the Institute of Development Studies in Sussex) through which a number of expatriate donor staff had passed. That I sound English may also have opened some doors: on at least one occasion, a donor was surprised to discover on meeting that I was Bangladeshi. On other occasions I felt that expatriates seemed more comfortable in discussion when they discovered that I had one European parent; perhaps they felt this reduced the differences between us.

Once access had been achieved, discussions with both recipients and donors were wide-ranging, covering global political economy as well as personal lives and experiences. With both groups I encouraged people to describe their experiences as donors or recipients, and in particular to talk about personal feelings and relationships. Following Kaufmann (1997), I also asked expatriate aid professionals about how they had come to work in international development, in order to arrive at some understanding of their motivations and feelings about their roles.

I did not come to this research empty-handed, but with assumptions and prejudices of my own. Since childhood I knew that my parents' expatriate friends enjoyed privileges beyond even the privileged middle class lifestyle of my own family. The things that expatriate children took for granted - foreign travel, air-conditioned schools, swimming pools and Western goods - were not easily available to even the richest of Bangladeshis in the 1980s. Returning to Dhaka as a development researcher in my twenties I became aware of a different set of privileges to do with foreign-ness: the views and labour of foreigners (and to a lesser degree of the foreign-trained, of whom I had become one) counted and cost disproportionately more than those of Bangladeshis. But I also became aware that the members of the expatriate aid community I occasionally encountered were not welcoming of Bangladeshis within their circle. I later found this coldness is often mutual.

I also brought to this research the more reasoned experience of having studied the Bangladeshi elite, from whose ranks some recipients of aid are drawn, and into whose ranks aid draws others. As a researcher on a DfID-funded research project on elite perceptions of poverty in Bangladesh in the 1990s,¹⁰ I concluded that the Bangladeshi elite were moderately pro-poor. As a result, I was never entirely open to the standard donor perception that the persistence of poverty owes substantially to the intransigence of the Bangladeshi elite. While I now recognise the personal frustrations donors face trying to enlist government officials and politicians to their agenda, I remain unconvinced that the Bangladeshi elite are unusually problematic. If aid donors are convinced that their programmes remain in constant peril because they face difficulties in implementation, I felt it may be in their interests to examine the other half of the relationship, that is their own attitudes, practices and behaviours.¹¹

¹⁰ Hossain 1999; 2003; for a comparative view of developing country elites, see Hossain and Moore *date*.

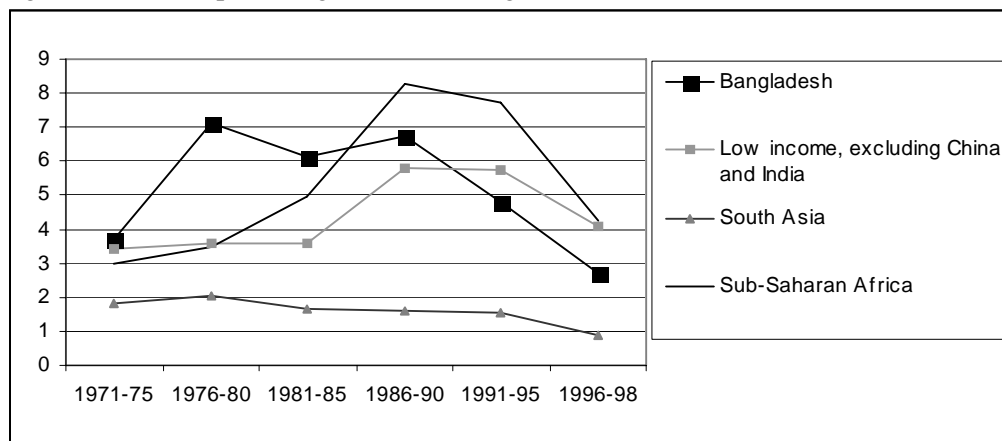
¹¹ See Eyben (2003) on why donors more generally should reflect on their behaviour and attitudes.

The report is organised as follows. The next section briefly outlines the historical significance of aid in Bangladesh, showing how in basic material terms, aid donors are less important than they were in the 1970s and 1980s. Section 3 looks at how debates about the purpose and practice of aid and at how these have changed over time, including at how this may have affected the donor-recipient relationship. Section 4 looks at the patron-client pattern of relationships within Bangladeshi society, and section 5 at how donors experience these relationships. Section 6 explores recipient views of their relationships with donors, while section 7 looks at the benefits of aid for its donors. Section 8 raises some questions by way of concluding comments.

2. How important is aid in Bangladesh?

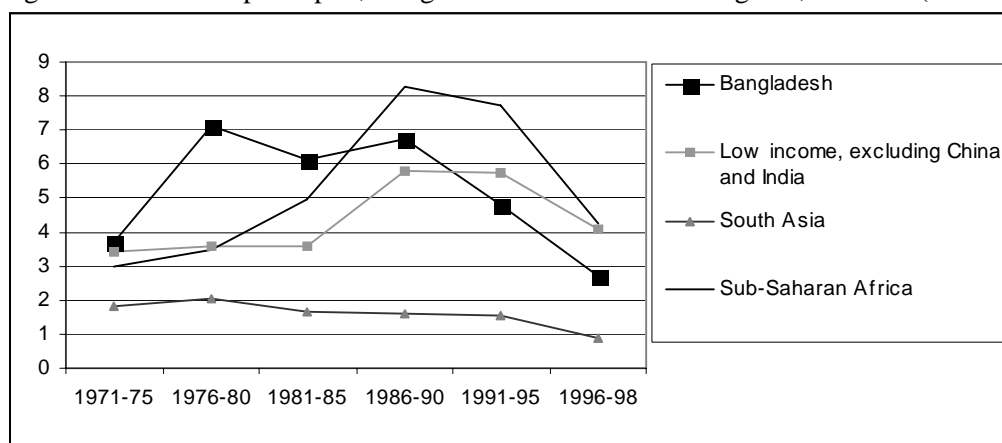
How far Bangladesh has come since the 'basket-case' description in the early 1970s was only brought home to me during a discussion in a workshop organised as part of this research, in August 2003. A donor agency staff member challenged our assumption that Bangladesh was 'aid dependent'; she argued that Bangladesh was heavily-aided, but could no longer be described as dependent on aid.¹² One long-term observer of aid relations cautiously notes that the 'leverage' of donors has declined, as a result of the declining importance of aid (see Sobhan 2002; 2003). How much has the importance of aid declined in Bangladesh, and how does this affect the 'leverage' of donors?

Figure 1. Aid as a percentage of GNP, Bangladesh and low-income countries, 1971-98



Source: World Development Indicators 2000

Figure 2. Aid per capita, Bangladesh and low income regions, 1971-98 (current US\$)



¹² Many thanks to Janet Donnelly of AUSAID for this valuable perspective on current donor thinking.

Source: World Development Indicators 2000

Figures 1 and 2 suggest that aid dependence in Bangladesh measured in terms of aid as a percentage of GNP and per capita have declined, and that Bangladesh generally ranks lower than other low income countries, although higher than South Asia (including India) on such indicators of dependence. Meaningful classifications of aid-dependence are likely to vary, as there are many criteria against which degrees of dependence can be ranked. The scale of the Bangladesh population, for instance, makes it difficult to compare degrees of dependency on the basis of aid flows per capita.

To understand the donor-recipient relationship, it helps to understand how much the Government depends on aid for its expenditure. Table 1 shows the decline in the ratio of aid (disbursed) to development spending over the three decades. It is clear that public development expenditure is now considerably less reliant on aid than at Independence, and particularly since the 1990s (Williams 2002).

Table 1. Aid as a percentage of development expenditure 1977-2002 (five year averages)

Year	Aid as % of total development expenditure
1977-82	91
1983-87	97
1988-92	104
1993-97	71
1998-02	51

Source: from ERD 2003

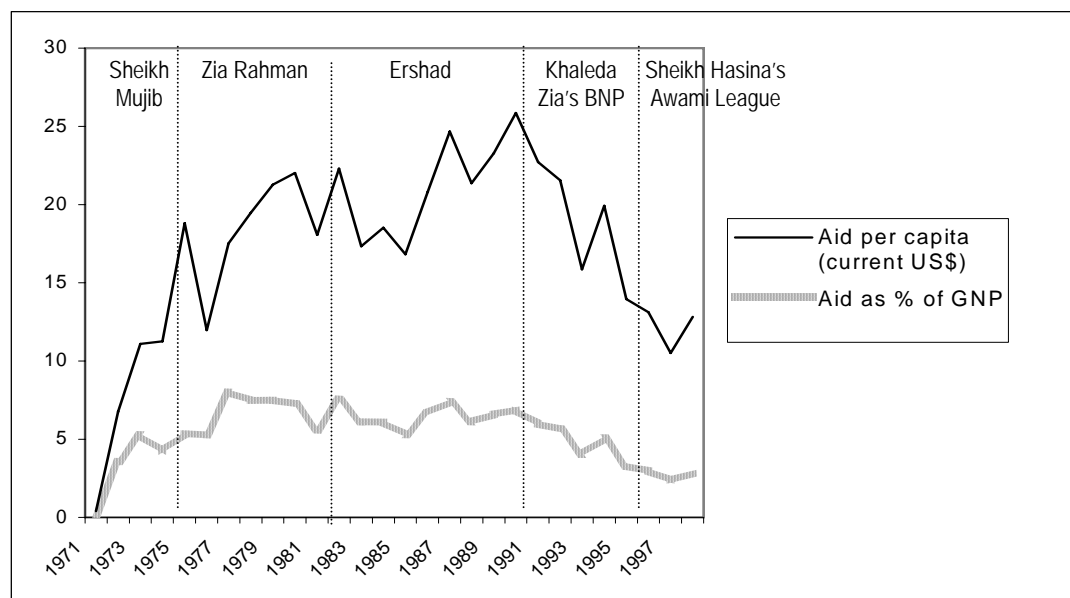
Aid donors have apparently always felt entitled to promote their policy preferences because of the evident need for aid (see Sobhan and Bhattacharya 1990: 177; also pp. 184-5). The desperate need for aid in the early 1970s was exacerbated by the need for massive post-war rehabilitation efforts, followed quickly by the famine and economic crisis of the mid-1970s (see Sobhan 1982). This demonstrable need for aid undoubtedly steered the early shift from 'socialism' and 'self-reliance' to liberal economic reform. Continuing aid dependence has encouraged later governments to stay on the pro-market growth track.

The new Bangladeshi state was initially cautious with respect to aid, resisting donor pressure for a consortium of (western) aid donors. This was in an effort to achieve some neutrality and independence in its foreign relations (Barry 1988), but also to avoid collective donor pressure to conform to World Bank ideology and policy (Sobhan 1982: chapter 7). But by 1975 the government had submitted to donor pressure for an aid consortium and to some key reforms, an experience which it found 'bruising' and 'a vivid example of donor pressure on a weak and needy aid recipient' (Barry 1988: 40). Abandonment of 'socialism' to comply with donor recommendations was followed by a considerable rise in aid flows (see Figure 3).

After the political turmoil following the assassination of the nationalist leader Sheikh Mujib in 1975, donors welcomed the stability and liberalising reforms introduced under the military rule of General Zia (Sobhan 1982). Again, figure 3 shows that aid flows showed a generally upward trend during Zia's regime. But by 1980 the Aid Group was impatient with the slow pace of reforms, displaying 'frustration' and 'weariness with the recurrent problem of food needs for Bangladesh' (Barry 1988: 53-4). The initial optimism about the Zia regime waned,

and aid flows declined. They revived again in 1982, this time in response to the new military ruler Ershad, whose efforts to improve the prospects for market-led growth, macroeconomic stability, family planning and education appear to have made Bangladesh more attractive to donors. It was also during Ershad's rule that donors began to push for a larger role for NGOs (ibid.; see also Sanyal 1991). Episodic natural disasters and concerns about rising rural poverty, fiscal and macroeconomic indiscipline and the slow pace of reform meant that donor support varied from year to year, although the overall trend was for aid flows to rise throughout Ershad's regime.

Figure 3. Aid flows and political regimes, 1971-98



Source: World Bank 2000c

The economic policy and antipoverty agendas set under the highly aid-dependent authoritarian regimes between 1975 and 1990 enjoyed continuity into the less-dependent democratic era. Notably, however, the continuation of liberalising economic policies, modest successes in education, poverty reduction and growth, and the return to democracy were not rewarded by high aid flows. But Bangladesh was not singled out in this respect: aid receipts declined in absolute terms over the decade, and to 'Third World' countries relative to Eastern Europe. Within Bangladesh, direct support to NGOs increased over this decade, although the overall trend was nevertheless downward.

It is possible that in real terms, aid flows declined in Bangladesh in the 1990s in part because donors felt they had less need or less scope to intervene. They may have felt less need to intervene because, for the first time under democratic rule, economic policy remained broadly in line with donor preferences, and growth and poverty reduction were steady, if unspectacular. But donors may also have had less scope to intervene because the problems of development in Bangladesh were increasingly being diagnosed as political (or 'governance') problems, rather than the familiar problems of resource constraints and technical deficiencies (see, for example World Bank 1996; 2002; Wood 2000). It seems that donor 'frustrations' with the pace and character of development in Bangladesh in the late 1990s were around the sensitive matter of domestic politics, in particular the disruptive character of democratic political competition (see IMF 1997; 1999; 2000; Green and Curtis 2002), into which donors found it more difficult to intervene.

3. The idiom and practice of aid in Bangladesh

The objectives of aid to Bangladesh have changed very little over the decades.¹³ These have focused centrally on poverty reduction, with practice varying mainly according to current interpretations of the causes of poverty and the best strategies for tackling it. It was early on recognised that aid could play an important role here, in what was from the 1970s known as ‘test case for development’:

Nothing short of a continuing massive injection of aid is likely in present circumstances to get the economy off the ground sufficiently quickly to give real impetus to the development effort. It is not easy to see how donor-countries can be persuaded to maintain an effort on the scale needed. Bangladesh is not a country of strategic importance to any but her immediate neighbours. Perhaps its only importance politically, lies in its availability as a possible test-bench of two opposing systems of development, collective and compulsive methods on the one hand, and a less fettered working of the private enterprise system on the other. It might be considered worthwhile by some countries to give aid to demonstrate the power of one or the other system, but it can scarcely be felt that large gains are likely to result from such an exercise, to Bangladesh or to potential contestants. If aid is to come for the development of Bangladesh it is more likely to be for economic reasons or on general humanitarian grounds. In the long run it is the latter that is important. Assistance from other countries must be seen as an endeavour to solve the world’s most difficult problem of economic development. If the problem of Bangladesh be solved, there can be reasonable confidence that less difficult problems can also be solved. It is in this sense that Bangladesh is to be regarded as the test case. (Faaland and Parkinson 1976: 5).

Thus the first representative of the World Bank to the new nation of Bangladesh set out the objectives and motivations for aid: Bangladesh was intractably poor, under-developed and strategically uninteresting, so that the main motivation could only be humanitarian or altruistic. Bangladesh was ‘the test case of economic development by combined internal effort and external assistance’ (Faaland 1981: 3), as much the test case of aid, as of development strategy.

If Bangladesh was a test, then aided development could be said to have passed, if not with flying colours. Bangladesh remains one of the poorest countries in the world¹⁴ but it has made progress on reducing poverty. Despite divergence among estimates of poverty and debates about the pace and causes of poverty reduction in the last 30 years, there is consensus that the overall trend has been downward. The proportion of the population living in poverty (measured by income-based indicators) declined from the late 1970s (see Sen 2001; Ravallion and Sen 1996; Ravallion 1990), although the numbers of those living in extreme poverty may have increased until the early 1980s (Osmani 1990). From the mid-80s, the proportion living in poverty rose again until the early 1990s, when poverty reduction resumed, although at a slower pace than previously (see World Bank 1998; Sen 2000b). By the mid-1990s, Bangladesh was performing well on income poverty reduction compared to other South Asian countries (see table 2).

Table 2. Income poverty in South Asia, 1990s

Indicator	Bangladesh	India	Nepal	Pakistan	Sri Lanka
Population below	36	35	42	34	25

¹³ These paragraphs borrow from Binayak Sen’s account of the significance of the ‘test case’ label (in CPD 2001: pp. 115-7).

¹⁴ The GNP per capita of Bangladesh is among the lowest in the world, and it ranked 145th out of 173 countries in the Human Development Index for 2000 (UNDP 2002).

national poverty line (%)	(1995-96)	(1994)	(1995-96)	(1991)	(1995-96)
Population below \$1 a day (%)	29 (1996)	44 (1997)	38 (1995)	31 (1996)	7 (1995)

Source: World Bank (2000c)

Progress on human development has been more impressive. Human development indicators improved at a faster rate than for other South Asian and LDC countries, although these remains low in absolute terms (Sen 2000b). Increases in public spending on health and education over the 1990s may have played a more significant role than economic growth or its effects on income poverty in improving human development indicators (Sen 2000a). Modest rates of economic growth, averaging around five per cent (roughly two per cent per capita) per annum since the mid-1970s also undoubtedly help to explain the declining poverty levels (World Bank 1998). Initially low levels of inequality in Bangladesh may have helped boost both growth and poverty reduction, but growth in the 1980s and 1990s was unequalising. Nevertheless, Bangladesh remains comparatively equitable by international standards.

If we look back at the 1970s, what marked Bangladesh out even among other Third World countries was its extreme vulnerability. At that time donor countries and India may have been concerned about the example the new Bangla Desh would set were it to 'go red',¹⁵ but the country's main claim to international attention was pity. After its bloody protracted independence effort (stolen, some felt, by the last-minute intervention of India) Bangladesh needed to rehabilitate and reconstruct, as well as to find space for returning refugees numbering in their millions. These relief operations were initially under the UN, which the Bangladesh government welcomed. But deep macroeconomic crisis and delays in the delivery of US food aid culminated in famine in 1974 (Ben Crow? ref), at which point aid donors moved in to play a more coordinated role in planned development (Sobhan 1982).

Pity did not move all donors to feel moral responsibility towards the struggling nation: in the notorious 1971 exchange, when U. Alexis Johnson described Bangladesh as the 'international basket case', Henry Kissinger famously responded that it 'would not necessarily be 'our basket case' (Hartmann and Boyce 1978: 3).¹⁶ Bangladesh clearly had to strive to gain the attention of some. Faaland provides a flavour of the thinking of the time, noting that aid could make a great deal of difference in a country as poor as Bangladesh, and that was what made it necessary

to exercise with circumspection and delicacy the power it puts into the hands of donors. The temptation to use it with the intention of improving Bangladesh's lot is all the greater because Bangladesh lacks so many of the means to develop that are available in abundance in the developed world ... Not all attempts to intervene are well intentioned however, and a country so heavily dependent on aid as Bangladesh can be made to suffer or to conform if there is a divergence of view between those who give and those who receive (Faaland 1981: 3-4).

The emphasis on relief meant that food and commodity aid accounted for the bulk of aid in the 1970s, but the proportion of project aid in the total increased steadily to account for more than half of all aid by the mid-1980s, and to around 75 per cent by 2000 (ERD 2003).

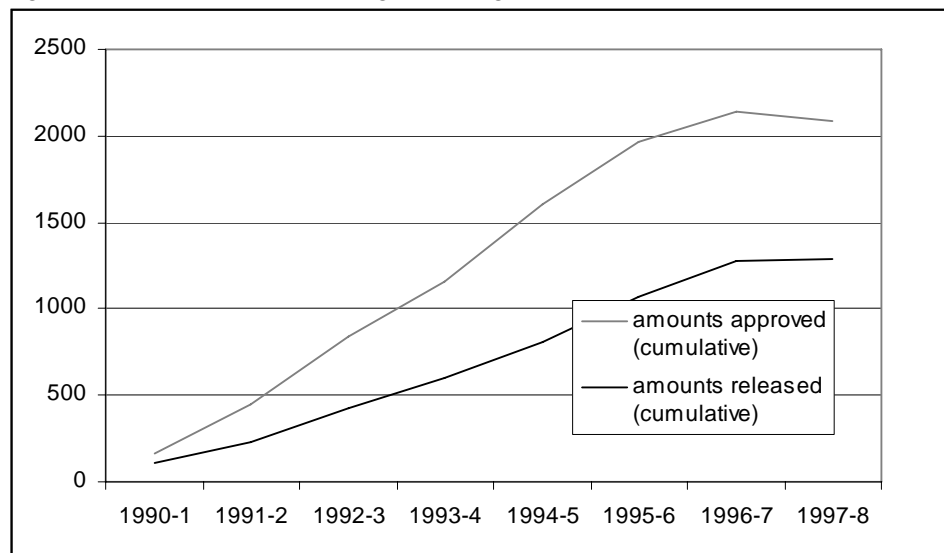
¹⁵ See Ahmed *et al* 1973; Maniruzzaman 1975; also Lifschultz 1979, who reported on Bangladesh in this period for the *Far Eastern Economic Review*.

¹⁶ For those outsiders untroubled by humanitarian concerns, Bangladesh in the 1970s was a classic candidate for 'triage' - a notion doing the Washington rounds which applied a survival of the fittest logic to countries, with the implication that the least viable should be left to manage on their own (see Sobhan 1982: 191).

Successive Bangladeshi governments attempted to comply with the economic reform agendas promoted by donors, led by the World Bank. Reform was explained as the prerequisite for economic growth to reverse the worsening poverty situation. Aid flows were high but fluctuating during the long period of military and civilianised military rule (1975-1991), no doubt reflecting the donors' strength with respect to the unelected government of a poor country. As many have pointed out, aid helped legitimate these regimes domestically, at the same time as which efforts to reform kept donors reasonably happy.

But progress on poverty through state intervention was elusive, and by the 1980s, donors had their sights fixed firmly on more direct intervention in the form of indigenous NGOs. It seems that the relationship between some donors and the NGOs they fund has been relatively close and experienced as mutually beneficial. Bangladeshi NGOs are also likely to have presented valuable learning opportunities for donors. In the early days at least, NGOs offered an alternative to the failing state. NGOs also presented an explanation of and a solution to the socio-political obstacles to development, focusing on how poverty and assetlessness trapped the poor in adverse patron-client relationships with the rural landed class (see BRAC 1986). This class was also acknowledged to have protection and connections at the national level, which was why early government rural development policies all but guaranteed the elite cornered the benefits.¹⁷ NGOs presented a way out through organising the poor, at first mainly for political 'conscientisation' purposes, but later as a means of channelling resources (and see Sanyal 1991). The widely-noted proliferation of social and economic development aid projects in the 1980s and 1990s reflected this emphasis on Bangladesh as a site for experimental and innovative non-state approaches. This meant some degree of 'field' exposure was required of donors involved in social development (see Stanley 2001 on the significance of the 'field visit'). Figure 3 charts the growth in foreign funding for NGOs.

Figure 3 Growth in foreign-funding for NGOs, 1990s (in US\$ millions)



Source: World Bank 1998 (based on NGO Affairs Bureau figures)

Note: cumulative figures are for existing and new projects, less completed projects

The state has inevitably felt threatened by the donors' interest in NGOs, but the political dependence of the military regimes on aid seems to have postponed any challenge to these donor projects (see Sanyal 1991). It is unlikely to have been a coincidence that it was under the newly-elected BNP government that challenges to NGOs were mounted in the early 1990s. At that time donors intervened to protect NGOs (see Hashemi 1995; 1996; Devine

¹⁷ See Wood (1994); Abdullah (1974); Abdullah and Nations (1976).

1999; Hashemi and Hassan 1999). A decade on, the BNP-led coalition government has again shown willing to restrain the activities of foreign-funded NGOs. It is not yet clear that donors will be in a position to effectively counter this new challenge. However, it is also no longer clear that NGOs are the high donor priority they once were.

If NGOs are losing favoured status with donors, it may be partly because donor attention has returned to the state. There is consensus in the diagnosis that poverty and underdevelopment persist because of bad governance, or weak and corrupt public institutions; skewed public sector incentives; dysfunctional and/or patrimonial politics; and poor market regulation. Donors have identified a number of strategies for tackling the documented 'crisis in governance' (on which, see Centre for Policy Dialogue 1998 and 1999; Sobhan 1998; Wood 2000; World Bank 2002), such as 'influencing' for pro-poor change (Duncan *et al* 2002). Advocacy with elites has even become part of the agenda among international NGOs, who increasingly rely on local 'partners' to implement field programmes while they push for policy reform from Dhaka. For both bilateral aid donors and international NGOs, this has meant more 'field' time in the capital and less in villages. If this emphasis on influencing elite groups is sustained, it may affect the profile and orientation of frontline agency staff: at least some donors recognised that they are currently poorly placed to engage with these groups, and that they needed to be equipped to play a more overtly diplomatic role.

Another reason the attention of donors was turned to Dhaka was the increasing recognition from the 1990s that aid could be more effective if donors coordinated their activities. Pooled funding and sector-wide systems for disbursing aid have become prominent. Donor coordination is perceived to reduce the administrative costs for recipients, but recipients may not always appreciate these good intentions, perceiving that better donor coordination may lead to loss of control (see Sobhan 1998; Green and Curtis 2002). These new arrangements have meant that, lacking direct control over projects, donor objectives now need to be negotiated into the policies of entire sectors. The 'field' thus shifts back to Dhaka, where the task of administering aid starts to include influencing other donors, public opinion, and government policy.

4. The pattern of social relations in Bangladesh

Compared to other countries, Bangladeshi society is moderately flat. The absence of significant social divides resulted from a) ethnic and cultural homogeneity, the hard-won result of political struggle to that end;¹⁸ b) moderate social mobility, due to the absence of strict social hierarchies such as caste (see Van Schendel 1982); and c) to the extent that such indicators are meaningful, relatively equitable income distribution. A high value is placed on a national identity shared across classes, and social distinctions have been based on the more malleable distinctions of education and wealth than on rigid ethnic or religious criteria. This situation is changing fast as Bangladesh starts its fourth decade: rapid social and economic change have recently increased the gap between rich and poor.

It is more common to think of Bangladeshi society as starkly unequal and rigidly, almost primordially hierarchical. It has been the dominant view in the academic and development literature, and in everyday discourse. This seems undeniable, as it is how social relations in Bangladesh look to the most casual of observers. Many Bangladeshis do back-breaking and

¹⁸ The 1991 census claimed 88 per cent of the population was Muslim, 11 per cent Hindu, 0.6 Buddhist, 0.3 Christian and 0.3 per cent others (BBS 1999). There are suggestions, however, that ethnic minorities are deliberately under-counted, and that the correct figures were 16 per cent Hindu, 1.3 (1 per cent) million *adivasis* and 0.3 million Biharis (Urdu-speaking Muslims; Minority Rights Group International 1997).

dangerous work for implausibly low wages, while a tiny, visible group enjoys the luxuries of the global rich. Behaviour of poor and rich is strictly coded into deference and command, and such frank acknowledgement of social rank can cause acute discomfort for visitors accustomed to more egalitarian social democratic norms for public behaviour. It may be that the differences between rich and poor in Bangladesh are more striking because it is possible to observe them firsthand: here inequalities of wealth and status are exploited intimately and flagrantly, through relationships of the patron-client type. In their classic form, these are enabled by close social and physical proximity between rich and poor. In a society where most are very poor, the very rich can – and are here expected to – treat poorer people as clients. Patronage is often highly valued among the rich, as the substance of good social relations with others. In Bangladesh, to be a client is to defer and obey as a means of attracting protection against crisis, or for help with investment in the future. To be a patron is to have control over clients' labour, lives and leisure. This includes the responsibility to offer protection against crisis, and for the less poor client, for help with investing for the future.

Patron-client type relationships are the template for much social interaction in Bangladesh, so it helps to understand how these pattern small-scale rural society, as well as social and political relations beyond the village.¹⁹ The ideal typical patron-client relationship in Bangladesh was between the local landed classes and tenants, sharecroppers, labourers, faction, kin group or household members, servants, debtors, the poor at large.²⁰ Relations can take extreme forms of servitude sometimes binding over generations. These are naturalised through the paternalist language of family, kin or community, as well as 'by concession and patronage (in good times), by at least the gestures of protection in bad' (Thompson 1991: 345). The economic substance of customary rural patron-client relations has changed rapidly. High rates of landlessness mean that many of the poor fall out of 'the net' (BRAC 1986). The demise of rural patron-client relations is routinely predicted on this basis, but patronage has instead evolved beyond the face-to-face relationship:

The patron-client relationship still dominates relations in village Bangladesh and may be enforced through the nation-building patronage pervading the social structure from the village to the central level ... The possibilities for the aspiring leaders of having something to offer demarcates their scope of operation. What they have to offer must be essential for the survival of their clients – if not land to work, then jobs or doles from somewhere else where their influence carries weight. Influence with private and government undertakings, whether in industry, construction, offices or with distribution of relief and rations, becomes critically important for a faction leader/patron without enough land (Arn 1988: 51-2).

The fiction that patronage is benevolent tends to be respected. Between kin and neighbours it is in any case unlikely that patron-client relationships are invariably exploitative (Jansen 1986). And in the absence of other insurance against risky rural life, cultivating a relationship with a patron may be the least bad of the bad options available. The compassionate, mutual aspects of rural patronage arrangements were overly influential in early government rural development policies. Post-liberation studies of rural Bangladesh devoted themselves to demolishing notions of village solidarity, stressing conflict, division and exploitation (see Jahangir 1978; Thorp 1978; Hartmann and Boyce 1983; Arens and Van Beurden 1980; BRAC 1986; Adnan 1990; Wood 1994 (1976 and 1981)).

It seems inappropriate to describe patterns of urban social exchange with the same terms as these village social systems premised on landholding and crisis-protection. But contemporary urban social relations bear more than a family resemblance to their rural counterparts, in a) the emphasis on the personal, moral aspects of the relationship itself, over and above what is exchanged; b) the behavioural modes of deference and command; c) that what is exchanged is

¹⁹ See Wood (2000) for an account of how patron-client type relations feature within households, communities, the market and the state.

²⁰ See Platteau (1995: 767) for a formal definition of patron-client relations.

uneven and different, but mutually beneficial within the given unequal system; d) that the patron's view of the relationship as benevolent dominates its public representation. The newly urban rich of the cities are still expected to support poor constituencies in the *desher bari* (home village), although such ties are weakening rapidly (see Siddiqui *et al* 1990). But the elite of the country act as patrons on a much wider scale than the village. The same pattern of hierarchical interdependence shapes key relationships between urban actors within the state, the market, and civil society, as well as among individuals within communities and households (see Wood 2000).

Many individuals operate as both patrons and clients, taking and returning favours and services with others below and above in national, social, community and family hierarchies. Those towards the lower end of these hierarchies are the most acutely dependent, whose inclusion in this system is on such poor terms, Wood argues, that it amounts to a 'prison' (2000). And there are those below them, who are too weak to even enter the 'prison' of patronage. In terms of the impact on the functioning of state and market, it has been convincingly argued that the institutionalisation of patron-client type relations within state and market is patrimonial, the personalised exercise of political power strongly associated with bad governance (Wood 2000 and World Bank 2002). The resources transacted in patrimonialism are not only the 'gifts' that went with rural patron-client relationships – loans in crises, favourable tenure, political support or protection. The patrimonial system also transacts cash, contracts, percentages, influence, official government or aided grants, formal sector employment, foreign travel and education grants, and shelter against potential state interference, among other favours.

5. Expatriate donors and Bangladeshi society

One influential recent idea about development in Bangladesh is that bad governance is 'embedded' in social structures. Geof Wood's (2000) dissection of the governance-society link in 'Prisoners and Escapees', echoed in the World Bank's 'Leviathan' study of governance and development (2002), has focused attention on how characteristics of Bangladeshi culture and society obstruct pro-poor development. In Wood's construction Bangladeshi society apparently stops at the walls of the expatriate compound, although donors are acknowledged to be politically significant players (see Wood 2000: 223-5). Donors are bracketed as allies with those who seek to 'escape' the current social system, rather than as contributors or participants to that system (pp. 224). While the social norms and values of state officials are of interest because of how they affect their official roles, it is not clear whether the social norms and values of donors in Bangladesh are interesting for the same reason. Instead, donors appear to intervene from a socially neutral but necessarily political position, always at some distance from the action. If social structure is implicated in the problem of governance, it is worth examining whether donors are implicated in reproducing or replicating local social patterns. What follows risks overstating the significance of donors as social actors in Bangladesh. If so, it should be taken as a kind of corrective to the more usual blindness with respect to this aspect of aid donors.

New arrivals in Bangladesh may be distressed by the extreme deprivation, but they generally know in advance of the country's reputation for poverty. Development professionals are usually accustomed to such sights, although their families and other expatriates may not be; the spectacle of severe poverty has been known to induce the physical and psychological symptoms known as 'culture shock'.²¹ Unlike many other developing countries in the region, Bangladesh has no reputation as a desirable destination for tourists. Bangladeshis and foreigners tend to assume that foreigners come here because they must, and that they merely

²¹ I am very grateful to Dr Jacqueline Howell of the British High Commission in Dhaka for help with understanding how culture shock affects expatriate residents.

tolerate their stay; hence the British community newsletter entitled 'The Hardship Post'. The emphasis on Bangladesh as an unattractive destination seems to me to highlight the presumed unselfishness of aid professionals in coming to this country. I have met few expatriates who claimed to dislike living in Bangladesh, however: many seem to enjoy the close-knit nature and comfortable lifestyle of their communities. Many also highlight the international nature of the society, although this mainly means that they enjoy meeting other expatriates. While expatriate donors spend years in Bangladesh and are likely to have an important impact on Bangladeshi society through their aid, they live quite separately from the rest of that society, only meeting through a handful of usually unavoidable encounters. There are exceptions. But the general separation of expatriate society seems to be institutionalised in some respects, making it difficult for expatriates to live otherwise. This does nothing to help their relationships with Bangladeshis.

Patronage and social hierarchy

Resident expatriate donors seem troubled by what they see of social relations between rich and poor, and by how they themselves feel uncomfortably drawn into the social system by virtue of their own high status within the local hierarchy. This high status leads to expectations about their behaviour. It also brings them into contact with poorer people - the Bangladeshi population in general - on uneven terms which challenge the values of their own societies.²²

There are a range of contexts in which expatriates may be approached for patronage. A teacher in an expatriate school told me that the first Bengali word her students learned as standard on arrival was '*baksheesh*', a street beggar's request for a handout. Few foreign visitors to Bangladesh escape the experience of being approached by strangers with requests for assistance with jobs, cash, contacts, or foreign travel. Expatriate residents are ambivalent about these requests for patronage. Some find the constant demands wearing, unhappy with what they experience as an equation of foreignness - usually whiteness - with wealth. Expatriate residents often felt it could be difficult to befriend Bangladeshis because 'you never know what they are after'. It is not only poor Bangladeshis of whom they speak in this way. Some felt singled out for this treatment, and appeared not to realise that such claims, couched as the responsibilities of the rich, are standard in all unequal relationships in Bangladeshi society. It is not because they are white that they are singled out, but as Frantz Fanon points out, that being white, they are also rich (1963: 31).

At other times, there was an acceptance of the role of benevolent patron, an acknowledgement that they can easily afford to help, and that with so much need, that they probably should. Many donor agency staff and their families have some involvement with local charity efforts. One development professional had reportedly developed a relationship with a poor remote village, fund-raising for village projects and crises. I was particularly struck by the story of one donor who had used personal and official clout to support a project employee's efforts to bring sexual assault charges against local elites in the project area. This was clearly experienced as a solidaristic, emancipatory relationship. But the donor plays roles of benevolent patron as well as political ally in this context: it is the differences between them that made the relationship valuable, not the affinities. Personal forms of assistance for poorer people may compensate some for the frustrations of aid agency work. One aid professional told me that she rarely felt like she was having an impact, but that some private charity might

²² None of this should be taken to suggest that expatriate donors are from uniformly egalitarian societies, just that contemporary western cultures tend to place a higher premium on the formal equality of social status. The British community in Bangladesh, however, is acknowledged to have an established class system within its ranks, with the different classes favouring different clubs and entertainment.

help her feel she was making a difference. Is it possible that the scale and blatancy of social problems make the sense of a personal contribution vital to adjusting to this difficult environment?²³

Some of the closest relationships expatriate residents have with Bangladeshis are with their domestic servants - 'bearers' or 'domestic help', as expatriates prefer. I understand many foreign residents have a highly coloured but generally realistic picture of the treatment of domestic servants in Bangladeshi households, in which it is understood that they are a form of bonded labour, paid low or no wages to work all hours. Employment in expatriate households is considered more desirable, which suggests conditions there are likely to be better than in most Bangladeshi households, although the patronage relationship fostered tends to be shorter-lived. Again there is ambivalence among expatriates about appropriate behaviour towards 'the help'. Expatriates like to see themselves as good employers in contractual relationships, paying fair wages for decent work. But even good wages are so low by Western standards, the standards by which expatriate development professionals are themselves remunerated, that this must be a difficult fiction to maintain.²⁴ On the other hand, the relationship between foreign employer and domestic servant often extends beyond the contractual into relationships of support (assistance buying land, with family emergencies, securing new positions) which enter more traditional Bengali patronage territory.

The inequality is so great here that it is possible to give a great deal to poorer people with what seems so little – it may instil a feeling of power, perhaps an unsettling feeling. Some see the irony in that ordinary middle class citizens from elsewhere are suddenly important, powerful people in Bangladesh.²⁵ One donor described the experience of visiting field projects as making her 'feel like the Queen Mother', a reference to the deference and ceremony customarily occasioned by the visit of an important personage. On one such visit she recalled having escaped and found herself chatting comfortably away in someone's village home. It was a good memory; the chances to meet beneficiaries or Bangladeshis on such agreeably equal terms are rare. Most expatriates will experience the social hierarchy of Bangladesh from near the top, a special place accorded them by a combination of race, nationality, wealth and the privileges of official position. But young expatriate men and women have the occasional taste of life lower down the ladder; some complain that their youth and/or gender disqualifies them from equal professional treatment.

The various objectionable aspects which some foreigners see in Bangladeshi society seem to come to a head in a generalised aversion towards those at the top of the pile. The popular expatriate explanation for the many woes of Bangladesh appears to apportion most blame for the failure to eradicate poverty to the tiny, growing class of the domestic rich. This group is variously referred to in the literature as the middle class, the upper class, or as the elite, a range which reflects not so much academic imprecision as the fact that these groups are new and changing fast. As the most exclusive concept, 'elite' is usually pejorative in Dhaka aid circles, based in part on official and policy discourses of bad governance and corruption. But it undoubtedly owes something, too, to the obvious inequities daily available for view.

²³ The idea that a sense of impotence to act to improve clearly unjust situations may be distressing seems to fit with psychological studies of people's beliefs about poverty, and in particular with work associated with the 'Just World' theory (see Harper 2001).

²⁴ In their thoughtful guide to 'Settling in Bangladesh', the United Nations Women's Association devote a chapter to the subject of domestic staff. I was struck that when reporting results of a survey on domestic servant salaries in expatriate households, the Editor felt obliged to intervene with the comment that the salaries reported 'appeared to be low' (UNWA 1998: 100), perhaps a reflection of sensitivities around this issue.

²⁵ In Sarah White's experience simply entering Bangladesh inflated the 'value' of her whiteness, just as currencies buy more when they cross a national border (White 2002).

One school of thought within Dhaka aid circles sees it as the responsibility of donors to attend to the needs of the poor, because it is assumed the domestic elite are unwilling to do so. It should be noted that this perspective on Bangladeshi society contains a strong moral justification for donor intervention; it also justifies interventions which differ from the objectives of the national government which, it is unproblematically assumed, represents the interests of the elite.

An expatriate development professional published an explanation of his reluctance to write about the Bangladeshi middle class:

If I were to follow the request not to forget the middle class in my accounts of life in Bangladesh, it could sound like this:

He is an official or employee and continues to speak in English, even when I consistently speak Bengali to him. He is obliged to, as the main purpose of the English is to give the impression to those around him that he is superior as they are expected to be deeply impressed by his linguistic acrobatics. Self glorification is an important part of his image. He possesses a boastfulness that makes even the extremely meek soon feel sick...

Another significant characteristic is the deep contempt he develops of people beneath himself. It is not a social gap between him and non-humans down there but light-years' distance. His contempt and scorn cannot be disguised. His fawning towards those above him, the people in power and bigwigs of all kinds is intense and boundless. He is as ruthless downwards as he is complacent and obliging upwards.

Those who endure him are welcome. He will call you a good friend within a minute or two. Within five minutes he has checked out, what possibilities you have to fix him up with a well-paid position (no, not a job, that he doesn't like, he wants a position with a high salary and status but without obligations to work), scholarships for advanced studies in Europe or at best a position overseas (Kramsjø 2000: 110-1).

It should be noted that this extraordinary 'hypothetical' outburst was published with financial support from the Swedish International Development Agency (SIDA). There are many interesting things to look at here, including the equation of 'middle class' with an official (the Bangladeshi middle class person an expatriate aid professional is most likely to encounter). There is also the concluding complaint about requests for patronage. As a snapshot of social relations as they seemed to one expatriate development professional, it is more hostile than anything I witnessed in Dhaka, but it fits the general character of the discussions I had.

Social apartheid in Dhaka

I had not anticipated that expatriate aid donors in Bangladesh would be hostile towards the domestic elite, although it seems this situation is not unique to Dhaka. It would be difficult to pin much argument on evidence of this kind. But it is worth pointing out that aid donors share more characteristics with domestic aid recipients than they do with other groups in Bangladeshi society. The Bangladeshi middle class has historically been so small and weak that foreigners could only meet on anything like equal terms with the handful of established rich families. Foreign residents may feel distinguished from the domestic elite by virtue of (what they see as) their pro-poor social values, but from a sociological perspective, the two share a great deal in terms of lifestyle, education, wealth and privilege, and space. It is perhaps a sign that resident expatriates see themselves as separate from the society in which they live, that they set themselves apart from the only other group in society which approaches them in terms of wealth, status and power. Rosalind Eyben argues that domestic elites are a 'negative reference group' for resident donor representatives, as it is precisely because of their similarities that donors are hostile: the domestic elite provides a permanent and unflattering reflection of the lifestyle and privileges of donors in Dhaka. But when

expatriate donors do socialise with Bangladeshis, it is most likely to be in the homes of the elite. It is not necessarily to the liking of many donors that the Bangladeshis they can meet through the official social round are 'those nasty elites', as I heard them half-jokingly described.

Expatriates I have met complain of having few Bangladeshi friends. To have Bangladeshi friends seems to be something of a mark of successful integration, of the ability to get along with different societies - presumably a valuable skill in professional aid work. But socialising between expatriates and Bangladeshis is usually no more than a 'token form of mixing', according to one expatriate. Another described how he had felt integrated into local society in a previous posting in the Sahel; there he rarely mixed with the expatriate community. In Dhaka, by contrast, his social world was limited to the small circle of other donor colleagues and his nationality's club. He and his family were leaving as soon as possible, unhappy with this limited social integration. Most people who have bases for comparison agree that social interaction between expatriates in Dhaka and the local population is unusually limited.

A common explanation for social apartheid in Dhaka rests on alcohol, perhaps the most obvious symbol of cultural difference. I heard the opportunities of social interaction in Dhaka contrasted with those in unspecified African countries, where 'you can just go into a bar and make friends with the person drinking next to you'. It is not clear why a Dhaka tea stall should not provide the same opportunities. True, polite Dhaka society does not look too kindly on alcohol, but, as a recipient pointed out, donors could find ways of socialising that do not involve alcohol if they wanted to, as most of the local population does. A donor told me that she had become used to socialising without drinking while posted in Pakistan, so it was evidently less of a barrier there.

There are individuals who transcend social barriers because they speak Bangla and English, or for expatriates, if they can make the considerable effort to move beyond the exclusive Gulshan ghetto of expatriate clubs and parties. These individuals might include the handful of expatriate aid professionals whose spouses or partners are Bangladeshi. But the separation between expatriates and locals is so marked that inter-group sexual relationships are rare, or perhaps more accurately, clandestine. This is undoubtedly due in part to the ban on premarital sexual relations for Bangladeshi women. But even wealthy, westernised Bangladeshi women, to whom such rules do not exactly apply, shy away from relationships with foreigners. One such woman indicated that there were simply too many prejudices on either side to build an enduring relationship. It should be noted that these prejudices are not against foreigners (there are many 'imported' foreign spouses in Dhaka) but against resident expatriates. The main reasons such relationships are rare in Bangladesh is probably, however, that the opportunities for the two groups to meet socially are limited and formal.

While the professional middle class is growing rapidly, there is still a social gulf between the Bengali-speaking middle classes on the one hand, and the national and foreign elites on the other. It is not surprising that some expatriate donors reported feeling that it was difficult to meet Bangladeshis 'of their own level', and some recognised that this was because of the small size of the middle class. But given that expatriates rarely learn Bangla, differences of language add to those of wealth to make it difficult for even those expatriates so inclined to befriend middle class Bangladeshis.

The most equal social relationships expatriate donors have with Bangladeshis are probably those with NGO headquarters staff. Kendall Stiles has developed a book-length argument about the implications of this relationship (Stiles 2002). Using the extended example of Bangladesh, he describes the relationship between the NGO leadership and aid donors as an 'intermestic development circle', a social network which draws together like-minded, progressive international and domestic non-governmental actors at the developing country

level, the significance of which lies partly in that it provides a counter-weight to the state in development.

Stiles' useful account of aid relations looks at how and which NGO personnel are drawn into the network, and on what terms. He notes commonalities between the NGO leadership and some donors, including those of education and political outlook (with respect to development), which enable reasonably close relationships to form between Bangladeshi NGO and international NGO staff and expatriate donors in the social development field. Stiles also indicates that while some NGO-donor relationships are organised and experienced as relatively equitable partnerships, there are also times when donors can usefully behave as patrons, usually when it comes to protecting NGOs from a suspicious government. It is undoubtedly the case that NGOs had collectively and individually depended on the protection of donor patrons. In the early 1990s, it seems that the donor community was highly active and effective in protecting NGO interests. But challenges to NGOs in 2003 and 2004, including a freeze on foreign funds to one NGO and rumblings about stronger NGO regulations in general, have yet to produce any effective donor protection. This seemed to mark a shift in how donor opinion is received by government. My impression is that donors already made efforts very similar to those they made in the 1990s to bring the government to heel on NGOs, but with less success. The other interesting difference between now and a decade before is that the NGO whose funds have been frozen depends far less on aid for its budget than in the early 1990s; it is surviving despite the current funding freeze, and with little effective donor pressure on its behalf.

Among the NGO personnel it is fairly naturally the English-speaking Western-educated NGO leadership with whom expatriate donors have been most comfortable. At one time there does appear to have been some romantic view of the NGO leadership, particularly those of more radical colours (see Sanyal 1991). At the same time it helped if the NGO leaders could also 'use a knife and fork', as one long-term observer of Bangladeshi society put it. The NGO personnel who fit this profile are those from established elite backgrounds, also graduates of the leftist and nationalist movements of the liberation era. Although these are the closest relationships donors have with recipients, there is still social separation. Some recipients commented on the tendency in Bengali society to try to separate professional and personal life. For the other side, Kendall Stiles describes how donors mainly prefer to retreat to their expatriate social circles and clubs at the end of the working day, 'like an actress retiring to her dressing room' (personal communication). This hints that the role of donor involves a kind of performance, perhaps to an alien and unreceptive audience. Whether they like it or not, donors must represent their country and enact its values; this may make it difficult when, for example, they disagree with its foreign policy. One donor described the pressure to show more knowledge than they could possibly acquire in their two or four year stints; presumably to display ignorance is to admit weakness or to relinquish power.

Most resident expatriates may be unable to integrate because they cannot speak Bangla. This not only makes it difficult for them to communicate with more than a small fraction of Bangladeshis, it also circumscribes their movements. Unless mandated to travel in the country in order to make field visits, most expatriates prefer to travel abroad for leisure. (The same is true of rich Bangladeshis.) Within Dhaka, the expatriate population is seen almost exclusively in the greater Gulshan area, in what used to be the northern suburbs; there foreigners are thick on the ground, almost commonplace. An official from an expatriate school explained that they taught very little Bangla to their students in part because little was needed, just enough 'social Bangla' to direct a rickshaw-puller or make a purchase. But even in Dhaka the proportion of Bangladeshis who speak English is so small I find it hard to imagine anyone can live here without at least functional Bangla. It can only be possible if you limit your movements to places where English is spoken, and therefore to the Gulshan area; within Gulshan you could move between a few offices and shops as well as expatriate clubs, schools and homes. There is not much need to access the services used by the rest of the population: the British

community, for example, has a school, two clubs, a clinic, and other services, all of which remove the need to buy, learn, heal or play in the wider society. The rounds between these fill much of expatriate daily life. One long-term expatriate (who does speak Bangla) explained that his family had lived 'in town' until the hartals made it impossible for his children to attend the American School in the (relatively hartal-free) greater Gulshan area. It seems that the American school takes it upon itself to mobilise parental involvement, seen as a means of building some sense of community among expatriates. This leaves less space for socialising beyond the expatriate school community. It is a small, tightly-knit world, 'a fishbowl', as it is frequently described.

6. Imperial masters and humble servants²⁶

This section looks more closely at how donors and recipients talk about their relationship, in order to address the question of whether this relationship could be seen as a species of patron-clientelism in the Bangladeshi pattern. From the outset it is evident that this could never be a perfect description, even of the inter-personal relationship: personal interaction between donors and recipients is itself powerfully shaped by the larger relationships between countries and large organisations, as will be discussed in the next section.

That the donor-recipient relationship is a lightly veiled colonial relationship has the status of fact in aid recipient circles. Even 'neo-colonial' is considered reactionary, a concession to the fact that foreign powers are no longer actually mandated to govern. This view is apparently compatible with good day-to-day working relations with donors. On occasion I was struck by how cordially interviewees described relationships with individual donor agency staff, only to discover that these overlay strong negative feelings about the pattern of aid relations. On one occasion, as the discussion drew towards a close, the director of an NGO who had described admirably equitable working partnerships with donors delivered a ten minute discourse on the continuities between donor and imperial domination. I was left with the impression that he could reconcile these views because he thought the only available strategy as a Bangladeshi was to work effectively within a system he knew to be unjust and illegitimate.

Another interesting contradiction emerged in discussions with a former government official. Formally on secondment to an aid project, this individual is called in to arbitrate between donors and government at senior levels, as I understood it, to represent the donor position to government. As an elite member of that in-between category that mediates between donors and recipients, he, too, appeared to have warm working relations with donor colleagues; they in turn respect his judgement and abilities. He described one encounter in which he was invited to mediate on an issue on which donors felt the government had broken all the rules. He seemed to agree that the government's behaviour was both outrageous and unlikely to contribute to development progress. Nevertheless, he took great satisfaction in describing the incident, noting that the donors had been put 'back in their proper place', and that 'the idea that they can dictate terms has to some extent been nullified'.²⁷

I describe these two encounters because they both struck me as negating the commonly-held

²⁶ This is a selective account of preliminary findings, focusing mainly on personal and social interaction between donors and recipients. It only touches on other important issues which emerged, such as the organisational and political constraints to more effective smoother aid delivery, because such issues have been dealt with more than adequately in other recent studies of aid and donor practice (see Green and Curtis 2002; also Banham 2001).

²⁷ I met other individuals whose loyalties I had expected might be mixed, that is, for whom citizenship of aid recipient Bangladesh might have clashed with roles as donor agency staff members. But I never met a Bangladeshi in that position who claimed first loyalty to the organisation or its programme: in my hearing at least all were Bangladeshis first, and highly critical of aid donors in ways that only insiders can be.

view that aid recipients who enjoy good relations with donors are themselves 'colonised' and sycophantic towards superior foreign masters. There may be some truth in the view that

the psychology of dependence on donors has become ingrained in the psyche [of policymakers] who remain firmly convinced, even today, that the goodwill of the donors is an important political resource in the domestic politics of Bangladesh (Sobhan 1993: 5).

But such conviction strikes me as entirely sensible for a client in a patronage relationship, and can evidently co-exist with dislike of the inequity of the situation.

The colonial description is an irritant to British aid professionals for obvious reasons; other donors care less. I understand that some reject the criticism on the grounds that most were not even born under the imperial system. But it seems wilfully naïve to simply assume away continuities between imperialism or colonialism and the contemporary aid system.²⁸ The charge that aid is a colonising strategy or that donors behave like an imperial power is no throwaway comment of the conspiracy theory school, or it is not just that. Its use suggests that it gives meaning to the routine experience of submission to (what are seen as) inappropriate or unfair donor conditions. Perhaps it reflects the natural resentment of personal and national subordination to representatives of a foreign power. As a narrative about national history, it may help to make sense of how 'we, as Bangladeshis' come to be in the lowly position of aid recipient.

Another irony when foreign development professionals shrug off the colonial tag as irrelevant is that many are themselves from missionary and/or colonial backgrounds (see Crewe and Harrison 1999, citing Stirrat 1997). Small things recall the continuities, bring to mind that were there are aid donors now there were once colonialists in similar job titles and bungalows and clubs. One donor explained her family had always lived in the subcontinent: she felt at home during her stint in Bangladesh. Another found an expatriate club evoked memories of her grandfather, who had similar furnishings from his time in India. These family and national histories do not become irrelevant because the formal rule has ended; the experience of empire in any case marks the imperial culture as deeply as that of its subjects.²⁹ It is interesting that recipients focus eagerly on the colonial histories of their donors just as they happily turn the spotlight onto bad governance in America and Britain. Some donors are uncomfortable when the gaze is turned on their own societies and governments.

Bengalis generally consider domestic service to be the most demeaning of roles; it was thus when I heard the description 'master-servant' relationship that I began to recognise the extent of animosity towards aid donors. In some respects this is the harsher indictment of the aid relationship. Whereas struggles against colonialism might be noble and grand and victorious, the master-servant dynamic is unremittingly humiliating and petty. But I was given few convincing examples of the ways in which donor-recipient relations were demeaning to recipients. The comparison sometimes came with a story: an NGO had air-conditioned its field offices to ensure the comfort of donor field visits; another had named an institution in honour of a donor agency staff member. None of these stories seemed sufficiently demeaning to merit the comparison; it seemed overblown.

²⁸ The continuities are routinely commented on in the critical development literature. There are obvious continuities between the administrative structures, management techniques, implementation and monitoring systems, and ideologies used in development as in colonial rule. For one particularly telling example, see Cooke (2001) on how development management practices were adapted directly from colonial administration. He also notes that as late as the 1990s, many development management professionals were themselves former colonial officials.

²⁹ Cannadine provides a helpful summary of this literature (2001).

One story was more telling: an NGO director was reported to be routinely chastised by donors before his entire staff, after which he would 'go into his office and shut the door'. I was unsure why this last story stuck in my mind. Perhaps it showed how donors overturn existing social hierarchies; it is possible to imagine how humbling an experience this must be for those who are more usually the boss. The master-servant comparison may tell us something about how recipients feel their personal status is threatened by how they are required to behave towards of donors.

One reason I found the master-servant description inappropriate was that I detected no great tendency among recipients to behave deferentially to donors. There were some stories of sycophancy, but many telling of challenges to donors. From each of three former or current government secretaries I heard stories about donors being challenged by recipients, in order to take programme X in a more successful/less disastrous direction. There was one about how director of Y NGO had politely but firmly declined a second tranche of funding because of micro-management. Z had frequently challenged the donors in public; it was for this reason that he was currently out of favour. There were many stories of challenging donors, and they were all told as heroic tales. From donors I also heard stories: one was told he would be thrown out if he approached the government with a particular proposal. An expatriate aid professional explained he took great care to be scrupulously deferential when meeting government officials, a strategy he found to be highly successful. I heard too that strict protocol was involved in communicating with government, which some felt were excessive or even ridiculous. Perhaps this misjudges the situation: it might be that recipients of aid have reasons to feel that their personal status and power are vulnerable to the encounter with expatriate donors.

I also heard that foreigners 'look down' on Bangladeshis, including from people who work alongside expatriates. Aid organisation hierarchies are likely to reinforce this perception of assumed inferiority, because as well as the usual organisational hierarchies of management, age and gender, there is the racial dimension: most of the brown employees are remunerated far less well, even for the same work, than most of the white (or foreign) employees. Bangladeshis employed under these unequal conditions seemed to accept this situation, recognising that employment conditions in international organisations were in any case preferable to those in local organisations. Nevertheless, the inequalities are noted and felt. In one case the unequal privileges were affecting work: one Bangladeshi donor agency employee said her expatriate colleagues took more leave than the locals, and that this tended to hold work up and to distort work schedules, as the expatriates hurried to complete tasks before going on holiday.

In the experience of one former recipient, now working for a donor agency, white people are more racist in Bangladesh than at home: 'Bangladeshis are not capable of thinking analytically', one said to her. She was angered by talk of 'you people', and of how 'they' think and behave. She said that donors were 'able to deal with poor disempowered Bangladeshis, because they can't speak.' Others echoed this view.

A small number of Bangladeshis are employed as 'international' staff in aid and -related institutions, and therefore in formally equal positions to expatriates. One such professional, someone with an international reputation in his field, felt that his working relationships with expatriates were usually good but rarely ever warm. On reflection, he said there was always an obstacle in making friends with foreigners because he assumed 'they look down on Bangladeshis'. Even equal professional status did not quite remove this sense that foreigners see Bangladeshis as inferior, less capable, less intelligent. In another conversation this man complained of having to be a beggar, of how he hated asking donors for money, and of how 'all Bangladeshis are beggars', by virtue of being citizens of aid recipient Bangladesh. But another Bangladeshi 'international' staff member was far more positive about her relationships with expatriates, among whom she had made good friends. She described her early

introduction into these circles. Her aunt, a pioneering NGO leader and a member of the established elite had hosted dinners which 'brought everyone together' in ways that made them all comfortable.

Of course many expatriates literally look down on Bangladeshis. The physical differences of race between donors and recipients appear to matter more than I would have guessed. This appears to matter most among men. I heard many stories of encounters between expatriates and Bangladeshis in which differences of physical size featured. It was only after having repeatedly heard descriptions of encounters with 'this huge white man' on the other side of the negotiating table or dispute that I understood there was something intimidating or daunting about this difference which provokes aggression. At the least, it seems to make the person-to-person (or man-to-man) encounter even less equal. I find this difficult to understand, but it may be that this is a gender issue, of relevance mainly to masculine identities (see also Dyer 1997). I heard stories where physical difference was taken to its logical conclusion: Europeans working on engineering projects were reported to have physically abused Bangladeshi employees. In one incident, a case of assault was lodged against the European; in another, the Bangladeshi employee waited till the end of the European's tenure and then contracted a gang to beat him.

Recipients of aid in Bangladesh do not seem deferential to their aid donors, and I also doubt that assumptions of inferiority are widespread among expatriates. One reason for this is that at least in the field of social development, Bangladesh has produced an impressive range of innovative approaches and experts, many of whom are in demand globally. My impression, gathered in part from hearing resident donors talk about their professional experiences, is that Bangladesh is considered a good place to learn about development, in which there is a wealth of domestic expertise and ability on which to draw. This humility and willingness to learn from locals is rarely on display among expatriates, however; at least one donor claimed that aid donors had an intense pressure to know, and to be seen to know. It is presumably too risky to acknowledge one's ignorance of an issue, particularly during high-powered negotiations. Compared to what Rosario Leon has found of donor attitudes in Bolivia, however, expatriate donors in Dhaka appear to have a noticeably greater respect for local expertise.

One reported aspect of recipient behaviour is experienced by donors as something like deference, or passivity. This is the view that recipients of aid frequently agree to donor conditions which they later fail to meet, or which they have never had any intention of meeting. Donors I spoke to claim that they would prefer to iron out the disagreements in advance, rather than feeling let down and losing trust later. A donor who had been in Dhaka a decade earlier felt this passivity was 'cultural, not to do with institutional arrangements, or to do with aid', also that it marked a cultural difference with Africa, where 'what you see is what you get', where there are no fears about challenging donor conditions. In Bangladesh, she found, 'they worried very much about losing money. Fear that the patronage would be taken away.' If it is true that recipients frequently agree to conditions they have no intention of meeting, it may indeed be cultural, perhaps a reflection of the deference involved in traditional patron-client relations. But it is also worth considering that this strategy might be entirely rational, the tried and tested formula for avoiding lengthy negotiations over conditions that the next incumbent in the aid agency may drop or not prioritise. Some might describe such behaviour as 'everyday resistance' by the client in a patronage relationship (Scott 1985).

The situation undoubtedly varies according to the dynamics of individual relationships. But overall relations between donors and recipients do not appear to be coloured by command and deference in the way that patron-client relations are. It might have been so in the past, but the structure and the incentives of the aid relationship have changed. Smaller NGOs and other organisations are still dependent, but parts of government and the larger non-governmental organisations have less of a need to beg. Recipients are more assertive than I anticipated, and

donors less effective at imposing ideas and interests. As successful long-term recipients of aid know, donors need them quite as much, in some cases more, than they need donors. There are other symbols of the shifting balance of power as aid declines. Locally-produced assessments of development progress are prominent, in particular the annual Reviews by the Centre for Policy Dialogue. These are increasingly replacing the traditional dominance of World Bank reports (on which see Bhattacharya 1996). Against the wishes of all donors, the Prime Minister, Begum Khaleda Zia, reversed health sector policies with which she strongly disagreed. And in a most telling change, the annual meeting between donors and government took place in Dhaka for the first time in 2003, after decades of having met in Paris. Donor language tries to reflect this new mood with its emphasis on 'partnership'. This is an important notion, but it currently assumes too much equality to be really meaningful. Among other things, 'partners' assumes a mutuality of interest which the donor partner seeks to deny, as we will see next.

7. The motivations and benefits of aid

Recipients of aid rarely discussed their motivations for accepting aid; perhaps these are self-evident. But there was interest in the motivations of donors, as individuals, as organisations, and as foreign countries: what draws donors into this relationship with recipients? The standing question is, why do they give us aid?

Given that the lifestyles of aid officials are very like those of the very richest in Bangladeshi society, it is no surprise that recipients frequently focus on the comfortable lifestyles of aid donors. One informant talked of how the profile of aid donors had changed since the early days post-independence, when 'VOLAG types' – volunteers with long hair, *khadi* clothes and sandals, living in villages and learning Bangla at the Heed School in Barisal – were common. Contemporary donors, she said, rarely bother to learn Bangla. She felt what she called the 'VOLAG types' took the effort to get to know the country: 'their commitment was of a different type'. She also said that in those days donors tended to live quite modestly, which enabled them to achieve some degree of social integration. Donors recognise that the luxury (by Bangladeshi standards) in which they live could be seen by some as incompatible with their professed poverty reduction aims; some find this an embarrassment.

Bangladeshi society treats modest living as a demonstration of commitment to the poor (see Hossain 2003), very likely a legacy of the Gandhian political tradition (see Parekh 1999). This may be one reason that volunteers and (to a lesser degree) employees of international NGOs, groups with a reputation for living simply, are often received more warmly than official aid donors: their altruism is taken to be evident from the simplicity of their lifestyles. The same logic is applied to the domestic NGO leadership. But there is also a minority view that if we must have foreigners working to develop our country, it is preferable that they are well-paid, skilled professionals than well-meaning charity workers. In this view it is less demeaning if the service is paid for than if it is given out of sympathy.³⁰

A small army of international consultants is periodically employed through aid to Bangladesh. The numerous successful innovations in social development have made Bangladesh something of a laboratory from which foreign experts seek to learn and publish. Hence also the growth in university courses teaching development studies, always with a module on micro-credit or fertility or poverty in which Bangladesh features prominently. Having worked in Bangladesh is, it seems, a good credential to have in the development profession.

³⁰ I understand that volunteers from the large volunteer organisations usually receive a local salary for their services. This undoubtedly helps volunteers to integrate socially, as they are expected to live on what local people earn. But it is interesting that when a local salary is paid to foreigners they are said to be 'volunteers', but when paid to Bangladeshis it is the salary of the relatively privileged middle classes.

A recurrent theme is that the appeal of expatriate life lies in the fact that 'here they are somewhere, at home they are nobodies'. It is certainly true that most expatriate donors have higher social status in developing countries - particularly in Bangladesh, where the middle class is so small - than at home. Expatriates make this point themselves. The more exclusive among the Bangladeshi elite like to emphasise this difference in social status, including the wife of one Bangladeshi diplomat who told me that the diplomatic circle in Dhaka was of a very low calibre because 'they send us the dregs'. One British expatriate commented on the social class differences between some of his compatriots and the 'highly cultured' Bangladeshis he had met, to explain why the expatriate community cannot mix comfortably with the elite. Within the wider society, however, the status of foreigners is unquestionably high, at least equivalent to that of the richest Bangladeshis.

The organisational and national political motivations of aid are also widely discussed.³¹ The range and diversity of recipients' view on the motivations of donor countries and organisations is too great to permit a full discussion of these arguments, but they can be loosely grouped under the following broad headings:

- aid does not constitute a major net transfer or gift to Bangladesh: tied aid and the increasing proportion of credit in the mix mean that aid is a substantially commercial transaction for donors
- aid aims to improve the Bangladesh economy and polity for foreign investment, multinationals and global capitalist economic growth
- aid reinforces Western cultural power
- aid to Bangladesh is about reducing poverty for compassionate reasons, to ward off political-religious extremism, or to enlarge the market for western products
- aid draws Bangladesh into the global political system on the side of donor countries, providing incentives to comply with Western political agendas
- aid provides donor countries with moral authority and ideological justification for historical exploitation, for contemporary global income inequality, unfair trade rules, and contemporary political domination.

Some of these are related to respectable theories, all are heard of the role of aid elsewhere (see Gardner and Lewis 1996: 10-1). I will not attempt to assess their truth, as these arguments and theories about motivations are of interest primarily in that they seek to highlight the benefits to donors: they stress that donors get something in return for their 'gift', even if it is not equivalent to what is given, or quantifiable, as aid flows are. In comparative perspective, however, the quantifiable material benefits to donors appear to have been limited. With its over-stretched natural resource base and its strategic unimportance Bangladesh is of comparatively little economic or political value to donor countries. The main claims Bangladesh has had to aid have been compassion and an accumulating importance as a global development laboratory, first as the acid test for capitalist development, and later for interventions in fertility control and poverty reduction.

Of the contemporary aid system more widely, Eyben writes that the 'gift' of aid is 'genuinely more moral' than under conditions of tied aid, or when linked to geopolitical cold war interests. In this view, the greater 'morality' of aid lies in that 'donors do not expect a material return' (2003: 10). If this is true, then aid to Bangladesh may well be 'genuinely more moral' than to other countries. But if aid is more moral it is mainly from the point of view of donors. Recipients of aid in Bangladesh dispute the implication that donors receive no material benefit; from their point of view the benefits to donors may be obscured and intangible but

³¹ An OECD/DAC funded study on Donor Practices in Bangladesh uncovered similar suspicions about the motives of aid donors, and noted that 'Suspicion that ... secondary agendas are being pursued through the formal transactions of the aid management process can make these transactions more protracted' (Green and Curtis 2002: 16-20).

they are real, nevertheless. A situation in which these benefits are ignored or underplayed is unlikely to be good or 'moral' from the point of view of recipients, because it gives donors more moral authority and power over their society than they feel is legitimate or beneficial. Eyben does note that the relationship between donors and recipients is more oppressive if the recipient is unable to make a return. If it is acknowledged that benefits flow both ways, the relationship is closer to an exchange in a market: the benefits are mutual, and neither party is systematically empowered over the other.

Donors are not deaf to arguments that they or their countries benefit from aid, but rarely find it useful to acknowledge this. There is some acknowledgement in the occasional tension between official aid agencies and their foreign ministries. Official aid agencies are frequently being pulled towards or away from closer integration with the foreign policy objectives of their countries. It seems unlikely that these are merely administrative reforms, as closer integration with foreign policy entails a closer alignment of aid with national policy objectives abroad. I understand that in the UK the separation of DfID from the Foreign and Colonial Office is seen by DfID's staff of development professionals (who are also diplomats and civil servants) as beneficial for developing countries. The logic is that such separation should make it possible for UK development policies to be governed by the interests of developing countries, rather than by Britain's own commercial or political concerns abroad.

Within this logic, the separation of official development assistance from foreign policy means that aid is cleansed of direct association with donors' material interests in the world. Perhaps it is this which in the eyes of bilateral donors makes it 'more moral'. American aid professionals in Nepal explained that their motivations for working in development included that they disagreed with their country's foreign policy (Stanley 2001); this suggests that they see their involvement in development as in some respects countering the larger national agenda. The notion that donor country development agendas can be separated from their other concerns is unlikely to convince recipients of aid. The inequities of the world trade system and restrictions on the movement of labour from developing countries are enough to confirm that there can be no meaningful separation of donor development policy from donor countries' other concerns. It is worth noting that the 2003 invasion of Iraq by the US and the UK is taken in Dhaka as irrefutable evidence that donors' good governance and human rights agendas are hypocritical. Donor efforts to influence for governance reforms are likely to suffer from the inconsistencies and divisions in their domestic agendas.

To treat aid as separate from donor countries' other activities and interests in the developing world is thus to carve out a special moral enclave within the countries' interventions abroad. It is worth recalling the argument that it is at times when the values of the market are celebrated that altruism also becomes more prominent (Parry 1986). During the cold war, both sides knew why aid was being given, and the mutual benefits were acknowledged. But through the 1990s, donor countries became more interested in the commercial and investment possibilities of developing countries than with their geopolitical importance. It was at this time that the case for aid began to take on a more moral tone, focusing on the compassionate motivations for reducing poverty.

That aid given for humanitarian reasons is a greater burden on recipients than aid given in a mutually beneficial relationship seems to be confirmed by the ways in which recipients evaluate the differences between types of donor. On a number of occasions I was surprised to hear the legitimacy of the World Bank and the Asian Development Bank compared favourably with the bilateral donors: this difference was explained to me as reflecting the fact that as a shareholder, Bangladesh has a stake in the multilaterals which it lacks in the entirely discretionary relationship with bilateral donors. The differences in the 'gift' component of the aid also mattered: even soft loans were seen by some as commercial transactions, and not as 'aid' in the sense of a gift. But this appeared to make the relationship with loan-giving donors (JICA, for example) more, not less, palatable. This is because the less commercially interested

and the more humanitarian the assistance on offer, the more it seems to empower the donor. Thus DfID staff assert the sincerity of their organisation's humanitarian aims by pointing out that British aid is officially untied, so that British commercial interests no longer automatically gain from aid flows.³²

It is in the emphasis on aid as a benevolent one-way transaction that the donor-recipient relationship comes closest to resembling a patron-client relationship. The emphasis on aid as benevolent, as an act of altruism from a richer to a poorer nation means that the benefits which flow to the other side are concealed.

8. Conclusions and questions

Aid dependence historically permitted donors to shape the Bangladesh development agenda. Bangladesh was not only dependent on the flow of resources because they were such a large proportion of the total; it had little to give in return, and was dependent on the goodwill of aid donors, who could withdraw aid at any time. Bangladeshi recipients may well have had to work harder to keep donors engaged than those in countries with more commercial potential or political significance. The donors stayed, and successive Bangladeshi governments tried to follow their general line. Economic justice principles on which a war of independence had been fought were abandoned in order to embark on one of the earliest economic reform programmes of any developing country. Huge private foreign-funded organisations were permitted to channel foreign money and ideas directly towards organising the poor. Every April, Foreign and Prime Ministers showed up in Paris to be chastised for their failures and to ask for more aid.

Aid is less important in Bangladesh than before, but the goodwill of donor countries is still needed. In the classic client manner, Bangladesh needs patronage in the international system, for favoured trading or immigration status, for recognition, protection from more powerful neighbours. This can be gained by participation in international fora such as the Commonwealth, the WTO and the UN, or through careful international relations. Accepting aid may be part of the price of gaining donor countries' goodwill. But this also suggests that if the costs of aid are too high – in terms of unpalatable conditions, administrative time and effort, and the discomfort of the personal experience of being a recipient – aid can be declined or stalled.

So much for the larger context. Have we learned anything from this brief glimpse of the real-life, personal relations between donors and recipients? It has put on the table the open secret that donor-recipient relations are difficult or hostile. This is because the receipt of aid is not just about being handed resources and a technical blueprint to guide their use; it also requires submission to outsiders, and to outsiders whose claims are often those of historical domination or superior economic power. Stripped bare, the position of recipient is a position of weakness, clung to for the longer-term protection afforded by the relationship. When aid donors ponder the difficulties of getting their programmes implemented, these may be useful things to keep in mind.

Moral dilemmas are central to the decision-making of thinking donors. Some try to see their responsibilities as being to the poor of Bangladesh, but they are ever further removed from any direct contact with this group. They also see that they can only fulfil these responsibilities by working directly with elites, a group with whom they have not to date had a warm

³² My impression was that my Bangladeshi friends in business had friendlier relations with the small expatriate business community than I found in the aid industry. This may suggest that commercial relationships may be experienced as more equal – or at least as more comfortable – than those between aid donor and recipient.

relationship. There are powerful pressures in two directions. They are accountable to the taxpaying public at home, which entails close supervision of how aid is disbursed and spent. But more effective use of aid is also understood to require more national ownership of policymaking, more local control (Sobhan 2003). Accountability to the poor of Bangladesh must thus compete with accountability to taxpayers in donor countries.

I have suggested that donors are received as patrons in Bangladeshi society, and also that they, perhaps unwillingly, perhaps unwittingly, reproduce these patterns of behaviour in certain respects. With recipients of aid they behave as patrons as often as partners. To answer the questions raised in the introduction, this suggests that the social relations and personal behaviour of aid donors are not aligned with their official poverty reduction and development goals. Whether or not these social relations actually impede their official activities is too early to say, and may be a question for donors to address themselves.

If the aid relationship is one of patrons and clients, it is one in which the clients seem poised for exit. There is an assertiveness among recipients and a new willingness and capacity to challenge the dominance of donor development agendas. This seems to confirm that at least within the domestic development policy arena, donor money carries less clout than before. As was seen in India in 2003, the multiple time, resource and personal costs of receiving aid may come to outweigh its benefits. Economic growth and development have meant that the foreign policy interests of Bangladesh now extend beyond attracting aid, to the serious global matters of expanding access for trade and markets for Bangladeshi labour.

I expect that donors in Bangladesh are already accommodating themselves to this weakened power of aid, and some seem to be adjusting their strategies and behaviour accordingly. It is in the increasing emphasis on the need for sweeping governance reforms, an agenda for which broad and powerful political alliances are needed, that donors begin to realise the need to influence the policy and civil society elites. If they have less power, they could still advocate for pro-poor change. It is here that the coldness of donors towards domestic elites may become significant, as a barrier to exercising such influence.

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Annex (to be added)