



# DISTRICT BUDGET

## A forgotten promise?

ILLUSTRATION: KAZI TAHSIN AGAZ APURBO

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When Ahad Ali, a landless farmer in Bharaura village of Moulvibazar's Srimangal upazila, received Tk 500 from Srimangal municipality as old age allowance, he was surprised. He was only 37 years old, and many of his neighbours, aged between 60 to 70, were not receiving any old age allowance despite repeated applications. At first, he thought he had been mistakenly given the money. Gulbahar, a member of the municipality, explained what happened: Ahad's father, Moksed Ali, applied for old age allowance three years ago with all the necessary papers. In 2018, Moksed died of old age complications; however, he never received the allowance of Tk 500 per month. When the fund finally reached Srimangal municipality, after getting stamps of approval from thousands of tables in hundreds of of-

fices, Moksed was already dead. Nevertheless, Ahad, Moksed's son, had to receive the fund on behalf of his deceased father. "This sort of awkward incident happens frequently in the municipality. We never receive allowances such as maternity allowance, old age allowance, freedom fighter's allowance on time. The recipients and their relatives often stand in long queues to receive funds but most of the time, they have to return with nothing. They think we are corrupt but we don't have any funds of our own, we have to wait for the funds to arrive from Dhaka," says Gulbahar Begum, a member of the municipality. This type of poor governance is not unique to Srimangal municipality. It is a common picture in most of the upazila towns and union council offices of Bangladesh where citi-

zen services and development projects often come to a halt due to lack of funds. A highly centralised annual budget, which requires that local government, receive funds after it is issued by the ministerial offices in Dhaka, is the reason behind such deadlocks. No matter how small the amount of work or fund is, and no matter whether the work is in Panchagarh or in Teknaf, local government offices such as district and upazila municipalities and union councils have to wait for permission from Dhaka.

The government has been promising to decentralise the budget from the very beginning of their tenure.

During the budget for the fiscal year 2009-10, the first budget of the then Awami League-led Mohajote government, the former finance minister A M A Muhith said in his budget speech, "We prepare the national budget in a centralised manner. Demands of people from district or rural level are not reflected in this budget. We cannot say how much money we spend in a particular district (Budget Speech-2009-10)." In fact, the ministry of finance enjoys the sole authority to prepare the annual budget. Even by the constitutional provision, there is no chance for parliamentary standing committees to incorporate their recommendations in the budget. As a result, in a democratic country like Bangladesh, there is almost no scope for the representation of people's demand.

As a glimmer of hope, the finance minister made a promise to prepare a district budget in the next year to decentralise the government's authority by empowering the local government. But it took another four years to fulfil this promise and the first district-based budget was prepared in 2013 for Tangail on an experimental basis. In that budget, Tk 1673,45,67,000 was allocated for different offices and departments of Tangail district. Non-development expenditure was Tk 1118,55,43000 and development expenditure was Tk 554,90,24000. In his budget speech, former finance minister said, "We are presenting, on an experimental basis, a budget for the district of Tangail. In this budget, we are presenting the allocations for both development and non-development spending for the field offices located in this district. However, this is not a district budget per se. In this document, we will find a reflection of what activities are being carried out with the budget allocations and how much is being spent in the district (Budget Speech 2013-14)."

However, the experiment turned out to be a total failure. Mahub Hossain, who was the deputy commissioner of Tangail during that fiscal year, says, "The concept of district budget was not clear to us. They did not give us any guidelines on how to implement the budget. We did not even receive any allocations from the central budget. The district budget actually existed only in papers."

Fazlur Rahman Khan, the former administrator of Tangail District who was in office during that time says, "I don't know anything about the district budget. I didn't get any allocation when it was passed. And now, as far I know, the district budget has been scrapped. The government could have identified the sectors and projects where funds are needed more by consulting with the elected representatives of the district and allocate funds for the district budget according to those needs. In this way, district budget would have been very useful to speed up development projects in remote corners of the country."

Despite this failed experiment, the government passed district budgets for Khulna, Barisal, Chattogram, Rajshahi and Sylhet for the

### DEVELOPMENT

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fiscal year 2015-16 without any preparation which, as a result, produced a similar outcome as in Tangail. Although the finance minister promised to empower local governments by implementing district budgets in 2016-17, the word "district budget" was completely absent in the budget documents for 2018-19 and 2019-2020. This is contrary to what the Awami League pledged in its election manifesto of 2018: "To ensure homogenous development, district budget will be formulated considering each and every district's population and geographic location." Prime Minister Sheikh Hasina also promised to implement district budget in her speeches in several occasions. In 2013, she stated in a discussion, "Centrally, the government will only formulate budget and monitor its implementation. The budget will be implemented by the local government. The local government will be empowered and the budget will be decentralised in a way so that citizens of every party of the country can be benefited from it."

Nevertheless, Habibur Rahman, additional secretary, Budget-1 department of the ministry of finance says, "For the last two years, we have not been working on district budget. The concept of district budget is still not clear to many of us. Our local government is also not capable enough to implement such a budget. I think local government members have to be trained so that they can generate revenue in their locality and formulate and implement their own budget. Formulating budget centrally for the local government will not work, and, this is why, we are not thinking of district budget anymore."

Experts and civil society members have been advocating for decentralisation and democratisation of the budget for a long time. Democratic Budget Movement (DBM) is one such civil rights initiative. Its general secretary, Monower Mostafa, says, "We are shocked to know that finance ministry is scrapping the idea of district budget. Our government has been preparing sector-based budget like budget for health sector, road sector etc. But, in a democratic country, budget should be formulated on the basis of regional needs and demands. For instance, we found in our research that

during the 2008-09 fiscal year the annual development budget was Tk 19,500 crore. The fund allocation per person is Tk 1300. But during that fiscal year, fund allocation per person in Thakurgaon district was only Tk 290, in Mymensingh it was Tk 390 whereas for Dhaka and Chattogram it was Tk 710 and 850 respectively. It is evident that our centralised budget is creating developmental discrimination in our country."

According to Dr Mohammed Abu Eusuf, Director, Centre on Budget and Policy, University of Dhaka, "Actually, when our government developed the district budget, they were not clear about its concept. They did not take the opinion of the local representatives of the districts for which those budgets were prepared. It is very important to ensure people's participation in the budget."

"Currently the union councils and the members of municipalities of districts and upazilas have no say in the national budget or even in the district-based budgets that were formulated in the past. In some areas, these local government bodies prepare and implement their own budget which is

very small in amount because the central government takes all the sources of revenues and local government cannot earn any significant amount. To ensure equality and acceleration in development, district budget is very important and we must ensure that local representatives' voice and demands are reflected in that budget. The government can learn from a neighbouring country like India where budget has been decentralised so effectively by the formulation and implementation of provincial budgets," he adds.

The promise of district budget gave us the hope that local governments and local people would be financially empowered which could benefit marginalised people such as Ahad and his late father Moksed. Unfortunately, due to bureaucratic complexities and conceptual misunderstanding, one of the most dynamic and significant initiatives of the current government has completely been abandoned—along with the dream of ensuring local governments' participation in budget development.

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