Political Economy of Local Level Budgeting in Bangladesh: A Critical Analysis

Md Mahmud Hasan† and Jobayda Gulshan Ara¥

Abstract
Accompanying the estimation of revenue and expenditure, the local level budget manifests a grassroots area’s development plan for a defined period. In Bangladesh, the Union Parishad (UP), the lowest tier of local government, is obliged to prepare its annual budget by ensuring people’s participation through various mechanisms and committees following the Local Government (Union Parishad) Act 2009. With this background, the study explores the UP’s budgeting procedure to identify the influential actors and effectiveness of people’s participation from political economy perspectives. Following the qualitative case study approach, this study was conducted on the four Union Parishads in Sylhet, Sunamganj, Cumilla, and Narsingdi districts. It follows the in-depth interview and Key-informant interview techniques to collect primary data from the UP chairpersons, members, Upazila Nirbahi Officers (UNO), and other members of various UP committees. The finding shows that mechanisms like Ward Committee (WC), Ward Shava (WS), Standing Committee (SC), and Planning Committee (PC) for ensuring people’s participation have failed to work adequately. In most cases, these committees are confined to paper works. As a result, the budgeting procedure is dominated by the politically and economically empowered groups, e.g. UP Chairperson and his allies, ruling party members, local elites, and bureaucrats, which hinders the grass-root level socioeconomic development in Bangladesh.

Keywords: Local Government; Union Parishad (UP); Budgeting; Political Economy; Bangladesh

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Introduction

Bangladesh has a long history of the local government system. From the ancient to the modern era, various forms of local government and administrative systems came into existence (Siddiqui, 2005). The great treatise 'Kautilya’s Arthashastra' shows that the rulers of the Mauryan empires extended government activities to the rural areas. Later, the monarchs of the Gupta and Pala empire increased their welfare activities in the rural areas using their well-organised local governance bodies (Rangaranjan, 1992; Ray, 1994). However, the British laid the foundation of Bangladesh’s existing local government system, making it highly dependent on the central government but providing little scope for public wellbeing at the local levels (Barman, 1992). Later, the Pakistani rulers continued that legacy without bringing any significant changes (Siddiqui, 2005). The main motto of the colonial rulers was to use local government bodies in pursuing their political agendas at the grassroots (Elias Sarker, 2006; Oloruntimehin, 1983).

After the liberation war of Bangladesh in 1971, the newly formulated constitution in 1972 recognised the local government, aiming to establish a self-dependent local government system. Since independence, different commissions have been formed at various times to bring about changes in the local government system to serve the grassroots people, but the primary aspiration of the common people reflected in the constitutions has not been fulfilled yet (Elias Sarker, 2006; Khan, 1997). However, the local government of Bangladesh is still dependent on the central government in many respects, as happened during the colonial rule (Elias Sarker, 2006; Lewis & Hossain, 2022; Panday, 2011). The central government always tried to control the local bodies, especially after the military regimes that started in 1975 (Ahmed, 2012). Although parliamentary democracy has been practised in the country since the 1990s, people’s participation in the planning and budgeting process at the local level has not been visible yet (Huq, 2014).

The existing budgeting system of the Union Parishads (UP), the lowest tier of local government in Bangladesh, follows the Local Government (Union Parishad) Act 2009. The government ratified the Act following the successful implementation of the Local Government Support Project (LGSP), partly funded by the World Bank (Chowdhury & Panday, 2018). It is argued that the international donor agencies designed the Act to implement neoliberal agendas and strengthen the role of the World Bank, IMF and NGOs at the grassroots level in Bangladesh (Baroi & Panday, 2015; Geddes, 2005; Haque, 2004). However, the Act has emphasised the involvement of NGOs and civil society members in the planning process by creating a new arrangement of budgeting systems for the UPs that promotes transparency, accountability, and people’s participation (Chowdhury, 2018a; Lewis & Hossain, 2022).

According to Sections 3, 9, and 10 of the Local Government (Union Parishad) Act 2009, each UP consists of nine wards, an elected chair, and twelve members: nine from the nine wards and three women elected to three reserved seats (one for every three wards). The Local Government (Union Parishad) Act, 2009 and the UP Operation Manual, 2018 provide the legal framework and necessary guidelines for preparing the annual budget of the UPs in Bangladesh. According to the regulations, the UP planning and budgeting will be formulated by passing through four committees, namely, Word Committee (WC), Planning Committee (PC), Standing Committee (SC) and Union Development Coordination Committee (UDCC) (Chowdhury & Panday, 2018). Moreover, the existing budgeting system has ensured people’s participation by arranging two Public Meetings (Ward Shava) organised by WC and an Open Budget Meeting (OBM) held by the UP annually. Moreover, the Upazila Nirbahi Officer (UNO), the chief executive officer at the subdistrict level, holds the approval authority role of the UP budget (UP Operational Manual, 2018).

Accompanying the estimation of revenue and expenditure, the local level budget manifests a
grassroots area’s development plan for a defined period. In Bangladesh, the Union Parishad (UP) is obliged to prepare its annual budget by ensuring people’s participation through various mechanisms and committees following the Local Government (Union Parishad) Act, 2009. However, several studies conducted in recent years reveal that the objectives of the existing budgeting system have not been achieved much (Lewis & Hossain, 2022; WahedUzzaman & Alam, 2015). With this background, the study has explored the existing budgeting procedure of the UPs to identify the influential actors and effectiveness of people’s participation from the perspective of political economy.

The study begins with a brief review of the literature. Methodological issues are discussed in the section following this. The third section discusses the existing planning and budgeting procedures and the scope of people’s participation. Following this, it critically discusses the political economy of local-level budgeting.

Literature Review
The structure and functions of the local government institutions in colonies were established and designed in such a way that the colonisers could protect their political and economic interests of the colonisers. Consequently, the local government institutions under colonial rule served as the agents of economic exploitation and hubs of providing security and intelligence services against the discontent of the native people (Oloruntimehin, 1983). As a former colony under British rule, Bangladesh has been carrying the legacy of British colonial rule that has dissociated the local government institutions (LGIs) from the local people and has established the dominance of the bureaucrats and local elites (Elias Sarker, 2006). Consequently, decentralisation and effective participation of the people in the planning and budgeting process has not been ensured, and the benefits of the effective local government system are yet to reach the grassroots people (Huq, 2014; Ingham & Kalam, 1992; Lewis & Hossain, 2022).

After the end of colonial rule, the military juntas used local government bodies to extend their political network at the grassroots. However, the Juntas patronised the trading and business class, which consequently ensured the hegemony of local elites over the local government institutions. Thus the effective participation of the mass people in the development planning was abridged (Ahmed, 2012). Moreover, at the end of the beginning of the twenty-first century, the IMF, World Bank and transnational aid NGOs promoted the neoliberal agendas at the LGIs globally. They advocated reform of LGIs by engaging civil society members and NGOs in the planning and budgeting process, which increased the influencing potential of the World Bank, IMF and international NGOs in the central and local governments. However, these neoliberal reforms have adversely affected developing countries like Bangladesh, Uganda and Saito (Geddes, 2005).

The newly formulated Local Government (UP) act 2009 has emphasised the effective engagement of the rural people and civil society members in the budgeting and planning process. Some studies (Ahmed et al., 2016; Chowdhury, 2018b; Chowdhury & Panday, 2018) have found some positive outcomes in people’s participation, ensuring accountability and engagement of civil society members. Moreover, other studies (Baroi & Panday, 2015; Lewis & Hossain, 2022) reveal some drawbacks like; ineffective people’s participation, the dominance of local elites and ruling parties etc., of the existing practices of the budgeting and planning process in Bangladesh. However, none of the recent studies has explored these issues from the political economy perspective. Thus, it seems essential to study the existing budgeting and planning procedure of the UPs from the political economy perspective, aiming to find out the actual scenario.

Methodology
This exploratory research has tried to develop a general understanding and formed an idea to achieve new insights into the political and economic aspects that have been followed in the local level budgeting in Bangladesh. Both
primary and secondary data have been used in the study.

**Study Area**

The study has been conducted on the four contrasting UPs selected from four districts located in the southeast, northeast and central area of Bangladesh. They are Tuker Bazar UP, a well-connected and opposition political party-backed UP of Sylhet districts; Purba Pagla UP, a remote and opposition political party-backed UP of Sunamganj district; Mokara UP, a semirural and ruling party-backed UP of Cummilla district, and Masimpur UP, a peri-urban and opposition party-backed UP of Narsingdi district. These UPs are purposively selected considering their geographical location, connectivity, infrastructure and the political affiliation of the UP chairpersons.

**Data Collection Tools and Techniques**

The qualitative approach of social research was followed to collect data. In-depth interviews and key-informant interview techniques were used to collect the primary data. All the interviews were recorded after taking the consent of the interviewees. The study has conducted on the four Union Parishads selected from four districts. Four UP chairperson, twelve male members (three from each UPs), and four female UP members, each from one UP, was interviewed following the checklists prepared through the literature review. Moreover, twenty-four Ward Committee (WC) members were interviewed to understand their political attachment, socioeconomic status, and role in the budget-making procedure.

Furthermore, four Upazila executive officers (UNO) were interviewed to comprehend the intervening mechanism of the government bureaucrats in the UP budget. To better understand the existing budgeting practices, four UP secretaries were interviewed. Finally, twelve local influential and civil society members were interviewed as the key-informant interviewees to reveal their roles in the budgeting procedures.

Collected data have been analysed using the thematic approach. Initially, Bengali, the native language of the respondents, audio interviews were transcribed and translated into English. Finally, translated data were coded to develop themes and subthemes.

**Existing Planning and Budgeting Procedures and the Scope of People’s Participation**

The Local Government (Union Parishad) Act 2009 and UP Operation Manual 2018 provide the necessary guidelines for preparing the plan and budget for a UP. According to the regulations, the Union Parishad prepares detailed planning and budget for each fiscal year. Moreover, the ongoing Local Government Support Project 3 (LGSP 3), funded by the government and the World Bank, plays a crucial role in ensuring people’s participation and accountability, increasing efficiency in the planning and budgeting procedures. Through this project, the UPs receive various grants by ensuring people’s participation, accountability and transparency in the planning and budgeting process. It also promotes the efficiency and transparency of the UPs by providing capacity-building training and guidelines (Local Governance Support Project 3 (LGSP-3), 2020).

According to the relevant Act, manual and LGSP-3 guidelines, budget formulation and planning of a UP are inextricably interrelated, and various committees (WC, PC, SC and UDCC) play the most crucial role in this regard. Furthermore, these regulations emphasised ensuring the direct ‘people’s participation in the planning and budgeting process through three open meetings – two in the WS for preparing development proposals and another in the Open Budget Meeting (OBM) for finalising the annual planning and budget for a UP. Additionally, civic engagement is ensured by including members of civil society in different committees.

At the initial stage, WC, consisting of UP members, a school teacher, social workers, a freedom fighter and an NGO or civil society representative, play a crucial role in the development scheme selection and planning process. According to the regulations, WC takes necessary preparation for arranging the WS in which the development schemes and planning should be discussed. All the voters of a Ward are
members of the WS, and 5% of them must attend to constitute the quorum of a WS. In the planning and budgetary process, the voters will determine their priority-based development proposals or schemes through open discussion at the WS. Later, the PC classifies the proposals based on various sectors and sends them to the related SCs for review and recommendations.

Then, the SC committee develops priority lists based on the availability of the resources and recommends them to the PC. At this stage, PC drafts annual schemes with five-year plans and sends them to UDCC for discussion and UP for approval. Finally, the approved plans are made public through displaying on the notice board and in important places of UP and uploaded to the LGSP website.

### Table 1: Formation of the Committees for Planning and Budgeting at the UPs

<table>
<thead>
<tr>
<th>WC (9)</th>
<th>PC (1)</th>
<th>SC (13)</th>
<th>UDCC (1)</th>
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<tbody>
<tr>
<td><strong>Convener:</strong> Concern UP member or woman member for reserve seat</td>
<td><strong>Chair:</strong> a Union Parishad member</td>
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<td><strong>Member:</strong></td>
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<td>- 2 UP members</td>
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<tr>
<td>- 1 School teacher</td>
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<td>- 2 local social workers (1 Male &amp; 1 Female)</td>
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<td>- 2 local social workers nominated by DC</td>
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<td>- 1 NGO or civil society leader</td>
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<td>- 1 Freedom fighter or freedom fighters’ Child (N. B. one-third of the member must be women)</td>
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<td><strong>Members:</strong></td>
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<tr>
<td>- Other members of UP</td>
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<tr>
<td>- The UP Secretary</td>
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<td>- Transferred government department heads</td>
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<td>- May include an expert development planner.</td>
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<tr>
<td><strong>Chair:</strong> Elected from the UP members</td>
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<tr>
<td><strong>Women members must chair one-third of all SCs.</strong></td>
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<td><strong>The chair of the UP chairs the Law and Order Maintenance Committee</strong></td>
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<td><strong>Members:</strong> Total 5–7 members.</td>
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<td>- The committee may co-opt the expert</td>
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<td>- Other members will be nominated from eligible locals (Section 45, UP act, 2009)</td>
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<tr>
<td><strong>Chair:</strong> Chairman of UP</td>
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<td><strong>Member secretary:</strong> UP secretary</td>
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<td><strong>Members:</strong></td>
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<tr>
<td>- All Members of UP</td>
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<td>- UP SC Members</td>
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<tr>
<td>- Local Government Engineering Department representatives</td>
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<td>- Different department heads of UZP,</td>
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<tr>
<td>- 2 School management committee representatives (1 from primary &amp; 1 for secondary)</td>
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<td>- 1 local ministry representative,</td>
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<td>- 1 NGO representative,</td>
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<td>- 1 Social organisation representative,</td>
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<td>- 1 business representative,</td>
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<td>- 1 imam, and religious leaders</td>
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<td>- 2 women representatives</td>
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</table>

**Source:** Adopted and Modified by the Authors from the UP Act 2009, UP Operational Manual, 2018

In the budgetary process, each UP prepares its annual budget and estimation of income and expenditure at least 60 days before the start of a fiscal year based on the priorities received from the WS in a specified manner. According to the LGSP-3, from February to March of every year, each UP is notified regarding their allotted Basic Block Grant (BBG). By April, the budget needs to be prepared at the ward level, receiving priority demands from the WS. The UPs must formulate their budgets in a participatory way by ensuring an Open Budget Meeting (OBM) at the end of May each year. According to the regulations, the declaration of the OBM should be announced in
advance using mics, invitation letters, flyers, notice boards, etc. The estimated budget must be presented to the participants and committee members at the OBM. The draft budget must be discussed there and could be changed, modified, improved, or corrected if needed (UP operational Manual, 2018).

By 01 June the Upazila Executive Officer (UNO) must receive the UP-approved budget for final approval. The UNO is authorised to intervene in the budget and inform the Parishad within 30 days of receipt of the copy of the budget (Section 57(4), The Local Government (Union Parishad) Act, 2009).

Figure 1: Stages of Participatory Planning Process
Source: Modified by the Authors from the UP operational manual, 2018

Figure 2: Existing Budgeting and Planning Procedure
Source: Adopted and Modified by Authors from UP Operational Manual 2018
Planning and Budget-Making Procedures in Practice

Collected data revealed that many of the procedures stated in the regulations are not followed properly in the budgeting and planning at most of the UPs.

Domination of the UP Chairperson in Selecting the Committee Members

All the committees existing in the regulations have been found in every UPs. However, the study found that the rules and regulations have often been bypassed in the selection process of committee members. In most cases, the UP chairperson plays the most critical role in forming these committees by selecting those close to him or her, even without consulting the related ward members. Consequently, their political fellow and loyalists find their place in the ward committees. Moreover, some members of these committees informed that they were not aware of their affiliation with these committees. It is also found that the actual representation of civic engagement has not been reflected in these committees because of malpractice indulged in selecting the committee members. One of the Ward members of Mokra UP stated that:

The Chairperson himself formed the WC of my Ward without consulting me, but I knew more effective people than him. Committee members of WC have mostly been selected from farmers, and representatives from other professions are missing.

An NGO field worker from Purba Pagla UP stated:

A chairperson plays the leading role in the committee formation process by taking his loyal political fellows and relatives. It helps strengthen his political position in the UP. Some school teachers, Imam and NGO representatives are placed on the committees according to the rules, but they can’t play the expected role there.

Less Effective WS

Non-fulfilment of the quorum and not maintaining the meeting resolutions of the WS are common in each study area. Even many of the chairs and members of the WC had no idea about the required number of members to fill up the quorum. As no funds are allotted for arranging the WS, generally, they informed their political fellows and relatives to join the WS and make decisions where the participation of general voters is absent. In 9 out of the 12 Wards undertaken in the study, the findings suggest insufficient publicity about the meetings. It is revealed that every meeting ends without constructive discussion. One of the Ward members of Tuker Bazar UP informed:

Arranging two WS in a year is mandatory for receiving an LGSP fund. Therefore, when the UP chairperson asked me to arrange the meeting, I informed my fellows to attend and inform others regarding WS. However, few people participated in the meeting to receive instant assistance from UP.

Limited Knowledge of Rules and Responsibilities

The lack of sufficient knowledge regarding participatory budget-making and planning procedures has been widely observed. The study finds that most of the WC, PC, SC and UDCC members are not well aware of their duty, scope of work and working procedures. They had not received such kind of training that can make them aware of it. Consequently, they cannot manage their responsibilities, and the main objectives of participatory budgeting and planning are not achieved. One of the
committee members of the SC expressed his frustration:

The existing rules and regulations of the UP act and its manual are very complex. Even as a school teacher, these are not much understandable to me, so it is more difficult for the less educated members of the UPs. As a result, it becomes effortless to deceive us as we know nothing about our duties and responsibilities in a committee.

**Paper-based SC and PC**

In 3 of the 4 UPs, the study found that most of the SCs and PCs are limited on paper and, in fact, no activities related to budgeting and planning have been found. All the chairpersons have argued that they struggle to manage the vast number of committees functioning in each UP. Moreover, many members of these committees have been found not informed of their membership in these committees. Furthermore, they are unaware of their roles in the committee, making them inactive. Because of their inactivity, the priority lists sent by the WC have not been scrutinised by the SC and PC. In this regard, the Chairperson of Purba Pagla UP said,

Due to many committees, it is not always possible to keep track of everyone. Moreover, many do not understand the issue of responsibility. It took me a long time to understand my job as Chairperson.

**Limited Role of the UDCC**

In most UPs, the study found an ineffective or limited functional UDCC. As a result, it cannot play its proper role in planning and budget-making procedure. Government officials from various departments of the central government are members of the UDCC, but it is found that they do not participate in the meeting. Most of the time, they do not respond to the call made by the UP chairperson asking for help on a technical issue. Consequently, in most cases, the Chairperson and members of a UP skip the involvement of the UDCC in scrutinising and prioritising the demand list received from WS. One of the UP secretaries shared,

The Upazila officers remain very busy with other kinds of stuff of central government. They can’t manage enough time to attend UP meetings. In my service life, I haven’t received any technical feedback from them. Consequently, the Chairperson and members of the UPs skip the procedures of UDCC, and they themselves do the works.

**Lack of Coordination**

The lack of coordination among the committees and their members has been harshly revealed in the study. About twenty committees exist in a UP’s planning and budgeting process, and the members come from various professions and backgrounds. However, the pressure of the duties of the Chairperson and members, unawareness of the role, limited knowledge about rules and regulations, and budget scarcity cause a lack of coordination among these committees and their members. One of the UP members of Masimpur UP said:

As relatives or political fellows, the committee members initially maintain good communication with the Chairperson, but after a few days, they are not found in the meetings. It is not easy to maintain proper coordination with so many busy members who come from various backgrounds.

**Exclusion of NGOs and Civil Society Members**

The influential roles of NGOs have not been found in the budgeting and planning process. In some of the UP found that the representatives of NGOs are not included in the committees. In a few cases, the opinion of an NGO or civil society
representative is ignored. An NGO worker from Purba Pagla Union said:

Most of the time, we are not invited or asked by the UP chairperson or members. Sometimes, without our consent, they include our names in the committees. As a result, we cannot attend the meeting regularly.

Less Effective Open Budget Meetings

The study finds that the OBM is held every year in every UP, and representatives from the central government, various committee members, UP members, Chairperson and voters participate in the meeting. However, the substantial participation of mass voters is not found in the OBM, although three of the four UPs took necessary steps for publicity before the meeting.

Role of the Local MP, Local Power Structure and Political Parties

The UP chairpersons of three out of four UPs in the study area was elected from opposition parties; consequently, it was interesting to understand the influence of local MPs over these UPs. However, all the UPs have denied the excessive influence of the MPs in planning and budget-making procedure. Moreover, they stated that they maintained a good relationship with the local MP. However, they have recognised the pressure of local power structures and local politicians. The UP members have expressed frustration with being deprived by the chairpersons because of their different political ideologies. Conversely, two UP chairpersons described being harassed by UP members and local political leaders for being supporters of the opposite parties. One of the Chairperson states:

I am not a supporter of the ruling government. As a result, I maintain positive relationships with local MP and ruling party leaders. However, I always try to be over-conscious about my work because they 'won’t let me go if I make a fault.

Role of the UNO and Other Officials Assigned by the Central Government

Upazila Executive Officer (UNO) reviews the UP budget and sends his opinion. Moreover, other government officials of the Upazila administration can play their role as UDCC and SC members. Sometimes, a budget needs modification according to the observations given by the UNO. One of the UNO in the study area shared:

The budget sent by the Union Parishad is often incomplete, and inconsistent and proper rules are not maintained. As a result, the budget needed to be changed.

Political Economy of Local Level Budgeting

The Local Government (Union Parishad) Act 2009 intends to introduce a new process to the Union Parishad to ensure accountability and increase public and civic engagement (Chowdhury, 2018a; Lewis & Hossain, 2022). However, the study’s findings adequately argued that the system fails to work correctly, implying that the prescribed method and actual practice are vastly different. Furthermore, the study revealed that the existing budgeting procedure established the dominance of politically and economically empowered groups, e.g. UP Chairpersons and their allies, ruling party members, local elites and bureaucrats, which hinders socioeconomic development at the grass-root level in Bangladesh.

The previous studies (Elias Sarker, 2006; Oloruntimihin, 1983) argued that the modern local government system of Bangladesh originated to protect the colonial interest and, until now, served the interest of the ruling parties, bureaucrats and local elites. The study revealed that the present planning and budgeting process has failed to bring significant transformation from the British-planted colonial local government system in Bangladesh. With the commitment to ensuring people’s participation, the complexity of this system
dissociated general people from local budgeting. Like Ingham & Kalam (1992), the study supports the arguments where they showed the chronological failure of the local government institutions in Bangladesh to bring positive outcomes to rural areas because of the lack of people’s participation. Furthermore, the study finds that the existing budgeting system has failed to ensure general people’s participation in the WS and OBM, where non-fulfilment of the quorum is a common phenomenon.

The study also finds that the promotion of neo-liberal agendas, which ensures the engagement of NGOs and civil society to extend the influences of the IMF and the World Bank at the local level (Geddes, 2005), has not been functioning as expected. The study finds some similarities with Lewis & Hossain (2022), where they have argued that the authoritarian ruling tendency of the present government has established their firm control over the local government institutions by denying the engagement of civil society and NGOs at the UPs. However, the study findings partially differed from their harsh criticism of eliminating opposition from local politics. Two of the three opposition party-backed UP chairpersons stated that they have been working well in their UPs by maintaining a good relationship with the ruling MP and local politicians. From this context, the study finds similarities with Ahmed (2012) where he showed the tendency of the central governments of establishing hegemony over the local government institutions.

The findings of the study have enormously differed from the argument of Chowdhury (2018b), which suggests people’s participation and accountability have increased through the implementation of the present budgeting system. However, the present study revealed the poor participation of the general voters in the WS and OBM, where the general voter can only raise their voices. Moreover, the study exposed the ineffectiveness of the WC, PC, SC and UDCC, which could have played an essential role in ensuring transparency and accountability in the budgeting system of UPs. Furthermore, it has been found that the many numbers of committees at the UPs have made the planning and budgeting procedure more complex. Since most of these committees consist of the UP chairpersons’ political fellows and relatives, they do not produce effective results ensuring accountability. So it may be agreed with Aminuzzaman (2010), who termed the current level of participation at the local level as pseudo-participation.

Thus the current planning and budgeting system of the UP seems to have failed to achieve its main objectives of ensuring people’s participation and accountability, causing the continuity of the longstanding colonial legacy of the UPs in Bangladesh.

Conclusion

The Local Government (Union Parishad) Act 2009 was formulated with neo-liberal agenda to ensure people’s participation and accountability at the lowest tiers of the local government of Bangladesh. However, the study findings show that the existing budget-making and planning process has mostly failed to achieve the main objectives of this Act. The WS and the OBM, the primary mechanisms of participatory planning and budgeting, are not efficiently functional because of the non-fulfilment of the quorum in the meeting of WS and OBM, insufficient discussion and lack of knowledge of the committee members about the planning and budgeting procedures. Moreover, many committees have made the planning and budgeting process more complex. The study shows that the UP chairman constitutes these committees with his political fellows and loyalists.

Moreover, the representatives of NGOs and civil society members have failed to make significant impacts. Conversely, the dominant political parties, local elites and other influentials are the ultimate beneficiaries of the existing system. Thus, the government should take the necessary steps to reduce the central government’s influence on the local government and make it politically and financially empowered.

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Conflict of Interest

There is no conflict of interest in this study.

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Author Contribution Statement

First author Md Mahmud Hasan made the initial draft of the paper with the co-author’s help. He specifically wrote the introduction, literature review, methodology, planning and budgeting procedure in practice, political economy of local level budgeting, and conclusion. On the other hand, co-author Jobayda Gulshan Ara drafted the rest of the manuscript: budgeting procedure and scope of people’s participation.

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