

Proposed budget is grossly inadequate

Govt should make major changes before finalising it

There is no denying that preparing a budget at this hour of crisis is a difficult task. But that is what makes the formulation of a realistic, effective and implementable budget all the more important. Unfortunately, as experts across the nation have expressed, the budget proposed by the finance minister failed to live up to that task and the expectations of the people.

There is no reason to believe the government will be able to achieve the revenue target proposed in the budget. And that will only widen the already significant budget deficit. All available options in terms of financing the deficit will put a greater burden on the economy – on small and medium enterprises in particular, as well as downwards from the middle class. For example, should the government choose to borrow more from Bangladesh Bank – print more money – it will only further fan the flame of inflation, which would make life most difficult for the already struggling middle class and lower income groups.

The overall budget is not at all pro-people – not for the majority at least. It provides very little relief for the middle class who arguably face the greatest burden (as the government will rely heavily on indirect taxes), while the social safety net allocation will barely provide any cushioning for vulnerable groups. These decisions, alongside the proposed relief for the rich, shows that the government has consciously chosen to ignore the two most important problems presently plaguing our economy: inflation and inequality. Hence, the budget proposed no concrete measures to tackle inflation, and nearly altogether ignored the inequality issue. Similarly, it did not provide any remedy for default loans or the forex reserve crisis, both of which have resulted in Moody's downgrading Bangladesh's sovereign rating – which could be very bad news for the economy.

Development allocation for education has decreased, getting us farther away from the Unesco-recommended six percent allocation of total GDP. And the development allocation for healthcare has also decreased – although the operation allocation has increased, which mostly concerns salaries, etc – which could further worsen the quality of our healthcare system.

Instead of addressing our biggest economic challenges – corruption, for example – the budget, over the years, has become a tool to further extend benefits to wealthy and politically connected groups. And this budget is no different. It fails to ensure better utilisation of government subsidies, most of which ends up in the pockets of the politically connected, and ignores much-needed reforms and policy changes. The government should, therefore, revise it considerably – keeping in mind the concerns expressed.

Alarming rise of dengue needs urgent action

Heed experts' advice to prevent another deadly outbreak

The dengue situation in the country is getting worse with each passing day. According to the Directorate General of Health Services (DGHS), in May this year, the number of dengue patients was 1,036, which is five times higher than the same month in 2019, when the country saw over 1,00,000 dengue cases – the highest in our history. Meanwhile, last year, when the highest number of people died from the dengue outbreak, there were 163 cases in May. The high number of cases this May points to a possibly deadly situation looming on the horizon.

While previously dengue was considered a seasonal disease, with most cases being recorded during the monsoon, now cases are being reported throughout the year. Last year, a majority of the dengue infections were reported in the second half of the year, with over 50 percent of total cases reported in October. This means that if we cannot contain the spread of the virus right now, we may experience another deadly outbreak in the later part of the year. And with the number of cases being recorded already, the situation seems quite dire. The presence of four distinct serotypes of the virus – DENV-1, DENV-2, DENV-3 and DENV-4 – in the country may also increase the severity of the infections. Therefore, we have no time to waste and must take urgent action to control dengue.

The authorities, however, do not seem like they have taken any preparations in this regard. So far, no notable action was taken by the two city corporations of the capital, although the LGRD minister had said that he had instructed them to take all the measures – such as preventing waterlogging, making people aware – in advance to prevent dengue outbreak. Our experts' call to all relevant organisations, including city corporations, municipalities, and union parishads, to play a strong role in controlling the disease also seems to have fallen on deaf ears. Such systematic failure is unacceptable.

The authorities should immediately identify the dengue hotspots across the country, start conducting regular anti-mosquito drives, prevent waterlogging, destroy all possible dengue breeding grounds and conduct regular awareness campaigns. Engaging the communities with their work is crucial here. They must also build a robust dengue surveillance system so that the actual number of dengue cases in the country can be recorded, without which making proper interventions is not possible.

LETTERS TO THE EDITOR

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More entertainment options needed

Dhaka barely has any open space or recreational facilities. The only type of entertainment options available for teenagers, young people and even the elderly is to go out and eat at restaurants. But how often can one eat at restaurants? With prices of everything rising, eating out has also become very expensive. It is beyond the reach of many now. What are people supposed to do? We need more entertainment options badly.

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NATIONAL BUDGET 2023-24

Education lags again in funding and action



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The official rhetoric of priority for education and human development has once again failed to be reflected in the national budget proposed for fiscal year 2023-24. The record-high national budget of Tk 761,785 crore has in it the record-low allocation of Tk 88,000 crore for education – which amounts to 11.57 percent of the total budget and 1.76 percent of GDP. Though marginally higher in nominal amounts than the current year's allocations, these numbers mark a historic low proportionately. So much for the government's vaunted priority for education!

Civil society members and even politicians have, in pre-budget discussions, routinely called for larger government budgets for education. They have tried to make the case that the national goal of scaling the heights of an upper-middle-income country and eventually reaching the rank of a developed nation requires this investment. They cite the very low public education budgets compared to those of neighbouring and other developing nations. They mention the recommended international standard of six percent of GDP and a commensurate 20 percent or so of national budget for the education sector.

In his budget statement, titled "Towards Smart Bangladesh Sustaining the Development Achievements in a Decade and a Half", Finance Minister AHM Mustafa Kamal said, "Enhancing the quality of education at all levels is our special commitment." He confidently asserted that, "We are reaping the benefits of the government's policies as well as targeted spending in education and skill development over the past 14 years."

Observers of the education scene and concerned citizens will commend the expression of commitment to quality, but most will dispute the assertion that we are reaping the benefits of policies and targeted spending.

In the budget details of the activities to be supported, it can be seen that it is a continuation of what is being done within the existing pattern and structure. As much is admitted when it is said, "In the primary education sector, we will continue our regular activities, especially infrastructure development; expansion, repair and renovation; stipend; distribution of textbooks and other education materials; recruitment and training of teachers; digitisation,



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school feeding etc." A similar emphasis on infrastructure, supplies, and expansion is seen at other levels of education.

Not that infrastructure and expansion are not needed. Educators, however, argue that the inputs do not guarantee outcomes in students' learning and competencies unless the inputs are put to good use through necessary measures. These include good pedagogy, enough qualified teachers, devoted work by skilled teachers, supervision and accountability in each school, a facilitative learning environment in schools, and fair assessment of what students have and have not learned.

Access to education at all levels has certainly expanded, especially so at the primary stage. Besides the expansion, available evidence on a student's learning outcome and reducing inequity and exclusion in the system does not offer much reason for comfort.

The disruptive impact of the pandemic – especially the lengthy school closure – and putting students back on track, have been a worldwide concern. Education Watch and other studies have warned about the immediate and likely long-term harm caused by the pandemic to learners and the education system in Bangladesh. They have pleaded for urgent remedial measures with resource support and funding for schools and teachers.

The new budget has not displayed cognisance of the need for post-pandemic recovery and remedial actions. We have seen the same denial of pandemic effects and the need for recovery support for education in previous years' budgets (between FY 2020-21 to 2022-23) during the peak of the pandemic and its immediate aftermath.

political decision-makers towards civil society education advocates' pleas for re-imagining 21st century education.

The education re-imagination agenda includes moving towards greater and more genuine decentralisation of education governance, attracting talented people towards the teaching profession and keeping them there, a major initiative to widely and effectively

When the national budget fails to give due recognition to the needs and priorities of a vital sector such as education, is it the failure of the minister of finance, who presents the budget on behalf of the government? The budget planners at the Ministry of Finance are not expected to be knowledgeable about the intricacies of the right strategies and programmes regarding education or what should be given priority among competing demands. The education authorities – in Bangladesh, the two Ministries of Education – have to make a case and be persuasive about it.

Education activists who have argued for bold new initiatives in education enhancing skills and capabilities for the next generation have found it difficult to engage with the education authorities in a serious dialogue. Having two ministries of education with divided turf even for managing school education has not helped the shaping of a holistic vision for change. The senior functionaries of the two ministries who seem to be calling the shots are happy with the status quo, not inclined to rock the boat.

We do not know what the two ministries asked for in terms of raising allocations for the sector and whether any innovative thinking found a place in their budget submission. There has not been great receptivity in the two ministries of education and from the

apply the blended approach (merging tech-based and teacher-supported learning), building partnerships between government and non-state actors, and establishing a permanent education commission to guide and monitor education system changes. These could be the components of an education sector plan and a 10-year megaproject for education.

At the political level, as in the senior education bureaucracy, there appears to be little appetite for thinking about and acting on transformative changes in education that goes beyond mere lip service.

A case in point is a Tk 100 crore special allocation in the budget proposal for the skills development of the youth. It is expected that "research and innovation centres of various local universities will train 80,000 youth in advanced technology and entrepreneurship development." The intention is laudable. It is, however, not likely that a standalone project of this kind can succeed when most "local universities" cannot meet minimum standards of academic environment and performance.

The bottom line is that Bangladesh's education system needs much larger public investment, but the desired results can be achieved only when the priorities, programmes and strategies for effective action are in place and backed up by high level political decisions.

There is no consistency or logic in the targets set



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Given the unprecedented crisis Bangladesh's economy is facing – high inflationary pressures and macroeconomic instability – my expectation from the proposed budget of FY 2023-24 was that it would ease pressures and bring about much-needed stability to the economy. Instead, what the budget has done is ambitious – and in my opinion, it has posed unrealistic targets. For instance, the GDP growth target has been set at 7.5 percent, and it is being claimed that a major driver of such growth will be much accelerated private sector investment. Surprisingly, it is being said that private sector investment will increase by around six percentage points with respect to the GDP in the upcoming fiscal year. The total GDP-to-investment ratio will be 33 percent, while GDP to private sector investment will be 27.5 percent, which was 21.8 percent this fiscal year. Such a dramatic improvement in private sector investment in such a short period of time has not happened in Bangladesh, and is not feasible – it is completely

unrealistic.

Let me talk about another anomaly. It is being said that there will be a dramatic improvement in private sector investment. But the question is, where will the investment for private sector financing come from?

Traditionally, our banking sector has been a big source of financing for the private sector via credit. Yet, when you look at the government's budget deficit financing this time – about 5.5 percent of GDP – more than Tk 1 lakh crore will be taken as loans from the banking sector. If the government takes up so much of the loans, what will be left for the private sector?

And if the government does not borrow so much from the banking sector, who will the government turn to for such financing? If it goes to the central bank, it will provide the financing by printing new money, which will increase the inflationary pressure within the economy.

Another completely unrealistic target is that of inflation, which the

budget states will come down to six percent in the upcoming fiscal year. For more than a year, inflation could not be tamed because the government's policies and steps were inadequate. Meanwhile, there were a lot of anomalies in domestic market management, and on the fiscal side, too, import tariffs and duties could not be streamlined. Even now, we are citing the Russia-Ukraine war and the increase in prices in the international market as the causes behind our inflation, even though prices of many products, including oil, have actually decreased in the global market. If we look at our neighbouring countries – and we should not be citing the examples of Pakistan or Sri Lanka, whose economies are collapsing – such as India or the Southeast Asian countries, they were able to successfully use their fiscal and monetary policies to rein in inflation.

What should the focus of budget 2023-24 have been instead?

We should have focused on addressing the macro-fundamentals, which would create a launching pad for the coming year's economic prosperity.

The main focus should have been on addressing inflationary pressures and providing a much-needed break to lower income groups. Addressing inflation is the most pro-people move the government could have made.

The IMF has already set some conditions – an important one is to

improve the revenue side. To that end, some new taxes have been introduced – such as green tax on extra cars and additional tax on flat registration. Meanwhile, Tk 2,000 has been imposed as mandatory income tax annually for those who want to avail 44 government services, including acquiring a trade licence. While it is a good thing that the government has increased the income tax ceiling from Tk 3 lakh to Tk 3.5 lakh, if someone from a low-income household wants to get a trade licence, they will have to pay Tk 2,000.

So, are we assuming that when many low-income people go to avail a service such as getting a trade licence, they have concealed information regarding their wealth?

But what about those who are actually concealing information about their wealth? Or those who are loan and tax defaulters. Or those involved in money laundering? What services are we withholding from them? Is there any bar on foreign travels for them? Or are they VIPs wherever they go?

The whole tax structure is still very regressive, and the proposals in the new budget will make it even more regressive.

I believe we should look into these fundamental aspects. My expectation was that the main priorities would have been highlighted and would receive more focus. Instead, we have been set on the same old path.