



When do nations fail?

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Nations do not fail overnight. Nor do they fail because of fate, geography, or some imagined civilizational curse. They fail slowly; when the institutions meant to safeguard the public interest are captured, hollowed out, and repurposed to serve the ambitions of a narrow elite.

Political independence or periodic economic growth alone does not guarantee success. The real test of a nation's resilience lies in its ability to modernise both politically and economically; to build institutions that are accountable, adaptive, and anchored in merit rather than patronage. Where modernisation stalls, decline begins.

Historically, countries that stagnate share a similar condition. Institutions designed to regulate markets, protect property rights, and ensure justice gradually become tools of political opportunism. Regulators are compromised. Financial systems are manipulated. Public procurement becomes opaque. Civil service is politicised. The line between state and oligarchy blurs.

Economic instability and deprivation are rarely accidents. They are not products of national

destiny, but manifestations of political failures that allow institutions to be appropriated by kleptocratic networks.

The consequences are predictable. Investment declines because rules are uncertain. Honest entrepreneurs are crowded out by politically connected actors. Public banks become vehicles for insider lending. Non-performing loans rise. Fiscal space shrinks. Inflation accelerates. Citizens lose trust both in government and the fairness of the economic system.

The tragedy of many African states illustrates this dynamic vividly. The problem was not an absence of natural resources. Many were richly endowed. The deeper issue was institutional capture. Entrenched elites plundered national wealth, transferred assets abroad, and secured safe exits in foreign jurisdictions. What remained behind were weakened institutions, fragile currencies, and fractured social contracts.

When institutions are hollowed out, the state loses its ability to perform its most basic functions: providing public goods, enforcing contracts, managing macroeconomic stability, and ensuring justice. Governance becomes reactive rather than strategic. Crises multiply. Reform windows close. Citizens disengage or radicalise. No country is immune to this trajectory.

Bangladesh stands at a consequential juncture. It has demonstrated extraordinary resilience in the past; lifting millions out of poverty, expanding exports, building social protection systems, and sustaining growth. But resilience should not be mistaken for invulnerability.

Recent years have exposed how quickly institutional weaknesses can compound into macroeconomic stress. When financial oversight is compromised, banking crises emerge. When accountability mechanisms weaken, corruption becomes systemic rather than episodic. When public discourse narrows and dissent is discouraged, policy mistakes go uncorrected for too long. The warning signs are visible in stressed financial institutions, declining private investment, capital flight, and public frustration.

Bangladesh can grow again. Right now, the more pressing question is whether it can embed meritocracy, accountability, and rule-based governance deeply enough within its political and economic architecture to prevent future capture.

Modernisation is not just about infrastructure or GDP expansion. It is about strengthening regulatory autonomy, ensuring central bank independence, professionalising civil service, protecting judicial integrity, and building competitive markets free from oligarchic privilege. It is about creating a system where performance is rewarded, corruption is punished, and institutions outlast individuals.

No nation consciously sets out to become a failed state. Failure is incremental. The path away from failure, however, is equally incremental; built through consistent reform, civic vigilance, and political courage. If we fail to internalise this lesson, if we continue to tolerate institutional capture in exchange for short-term political convenience, then the responsibility will not lie in our stars. It will lie in our choices.

The question is stark but necessary: do we truly want to risk becoming another cautionary tale? Or are we prepared to confront institutional decay before it becomes irreversible? The answer will define not just our economic future, but the very character of our republic.

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