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Bangladesh's National Budget 2014-15**

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A Rights-based Assessment (RBA) of Bangladesh's National Budget 2014-15

Emraan Azad, Mahmudul Hasan and Muhammad Mahdy Hassan*

Abstract

This paper examines Bangladesh's National Budget of 2014-15 from the perspective of a rights-based approach (RBA) to development model. Comprised of plans, policies and processes of development, the national budget has been analyzed to understand how a RBA model can incorporate the concept of human development in the design and implementation process of different development programs mandated by the annual budget. The paper aims to present the rights-based inquiry of national budget by putting it into a system of rights and corresponding obligations established by the normative framework of international human rights law. In addition, the paper assesses the prospects of promoting the sustainability of development work, empowering people themselves – especially the most marginalized and disadvantaged – to participate in policy formulation and holding accountable those who have a duty to act. Based on these analyses, recommendations for evaluation and monitoring of Bangladesh's national budget's implementation in line with the rights-based development model for all citizens are proposed and elucidated.

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I. Introduction

A rights-based assessment of Bangladesh's national budget is significant to understand the nature of people's representation, extent of their inclusiveness and degree of accountability of various actors in the process of making and implementing the national budget and different development plans.¹ The analysis of the national budget in the light of rights-based model of development requires an assessment of how far the elements of this model have been reflected and fulfilled in the preparation and implementation of the national budget's goals. Being an important policy document for a country, the budget is considered to be the means of addressing the political commitments and the medium for making policy pronouncements. In the words of Rehman Sobhan (2010, p. 197), "[t]he budget embodies the most direct instrument available to a government to influence economic activity or to provide benefits to specific social groups." Comprised of plans, policies and processes of development, it also facilitates the way to address prevailing and merging economic challenges in a developing country like Bangladesh. Sobhan further goes on to say that "[p]ublic expenditure, through budget, provides a more specific measure of the government's intention and is, thus, used as a measurable proxy of its fidelity in tackling poverty."²

On the other hand, a rights-based approach (RBA) to development model is a conceptual construction for achieving human development that is fundamentally premised on international human rights standards and practically directed to promoting and protecting human rights.³ It seeks to analyze inequalities which lie at the heart of development problems and redress discriminatory practices and unjust distributions of power that impede development progress and hamper the exercise of a "right to development".⁴ Since the making of national budget is linked to development policy framing and poverty reduction strategy, this conceptual understanding of the RBA model hence suggests to assess the compliance level of Bangladesh's national budget with the standards and elements that are embodied in the RBA model of development and also to analyze how such compliance can be better ensured by the policy makers and budget framers.

This paper presents a rights-based analysis of Bangladesh's national budget for the specific fiscal year 2014-15. The purpose of such analysis is to understand how to promote the sustainability of development work, how to empower people themselves – especially the most marginalized and disadvantaged – to participate in policy formulation, and how to hold those who have a duty to act accountable. In view of sectoral priorities, sensitivity to specific social groups (e.g., women, children or the poor) and regional dimensions (local government institutions), the present study confines its analysis to the national budget of 2014-15.

This paper is organized as follows: following this introduction, the next section (Section II)

¹ See Khatun, Bhattacharya and Rahman (2013).

² In discussing on the issue of budgetary policies for poverty reduction, Sobhan (2010, p. 197) opines that the national budget needs to be used as "a measure of the government's fidelity of purpose in addressing poverty."

³ See Office of the High Commissioner for Human Rights (OHCHR) (2006).

⁴ The right to development was adopted in 1986 as a UN General Assembly resolution in the form of "The Declaration on the Right to Development", stating as follows: "The right to development is an inalienable human right by virtue of which every human person and all peoples are entitled to participate in, contribute to, and enjoy economic, social, cultural and political development, in which all human rights and fundamental freedoms can be fully realized"; see Article 1, The Declaration on the Right to Development 1986; and Uvin (2007).

provides a background discussion on the RBA model by explaining first the relationship between human rights and that of human development; and second, the conceptual framework of the RBA model of development. In doing so, we argue that a people-centered development through the implementation of the national budget is imperatively needed for the proper realization of human rights in Bangladesh. We also demonstrate how the RBA model of development has budgetary implications on the rights of citizens. Section III then provides some background discussion on the 2014-15 budget, by first outlining the influence of human rights in the making of the national budget, then summarizing some problems that arose at the time the 2014-15 budget was prepared, and third, the broad objectives of the 2014-15 budget. Specifying the core elements of the RBA development model, Section IV seeks to evaluate Bangladesh's national budget 2014-15. Some obstacles to apply the RBA model in the implementation of the budget are then described in Section V, before the last section provides some conclusions and recommendations.

II. Background Discussion on the RBA Model of Development

II.1. Relationship between Human Rights and Human Development

According to the Human Development Report 2000 of the United Nations Development Programme (UNDP) (2000, p. 19), “[h]uman development and human rights are close enough in motivation and concern to be compatible and congruous, and they are different enough in strategy and design to supplement each other fruitfully.” The relationship of human rights and human development has been well articulated by Stephen P. Marks (2003, pp. 2-3), who holds that “[...] human development [in the view of the UNDP] is ‘about creating an environment in which people can develop their full potential and lead productive, creative lives in accord with their needs and interests [and] thus about expanding the choices people have to lead lives that they value.’ Human rights are also about creating an environment in which people can develop their full potential and lead creative lives by assuring ‘the dignity and worth of the human person’ and promoting ‘social progress and better standards of life in larger freedom,’ in the words of the Universal Declaration of Human Rights.”

This description suggests that human rights and development both aim to promote well-being and freedom of human being, based on inherent dignity and equality of all people. The concern of human development is the realization by all of basic freedoms, such as having the choice to meet bodily requirements or to escape preventable disease.⁵ It also includes enabling opportunities and capabilities, such as those given by schooling, equality guarantees and a functioning justice system. The human rights framework shares these concerns.

Human rights and human development share a preoccupation with necessary outcomes for improving people's lives, but also with better *processes*. Being people-centered, they reflect a fundamental concern with institutions, policies and processes as participatory and comprehensive in coverage as possible, respecting the agency of all individuals. For instance, in the human rights and human development frameworks, the development of new technologies for effective prevention of disease of any kind is a legitimate and even desirable outcome. But in rolling out these technologies development actors should clearly assess and explain the possible negative effects of the testing, as well as ensure that the technologies are accessible and affordable and

⁵ Office of the High Commissioner for Human Rights (OHCHR) (2006), p. 7.

that vulnerable groups are not excluded.⁶

The significant feature of human rights is that it contributes to human development by guaranteeing a protected space where the rich cannot monopolize development processes, policies and program. The human rights framework also introduces the important idea that certain actors have duties to facilitate and foster development. Through this framework, a legally binding claim that people are entitled to assert is perceived as a “right”, not as a “charity” or “need”. This aspect of perception reinforces the idea that specific duty-bearers must provide rights to human beings, which eventually leads to empowerment of them rather than to rely on “needs” alone or to observe mere economic growth. Hence, the responsibilities of different actors must be analyzed when there is a scope for human rights to remain unfulfilled. This focus on locating accountability for failures within a social system significantly broadens the scope of claims usually associated with human development analysis.⁷ In the other direction, human development analysis helps to inform the policy choices necessary for the realization of human rights.⁸

The relationship between human rights and human development is intriguingly important as both focuses on the development of and for human being. Development and human rights must be seen as fundamentally complementary and mutually reinforcing in all time frames.⁹ Human development is the means to achieve human rights and vice-versa. Therefore, human rights cannot be fully realized without human development. On the other hand, only the development will not bring the attainment of human rights automatically. This significant relationship has been reflected in some key international declarations, for example, the Declaration on Social Progress and Development 1969, the Declaration on the Right to Development 1986, the Vienna Declaration and Programme of Action 1993, the United Nations Millennium Declaration, 2000, etc.¹⁰

II.2. Conceptual Framework of the RBA Model of Development

The most frequent linking of human rights and human development in policy has been the so-called “rights-based” approach to development, affirming that development should be pursued in a “human rights way” or that human rights must “be integrated into sustainable human development”. The “rights way to development” is the shorthand expression for “the human rights approach to development assistance”, as described by André Frankovits (2008) of the Human Rights Council of Australia. The essential definition of this approach is “that a body of international human rights law is the only agreed international framework which offers a coherent body of principles and practical meaning for development cooperation, [which] provides a comprehensive guide for appropriate official development assistance, for the manner in which it should be delivered, for the priorities that it should address, for the obligations of both donor and recipient governments and for the way that official development assistance is

⁶ Office of the High Commissioner for Human Rights (OHCHR) (2006), p. 7.

⁷ See at: <http://hrbportal.org/archives/faq/what-is-the-relationship-between-human-rights-and-development>.

⁸ For more details, see O’Manique (1992).

⁹ Nanda and Shepherd (1985).

¹⁰ See O’Manique (1992).

evaluated.”¹¹

Setting the achievement of human rights as an objective development, the RBA model uses thinking about human rights as the scaffolding of development policy; nevertheless the fact is that various initiatives of development such as Structural Adjustment Programmes (SAPs),¹² Enhanced Structural Adjustment Facilities (ESAFs),¹³ Poverty Reduction and Growth Facilities (PRGFs),¹⁴ and Poverty Reduction Strategy Papers (PRSPs)¹⁵ have been introduced and tested in the last half of the 20th century.¹⁶ However, the most common item among these initiatives was negative aid conditionality. These initiatives were not flexible enough to cope with various socio-economic structures of different developing countries and consequently they resulted in little success.

Moreover, there was a strong dichotomy between the global market regime and the human development paradigm. In this context, it was obvious for the international civil society to refresh their thought on prevailing development models. Initiatives became necessary to use the human rights framework to set limits to the sway of the market,¹⁷ providing a normative framework to optimize the way in which the market can contribute to human rights.¹⁸

As we know, in the 1940s, there was a strong political division about the two sets of rights namely a) civil and political rights and b) economic, social and cultural rights. In the cold war era, development efforts failed to bridge effectively between human rights and development. With the end of cold war the political debate of distinction was over. Development actors started to refresh their outlook in initiating development policies on the perspective of indivisible. Thus it has paved the way for the RBA model to operate in development work.¹⁹

According to Mary Robinson (2006, p. 303), a RBA model is a conceptual framework for the process of human development that is normatively based on international human rights standards and operationally directed to promoting and protecting human rights. Julia Häusermann (1998, p. 32) defines the human rights approach to development as one that “puts people first and promotes human-centered development, recognizes the inherent dignity of every human being without distinction, recognizes and promotes equality between women and men, promotes equal

¹¹ See The Human Rights Council of Australia, Inc. (1995). The same organization has produced a manual on the subject; see Frankovits (1998).

¹² The SAPs were introduced by the World Bank and the International Monetary Fund (IMF) in mid-1980s and the main objective was economic development which is essentially a tool for human development but may not contribute to the same; see Supan (2011), p. 53.

¹³ The IMF introduced the ESAF for poor countries in September 1987 to reduce the negative impacts of delays in economic growth that resulted from the liberalization of market; see Supan (2011), p. 53.

¹⁴ In 1999, the PRGF replaced the ESAF. The aim of the PRGF was to support programs to strengthen substantially and in a sustainable manner balance of payments positions and to foster durable economic growth; see Supan (2011), p. 53.

¹⁵ Adopted by the Bretton Woods institutions, the PRSPs are documents whose preparation is mandatory for countries wishing to be considered for concessional lending and debt relief under the Heavily Indebted Poor Countries (HIPC) initiative; see Supan (2011), p. 53.

¹⁶ Marks (2003), pp. 2-3.

¹⁷ See Jolly (1999).

¹⁸ See Office of the High Commissioner for Human Rights (OHCHR) (2002).

¹⁹ It is to be noted that meaning and importance of the RBA model are often contested within an agency and official policy statements tend to reflect a compromise between views; see Eyben and Ferguson (2004).

opportunity and choices for all (...), promotes national and international systems based on economic equity, equity in the access to public resources, and social justices, and promotes mutual respect between people.”

The Office of the High Commissioner for Human Rights (OHCHR) (2006) uses the expression of the RBA model to development, which it defines as follows:

The norms and standards are those contained in the wealth of international treaties and declarations. The principles include equality and equity, accountability, empowerment and participation. A rights-based approach to development includes the following elements:

- express linkage to rights
- accountability
- empowerment
- participation
- non-discrimination and attention to vulnerable groups.

In contrast, however, Supan (2013) views that an approach does not necessarily mean to be rights-based simply because the above-mentioned features are derived from international human rights principles. By spelling out the current human rights principles of universality and inalienability, indivisibility, inter-dependence and inter-relatedness, non-discrimination and equality, participation and inclusion, accountability, and the rule of law; Supan (2013) opines that more principles will appear in near future and that this expanding tendency of principles may indicate that the basic features of the RBA model will never remain constant.

The UNDP, nevertheless for its part, uses a “human rights approach to development”, which it defines as a new approach which “focuses on the realization of human rights through human development rather than through a violations policy, and finds resonance in the majority of human rights covenants, declarations and treaties.” However, the UNDP explains, “the successful implementation of this strategy depends on the ability of countries to progressively and systematically mainstream human rights concerns into national legislation and governance programs, and base them on human development goals.”²⁰

In addition to the RBA model, there also exist other models of development. Notably, these are: the holistic approach, the rights (or human rights) based approach, the social justice approach, the capabilities approach, the right to development approach, the responsibilities approach, and the human rights education approach.²¹

II.2.a. Distinguishing Factors between a RBA Model and other Models

To understand the relationship of human rights and development through the RBA model, it is to be noted that at the heart of a human rights approach or RBA model there exists the legal character of the international treaties for the purpose of creating rights and duties.²² This legal character distinguishes obligations and rights from charity and needs. To apply the RBA model, it is necessary to understand and accept this legal character. And this can be done by an explicit

²⁰ See for details at: <http://www.undp.org/rbap/rights/Nexus.htm>.

²¹ Marks (2003), p. 2.

²² Incorporation of this legal character of international human rights law into a RBA model connotes a distinctive shift from other development paradigm. See for details at: <http://www.undp.org/rbap/rights/Nexus.htm>.

recognition of the national and international human rights normative framework. With this recognition, a duty-bearer not only recognises the human rights of right-holders, but also positively acknowledges and asserts its obligation under national and international human rights law.²³

An explicit reference to the international human rights treaties that a State has ratified serves to remind all parties that, when dealing with any government, they are required, as a minimum, to avoid policies and practices that make it more difficult for that government to conform to treaty obligations it owes to individuals and groups within its jurisdiction.²⁴ Moreover, all parties should use their best endeavors to help a government realize its international human rights treaty obligations. The RBA model is grounded in the United Nations Charter, Universal Declaration of Human Rights, and binding provisions of human rights treaties. Moreover it sharpens the moral basis of the work carried out by economists and other policy-makers, directing their attention to the most deprived and excluded, especially those excluded by discrimination.²⁵ It describes how a political voice for all people and access to information are integral to development. It is stressed in the human rights literature: informed and meaningful participation in development is a matter of right rather than privilege.²⁶

II.2.b. Values added to the Concept of Development by a RBA Model

There are two main rationales for a RBA model: (a) the *intrinsic* rationale, acknowledging that a RBA model is the right thing to do, morally or legally; and (b) the *instrumental* rationale, recognizing that a RBA model leads to better and more sustainable human development outcomes.²⁷ In practice, the reason for pursuing a RBA model is usually a blend of these two.

Importantly, a RBA model seeks to build upon and learn from – rather than discard – the lessons of good development practice and strengthen arguments for their more consistent implementation.²⁸ Empirical evidence and practice show the vital importance to development of many human rights outcomes, such as improved girls' education, enhanced security of tenure, ensuring women's equal access to land, and the importance of civil and political rights for good governance.

The practical value of a RBA model to development lies in the following:

- a) **Identification of Right-holders:** A RBA model focuses on the realization of the rights of the excluded and marginalized populations, and those whose rights are at risk of being violated.
- b) **Significance of Human Rights Principles:** A country cannot achieve sustained progress without recognizing human rights principles (especially universality and indivisibility) as core principles of governance. Specific results, standards of service delivery and conduct are derived from universal human rights instruments, conventions and other

²³ See Jonsson (2003).

²⁴ Office of the High Commissioner for Human Rights (OHCHR) (2004), p. 14.

²⁵ Office of the High Commissioner for Human Rights (OHCHR) (2004), p. iii.

²⁶ See for details, United Nations Children's Fund (UNICEF) and United Nations Educational, Scientific and Cultural Organization (UNESCO) (2007).

²⁷ Office of the High Commissioner for Human Rights (OHCHR) (2006), p. 16.

²⁸ Office of the High Commissioner for Human Rights (OHCHR) (2006), p. 16.

internationally agreed goals, targets, norms or standards. A RBA model assists countries in translating such goals and standards into time-bound and achievable national results.

- c) **Participatory Process:** Accountabilities for achieving these results or standards are determined through participatory processes (policy development, national planning), and reflect the consensus between those whose rights are violated and those with a duty to act. A RBA model seeks both to assist in the participatory formulation of the needed policy and legislative framework, and to ensure that participatory and democratic processes are institutionalized locally and nationally.²⁹
- d) **Transparency and Accountability:** A RBA model helps to formulate policy, legislation, regulations and budgets that clearly determine the particular human right(s) to be addressed – what must be done and to what standard, who is accountable – and ensures the availability of needed capacities (or resources to build the lacking capacities). The approach helps to make the policy formulation process more transparent, and empowers people and communities to hold those who have a duty to act accountable, ensuring effective remedies where rights are violated.
- e) **Monitoring:** A RBA to development model supports the monitoring of State commitments with the help of recommendations of human rights treaty bodies, and through public and independent assessments of State performance.
- f) **Sustained Results:** A RBA model leads to better sustained results of development efforts and greater returns on investments by:
 - i. building the capacity of prime actors to engage in dialogue, meet their own responsibilities and hold the State accountable;
 - ii. strengthening social cohesion through seeking consensus with participatory processes, and focusing assistance on the excluded and most marginalized;
 - iii. codifying social and political consensus on accountabilities for results into laws, policies and programs aligned with international conventions;
 - iv. anchoring human rights entitlements within a framework of laws and institutions;
 - v. institutionalizing democratic processes; and
 - vi. strengthening the capacities of individuals and institutions to carry out their obligations as expressed in local, national and international laws, policies and programs.

²⁹ This aspect of participation can be achieved through capacity-building among families, communities and civil society to participate constructively in relevant forums; see Office of the High Commissioner for Human Rights (OHCHR) (2002).

III. Background Discussion on Bangladesh’s National Budget 2014-15

III.1. Influence of Human Rights in the Budget Making

“The budget reflects the values of a country – who it values, whose work it values and who it rewards ... and who and what and whose work it doesn’t. ... The budget is the most important economic policy instrument of government, and as such can be a powerful tool in transforming [the] country to meet the needs of the poorest.”³⁰ In this context, it can plausibly be said that human rights can have budgetary implications. To this extent, national budgets have a significant and direct bearing on *which* human rights are realized and *for whom*. Budget analysis is a critical tool for monitoring gaps between policies and action, for ensuring the progressive realization of human rights, for advocating alternative policy choices and prioritization, and ultimately for strengthening the accountability of duty-bearers for the fulfillment of their obligations.³¹

The budget can be understood as the outcome of systems and relationships through which the varying needs and desires of a nation are heard, prioritized and funded. The choices made by governments as to how money is collected and distributed – and which rights are realized and for whom – are not value-free or politically neutral. A rights-based assessment to the national budget demands that such choices be made on the basis of *transparency, accountability, non-discrimination* and *participation*. These principles should be applied at all levels of the budgetary process, from the drafting stage, which should be linked to the national development plans made through broad consultation, through approval by parliament, which in turn must have proper amendment powers and time for a thorough evaluation of proposals, implementation and monitoring.³²

While budget debates are overwhelming political ones, therefore, the substantive content of human rights standards themselves can furnish guidance to policymakers and legislators in weighing competing demands on limited resources, helping to ensure, for example, that primary education is free for all; that budget allocations are prioritized towards the most marginalized or discriminated against; that provision are made for essential minimal levels for all rights; that there is an progressive improvement in human rights realization; and finally, that particular rights are not deliberately realized at the cost of others (for example, that health programs are not compromised by a disproportionate focus on security or debt servicing).³³

III.2. Arising Problems at the Time the 2014-15 Budget was Prepared

The 2014-15 budget has been prepared in the backdrop of enhanced public investment, stable inflation, a substantial surplus in the Balance of Payments (BoP), a stable exchange rate, augmented foreign exchange reserves and stable (falling) global commodity prices.³⁴ The budget has been prepared at a time when Gross Domestic Product (GDP) growth rates slowed down, private investment declined, the government experienced a significant shortfall in revenue mobilization, the government relied on domestic sources for financing its fiscal deficit, and

³⁰ Budlender (1996), p. 7.

³¹ Office of the High Commissioner for Human Rights (OHCHR) (2006), p. 15; and Diokno (1999).

³² See Rabbi (2015).

³³ Office of the High Commissioner for Human Rights (OHCHR) (2006), p. 12.

³⁴ Bhattacharya and Rahman (2014).

domestic demand seemed depressed.

More specifically, the 2014-15 budget was tabled against the backdrop of four major economic challenges:³⁵ (a) decelerated economic growth due to stagnant investment, (b) failures to augment the multiplier effect to overcome supply side constraints (like inadequate infrastructure), (c) decelerated increase in social sector spending, and (d) raging strife between the political parties.

III.3. Objectives of the 2014-15 Budget

The objectives of the 2014-15 budget appear to focus on (a) attaining fiscal consolidation backed up by high growth of revenue, (b) revitalizing the economic growth momentum, (c) reverting the downturn of private investment, and (d) controlling inflation.³⁶ Table 1 provides a brief overview of the 2014-15 budget.

IV. EVALUATION OF BANGLADESH'S NATIONAL BUDGET 2014-15

Now we will discuss the 2014-15 budget based on the following elements of a RBA model of development, namely:

1. Participation
2. Accountability
3. Principle of Equality and Non-discrimination
4. Explicit Recognition of National and International Human Rights Instruments
5. Protection of the Vulnerable and Marginalized Groups and Poverty Reduction

IV.1. Participation

A RBA model requires a high degree of participation including from communities, civil society, minorities, indigenous peoples, women and others. Such participation must be active, true and meaningful. Mere formal or ceremonial contacts with beneficiaries are not sufficient.³⁷ The RBA model also gives due attention to issues of accessibility, including access to development process, institutions, information and redress on complaints mechanisms.³⁸

The Universal Declaration of Human Rights 1948 spells out in its Article 21 that everyone has the right to take part in the government of his country directly or through duly chosen representatives. At the same time, Article 25 of the International Covenant on Civil and Political Rights ensures the right to take part in the conduct of public affairs, directly or through freely chosen representatives. Similarly, the Constitution of the People's Republic of Bangladesh mandates that the democratic nature of the Republic must ensure citizen's "effective participation" through their elected representatives in administration at all levels.³⁹

³⁵ Khan (2014).

³⁶ See at: <http://www.thedailystar.net/7-3pc-gdp-target-not-achievable-cpd-27306>.

³⁷ Sobhan (2010), pp. 201-202.

³⁸ Sandkull (2005), p. 3.

³⁹ Article 11, The Constitution of the People's Republic of Bangladesh.

Table 1: Brief Overview of the 2014-15 Budget

Tk 67,552 crore budget deficit	The national budget of Tk 2,50,506 crore for the fiscal year 2014-15 was proposed. The revenue receipts was estimated at Tk 1,82,954 crore. The overall budget deficit in the fiscal year 2014-15 was considered to be Tk 67,552 crore, which is 5 percent of GDP.
GDP growth target 7.3 percent	GDP growth target was set at 7.3 percent for the fiscal year 2014-15, while in fiscal year 2013-14 the GDP growth target was 7.2 percent.
Tk 86,000 crore ADP allocation	The proposed national budget for the fiscal year 2014-15 was set an Annual Development Programme (ADP) with an outlay of Tk 86,000 crore. The actual ADP size, however, stood at Tk 80,315 crore without own financing of the corporations and autonomous bodies.
Tax free income for general taxpayers remains same	The tax free income for individual and general taxpayers remained same as that of last fiscal year. The threshold of tax free income for individual taxpayers was Tk 2.20 lakh in the fiscal 2013-14. In the fiscal year 2014-15, the limit of tax free income has not been increased for the individual taxpayers. ⁴⁰
Higher tax for high earners	Finance Minister proposed higher tax rate for high earners. In the budget, he proposed 30 percent tax for an annual income of Tk 44.2 lakh or more instead of the existing 15 percent.
Education sector gets Tk 29,213 crore	An allocation of Tk 29,213 crore was proposed for the education sector in the budget for the fiscal year 2014-15. Of the allocation, an amount of Tk 15,540 crore has been kept for the Ministry of Education while Tk 13,673 for the Ministry of Primary and Mass Education.
Tk 16,462 crore allocation for defense sector	Tk 16,462 crore was allocated for Defense Services including the Ministry of Defense and the Armed Forces Division.

Source: Created by the authors based on Bangladesh's Ministry of Finance and CPD resources; see at: <http://www.mof.gov.bd/en/> and <http://www.cpd.org.bd>.

⁴⁰ Shil, Masud and Alam (2014), p. 68.

In Article 5 of the Declaration on Social Progress and Development 1969, it is indicated how participation can be realized for social development. Article 2 of the Declaration on the Right to Development 1986 also states that States have the right and duty to formulate appropriate national development policies for the wellbeing of entire population and of individuals on the basis of their active, free and meaningful participation in development and in the fair distribution of benefit resulting there from.

In the making of budget in Bangladesh, there is a lack of effective participation which means free exercise of rights to demand (as a right) promotion and protection of other rights is absent. Participation in the form of consultative process remains narrow in its scope and is targeted to traditional constituencies drawn mostly from the business sector.⁴¹ Moreover:

- a) During the 2014-15 budget adoption, the opposition party in the parliament namely Bangladesh Jatiyo Party barely was able to effectively participate in the budget discussion. Hence, there was a lack of participation from a considerable portion of citizens.
- b) A loan is always a burden on the shoulder of the people. That is why before taking any loan, whether from international institutions or national sector, the government should take prior consent from the people. The 2014-15 budget relied heavily on bank loans and revenue collections, but the government did not take any initiative to justify its action by public participation. Thus in borrowing money from banks and other financial institutions there was no public participation.⁴² Further, even though the Finance Minister claimed in the budget speech the consultation of various classes of people, if we look carefully with regards to borrowing money, we find that the matter was not discussed with the common people in the following aspects:
 - i. The amount of loans in relation to GDP was not merited.
 - ii. The fact that taking loans from banks reduces the possibility of bank investment in private sector was not considered.
 - iii. Taking help from the Finance Adviser of the Prime Minister in making the budget is less appreciable, because the Finance Adviser is not an elected representative of the people and if the government fails to realize the goals of budget, he is not responsible for his advice.
- c) In the budget speech, the Finance Minister mentioned the Sixth Five-Year Plan for the fiscal year 2010-2015, but did not clarify how people would participate in it and thus participation was ignored in passing the budget. Development strategies should empower citizen, create specified channels for participation by the poorest and the most marginalized groups, which was absent in this budget making.

IV.2. Accountability

A RBA model focuses on raising levels of accountability in the development process by identifying claim holders (and their entitlements) and corresponding duty holders (and their

⁴¹ Sobhan (2010), p. 201.

⁴² See for details Ministry of Finance, The Government of the People's Republic of Bangladesh; available at: http://www.mof.gov.bd/en/index.php?option=com_content&view=article&id=268&Itemid=1.

obligations). It considers both the positive obligations of duty bearers to protect, promote and provide and the negative obligations to abstain from violations.⁴³ They take into account the duties of the relevant actors, including individuals, states, local organizations and authorities, private companies, donors and international institutions. The Constitution of Bangladesh clarifies the question of accountability by stating that it is the duty of every citizen and public servant to perform public duties and protect public property.⁴⁴ However, the 2014-15 budget did not maintain the accountability principle in the following perspectives:

- a) Development plans are supposed to use the whole resources of the government in a skillful way for a certain purpose. After Bangladesh's independence in 1971, the government adopted the Five-Year Plan economically to develop the country. Table 2 provides a short summary of the previous Five-Year Plans. It shows that none of the GDP growth rates of the previous Five-Year Plans were achieved. Yet, nobody is responsible for the non-achievement. In line with the above proposition, hence, it can be said that there is lack of accountability in the budget implementation.

Table 2: Five Years Plan for Bangladesh's Economic Development

Plan	Duration	Total	Public Sector	Private Sector	GDP Growth Target	Achieved GDP Growth
1 st	1973-1978	44,550	39,520	5030	5.5	4.0
2 nd	1980-1985	172,000	111,000	61,000	5.4	3.8
3 rd	1985-1990	3,86,00	250,000	13,000	5.4	3.8
4 th	1990-1995	620,000	347,000	273,000	5.0	4.15
5 th	1997-2002	1959,521	858,939	858939	7.0	5.21

Source: Created by the authors based on CPD resources; see at: <http://www.cpd.org.bd>.

- b) There are creative means that are developing to hold diverse non-state actors (such as NGOs, multinational companies, regional institutions) accountable. These include, for example, different kinds of laws (criminal laws), voluntary guidelines from international organizations, parallel reports, naming and shaming, negotiation and other accountability mechanisms. But there is no such accountability mechanisms enshrined in the 2014-15 budget.
- c) In early years (2009-2010), the most ten ministries of government utilized only 47.4 percent of the total ADP amount which was allotted to these ministries. To oversee the ADP implementation, the 2014-15 budget did not create any mechanism.
- d) To encourage investment from private sector, government initiated Public Private Partnership (PPP) in the year 2009-10 and for that reason the government allotted Tk. 2,500 crore. But all the efforts of the government were failed due to an absence of effective policy in this regard.

⁴³ Rahman (2010), p. 102.

⁴⁴ Article 21(1), The Constitution of the People's Republic of Bangladesh.

IV.3. Principles of Equality and Non-discrimination

The right to equality guarantees that all persons are equal before law and entitled to equal protection under law.⁴⁵ The principle of non-discrimination is the corollary principle of equality. It prohibits different treatment of a person or group of persons based on their particular status or situation, such as race, color, sex, language, religion, political and other opinion, national or social origin, property, birth or other status, such as age, ethnicity and disability. All persons in the society have the right to enjoy equal access to and control over the available goods and services that are necessary to fulfill their basic needs.

Article 28 of the Constitution of Bangladesh prohibits discriminatory treatment against any citizen, while Article 27 ensures equality before law and equal protection of law for all citizens. Furthermore, Article 28(4) encourages the State to take affirmative action for the betterment and advancement of women, children or any backward section of citizens. Most importantly, the Constitution guarantees equality of opportunity to all citizens. The Constitution mandates the State to adopt effective measures to remove social and economic inequality between different human beings and to ensure the equitable distribution of wealth among citizens and of opportunities in order to attain a uniform level of economic development.⁴⁶

The following paragraphs analyze the principles of equality and non-discrimination in the 2014-15 budgetary sectors of education, health and agriculture. How the national budget addressed specific needs for gender equity and children has also been briefly discussed.

IV.3.a. Education

In the 2014-15 budget, allocations for the Ministry of Education (MoE) and the Ministry of Primary and Mass Education (MoPME) increased by 16.4 percent. However, the allocation for these two ministries as a percentage of the total budget was 11.7 percent, which was lower than the average allocation of 14.1 percent during the fiscal year 2010-14. The allocation for the MoE and the MoPME was 2.2 percent of GDP, which was slightly higher than the average share during 2010-14 (of 2.1 percent of GDP). But the budget allocation did not increase. Remarkably, in fiscal year 2010 allocation for the MoE and the MoPME was 16.3 percent, which declined to 11.7 percent in fiscal year 2015.

To improve the educational status of the population, large budgetary allocations are required for the education sector. Because of insufficient funds, the progress in this sector more or less has been limited to the increase of enrolment in primary education or to the increases of literacy rates.⁴⁷ Moreover, educated unemployment is on the rise as the quality of education is not improving. It is to be noted here that the rate of increment of education budget was 27.73 percent between fiscal year 2009-10 and 2010-11 and then it started to decline. Additionally, in most of the cases the proposed budgetary allocations were revised downwards during fiscal years 2006-07 and 2012-13.⁴⁸

⁴⁵ See for details at: <http://www.ohchr.org/Documents/Publications/training9chapter13en.pdf>.

⁴⁶ Article 19(2), The Constitution of the People's Republic of Bangladesh.

⁴⁷ Khan (2014).

⁴⁸ Rahman (2014).

IV.3.b. Health

The allocation for the Ministry of Health and Family Welfare (MoHFW) in fiscal year 2015 increased by 17.7 percent. However, the allocation as a percentage of the total budget was 4.5 percent, which was lower than the average allocation of 5.7 percent during fiscal years 2010-14. The allocation for the MoHFW was 0.83 percent of GDP in fiscal year 2015, which was lower than the average share of 0.86 percent of GDP during fiscal years 2010-14.

The introduction of Social Health Insurance Programme was a timely initiative. The purpose of this program was to bring down poor people's health expenditure.⁴⁹ The Finance Minister in his budget speech said, "preliminary attempts have been made to initiate Social Health Insurance Programme for those working in the formal sector."⁵⁰ To ensure healthcare facilities for all through social health insurance was a positive step for strengthening the country's healthcare system.⁵¹

In fiscal year 2014-15, the total amount allocated to this sector was Tk. 111.46 billion. The proposed allocation in the health sector for fiscal year 2014-15 was 4.45 percent of the proposed budget, while it was 4.26 percent of the proposed budget in fiscal year 2013-14. The rate of increase in allocation to this sector amounted to be 0.19 percentage points. Although this amount was higher than that of the previous year, it was still not sufficient to provide adequate health facilities to the population as the doctor-population, doctor-nurse, and nurse-population ratios remained still far away from acceptable levels. Moreover, it was apparent that, in most of the fiscal year, the proposed budgetary allocation was reduced in the revised budget. For example, in the budget of fiscal year 2013-14, the proposed allocation for health sector was Tk. 94.70 billion (including development and non-development budget). However, the allocation was reduced to Tk. 85.49 billion in the revised budget for this sector. Additionally, a reduction in the subsidy in health sector made the situation more difficult to get minimum health services for poor people.⁵²

IV.3.c. Agriculture and Allied Sectors (AAS)

Food security and agricultural production have a strong connection in a country's economy where people have freedom to choose what to produce and how to consume. One consideration that has received a great deal of attention recently relates to the role of freedom to make profits in providing incentives for the expansion of food production, thus helping to solve the food problem. Amartya Sen (1987) elucidates the idea in the following terms: "the compulsion to acquire enough food may force vulnerable people to do things which they resent doing, and may make them accept lives with little freedom. The role of food in fostering freedom can be an extremely important one."

In the 2014-15 budget, we experienced that:

- i. The average share of AAS in the total budget was 10.8 percent during fiscal years 2010-14, but was reduced to 7.6 percent in fiscal year 2015.

⁴⁹ Shariar (2014).

⁵⁰ Shariar (2014).

⁵¹ See CPD (2014).

⁵² Rahman (2014).

- ii. The average share of AAS in total GDP was 1.64 percent during fiscal years 2010-14, but was reduced to 1.43 percent in fiscal year 2015.
- iii. The allocation for the Ministry of Water Resources increased by 30.6 percent. This was mainly due to a rise in the development budget by 40 percent.

Agricultural subsidies remained constant at Tk. 9,000 crore. It was 4.2 percent of total budget in fiscal year 2014, which declined to 3.6 percent in fiscal year 2015. This adversely affected the subsidy allocation for other agri-inputs subsidies such as seeds and irrigation.

At this backdrop, the Centre for Policy Dialogue (CPD) proposed the government to establish an Agricultural Price Commission for ensuring fair prices of agricultural commodities and incentive price for the producers while maintaining market stability. The CPD also advocated for the introduction of Authoritative Land Records, which would help to reduce land litigation.⁵³

IV.3.d. Gender Equality and Child Protection

It was found that 40 ministries prepared gender budget reports for fiscal year 2015 and the allocation increased in 31, unchanged in 1, and decreased in 8 ministries. As shown in Table 3, allocation for the gender budget in fiscal year 2015 was Tk. 66,739 crore, which was 4.98 percent of GDP and 27.64 percent of the total budget. However, when the allocation for the gender budget under the 40 ministries was added, the amount stood at Tk. 58,510 crore. The reason for the anomaly in allocation for women was not clear.⁵⁴ The year's allocation was 11.68 percent higher than fiscal year 2013-2014.

Table 3: Allocation for Gender Budget

Fiscal Year	Total (Tk. in crore)	Percent of Budget	Percent of GDP	Gender Budget for Number of Ministry
2013	54,304	28.68	5.23	25
2014	59,756	27.64	5.06	40
2015	66,739	26.64	4.98	40

Source: Created by the authors based on Bangladesh's Ministry of Finance resources; see at: <http://www.mof.gov.bd/en/>.

The tax free income for women was raised from Tk. 2.5 lacs in fiscal year 2014 to Tk. 2.75 lacs in fiscal year 2015.⁵⁵ As was the case in the budget for fiscal year 2013-14, a special allocation of Tk. 100 crore was allocated for the purpose of women development.⁵⁶ However, how much of this allocation was utilized is not known to date. The government could have allocated funds for

⁵³ CPD (2014).

⁵⁴ Bhattacharya and Rahman (2014).

⁵⁵ Shil, Masud and Alam (2014), p. 68.

⁵⁶ Bhattacharya and Rahman (2014).

rural women so that they could have been provided with small business training in order to access resources from this fund.

The number of projects under ADP that concerns the development of children in Bangladesh was reduced substantially in fiscal year 2015. In fiscal year 2014-2015, the number of ADP projects related to child development stood at 21, compared to 55 in ADP of fiscal year 2013-14. The allocation for children also declined. Child-related allocation in the ADP of fiscal year 2014-15 amounted to 1.94 percent of the total budget and 0.36 percent of GDP. The corresponding figures for previous fiscal year were 3.73 percent of total budget and 0.70 percent of GDP. These figures show that the 2014-15 budget was comparatively less children-friendly.

IV.4. Explicit Recognition of National and International Human Rights Instruments

In a broad sense, there was no explicit recognition of national and international of human rights instruments in the 2014-15 budget. The government and their development partners could not re-evaluate their existing development program and policies in accordance with the RBA model of development.

Though there was no explicit recognition of human rights in the 2014-15 budget, it could not be said that the government was not taking into consideration human rights issues in concern. For an example, the government each year has to set up courts; develop infra-structure of prisons and trial system; run programs such as: Food For Works (FFW), Vulnerable Group Development (VGD), Vulnerable Group Feeding (VGF), Open Market Sales (OMS), Cash for Work (CFW), Gratuitous Relief (GR), 100 Days Employment Guarantee Scheme; provide Old-age Allowances, Allowances for Widow and Distressed Women, etc. It means the government regularly allocates for implementation, protection and promotion of human rights; though it is questionable how far the government has been successful to ensure human rights of its citizens through budgetary allocations.

IV.5. Protection of the Vulnerable and Marginalized Groups and Poverty Reduction

It is now generally understood that poverty is a result of *disempowerment* and *exclusion*. Poverty is not only a lack of material goods and opportunities, such as employment, ownership of productive assets and savings, but the lack of physical and social goods, such as health, physical integrity, freedom from fear and violence, social belonging, cultural identity, organizational capacity, the ability to exert political influence, and the ability to live a life with respect and dignity.⁵⁷ Human rights violations are both a cause and a consequence of poverty. Human rights reinforce the demand that poverty reduction be the primary goal of development policymaking.⁵⁸ Human rights require the process of formulating a poverty reduction strategy to include the vulnerable and marginalized groups.

IV.5.a. Social Safety Net Measures

Allowances under Social Safety Net Programmes (SSNPs) remained unchanged since fiscal year 2010. As a result the real value of allowance reduced over the years. Thus the real value of Tk.

⁵⁷ World Health Organization (WHO) (2008), p. 6.

⁵⁸ See Jonsson (2003).

300 would be Tk. 221 if the price level of April 2014 is compared with the price level of July 2010.⁵⁹ A special allocation of Tk. 50 crore was proposed for construction of houses in divisional and district towns for neglected segment of the society. This was a positive initiative. However, this proposal has not been yet translated into implementation.⁶⁰

The proposed allocation for the social safety-net and welfare sector was estimated at Tk. 139.74 billion, which represented only 13 percent increase over the amount in the previous budget. The proposed allocation for the social security and welfare sector, which was Tk. 123.66 billion in fiscal year 2013-14, was already considered to be inadequate for the population of the country as about three of every ten people were then living under poverty line. Such low allocation was attributed to the diversion of expenditure from social sector to meet the rising payment on account of principal and interest for the high public borrowing to finance the budget deficit.⁶¹ Moreover, social safety net programs in Bangladesh have been developed and evolved on *ad hoc* basis. The major shortcoming of these SSNPs is that they are short-term in nature and only designed to address post-disasters situations.

IV.5.b. Poverty Reduction

Despite considerable thrust on poverty alleviation in all plan documents since the independence of Bangladesh, a significant number of people are still living below the poverty line. The rate of unemployment in the country, particularly youth unemployment is rising at a significant rate. The proportion of poor in the population declined considerably between 2000 and 2010. According to government data, a total of 50 million people were poor in 2009.⁶² Now 38 million live below the poverty line.⁶³ In 2009, the number of extreme poor was 28.8 million. Now it is 15.7 million. Even if we lack the statistical skills to challenge these figures and even if do not take them with a pinch of salt, are these numbers to be proud of? Is this development in tangible terms?

The incidence of poverty decreased from 49.8 percent in 2000 to 40 percent in 2005 and then further to 31.5 percent in 2010.⁶⁴ With the broader perspective of alleviating poverty and achieving the Millennium Development Goals (MDGs), the governments used to allocate around 55 percent of its national budget on reducing poverty in each fiscal year. In financial year 2013-14, Tk. 1152.370 billion were allocated as poverty budget, which was 15.55 percent more than the poverty budget of Tk. 997.290 billion of fiscal year 2012-13. The poverty budget of financial year 2013-14 was 51.79 percent of the national budget and 9.69 percent of GDP. The proposed allocation for the poverty budget for fiscal year 2014-15 was Tk. 1308.06 billion, which was 52.22 percent of the proposed national budget and 9.77 percent of the targeted GDP.

⁵⁹ This is based on comparing the Consumer Price Index (CPI), which stood at 147.19 in July 2010 and at 198.93 in April 2014. The CPI measures changes in the price level of a basket of consumer goods and services purchased by households. The CPI is a statistical estimate constructed using the prices of a sample of representative items whose prices are collected periodically. See for details at: <http://www.investopedia.com/terms/c/consumerpriceindex.asp>.

⁶⁰ See CPD (2014).

⁶¹ See CPD (2014).

⁶² Kabir (2015).

⁶³ Kabir (2015).

⁶⁴ Saleh (2014).

IV.5.c. Opportunity of Employment

With a growth rate of 3.88 percent (from 1995-96 to 2010), the number of the total civilian labor force in 2010 increased to 57.1 million. In 1995-96, the total civilian labor force was 36.1 million, out of which 30.7 million were male and only 5.4 million were female. Out of the total civilian labor force, 40.2 million were male and 16.9 million were female. A total of 34.8 million were employed and 1.4 million were unemployed in 1995-96, which increased to 54.5 million and 2.6 million respectively in 2010.⁶⁵ When underemployment is taken into account in assessing the status of the labor force in Bangladesh, the perception of the labor market significantly changes. The information on hours worked shows that a total of 10.99 million (which is about 20.31 percent of the employed labor of 54.1 million) were underemployed in 2010. This shows an extremely high level in the number of the people who work less than 35 hours per week. Also the information shows a high incidence of underemployment in rural areas and among the female labor force.⁶⁶

IV.5.d. Economic Reforms

It may be recalled here that CPD, in its *State of the Economy Report* released on June 4, 2012, argued in favor of undertaking rigorous institutional reforms and policy measures to enable Bangladesh to graduate to the next phase of development.⁶⁷ Later on, the 2012-13 budget speech recognized the need for undertaking second generation reforms and consequently a dedicated section was placed on reforms. This was one of the novelties of the 2012-13 budget. This was undoubtedly a positive move which was continued over two successive fiscal years i.e. 2013-2014 and 2014-2015.

CPD's *Proposals for the National Budget Financial Year 2014-2015*, released on May 4, 2014, stated that macroeconomic performance and budget implementation would critically hinge on non-economic dimensions of institutional and policy environment in the country: (i) implementation capacity of the State; (ii) oversight capacity; (iii) capacity for reforms.⁶⁸ In line with the earlier two budgets, the 2014-2015 budget presented a list of policy reforms and programs under three broad heads: (i) implemented policies and programs; (ii) ongoing priority programs; (iii) programs yet to be completed. Table 4 provides selected policies or programs in the 2014-2015 budget according to the three categories identified by CPD.

⁶⁵ See BBS (2011).

⁶⁶ Saleh (2014).

⁶⁷ See CPD (2012).

⁶⁸ See CPD (2014).

Table 4: Selected Policies/Programs in the 2014-15 Budget according to Three Categories Identified by CPD

	Implementation Capacity (Human resource management, devolution of power and autonomy and data/information availability and monitoring)	Oversight Capacity (Rule of law, democracy and representativeness and control of corruption and leakages)	Capacity for Reforms (Regulatory reforms, administrative reforms and legal and institutional reforms)
Implemented Policies	A state of the art debt database installed to enhance the capacity of public debt management. The total accounting and human resource management systems of Bangladesh bank brought under Enterprise Resource Planning (ERP) software.	Money Laundering Prevention Act 2012 enacted. The Exchange (Demutualization) Act, 2012 passed in the parliament. List of large foreign aided projects prepared, monitoring activities taken and an index of external resource mobilization prepared.	VAT and Excise Duty Act, 2012 enacted. Provision for tax rebate on corporate social responsibility spending introduced. The Customs Act, 1969 amended. Facility for refinancing SME sector through four funds continued.
Ongoing Priorities Programs	Ensuring appropriate utilization of project aid. Operationalization of Public Private Partnership (PPP). Public Service Act 2013.	Controlling unethical financial practices. Preparing Financial Reporting Act and establishing Financial reporting Council.	Formulating Audit Act for budget implementation. Formulation of Public Servants Act 2013. Digitization of the Land Registration.
Priorities Programs yet to be Completed	Establishing the ICT Capacity Development Company. Establishing Tax Information Management and Research Centre.	Setting up Trade Portal by 2012. Establishing separate clearing and Settlement Company for settling the transactions in the Stock Exchange. Establishing the National Tax Tribunal.	Simplification of investment related laws. Establishing Reserve for Reward and Financial Incentives Fund.

Source: CPD; see at: http://cpd.org.bd/wp-content/uploads/2014/06/CPD-An-Analysis-of-the-National-Budget-for-FY2015_Final_June.pdf.

V. Obstacles to Apply the RBA Model for Implementing the Budget

For Bangladesh, it is difficult to apply the RBA model of development in the implementation of the 2014-15 national budget largely due to the following reasons:

- a) **Inadequate Transparency:** According to the Open Budget Survey 2015,⁶⁹ Bangladesh's Score of 56 (out of 100) on the 2015 Open Budget Index is largely the same as it was in 2012. Since the 2012 Survey, Bangladesh had published two new budget documents: the Citizens Budget and the Year-End Report. However, according to the International Budget Partnership (2015), it has failed to make progress by (i) not making a Pre-Budget Statement publicly available; and (ii) not producing an Audit Report.
- b) **Lack of Public Participation:** Evidence suggests that transparency alone is not sufficient for improving governance, and that public participation in budgeting can maximize the positive outcomes associated with greater budget transparency. In Bangladesh, the practice of participation is not widespread. The participation of women in the process of development is inadequate. Yet, their incorporation in the developmental process is very difficult because of patriarchal attitude of the society and socio-economic disparities among men and women. According to the Open Budget Survey 2015, Bangladesh's score of 23 out of 100 (which is lower than the global average score of 25) indicates that the provision of opportunities for the public to engage in the budget process is weak.⁷⁰
- c) **Weak Budget Oversight:** The Open Budget Survey examines the extent to which legislatures and supreme audit institutions are able to provide effective oversight of the budget. These institutions play a critical role – often enshrined in the national constitution – in planning budgets and overseeing their implementation.
 - i. *Oversight by the Legislature:* Bangladesh's parliament provides adequate oversight during the planning stage of the budget cycle and weak oversight during the implementation stage of the budget cycle. The Executive's Budget Proposal is not provided to legislators at least three months before the start of the budget year, and the executive does not receive prior approval by the legislature before implementing a supplemental budget. Moreover, in both law and practice, the legislature is not consulted prior to spending any unanticipated revenue or spending contingency funds that were not identified in the Enacted Budget.⁷¹

⁶⁹ Conducted by the International Budget Partnership (2015), the Open Budget Survey uses internationally accepted criteria developed by multilateral organizations such as the Organisation for Economic Co-operation and Development (OECD), and the International Organisation of Supreme Audit Institutions (INTOSAI). It is a fact-based research instrument that assesses what occurs in practice. The entire research process took approximately 18 months between March 2014 and September 2015 and involved about 300 experts in 102 countries. See: <http://internationalbudget.org/opening-budgets/open-budget-intiative/open-budget-survey/>.

⁷⁰ To measure public participation, the Open Budget Survey assesses the degree to which the government provides opportunities for the public to engage in budget processes. Such opportunities should be provided throughout the budget cycle by the executive, the legislature and the supreme audit institution. See for details, International Budget Partnership (2015).

⁷¹ International Budget Partnership (2015).

- ii. *Oversight by the Supreme Audit Institution:* The supreme audit institution provides adequate budget oversight. Under the law, it has full discretion to undertake audit as it sees fit. Moreover, the head of the supreme audit institution cannot be removed without legislative or judicial approval, which bolsters its independence. Finally, the supreme audit institution is provided with sufficient resources to fulfill its mandate but has a weak quality assurance system in place.⁷²
- d) **Lack of Co-operation among the Development Work Implementing Bodies:** In the 2013-2014 budget, 27 programs were mentioned as “programs yet to be completed”. In the 2014-2015 budget, the number remained the same, i.e., 27, with 25 initiatives/reforms carried over from the previous year. The reason for the non-implementation of ADP and such programs through budgetary allocations is that ADP implementing body and budget implementing body separately work. Integration and co-operation these two bodies are important.
 - e) **Non-effective Monitoring and Evaluation:** Capacity Building of the Implementation Monitoring and Evaluation Department (IMED) of the Ministry of Planning has emerged as a key factor particularly in view of implementation of major infrastructural projects in recent times. Strengthening of local government institutions is needed to involve these closely with the task of monitoring and implementations of projects within their jurisdiction.
 - f) **Absence of Local and Sectoral Analysis in Budgetary Allocations:** Due to absence of local and sectoral analysis in budgetary allocations, the distribution of benefits of each year’s budget remains unreachable to the poor and marginalized communities across the country.
 - g) **Corruption and Opportunity to Whiten Black Money:** Corruption is another factor which is deeply rooted in all levels of administration. Due to corruption and easy flow of “speed money”, the government feels encouraged to abuse power and position for its self-interest. Though Finance Minister affirmed that there would not be any further opportunity to whiten black money in the 2014-15 budget, unfortunately this remained unfulfilled. The provision of whitening black money has now been a permanent feature of Bangladesh’s economy which is creating inequality in the society. In the 2014-15 budget speech, the Finance Minister did not carefully touch the controversial provision of whitening black money opposed by most economists and civil society organizations as they think the continuation of such provisions would breed more black money. Furthermore, creating the opportunity for whitening black money is a violation of Article 20(2) of the Constitution of Bangladesh, which provides that no person can be able to enjoy unearned incomes.
 - h) **Aid Conditionalities:** Bangladesh depends heavily on foreign aid that comes with lots of conditionalities. Moreover donor agencies and financial institutions like the IMF and the World Bank always attempt to influence the policy making process of Bangladesh.

⁷² International Budget Partnership (2015).

VI. Conclusion and Recommendations

The previous analysis leads us to conclude that the 2014-15 budget does not seem to enclose the major traits of the RBA model of development, namely, the principles of participation and accountability, the explicit recognition to a normative framework of national and international human rights law, and the empowerment of vulnerable and marginalized groups. Key fiscal targets in the budget do not reflect the principal elements of the RBA model and lack rigor in designing of the implementation framework. Due to the lack of co-operation among the central monitoring and implementing bodies, the realization of budgetary rights-based goals remains unfulfilled on the one hand, and transparency and clarity in the implementation process are found inadequate on the other. For becoming a people-centered budget, institutional reform is a key challenge towards an improved fiscal-budgetary management as well as a supportive policy environment in Bangladesh.

Along with complying with the key elements of the RBA model of development, the budget makers should take in to consideration the following recommendations:

- a) **Improving Transparency:** Bangladesh should prioritize the following actions to improve budget transparency:
 - i. publish a Pre-Budget Statement;
 - ii. produce and publish an Audit Report in a timely manner; and
 - iii. increase the comprehensiveness of the Year-End Report.
- b) **Improving Participation:** Bangladesh should prioritize the following actions to improve budget participation:
 - i. provide detailed feedback on how public perspectives have been captured and taken into account;
 - ii. hold legislative hearings on the budgets of specific ministries, departments, and agencies at which testimony from the public is heard; and
 - iii. establish formal mechanisms for the public to assist the supreme audit institution to formulate its audit program and to participate in audit investigations.
- c) **Increasing Community Participation:** Due to illiteracy and unconsciousness, community participation in the development is very low in our country. Thus community driven education and training may help our people to understand the benefits of development and the need for their participation.
- d) **Improving Oversight:** Bangladesh needs to prioritize the following actions to strengthen budget oversight:
 - i. ensure the Executive's Budget Proposal is provided to legislators at least three months before the start of the budget year;
 - ii. ensure the executive receives prior approval by the legislature before implementing a supplemental budget; and
 - iii. in both law and practice, ensure the legislature is consulted prior to the spending of nay unanticipated revenue and the spending of contingency funds that were not identified in the Enacted budget.

- e) **Strengthening National Monitoring System:** An effective national monitoring system should be made based on the collection of reliable data, the identification of indicators to reflect trends, assess disparities and identify levels of vulnerability and on the wide dissemination of such results, to inform policy making to foster social change and to promote popular participation and public scrutiny.
- f) **Effectuating Parliamentary Watchdog:** The parliament plays a pivotal role in promoting good governance through its ability to legislate and to hold the executive accountable through the budget process and scrutinizing actions undertaken by the government. Measures to be taken to strengthen the parliament's role are to increase the number of hearings open to the public, particularly of important budgetary committees such as the Public Accounts Committee, to promote standards for policy debate, and to ensure greater cross-party representation in standing committees and encouraging multiparty participation in formal reviews of government actions.
- g) **Ensuring Sectoral Governance:** Sectoral level anticorruption strategies should be formulated that would focus on minimizing risks in the flow of goods and services. Special emphasis should be placed on improving governance in areas where the scope for corruption and rent seeking are particularly prominent, including tax administration, land administration, and basic service delivery institutions such as health, education, population and nutrition.
- h) **Improving the Standard of Local Government Institutions:** The current local governance initiatives should be well implemented and should develop effective systems of public participation as well as accountability which will ensure that public servants are responsible to elected officials, and elected officials are in turn responsible to their constituency.
- i) **Ensuring Judicial Independence:** The judiciary of Bangladesh should be made strong and independent so that they can be able to enforce common "rules of the game" for increasing investors' confidence and economic activity in the country. It will lead to growth and ultimately poverty reduction in the long run. Moreover, an impartial judiciary is integral to ensuring the protection of the rights of citizens especially the vulnerable group including the poor, the women, and other socially disadvantaged groups.
- j) **Strengthening National Human Rights Commission and Anti-Corruption Commission:** These two commissions should be provided with clear independence to carry out investigations and prosecute, but with high levels of accountability to other public authorities to ensure that its actions are unbiased and in the public interest. The government should respect and implement their recommendations as regards the improvement of good governance and rule of law.
- k) **Initiating better Macroeconomic Management:** The time has come to put in place the following four initiatives: first, an independent Statistical Commission to validate the macroeconomic correlates; second, an Agriculture Price Commission; third, a local government Financing Commission; and fourth, a Public Expenditure Review Commission.

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