



# Parliamentary Power of the Purse: Stocktaking the Role of the *Jatiya Sangsad* in the Budgetary Process in Bangladesh

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## Abstract

The post-budget placement in June in Bangladesh brings with itself an inundation of various scrutiny and assessment of the most crucial public policy document of the year. However, both ex-ante and ex-post oversight is an area where there has been a gaping hole for years. With analysis drawn from interviewing 52 stakeholders and review of relevant literature, the paper stocktakes the role of Bangladesh Parliament in the nation's budgetary process. The paper elaborates the theoretical basis for selecting global indexes used to evaluate the parliament's capacity of budget oversight. In fine, Jatiya Sangsad is a 'budget-approving' parliament dictated by the executive.

**Keywords** Parliament · Budget · Committees · Financial accountability · CAG · Bangladesh

## Introduction

In Bangladesh, the May–June period ushers in the hubbub surrounding the National Budget, thus bringing with itself an inundation of various analyses and assessment of the most crucial public policy document of the year. As a clear

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reflection of the political commitment of the government, the budget-making process remains at the centre of attention of various interest groups and stakeholders. Yet only a selected group of people with bargaining power are consulted, from whom only a handful of recommendations are taken into consideration while formulating the budget.

As per the codified laws of the constitution of Bangladesh, the parliament is the cornerstone of democratic authority wielded by the legislative branch of the state and is considered an embodiment of public welfare and justice. In theory, as an institution, the parliamentary committee system in Bangladesh emulates the Westminster tradition which is authorized to hold the government accountable and ensuring a check on the monopoly power of the executive. The culture of confrontational politics has gradually undermined the parliamentary apparatus and an absence of strong opposition political parties has further weakened the parliament's ability to play a credible role as the apex law-making institution of the nation.

Parliament has the “power of the purse” and it has been entrusted with ensuring regularity and propriety in public spending as well as value for money. If the focus is shifted to investigating the role of the *Jatiya Sangsad* (JS-the name of Bangladesh parliament) in the budget cycle, it can be aptly said that ex-ante oversight is an area that has seen a gaping hole in terms of parliamentary engagement. Despite efforts taken by the Finance Minister to hold a formal consultation with the chairmen of parliamentary standing committees, such meetings have very little impact on the ex-ante (pre-budget) planning. No significant pre-budget consultation is made with the Members of Parliament (MPs) till the budget session begins in June every fiscal year to the extent that the entire budget drafting process is kept extremely confidential, lacking substantive public and civil society participation. The information gap remains a major problem, as websites and relevant data sources tend to play a limited role in engaging the mass public.

The quality of discussions held in the plenary sessions and the parliamentary standing committees are a clear reflection of their constrained roles, thus undermining the overall system of legislative accountability. Despite being the de-jure authority, the elected representatives themselves have consistently failed to channel the demands of the common people, let alone advocating for a people-centric budget.

In an international context, the roles of the executive and legislature are not as clearly defined and tend to collide more often. In many countries, the executive mandate to prepare the budget is generally accepted given its access to comprehensive data on the state's expenditure and revenue pattern, and the legislature's role is commonly underemphasized. In India, for example, individual budgetary allocations undergo exhaustive reviews by the standing committee, a practice absent in the JS. In the Bangladesh context, the executive plays a dominant role in both ex-ante and ex-post budgetary process. The national budget is passed by voice vote in the House by guillotining the cut-motions raised by the opposition MPs. Moreover, supplementary budgets get direct approval without further ado.

As a result, the role of the legislature has been reduced to merely ex-post oversight and the authorization of the executive to conduct its budgetary actions (Inter-Parliamentary Union, 1986: 1049–53). However, the several points of contention between the roles of the legislature and executive have led to compromises, where,

despite having limited budgetary power, parliaments have been able to sustain their sovereignty by playing an active part in overseeing budget execution, if not the budget formulation process.

Following suit, budget-making in Bangladesh stands on the de-facto jurisdiction of the executive, and over the years, the JS's scope of budget oversight has only but narrowed down. Budgetary discussions within the parliament no longer encompass concerns over the sufficiency of allocation or the efficiency of implementation. In contrast to other nations, a visible 'balance' between legislative and executive authority is yet to materialize and the reasons can be attributed to issues unique to our political context.

A lack of comprehensive study on the issue of parliamentary role in the budgetary process, therefore, puts forward the need to analyze the 'Bangladesh' context of budget-making, the parliamentary tools already in place and factors attributable to their ineffectiveness. As stated earlier, to produce an implementable, citizen-friendly budget, greater engagement of MPs and standing committee members is necessary and our study helps identify the mechanisms required to fill the existing gap.

## Methodology

The study is predominantly qualitative, consisting of primary and secondary data sources. The paper draws its findings from the analytical insights from secondary sources followed by primary data collected from interviewing (semi-structured) 30 MPs (of the, 9th, 10th and 11th, see Table 3 in the appendix) and 6 experts (2 from academia and 4 from think tanks) in the relevant field and personal observation. This semi-structure interview is conducted to record the views of the MPs and experts on the role of parliament in the budgetary process. 6 senior government officials from the Ministry of Finance and Planning Commission and 10 committee staffers were also interviewed to know their insights and experience regarding the whole budget making process and the role of parliament therein. The data collection method of the study was in part, documentary too. Sources of secondary data include minutes and reports of several committees, Office of the Comptroller and Auditor General (OCAG) audit reports, TIB's parliament watch reports, newspapers articles and published books and journals in the realm of legislative and budget studies.

Successively, the theoretical framework discusses the potential structure of the index that can be used to assess the degree of parliamentary oversight observed in Bangladesh, followed by an analysis of major challenges and suggested reforms to the existing state of legislative authority.

## Theoretical Perspective: Developing a Lens for Capturing Parliament's Role in the Budgetary Process

### Democratic Accountability: Why Is Parliamentary Involvement Needed?

Globally, it is vital to note that parliamentary authority is often held in low esteem and struggling to meet the challenges in terms of performance, despite many countries striving to improve overall efficiency. In some cases, efforts towards progress have been met by further deterioration in performance. It is however important to note that the degree or extent of legislative discretion depends on the existing form of government authority; be it a presidential or a parliamentary rule.

As the primary state apparatus. The parliament can formulate laws, monitor the enactment of laws by the executive and prescribe the collection and allocation of public resources, in other words, budget-making. Among the key documents and treatises the government produces every year, the national budget is one of the most important (IPU, 2000), given the time, effort and inter-ministerial resource coordination it demands during the process of preparation and implementation.

Ideally in a democracy, sovereign power is known to be held by the people/voters (principles) and as their agents, elected representatives, thereby the parliament is regarded as the guardian of public resources. Wehner (2006) highlights the reasons for parliamentary involvement in the budgetary process, the first and foremost being the constitutional mandate for legislative approval of the budget. Secondly, he elucidates the parliament's ability to ensure that the budget reflects the priorities of the nation as a whole. Thirdly, parliamentary involvement can ensure the necessary 'check and balance' and executive transparency. Finally, parliament sessions allow the participation of a certain cross-section of the society and thus can help play a role to improve budget-related policy discussions and debates.

### Types of Parliament: Comparing Differing Degree of Participation

In most countries, parliaments play a vital role in all stages of the budget-making process but as reiterated earlier, due to the contextually differing degree of parliamentary intervention, a lacuna exists between their expected and actual involvement of parliamentary intervention in the budget process. Even within countries following the Westminster parliamentary system the actual role of parliaments tends to vary as some parliaments are seriously involved while others show negligible involvement for the sake of eye-wash.

Only a handful of developed parliaments in the West are allowed to give inputs during the formulation stage of the budget. Based on their involvement in the budget process, parliaments across the world are divided into several categories:

1. Budget making parliament (US Congress being the prime example);
2. Budget influencing parliament (Nordic parliaments such as that of Norway, Sweden);

3. Budget approving parliament (Westminster type Parliaments such as UK, India, and Bangladesh).

As the budget-making parliament, the US congress is capable of drafting/formulating an entire budget thus consolidating its role as the ‘budget maker rather than approver or adopter. Most parliaments fall into the second category, acting as the ‘budget-influencing’ parliament, where it has the power to recommend amendments and alterations after it has been presented by the Finance Minister. Such parliaments can make significant changes in terms of priority alignment/shifting (based on political mandate) and recommending spending cuts/increases or revenue reallocation. Most of the European parliaments fall into this category (Stapenhurst 2003: 40).

The final category, known as the budget approving parliament, bears the tradition of Westminster parliamentary systems, where budget making is entrusted to the executive and receives swift legislative approval. Such parliaments do not usually contribute to significant modifications in budgetary allocation, rather make cursory changes that are more often inconsequential.

### Developing a Suitable Budget Index

Scholars and researchers have made various efforts in the past decade to construct indexes that seek to evaluate the ability of parliament’s in various countries to conduct ex-ante budget oversight before budget implementation. Among the recognized ones, the index developed by Wehner (2006) particularly tried to assess legislative power to participate in the budget formulation at the pre-implementation stage. However, until recently, little research has been devoted to constructing an index that makes an attempt to measure ex-post budgetary oversight and is thereby more suitable for countries having a traditional Westminster style of government,. When used as a combined approach in measuring overall parliamentary oversight, both indexes must provide a broad assessment of both ex-post and ex-ante capacity.

With an emphasis on measuring ex-post oversight, the Parliamentary Oversight Index (POI) was developed with a focus on the external and internal oversight tools available to parliaments, the supporting factors controlled by the legislature as well as contextual factors which influence oversight. To construct the index variables are thereby divided into 3 sub-groups with the aforementioned dimensions of oversight:

- (1) The tools for oversight: An assessment is made to see whether oversight tools and mechanisms to hold the executive body accountable for their budgetary activities are present. Two types of oversight tools are considered:
  - a) Internal oversight tools include oversight committees, hearings in committees, the power to dismiss or impeach, the power to summon, oral and written questions, special commissions and the power to approve executive appointments.
  - b) External oversight tools, namely Ombudsman and Supreme Audit offices (known as Controller and Auditor General, C & AG in Bangladesh).

- (2) The index does not limit its responsibilities to simply assessing just the existence of oversight tools but also tries to assess the strength or efficiency of the tools. Enabling factors are those which contribute to the strengthening of the legislative oversight function. The structural framework and organization of parliament itself have to encourage effective oversight. Enabling factors include the autonomy of parliament (including autonomy of the Speaker and Secretary-General/Clerk), having permanent staff as well as having adequate research facility and time.
- (3) Contextual factors comprise variables assessing institutional arrangements, including the legal/constitutional source of legislative oversight, people's trust in Parliament, and mechanisms for ensuring citizen's participation in the budgetary process.

Lienert (2005, 2013), on the other hand, offered a broader, comprehensive combination of legislative tools needed for effective budgetary oversight through his index of legislative budget powers. It covers five variables as such:

- 1) **Amendment powers:** The existence/non-existence of formal powers to amend the budget determines the scope of legislative intervention in the budget proposed by the executive. As a form of ex-post legislative oversight, the power legislative amendment of the budget is absent in most Westminster type systems such as Australia, Canada, New Zealand, the UK, India and Bangladesh. Hence, this indicator is of little relevance for Bangladesh parliament.
- 2) **Executive flexibility during implementation:** To assess the degree of executive flexibility during budget implementation, two sub-indicators may be used such as a) the scope for appropriating allocations from one program to another without parliamentary approval. b) scope for withholding funds that have been appropriated without parliamentary consent. These sub-indicators may be considered in the Bangladesh context given that a significant level of executive discretion is exercised during the budget drafting stages.
- 3) **Time for scrutiny:** International standards for budget transparency emphasize the importance of sufficient time to enable parliamentary oversight of the budget (OECD 2002b; IMF 2007a). How far in advance of the fiscal year does the executive present its budget to the legislature? For the US Congress, it is about 8 months before the start of the fiscal year. On the other hand, legislatures in all Westminster type systems, including Bangladesh have about one month or less to review the budget once it is tabled in the parliament.
- 4) **Committee capacity:** Parliamentary committees must play a cardinal role in budget approval including the audit process and for that specialized committees such as the finance committee need to be capacitated and their degree of involvement increased. The limited capacity of the Public Accounts Committee (PAC) in Bangladesh will be taken into consideration if the index includes a variable as such.
- 5) **Access to budgetary information:** The quality and degree of legislative scrutiny depend on the access to comprehensive, credible and timely data supplied by the

executive (Benito & Bastida, 2009; Alt & Dreyer, 2006). The existence of an independent parliamentary budget office/research wing will undoubtedly lead to a higher score in this variable category and vice versa.

Based on the amalgamation of variables identified in both the aforementioned index framework, the challenges of establishing the parliament's role in upholding legislative and auditory oversight in Bangladesh's context can be outlined. For Bangladesh, variables such as pre-budget discussion, committee scrutiny and capacity, time allocated for current and supplementary budget discussion, capacity of MPs, executive flexibility will be the primary determinants of the strength of legislative examination and the power of the purse.

### **Analysing the Role of Jatiya Sangsad (JS) in the Budgetary Process in Bangladesh**

Bangladesh's almost five-decade-long stint with democracy and democratic institutions has seen major socio-political upheavals, and can thus conceivably be considered as a tumultuous journey marked by uncertainty and instability. The IPU enumerated the role of the JS as follows,

"As the key legislative organ, parliaments have the task of adapting society's laws to its rapidly changing needs and circumstances; as the body entrusted with the oversight of government, they are responsible for ensuring that the government is fully accountable to the people" (IPU, 1986:1-2).

The parliament's role in the budget process has two major dimensions, ex-ante and ex-post oversight. In principle, although the parliament is allowed the provision of both ex-ante and ex-post intervention, the opportunity to exercise ex-ante oversight is limited and constrained by the dominance of the executive in budget formulation stages. However, it is possible to evaluate the individual components of ex-ante oversight. Two of the most vital internal organs of the parliament that are involved in ex-post oversight are the Standing Committee on Ministries (SCMs) and 3 financial committees i.e. Public Accounts Committee (PAC), Committee on Public Undertakings and Committee on Estimates.

The PAC is traditionally entrusted with the task of scrutinizing appropriation accounts of government and examining the reports of the Controller and Auditor General (CAG) as well as financial statements showing the income and expenditure of autonomous and semi-autonomous government bodies.

## The Gap between Rhetoric and Reality (in the Light of Selected Indicators of Legislative Power)

### Absence of Pre -Budget Consultation

No significant pre-budget consultation is conducted before the budget session begins in June every fiscal year. Ministry of Finance leads the whole process of budget formulation by drawing data, estimates and opinion from the officials of other ministries, departments and agencies. Within the executive, three main organizations, the National Board of Revenue (NBR), the Economic Relations Division (ERD) and the Planning Commission play a critical role. Thus budget formulation remains as the preserve of the executive in general and the bureaucrats in particular. The information gap remains a major problem, as government websites and relevant data sources tend to play a limited role in engaging the mass public. Pre-budget consultations allow MPs to carry out one of their key legislative functions: that of representation. Because MPs are mandated to draw views and opinions (through public hearings) from the public, from private citizens as well as from organized groups about the contents of the next budget, they can provide a variety of views to the government. This is done by MPs who are members of the Financial and Expenditure Committee in the UK (Budget policy statement) and Finance Committee in Canada (pre-budget statement) and many other commonwealth and European countries.

A major constraint that limits parliamentary engagement in the budget formulation phase arises due to the absence of pre-budget discussions among MPs. Ministerial consultation with selective stakeholders and interest groups do not allow necessary engagement with the budget. It is worth noting that the Parliamentary Caucus on National Planning and Budget (PCNPB) which is an innovation of the Democratic Budget Movement (DBM), a CSO which has popularized the idea of decentralised budgeting for a long time. SUPRO, another CSO, also has close links with the PCNPB.

All the treasury bench and opposition MPs interviewed strongly felt the necessity of prebudget discussion. They opined that Standing Committee on Ministry of Finance could be entrusted with the responsibility of conducting prebudget consultation with the relevant stakeholders to record their opinion on the draft budget.

### No Committee Stage Scrutiny of the Budget Proposal

One of the most important parliamentary limitations in Bangladesh is that the Rules of Procedure prohibits referral of the budget to any parliamentary committee for scrutiny thus depriving the members the opportunity to go into budget contents in more depth before general discussion in the House begins. In India, the parliamentary budget process is allowed to last up to 75 days. Both Houses are adjourned for a fixed period (three weeks) during the committee stage. Departmentally-related Standing Committees are mandated to examine the demand for grants submitted by various ministries during the recession. They are examined in details and the committees can approve of the demand or suggest changes.



All the MPs interviewed were of the opinion that Rules of Procedure should be amended to enable Standing Committees on Ministries (SMCs) to examine the demand for grants of different ministries and report back to the parliament. A dedicated Budget Committee can be introduced in the parliament to coordinate the review of the budget by SCMs and present a consolidated review in the House. *Limited Parliamentary Review Time.*

After the budget presentation, the legislature typically has about three weeks to review the detailed budget. This time is too inadequate for the MPs to make any meaningful discussion. A much longer period (eight months) is allowed in the United States, a fact that reflects the legislature's strong budgetary powers and the complexity of budget approval processes in the congressional committees.

All the opposition MPs and two-thirds of the treasury bench MPs agreed that the time allocated for budget review must be increased to a minimum of 2.5 months. The parliament has to be adjourned for a fixed period (at least two weeks) during the committee stage scrutiny to examine the demand for grants.

### **Constitutional Restrictions and Limited Role of the MPs in the Parliamentary Activities**

The reluctance of MPs to conduct budget reviews is often attributed to constitutional restrictions imposed by Article 90 which itself allows little scope for even ruling party MPs to play a critical role in budget sessions. The mainstream political culture thus dissuades MPs from playing a pivotal role in budget scrutiny as a result of which they are more inclined towards activism based in their respective constituencies, such as resource allocations in Upazilla and Union Parishads, which are supposed to be greater concerns of the local government representatives. Of late, the Executive Committee on National Economic Council (ECNEC) approved BDT 6477 crore to 280 MPs from 280 rural constituencies for the development of road infrastructure in their respective constituencies. The Local Government Engineering Department (LGED) will implement the projects as per the demand of the MPs (The Daily Star, June 20, 2020). *The Need for Parliamentary Budget Office/Help Desk (POI:2).*

Member of Parliament (MPs) in Bangladesh require training to be able to make efficient use of vital budgetary data and information. In many countries such as the USA, Australia and Canada, a fully functional Parliamentary Budget Office is involved in pre and post-budget research and documentation, thus providing auxiliary support for elected representatives during parliament sessions. The purpose of such offices is to produce a non-partisan, independent and informed analysis of the existing budget cycle, previous and proposed fiscal policy and possible implications of policy proposals.

On 7 December 2010, the Bangladesh Parliament Secretariat inaugurated the Budget Analysis and Monitoring Unit (BAMU) with technical and financial support from the USAID/Bangladesh's Promoting Governance, Accountability, Transparency, and Integrity (PROGATI) initiative. The objective of the BAMU was to

provide accurate, comprehensive, easily understandable, and timely budget information to MPs.

BAMU helped develop a Budget Information Help Desk to serve as an information resource for MPs and staff during June 2013 budget session. At the Help Desk, MPs were able to access relevant information, documents, and reports as well as on-demand analysis of issues by BAMU members. Despite expectations of becoming an auxiliary institution of the Bangladesh parliament, it never happened and the PRODIP project ended in December 2015. Considered as an ‘enabling factor’ in the index framework, the absence of a budget office in the parliament will significantly reduce Bangladesh’s score in the index in the ‘access to budgetary information’ category.

All the MPs interviewed are of the opinion that BAMU must be established as a permanent institution of parliament. Skilled human resources have to be recruited and fund should be made available from parliament’s own budget to institutionalize BAMU. It can be made a unit of Institute of Parliamentary Studies (IPS) when it is activated and functional. The legislative experts also believed that IPS could become a formal institution through which parliament and policy experts can support the MPs in their budgetary analysis.

### **Failure to Establish an Institute of Parliamentary Studies (IPS)**

The justification for establishing an IPS is to provide the MPs with quality research works to build up their capacity to help them make informed policy-making decisions.

The absence of an institutionalized parliamentary budget and (or) research office which would act as a research support wing for MPs, is an issue that has been identified as requiring immediate attention, along with the activation of the Act (2001) which promulgates the establishment of the IPS. Despite the commendable initiative taken, the act itself remains unimplemented for almost 20 years following its promulgation.

### **Sidelined Opposition: Power of the Cut Motion**

A ‘cut motion’ is a special power vested upon the MPs to reduce the demand for a grant being discussed for specific allocation by the government. If the cut motion is adopted, it amounts to a vote of no-confidence and if the government fails to garner majority support from the MPs it is obliged to resign according to the norms of the Parliament. The decision to accept a cut motion however relies solely on the Speaker of the House. He decides whether a cut motion is admissible under the rules or not. De jure and de facto scenario is that cut motions are for discussion but not for acceptance.

Table 1 shows the data records for six budgetary timelines starting from FY 2014–2015. As seen from the table, the total number of cut-motions placed by the opposition which were rejected by House vote has witnessed an upward trend, with

**Table 1** Number of Cut Motions (placed by Opposition MPs) Rejected in the JSs (2014–2021)

Fiscal Year	Number of Rejected Cut Motions
2014–2015	249
2015–2016	194
2016–2017	420
2017–2018	352
2018–2019	448
2019–2020	484
2020–2021	421
2021–2022	625

Source: Prepared by the authors from several newspaper reports (Daily Star, Financial Express and Dhaka Tribune, 30 June 2015–21)

FY 2021–2022 recording the highest, 625 rejections. The opposition is not given any breathing space, let alone the ability to hold the government accountable. Speaker of the House usually applies guillotine to quicken the process of passing the demands for grants for different ministries and the final budget is passed by voice vote.

### Role of Committees: Failure of the Public Accounts Committee (PAC) and OCAG

Although entrusted with great responsibilities, PAC allegedly lacks the skilled human resource, logistical as well as infrastructural support needed. A similar picture is seen in many developing countries where PAC depends on the expertise provided by the Office of Controller and Auditor General's (OCAG) office. Presently, only one officer from the OCAG acts on deputation in the PAC whose efficiency is hampered by the lack of co-operation of the Secretariat.

The dearth of professionalism among auditors to conduct effective audits and produce reports of the highest quality is due to the structural and systematic flaws of auditing and reporting, the absence of a proper mechanism to guide ministry-committee relations and lack of public access to committees, all of which have stymied the effectiveness of the PAC. (Ahmed, 2006; Obaidullah, 2018).

The OCAG also lags in placing updated audit reports. The OCAG has completed the audit for fiscal 2017–18. Former finance minister AMA Muhith informed the 10th parliament in June 2016 that 876,013 audit objections involving Tk 778,739.85 crore were pending decisions (Daily Star 19, June 2020) and 80% of them were not serious financial irregularities in nature and are more of technical or general observations. A huge amount of time and other resources are spent in pursuing these observations every day. Ultimately, the cost is higher than the benefit. Secondly, people who were responsible for the general irregularities couldn't be traced now. (Daily Star, March 11, 2020). Lack of benchmarking of audit objection and mandatory timeframe to submit audit reports are the main reasons behind audit report

backlogs. The absence of any binding for the principal accounts officer or secretaries to timely reply is another reason (Daily Star 20 April 2010).

It is heartening that this is for the first time, a MP from the official opposition party in Bangladesh has been appointed as the chairman of the PAC of the current parliament (11th JS). All the MPs interviewed appreciated this move of the parliament. However, they agreed that Rules of Procedure must be amended in order to make it a formal institutional feature of the PAC in future.

### ***Weaknesses of the Standing Committee on Ministries (SCM): Information Failure (5)***

Although ex-post oversight is usually considered as the responsibility of the PAC, Standing Committees of Ministries must be considered as well since they have the scope to scrutinize ministerial budgetary allocations right before they are submitted to the Public Accounts Committee as audit reports of the C&AG. So far it has been observed that the SCMs have failed to play a significant role in the implementation stage of the budget cycle which includes auditory as well as legislative oversight.

In its monthly meeting, each SCM has the opportunity to assess the level of efficiency of the budget used for various sanctioned programs. In reality, however, SCMs in Bangladesh cannot make such in-depth analysis/evaluations because they lack the information needed for budget implementation. Only recently has the Ministry of Finance began to produce monthly and quarterly fiscal reports such as the Medium-term Budgetary Framework (MTBF) via its website thus providing committees the chance to monitor public spending and track the progress of budget implementation. The underperformance of the SCMs is likely to have an impact on the assessment of 'internal oversight tools'.

Despite the formal ruling that does not allow existing ministers to hold the chairmanship of any SCM, backbencher MPs leading the committees cannot exercise their authority, often due to cultural norms that prevent them from speaking too assertively in front of the ministers who are present in committee meetings.

Major problems and challenges faced by the JS in the budgetary process and the recommendations to overcome those are depicted in the following Table 2.

The index used by most of the western countries in the world in order to appreciate the role of parliament in the budgetary process may not work entirely in developing countries like Bangladesh where democratic foundation is still shaky. The state of democratic development, society, economy and political culture of a country have to be considered while assessing the strength of a parliament. This is missing in the mainstream literatures which focus on formal institutional and technical features of parliament while assessing its strength vis-à-vis the executive. A strong parliament has better prospect for becoming a budget-making or budget influencing parliament (Rahman, 2008).

**Table 2** Problems, Challenges and Remedies

Exiting Issue	Stage	Suggested Reforms
Non-existence of a pre-budget committee.	Pre-Budget	<ul style="list-style-type: none"> <li>• The Standing Committee on Ministry of Finance can be given the responsibility to discuss government pre-budget statement with relevant stakeholders. Rules of Procedure needs to be amended.</li> </ul>
Standing Committees are not allowed to participate in reviewing/discussing the budget	Budget Discussion /approval)	<ul style="list-style-type: none"> <li>• Rules of procedure should be amended to enable SMCs to examine the demand for grants of different ministries and report back to the parliament. Standing committee on Finance can be given the responsibility to coordinate.</li> </ul>
Limited time for budget discussion (3 weeks)	Budget Discussion /approval)	<ul style="list-style-type: none"> <li>• The time allocated for budget review must be increased to a minimum of 2.5 months and the parliament has to be adjourned for at least two weeks to allow the SCMs to examine the demand for grants.</li> </ul>
Lack of training and experience of MPs Absence of Institutional set up to train the MPs	Budget Discussion	<ul style="list-style-type: none"> <li>• In the absence of a parliamentary budget committee BAMU can be institutionalized by drawing budget from the parliament.</li> <li>• Taking necessary steps to establish the Institute of Parliamentary Studies as per the IPS Act, 2003.</li> </ul>
No detailed discussion or debate is made on the supplementary budget and enough time is not allocated for discussion	Budget session (Discussion/approval)	<ul style="list-style-type: none"> <li>• The budget implementing records of previous years (supplementary budget) must be discussed and reviewed comprehensively. Sufficient time should be allocated for this exercise.</li> </ul>
Cut motions placed by the opposition in the House are rejected. Money is spent without parliament's approval during the fiscal year	Budget session (Discussion/approval)	<ul style="list-style-type: none"> <li>• Rectifying undemocratic parliamentary practices including outright rejection of cut motions placed by opposition members.</li> <li>• Any change in the current fiscal year's budget can be discussed in the parliament bi-annually or quarterly and approved.</li> </ul>

Table 2 (continued)

Exiting Issue	Stage	Suggested Reforms
The PAC should be headed by an opposition MP. The inefficiency of the Public Accounts Committee (PAC) and OCAG	Post-Budget Oversight (evaluation)	<ul style="list-style-type: none"><li>• An opposition MP heads the PAC for the very first time in the current JS. However, Rules of Procedures must be amended to make it an institutional feature of PAC to continue in future.</li><li>• CAG as a constitutional body can be empowered with the executive capacity to compel secretaries to be accountable for financial irregularities and other audit objections of the concerned ministries.</li></ul> <p>Auditors should concentrate on significant financial irregularities instead of finding violations of simple rules and regulations to reduce the backlog in producing reports.</p>

Source: Prepared by the authors

## **Democracy- a Prerequisite to Strengthening Parliament's Role in Budgetary Process**

As the premier institution based on the principles of pluralist representation, a parliament is considered as the foundation of democratic governance and accountability. A major step towards the consolidation of democracy involves strengthening of institutional frameworks built upon democratic principles including the parliament which can, in turn facilitate accountability and ensure exercise of legislative authority in budget making. Hence, for a parliament to play constructive role in the budgetary process, existence of a functional democracy must be a *sine qua non* condition and vice versa.

Although Bangladesh has introduced parliamentary democracy as a political system since inception, it has encountered repeated failures in its attempt to establish democracy as an institution, even after five decades of its independence as political cleavages have further perpetuated the extreme polarization among political parties within the democratic system. The recent (10th and 11th JS) parliamentary elections have led to severe disenchantment of people who had previously hoped for a resumption of parliamentary democracy, which largely depends on the constructive interaction between both the ruling party and the opposition in parliament. While it is expected that any parliamentary democracy will seek to ensure level playing fields for all forms of political representation, unfortunately the recent political trends have indicated a complete reversal, with major opposition factions boycotting elections claiming electoral malpractice, repression at the hands of the ruling party and vote rigging- all of which have further weakened the legitimacy of the parliament's legislative entitlements. Since the scope of institutionalization of parliamentary accountability in the budgetary process is directly influenced by the health of the prevailing democratic culture, it is quite unsurprising that the parliamentary power of the purse has seen a radical decline in the past few years.

### **Culture of Confrontation**

The basic principle of democratic governance, that the government must be allowed to govern, while allowing the opposition parties freedom to oppose, is agreed upon by most political parties in democratic states. However, this ground rule has been violated in Bangladesh since independence, as one of the integral characteristics of intra- party interaction in Bangladesh's political interface is the absolute domination of adversarial politics.

However confrontational politics is known to create a dangerous ecosystem accelerating political venality due to government and opposition party's refusal to recognize each other's role. In Bangladesh, normalization of antagonistic politics has culminated to a dysfunctional democracy and a virtually ineffective legislature, all of which can be attributed to the manifestation of the parliament's limited role anywhere and everywhere, including budgetary oversight.

## Politicization of Bureaucracy: The Politician-Administrator nexus

The capacity of civil servants to protect citizen's interest and exercise public authority is deeply rooted in its nature of neutrality and relative independence from undue political influence. However, over the past few decades, the ideal imagery of an unbiased and apolitical bureaucracy has been tainted, as bureaucrats today not only play a formidably influential role in policy-making and execution, but are also seen as important stakeholders of the ruling regime. The last two decades especially have witnessed the unfortunate infiltration of political parties in almost all state institutions including the bureaucracy, thereby undermining their ability to contribute to the development of a pluralistic democracy. It has been observed that the bureaucracy has developed an unholy nexus with the political leadership of various regimes and became a staunch ally of the ruling party vessel, which guaranteed a strengthening of bureaucratic domination. This domination is evident in policy making and budget process too. This has subsequently led to a deliberate weakening of parliamentary oversight as mechanisms of check and balance developed to hold the executive accountable cannot be exercised freely.

## Conclusion

As elaborated previously, among various factors, in the context of Bangladesh, the existing politico-social and cultural dynamic have been a promoter of confrontational politics as a result of which, suppression of opposing political views have undergone systemic institutionalization within the executive and legislative factions. Quite unsurprisingly, the 8th, 9th, 10th and 11th parliament have witnessed a subsequent decline in the participation of opposition members in parliamentary sessions. Guillotining of grant demands raised by opposition members during the budget session is quite common.

It is important to note that, the constitution itself allows little scope for even ruling party MPs to play a critical role in budget sessions, as per Article 90. MPs are neither allowed to vote against a particular motion nor refrain from voting, thus obliterating any form of floor crossing.

Bangladesh parliament does not have any role in the pre-budget discussions. Ministerial consultation with selective stakeholders and interest groups do not allow necessary public engagement with the budget and simply perpetuates the extant 'iron triangle' along with the overarching dominance of the executive in the budget-making process.

A major challenge arises due to parliament members lacking sufficient qualification and training required to make an informed post-budget review, which results in highly ineffective and rhetorical budget discussions. Therefore, the absence of an institutionalized parliamentary budget and (or) research office such as BAMU is an issue that has been identified as requiring an immediate attention, along with the activation of the Act which promulgates the establishment of the Institute of Parliamentary Studies.



Committees have no authority to review the budget, in contrast to India where department-related committees can discuss and review the budget in details after the presentation. Additionally, the period for review is just 3 weeks which is highly insufficient compared to other Westminster parliamentary systems.

Although standing committees in the Westminster system are vested with the power to exercise oversight of all financial activities entailing budget implementation as a means of preventing irregularities, in Bangladesh, the standing committees are similar to a toothless tiger. Along with the absence of autonomy, the lack of coordination between the PAC and OCAG, prolonged backlog and infrequent reporting to parliament have contributed to a recurrent weakening of the tripartite financial accountability system.

Unarguably, efforts for strengthening the legislature's analytical and decision-making capacity should focus on the active involvement of the parliament in scrutinizing annual reports of the PAC and more specifically ones approved by the OCAG. A strengthening of auditory oversight, along with the enhanced capacity and autonomy of the supreme audit institution to produce timely, transparent and easily understandable financial statements as well as implementable recommendations to improve fiscal management are all achievable outcomes in the long run if institutional reforms are welcomed by the existing framework. There is of course no alternative to the strengthening of the SCMs whose capacities remain under-explored in the present context. Standing committee reviews can be followed by public hearings, a mechanism for ensuring a people's friendly budget that is currently dysfunctional.

## Appendix

### Annex 1

**Table 3** Election Results of Three Jatiya Sangsads (JS) and Party-wise Break-up of MPs Interviewed.

JS/ Year Elected	Ruling Party	Main Opposition	% of MPs (Government)	% of MPs (Opposition)	Total Number of MPs	Party-wise Break up of MPs Interviewed (30)
9th (2008)	Awami League (AL)	Bangladesh Nationalist Party (BNP)	85.67	14.33	300	AL-7, BNP-2, JP-1
10th (2014)	Awami League (AL)	Jatiya Party (JP)	79.14	20.86	300	AL-7, JP-3, BNP-0
11th (2019-)	Awami League (AL)	Jatiya Party (JP)	74.63	25.63	300	AL-6, JP-2, BNP-2

Source: Prepared by the author from Bangladesh Election Commission, 1973–2019), TIB Parliament Watch (2001–2018)

## Annex 2

### Semi-structured Interview Checklist (for MPs and Experts)

1. Pre-budget discussion and role of committees
2. Scrutiny of budget by SCMs
3. Adequate time allocation for budget discussion
4. Capacity building of the MPs for better participation in budgetary process
5. Comprehensive discussion on Supplementary budget by the MPs
6. Cut motions placed by the Opposition
7. Regular conduct of audit by CAG and submission of audit reports to the PAC

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